LB Group Co., Ltd.

2023 Annual Report

April 2024

This document is a free translation of the report and consolidated financial statements of the LB Group Co., Ltd 2023 Annual Report produced for the convenience of English speaking readers.

In the event of any ambiguity or conflict between statements or other items contained herein and the original version which was prepared in Mandarin, the relevant statement or item of the original Mandarin version shall prevail. While all possible care has been taken to ensure that this translation is an accurate representation of the original document, this English language translation has not been audited by the company's statutory auditors and in all matters of interpretation of information, views or opinions expressed herein, only the original language version of the document in Mandarin is legally binding.

As such, this translation may not be relied upon to sustain any legal claim, nor be used as the basis of any legal opinion, and LB Group Co Limited expressly disclaims all liability for any inaccuracy herein.

Section I Important Notes, Contents and Definitions

The Board of Directors, Board of Supervisors, directors, supervisors and senior executives of the Company warrant that the contents of the Annual Report are true, accurate and complete and do not contain false records, misleading statements or major omissions, for which they will assume the several and joint legal liabilities.

HE Benliu, Principal of the Company, SHEN Qingfei, Officer of Accounting Affairs, and GUO Liangpo, Head of Accounting Division (accounting supervisor) declare that the financial statements in the Annual Report are true, accurate and complete.

All directors have attended the board meeting to review the Report.

No forward-looking statements, if any, contained in this Report, which concern future plans, etc., constitute a substantive commitment made by the Company to its investors, and all investors and other stakeholders should be adequately aware of the risks in this regard and should fully understand the difference between plans or projections and commitments. It is strongly suggested that the investors should pay attention to the risks associated with their investment in the Company.

The Company has described in this Report in detail the various risks the Company may face in the course of operation as well as the countermeasures. Please refer to the "XI. Prospects for the Company's Future Development" in Section III Management Discussion and Analysis.

The Company plans to neither pay cash dividends or bonus shares nor raise capital with accumulation funds.

Contents

Section I Important Notes, Contents and Definitions 2
Section II Company Profile and Major Financial Indicators 8
Section III Management Discussion and Analysis 15
Section IV Corporate Governance 74
Section V Environment and Social Responsibility 123
Section VI Important Particulars 142
Section VII Changes in Shares and Profile of Shareholders 208
Section VIII Relevant Information Concerning Preferred Shares 220
Section IX Relevant Information Concerning Corporate Bonds 221
Section X Financial Report 222

Catalog of documents to be inspected

I. 2023 Annual Report signed by Mr. HE Benliu, Chairman of the Board the Company.

II. Financial statements signed and sealed by legal representative of the Company, officer of accounting affairs and head of accounting division (accounting supervisor).

III. The original 2023 Audit Report of the Company sealed by the accounting firm and signed and sealed by certified public accountants.

IV. All original corporate documents and announcements of the Company publicly disclosed during the reporting period.

V. Other relevant information.

VI. Location of documents to be inspected: office of the board of directors of the Company.

Definitions

Term	means	Definitions
The Company, Company, the Group, Listed Company or LB Group	means	LB Group Co., Ltd.
Company Law	means	Company Law of the People's Republic of China
Securities Law	means	Securities Law of the People's Republic of China
Articles of Association	means	Articles of Association of LB Group Co., Ltd.
CSRC	means	China Securities Regulatory Commission
SZSE	means	Shenzhen Stock Exchange
Sichuan Lomon Titanium	means	Longbai Sichuan Titanium Industry Co., Ltd.
Longbai Xiangyang	means	Longbai Xiangyang Titanium Industry Co., Ltd.
Longbai Mining and Metallurgy	means	Longbai Sichuan Mining and Metallurgy Co., Ltd.
Longbai Minerals	means	Longbai Panzhihua Minerals Co., Ltd.
Billions New Material	means	Henan Billions New Material Co., Ltd.
Xinli Titanium	means	Yunnan Metallurgical Xinli Titanium Co., Ltd.
Yili Microfinance	means	Jiaozuo Demonstration Zone Yili Microfinance Co., Ltd.
Finance lease company	means	Billions Finance Lease (Guangzhou) Co., Ltd.
Ruierxin	means	Panzhihua Ruierxin Industry and Trade Co., Ltd.
Orient Zirconic Industry	means	Guangdong Orient Zirconic Industry Science and Technology Co.,Ltd.
Hunan Oriental Scandium	means	Hunan Oriental Scandium Industry Co., Ltd.
Billions (Hong Kong)	means	Billions (Hong Kong) Co., Ltd.
Longbai Intelligent	means	Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.
Lufeng Titanium	means	Longbai Lufeng Titanium Industry Co., Ltd.
Yunnan National Titanium	means	Yunnan National Titanium Metal Co., Ltd.
Gansu National Titanium	means	Gansu Detong National Titanium Metal Co., Ltd.
Jinchuan Group	means	Jinchuan Group Co., Ltd.
Billions New Energy	means	Henan Billions New Energy Materials Co., Ltd.
Zhongtan New Material	means	Henan Zhongtan New Material Technology Co., Ltd.
Bilions Chemical	means	Gansu Bilions Chemical Co., Ltd.
Zhenxing Mining	means	Panzhihua Zhenxing Mining Co. Ltd.
Longbai New Material	means	Henan Longbai New Material Technology Co., Ltd.
Wuding National Titanium	means	Wuding National Titanium Metal Co., Ltd.
Fengyuan Mining	means	Panzhihua Longbai Fengyuan Mining Co., Ltd., formerly known as Panzhihua Fengyuan Mining Industry Co., Ltd. and renamed Panzhihua Longbai Fengyuan Mining Co., Ltd. in September 2023.

Chaoyang Donggao	means	Chaoyang Oriental Zirconium New Materials Co., Ltd.
Yanbian Zhongtai	means	Yanbian Zhongtai Mining Industry Co., Ltd.
Zhongzhou Carbon	means	Jiaozuo Zhongzhou Carbon CO., Ltd.
RMB, RMB ten thousand	means	RMB, RMB10,000
Reporting Period	means	From January 1, 2023 to December 31, 2023

Section II Company Profile and Major Financial Indicators

I. Company Profile

Stock abbreviation	LB Group	Stock code	002601
Stock exchange for stock listing	Shenzhen Stock Exchange		
Chinese name of the Company	LB Group Co., Ltd.		
Chinese abbreviation of the Company	LB Group		
English name of the Company (if any)	LB Group Co.,Ltd.		
English name abbreviation of the Company (if any)	LB Group		
Legal representative of the Company	HE Benliu		
Registered address	Fengfeng Sub-district Office, Zhongzhan District, Jiaozuo City		
Zip code for registered address	454191		
Changes in registered address of the Company	No changes in registered address since 2011 when the Company went public.		
Office Address	Fengfeng Sub-district Office, Zhongzhan District, Jiaozuo City		
Zip code for office address	454191		
Website	http://www.lomonbillions.com/		
Email	002601@lomonbillions.com		

II. Contact Person and Contact Information

	Board Secretary	Securities Affairs Representative
Name	WANG Xudong	WANG Haibo
Address	Fengfeng Sub-district Office, Zhongzhan District, Jiaozuo City	Fengfeng Sub-district Office, Zhongzhan District, Jiaozuo City
Tel.	0391-3126666	0391-3126666
Fax	0391-3126111	0391-3126111
Email	wxd@lomonbillions.com	wanghaibo@lomonbillions.com

III. Information Disclosure and Preparation Location

Stock exchange website publishing the Company’s annual report	Shenzhen Stock Exchange (www.szse.cn)
Media name and website publishing the Company’s Annual Report	China Securities Journal, Securities Times, Shanghai Securities News, www.cninfo.com.cn
Preparation Place for the Company’s Annual Report	Office of the Company’s Board of Directors

IV. Registration Changes

Uniform Social Credit Code	91410800173472241R
Changes in main business since the Company's listing (if any)	No change
Previous changes in controlling shareholders (if any)	On March 3, 2010, TAN Ruiqing, Actual Controller of Henan Yintai Investment Co., Ltd. and Tangyin County Yuxin Xylose Development Co., Ltd., and DU Xinchang and XU Gang, Actual Controllers of Qingdao Bonded Area Qianye Trading Co., Ltd., signed a *Concerted Action Agreement* and became actual controllers of the Company. On July 15, 2014, the *Concerted Action Agreement* expired, as a result of which the Company had no controlling shareholder and actual controller. On April 22, 2020, the Company's 7th Board of Directors was re-elected upon the expiration of the tenure of the 6th Board of Directors. From the perspective of the composition of the 7th Board of Directors consisting of 12 members, Mr. XU Gang nominated and elected 7 non-independent directors as he had the power to actually direct the exercise of the voting rights attached to the Company's shares to elect more than half of the Company's board members. From the perspective of the Company's equity structure at the time, Mr. XU Gang was the Company's largest shareholder with a shareholding ratio of 20.50% which was 3.87% higher than that of the second largest shareholder, and by virtue of the voting rights attached to the shares held by him in the Company, Mr. Xu was fully capable of exerting a significant impact on the resolutions of the Company's shareholders' meetings. Since then, instead of absence of controlling shareholder and actual controller, the Company has a controlling shareholder being Mr. XU Gang and an actual controller also being Mr. XU Gang. As at the end of this reporting period, Mr. XU Gang holds 626,515,969 shares in the Company, accounting for 26.25% of the total number of issued shares of the Company, and is a controlling shareholder and actual controller of the Company.

V. Other Relevant Information

Accounting firm engaged by the Company

Name of accounting firm	BDO CHINA SHU LUN PAN CERTIFIED PUBLIC ACCOUNTANTS LLP
Office address of accounting firm	Floor 19, Tower A, China Sea International Center, Building 7, No. 5 Courtyard, Anding Road, Chaoyang District, Beijing
Accountant signatories	ZHAO Bin YU Jianguo

Sponsor institution engaged by the Company for the performance of ongoing supervision during the reporting period

☑ Applicable □ Not applicable

Financial advisor engaged by the Company for the performance of ongoing supervision during the reporting period

☑ Applicable □ Not applicable

VI. Major Accounting Data and Financial Indicators

Does the Company need to retroactively adjust or restate previous year's accounting data?

☑ Yes □ No

Reasons for retroactive adjustment or being restated:

Changes in accounting policies

	2023	2022		Increase/Decrease in the current year when compared with last year	2021	
		Before adjustment	After adjustment	After adjustment	Before adjustment	After adjustment
Operating income (RMB)	26,764,876,739.31	24,112,968,453.50	24,112,968,453.50	11.00%	20,565,780,950.46	20,565,780,950.46
Net profit attributable to shareholders of the Listed Company (RMB)	3,226,436,981.81	3,419,342,968.05	3,419,356,844.63	-5.64%	4,676,429,064.32	4,676,429,064.32
Net profit attributable to shareholders of the Listed Company net of non-recurring profit and loss (RMB)	3,115,897,511.80	3,269,034,876.23	3,269,048,752.81	-4.68%	4,613,611,538.23	4,613,611,538.23
Net cash flows from operating activities (RMB)	3,404,357,756.08	3,196,906,300.98	3,196,906,300.98	6.49%	4,328,470,772.16	4,328,470,772.16
Basic earnings per share (RMB/share)	1.38	1.46	1.46	-5.48%	2.12	2.12
Diluted earnings per share (RMB/share)	1.35	1.44	1.44	-6.25%	2.06	2.06
Weighted average return on equity	14.56%	16.69%	16.69%	-2.13%	27.05%	27.05%
	End of 2023	End of 2022		Increase/Decrease at the end of the current year when compared with last year	End of 2021	
		Before adjustment	After adjustment	After adjustment	Before adjustment	After adjustment
Total assets (RMB)	63,817,240,694.66	59,185,986,596.16	59,188,957,444.86	7.82%	45,331,176,466.09	45,331,176,466.09
Net profit attributable to shareholders of the Listed Company (RMB)	22,482,081,594.41	20,818,419,262.36	20,818,462,826.16	7.99%	18,917,780,631.28	18,917,780,631.28

Reasons for Change of Accounting Policy and Correction of Accounting Errors

On November 30, 2022, the Ministry of Finance issued the *Interpretation No. 16 of Accounting Standards for Business Enterprises* (C. K. [2022] No. 31) (the "Interpretation No. 16"), providing for the "accounting treatment of deferred income tax related to assets and liabilities arising from individual transactions when the exemption from initial recognition does not apply". Those provisions came into force as of January 1, 2023.

No.16 Interpretation of the Accounting Standards for Business Enterprises states that for individual transactions other than business combination that neither affect accounting profit nor taxable income (or deductible losses) when they occur, and which lead to equivalent taxable and deductible temporary differences due to the initial recognition of assets and liabilities (including lease transactions where lessees recognize lease liabilities and right-of-use assets at the commencement date of the lease, and transactions where estimated liabilities are recognized due to retirement obligations for fixed assets and included in the cost of related assets), the exemptions from initial recognition of Deferred income tax liabilities and Deferred income tax assets are not applicable, and upon the entry of such transactions, related deferred income tax liabilities and deferred income tax assets shall be recognized respectively pursuant to the *Accounting Standards for Business Enterprises No. 18* and other relevant regulations.

For those individual transactions entered into between the period from the beginning of the earliest period presented in the financial statements for which said provisions are adopted for the first time through the effective date of those provisions and to which those provisions are applicable, and for those lease liabilities and right-of-use assets recognized due to individual transactions to which those provisions are applicable at the beginning of the earliest period presented in the financial statements, as well as estimated liabilities related to recognized retirement obligations and their corresponding assets, the business enterprise shall make adjustment pursuant to those provisions in the event of occurrence of taxable temporary difference or deductible temporary difference.

Those provisions began to be implemented within the Company from January 1, 2023, with the main effect resulting therefrom being detailed below:

Content of and reasons for changes in accounting policies	Items affected in financial statements	Amount of impact on the balance on January 1, 2022	
		Consolidation	Parent company
No.16 Interpretation of the Accounting Standards for Business Enterprises	Deferred income tax assets	3,674,383.86	816,459.96
	Deferred income tax liabilities	3,633,435.84	798,304.62
	Undistributed profits	28,885.57	18,155.34
	Other comprehensive income	81.95	
	Minority equity	12,144.40	

Content of and reasons for changes in accounting policies	Items affected in financial statements	Consolidation		Parent company	
		December 31, 2023 /2023	December 31, 2022 /2022	December 31, 2023 /2023	December 31, 2022 /2022
No.16 Interpretation of the Accounting Standards for Business Enterprises	Deferred income tax assets	1,036,373.01	2,970,848.70	238,090.11	290,886.09
	Deferred income tax liabilities	947,726.12	2,863,637.17	222,433.06	278,041.33
	Other comprehensive income	-3,230.15	801.65		
	Undistributed profits	57,047.06	42,762.15	15,657.05	12,844.76
	Minority equity	34,829.98	63,647.73		

Content of and reasons for changes in accounting policies	Items affected in financial statements	Consolidation		Parent company	
		December 31, 2023 /2023	December 31, 2022 /2022	December 31, 2023 /2023	December 31, 2022 /2022
	Income tax expenses	14,284.91	-65,131.98	-2,812.29	5,310.58
	Profits and losses of minority shareholders	-28,817.75	51,503.33		

The lower of the net profits for recent three fiscal years before and after the net of non-recurring profit and loss are negative, and the going-concern capability of the Company is uncertain as indicated by the audit report for the most recent year

□ Yes ☑ No

The lower of the net profits before and after deduction of non-recurring profits and losses is negative

□ Yes ☑ No

VII. Differences in Accounting Data under the Domestic and Foreign Accounting Standards

1. Differences in net profit and net assets in financial reports disclosed in accordance with international accounting standards and Chinese accounting standards, respectively

□ Applicable ☑ Not applicable

The Company, during the reporting period, has no differences in net profit and net assets in financial reports disclosed in accordance with international accounting standards and Chinese accounting standards, respectively.

2. Differences in net profit and net asset in financial reports disclosed in accordance with overseas accounting standards and Chinese accounting standards, respectively

□ Applicable ☑ Not applicable

The Company, during the reporting period, has no differences in net profit and net assets in financial reports disclosed in accordance with overseas accounting standards and Chinese accounting standards, respectively.

VIII. Key Financial Indicators by Quarter

Monetary Unit: RMB

	Q1	Q2	Q3	Q4
Operating income	6,972,260,816.27	6,275,721,363.53	7,013,695,534.58	6,503,199,024.93
Net profit attributable to shareholders of listed company	579,423,850.87	682,648,842.94	879,954,311.78	1,084,409,976.22
Net profit attributable to shareholders of listed company net of non-recurring profit and loss	553,166,119.37	642,918,667.50	860,554,616.88	1,059,258,108.05
Net cash flows from	277,696,657.86	542,260,395.53	1,461,879,875.31	1,122,520,827.38

operating activities				

Whether the above financial indicators or their sum are significantly different from the relevant financial indicators in the Company's disclosed quarterly and semi-annual reports

□ Yes ☑ No

IX. Items and Amount of Non-recurring Profit and Loss

☑ Applicable □ Not applicable

Monetary Unit: RMB

Item	Amount in 2023	Amount in 2022	Amount in 2021	Note
Profit and loss from the disposal of non-current assets (including the written off portion of the provision for impairment of assets)	-9,464,198.05	19,561,948.86	-7,247,208.51	
Government grants included in current profit and loss (other than those closely related to normal operation of the Company which comply with the applicable national policies, are granted according to defined standards and have continuing effect on the profits or losses of the Company)	109,670,793.64	129,985,607.71	111,336,506.47	
Except for effective hedging business related to normal operation of the Company, profits or losses from changes in fair value of financial assets and financial liabilities held by a non-financial institution, and from disposal of such financial assets and financial liabilities	1,000.00	2,357,644.39	4,822.44	
Fund occupation fees charged to non-financial enterprises and included in current profit and loss	26,633,579.18	14,167,614.90	4,412,678.18	
Reversal of the provision for impairment of receivables undergoing separate impairment test	3,389,294.56	1,738,502.70	2,736,765.27	
Profit and loss of debt restructuring	17,201,885.18	-3,690,000.00	660,235.12	
Other non-operating income and expenses other than those mentioned above	-252,380.69	7,983,540.14	-34,741,024.52	
Other profits and losses within the meaning of non-recurring profit and loss	-15,750,000.00			
Less: Amount income tax affected	14,817,120.09	15,531,954.22	11,447,848.76	
Amount of minority equity affected (After-tax)	6,073,233.72	6,264,812.66	2,897,399.60	
Total	110,539,470.01	150,308,091.82	62,817,526.09	--

Particulars about other profits and losses within the meaning of non-recurring profit and loss:

□ Applicable ☑ Not applicable

No other profits and losses within the meaning of non-recurring profit and loss.

Details about non-recurring profit and loss under *No. 1 Interpretive Announcement on Information Disclosure of Public Securities Offer – Non-recurring Profit and Loss* being defined as recurring profit and loss items.

□ Applicable ☑ Not applicable

There is no circumstance where non-recurring profit and loss items under *No. 1 Interpretive Announcement on*

Information Disclosure of Public Securities Offer – Non-recurring Profit and Loss are defined as recurring profit and loss items.

Section III Management Discussion and Analysis

I. Overview of Industry the Company Involved in During the Reporting Period

The Company must comply with the disclosure rules set forth in the *Guidelines No. 3 of the Shenzhen Stock Exchange on Self-regulation of Listed Companies - Industry Information Disclosure*

The Company is a large-scale diversified group devoted to the R&D and manufacturing of titanium, zirconium, lithium and other new materials, as well as in-depth integration of industries. In the course of more than thirty years, the Company has become very experienced in producing "full industry chain, greater circulation, and low cost", developed strong R&D abilities and cutting-edge technologies, established a strategically far-sighted and quickly acting management team, and thus the Company has become a leader in the titanium industry.

(I) Main Industry the Company Involved in During the Reporting Period

1. Overview of Titanium Industry

(1) Basic properties and uses of titanium

Positioned in group IVB in the periodic table of elements and marked as Ti, titanium (atomic number 22) is a rare refractory metal with silver-gray color, high hardness and melting point at 1,668℃.

Titanium dioxide has a commercial name as titanium dioxide, and a chemical formula as TiO_2. Titanium dioxide is an excellent white pigment widely used in coatings, plastics, papermaking, printing inks, rubber, etc. As titanium dioxide is used for purposes immediately related to the national economy, it is called as "barometer of economic development".

Titanium has low density, high strength, low heat conductivity, strong resistance to corrosion and low/high temperatures and good biocompatibility. It is widely used in fields such as aerospace, biomedicine, chemistry & metallurgy, marine engineering, sports and leisure, so it is known as "aerospace metal", "marine metal", "modern metal" and "strategic metal".

(2) Distribution of titanium resource

Although titanium is a rare metal, it forms around 0.69% in the earth's crust, ranking it 9th among all chemical elements. It is found in ilmenite, rutile and other minerals, and it can be processed to titanium concentrate and further to titanium-rich material such as high titanium slag and synthetic rutile. Rutile (for example, available at the Company's mine of vanadium-titanium magnetite in Panzhihua) is the major source of titanium production. Titanium is mostly distributed in China, Australia, Indian, Brazil and South Africa.

Panzhihua Mine of LB Group

(3) Industrial chain of titanium

The industrial chain of titanium involves has two different branches. The first branch, linking to the titanium dioxide industry, involves mining and selection of ilmenite and rutile, and then manufacturing of the chemical intermediate product, titanium dioxide, through chemical processes which is then used in the coatings, plastics, papermaking and other industries. The second branch, linking to the titanium industry, involves mining and selection of ilmenite and rutile, manufacturing of titanium sponge, and then manufacturing of various metal products which are used in aerospace, maritime, chemical, civil and other industries. In the titanium dioxide and titanium product industries, the Company is a titanium dioxide manufacturer (mining and selection of ilmenite – manufacturing of titanium concentrate – manufacturing of titanium dioxide) and a titanium sponge manufacturer (mining and selection of ilmenite – manufacturing of titanium concentrate – manufacturing of high titanium slag – manufacturing of titanium sponge).

2. Market Analysis of Titanium Dioxide Distribution Globally and in China

(1) Overview

Industrial chain in the market of titanium dioxide includes upstream supplier of raw materials, midstream manufacturer of titanium dioxide and downstream industries. The Company adopts two processes in producing titanium dioxide, i.e. sulfuric acid process and chlorination process.

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Sulfuric acid process: Titanium concentrate, concentrated sulfuric acid **Chloride process:** Titanium-rich material, chlorine	**Titanium dioxide product used for pigment** A-type titanium dioxide R-type titanium dioxide	**Titanium dioxide product not used for pigment**	Paper industry Ink industry Environmental protection industry	Rubber industry Paint and plastics industries Electronic and micro electromechanical industries

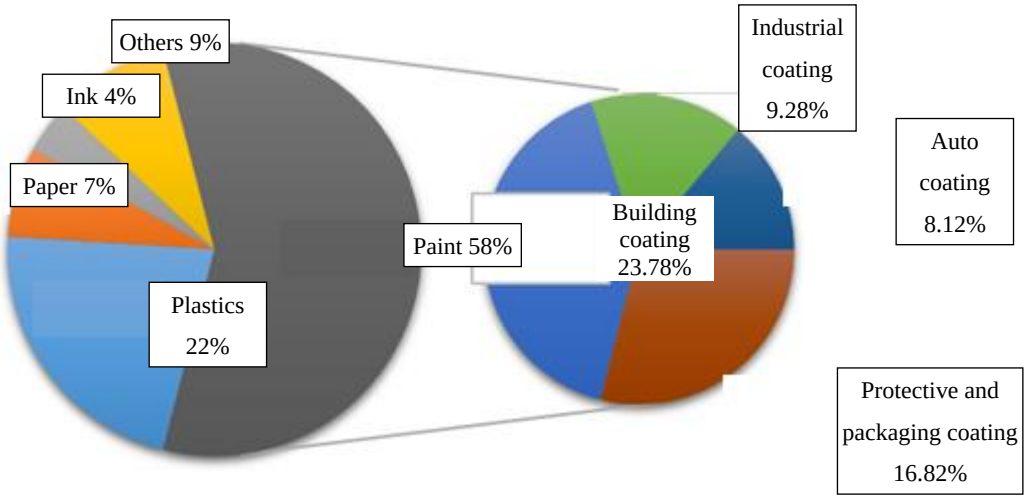
According to the statistical data published on toododo.com, the titanium dioxide production capacity around the

world in 2023 is 9.819 million tons, and the increase in the production capacity is mainly attributable to the increase in the titanium dioxide production capacity in China. Currently, the titanium dioxide production capacity in China accounts for 55% of the total production capacity around the world. Under the influence of the demand in the international market, as well as the conditions in the titanium dioxide industry, and as Chemours and Venator reduced part of their titanium dioxide production capacity, the percentage of the titanium dioxide production capacity in China continues to increase gradually. The shutdown of titanium dioxide manufacturers abroad has an effect on the future global pattern in titanium dioxide competition, and as the production capacity of the chlorination process in China continues to expand, in the future, the Chinese titanium dioxide manufacturers will gain advantages in technology, cost, environment protection, etc. According to the statistic data published by the secretariat of the Strategic Alliance for Technological Innovation in Titanium Dioxide Industry, the total output in titanium dioxide industry in China in 2023 is 4.16 million tons, hitting a new high again, increasing by 0.25 million tons in comparison to the previous year and with a growth rate of 6.3% on a year-on-year basis.

(2) Projection of global consumption of titanium dioxide

Due to increasing demand in coatings, plastics, papermaking and other downstream industries, there is a stable growth of global titanium dioxide consumption at compound annual growth rate of 3.9% between 2016 and 2021. According to the statistics and projections of related specialized organizations, due to the downturn in the global economy, etc., the market demand fails to meet the expectations. The demand in global titanium dioxide market was 6.90 million tons in 2022 and is expected to reach 7.50 million tons in 2025.

(3) Structure of titanium dioxide demand



Global application of titanium dioxide among downstream industries

Titanium dioxide can be applied for a number of purposes and in downstream industries, mainly used in coating and plastics industries. Coating and plastics are also widely used in a number of industries. Due to the continuous economic development and large population, as well as the rapid growth in building and infrastructure industries in developing countries, the demand for coating, as well as for titanium dioxide products as upstream products there will increase. Meanwhile, due to their advantage in pricing, as well as the expansion of the production capacity of the chlorination process, the Chinese titanium dioxide manufacturers are becoming more and more competitive in global market gradually.

With the increase in the titanium dioxide output in China and the improvement of competitiveness of the Chinese titanium dioxide manufacturers, the CAGR in titanium dioxide export in the past 5 years has reached 13.09%. The export volume of titanium dioxide from China exceeded 1 million tons in 2019 and reached 1.64 million tons in 2023, with a CAGR of 13.09%. The destinations of export of titanium dioxide are mainly in Asia and Europe. Specifically, of the total number of such destinations, those in Asia account for 52%, in Europe account for 21%, in South America account for 12%, in Africa account for 11%, and in North America and Oceania account for 4%. The reason that titanium dioxide is mainly exported to the countries in Asia and Europe is that in Asia, there is an emerging demand for titanium dioxide in quite a lot of countries, including but not limited to India, Vietnam and Indonesia, where there is a great demand for titanium dioxide due to the rapid development of local building and other industries, while in Europe, under the influence of environmental protection and cost pressure, the local titanium dioxide manufacturers are losing their competitiveness, and the volume of imported titanium dioxide there is increasing. In 2021, 2022 and 2023, the volume of exported titanium dioxide from China accounts for 34.50%, 39.13% and 41.07% respectively of the total volume of exported titanium dioxide around the world. As can be seen from this, the proportion of exported titanium dioxide from China is increasing year by year, and the growth rate of exported titanium dioxide from China has exceeded the growth rate of the titanium dioxide production capacity in China. As the Chinese titanium dioxide manufacturers further increase their competitiveness, it is expected that a high growth rate of exported titanium dioxide from China will be maintained in the future.

(4) Price of raw materials and titanium dioxide

From the perspective of the development of the overall titanium dioxide market in 2023, the commodity data

monitoring shows that overall, the titanium dioxide market price had increased in 2023, and the titanium dioxide market condition had developed in an M-like curve with fluctuating upward. In the first quarter of 2023, the titanium dioxide manufacturers had a high market confidence, and the titanium dioxide market price also increased. In the second quarter of 2023, the support from the advantage in cost became weaker and the market demand for titanium dioxide was not high, and the titanium dioxide market price decreased. In the third quarter of 2023, the market demand for titanium dioxide increased and the market condition developed upwards with the sentiment in trading and investment in titanium dioxide becoming active, and the titanium dioxide market price increased. In the fourth quarter of 2023, the terminal titanium dioxide market condition in China became languid, and the titanium dioxide market price dropped. In 2023, the titanium ore market in China had experienced a fluctuating development, the supply-demand situation of the domestically produced and imported titanium ores remained in a tight balance state, and the titanium ore price remained high with a minor fluctuation.

(5) Market impetus and future opportunities

Increasing demands in downstream industries: titanium dioxide can be used for various purposes, and its demands are increasing due to development of global economy and improvement of people's life, especially the industrialization and urbanization in densely-populated developing countries. For instance, according to the preliminary statistics made by China National Coatings Industry Association, in 2023, the total output in the coating industry in China is 35.772 million tons, with a growth rate of 4.5% on a year-on-year basis.

Advance in manufacturing process: In recent years, the Chinese titanium dioxide manufacturers have always been devoted to improving the titanium dioxide manufacturing process, in particular developing the chlorination process, in order to improve the quality and performance of and expand the application of their products and ensure compliance with the environment protection requirements. So, the continuous advance in technologies has promoted the development of the titanium dioxide market.

Policy and regulations in favor of the industrial upgrading: with more and more drastic industrial and environmental policies, higher requirements are made for production of titanium dioxide and energy consumption therein. According to the Guiding Catalogue for *Adjustment of Industrial Structure (Revision 2024)* issued in December 2023 by NDRC and effective as of February 1, 2024, those projects which, in terms of energy efficiency, meet the benchmarking level set forth in the *Benchmarking and Baseline Levels of Energy Efficiency in Key Industrial Sectors* after technical improvement would be managed by reference to the regulations applicable to those encouraged projects. Titanium dioxide produced by restricted sulfuric acid process (other than co-production process). Those titanium dioxide manufacturers which possess low-cost, mature and large-scale chlorination process technology and co-production process and meet the benchmarking level of energy efficiency have more advantages in development.

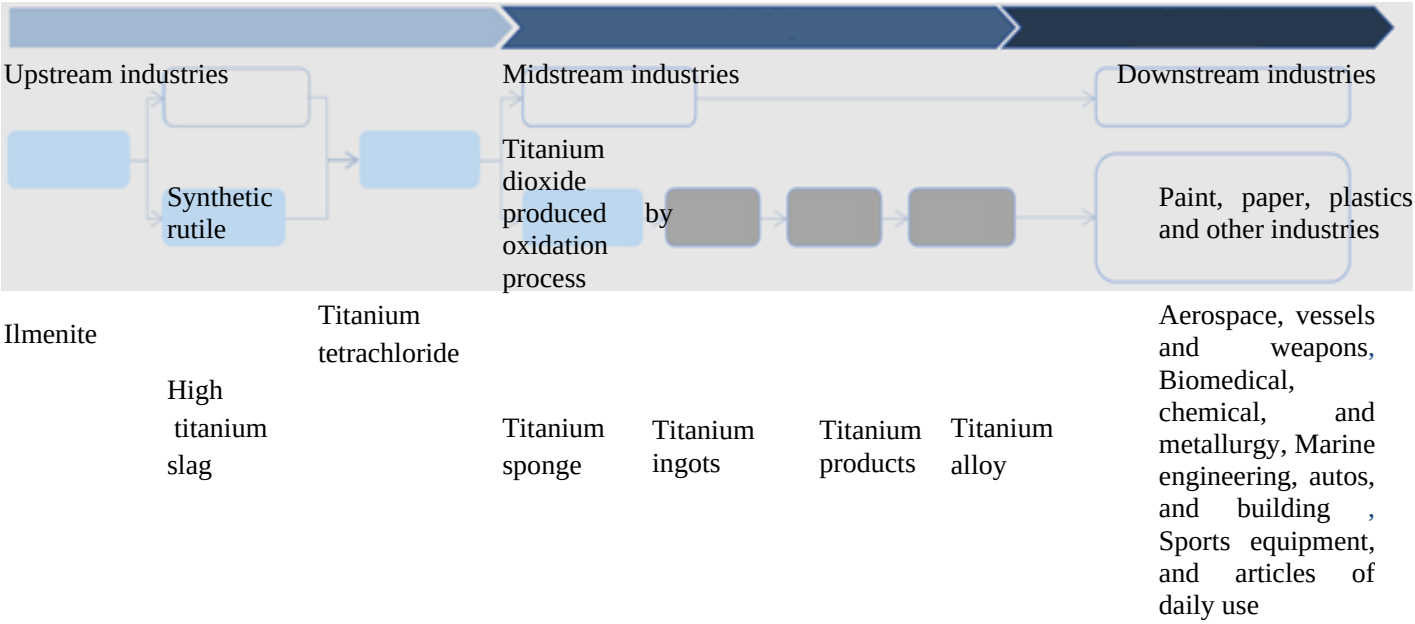
Increasing concentration of production capacity: as environmental protection policy is implementing, more environmental costs are incurred, and some medium- and small-sized manufacturers are forced to close or reduce production. Meanwhile, leading titanium dioxide manufacturers mastering chlorination technology will enjoy the competitive edge from the favorable policies and will further add their market shares. Therefore, though the number of titanium dioxide manufacturers is expected to fall, production capacity of each remaining manufacturer is expected to improve.

Integration of industrial chain: By the development of titanium dioxide market, titanium dioxide manufactures (among others, leading companies) are devoted to integrating the industrial chain that involves upstream exploitation of titanium minerals, processing for titanium concentrate, smelting high titanium slag and production of synthetic rutile, midstream titanium dioxide products and other by-products, as well as downstream product development. Integration of industrial chain contributes to lower production costs, extension of product structure and enriched sources of incomes.

3. Market Analysis of Titanium Sponge in China

(1) Overview

Titanium sponge is a titanium element in the form of light-gray grain or in porous shape and an essential raw material used in manufacturing of titanium alloy and other titanium-based materials.



(2) Market size of titanium sponge in China

In 2023, the global titanium sponge production capacity is approximately 0.444 million tons, and the titanium sponge production capacity in China has continued to increase, with its percentage in the global titanium sponge production capacity gradually increasing. Of the global titanium sponge production capacity in 2023, the titanium sponge production capacity in China accounts for 63%, the titanium sponge production capacity in Japan accounts for 18%, and the titanium sponge production capacity in Russia accounts for 10%. Under the impact of the geopolitics and the Russia-Ukraine Conflict, titanium sponge factories in Ukraine were closed, as a result of which the global titanium sponge production capacity decreased by 12,000 tons. The global landscape of titanium sponge production capacity and supply is changing gradually.

From the perspective of the output in titanium sponge industry around the world, the statistic data shows that the output in titanium sponge industry around the world in 2022 is approximately 0.279 million tons, with a growth rate of 14.6% on a year-on-year basis. The titanium sponge output in China accounts for 62.7% of the global output; the titanium sponge output in both Russia and Ukraine has dropped by 7.4% and 83.6% respectively; and the titanium sponge output in Japan, Kazakhstan and Saudi Arabia has increased by 1.6%, 6.7% and 93.0% respectively. As far as the output in titanium sponge industry in China is concerned, the data published by China Nonferrous Metals News shows that in the period from 2015 to 2022, the titanium sponge output in China had continuously increased from 59,000 tons to 175,000 tons, with a compound annual growth rate of 16.80%. According to the statistic data published on Toodudu.com, the accumulated titanium sponge output in China in 2023 is approximately 215,400 tons, with an increase of about 38,400 tons and a growth rate of 21.72% on a year-on-year basis.

(3) Structure of Demand for Titanium Sponge

The demand for titanium sponge around the world mainly comes from aerospace and chemical industries, in which the demand for titanium sponge accounts for 46% and 43% of the global demand for titanium sponge respectively. In China, the demand for titanium sponge also mainly comes from aerospace and chemical industries, in which the demand for titanium sponge accounts for 46% and 15% of the domestic demand for titanium sponge respectively.

According to the statistic data published by the Titanium Zirconium Hafnium Branch of China Nonferrous Metals Industry Association, the total consumption of titanium materials in China in 2019, 2020, 2021 and 2022 is respectively 68,900 tons, 93,600 tons, 124,500 tons and 145,500 tons, with a CAGR of 28.34%; the apparent consumption of titanium sponge in China in 2022 is about 180,000 tons to 185,000 tons, with a growth rate of 17.65% to 20.92% on a year-on-year basis, and the growth in the output of titanium sponge, in particular high-quality titanium sponge, still cannot keep pace with the explosive growth in the demand for titanium sponge. In particular, the demand for titanium sponge in manufacturing of consumer electronics has been increasing at a high rate in recent years. It is expected that the demand for titanium materials and titanium sponge in high-end fields will tend to increase at a high rate in the future.

From the perspective of industry development, during the Fourteen Five-Year Plan, as the requirements of the major projects in China are increasing, the aerospace and engine manufacturing industries in China are also developing rapidly, which in turn would lead to continuous increase in the demand for high-quality titanium alloy products; secondly, the industrialization of manned and unmanned submersibles would promote the exploitation of deep-sea oil and gas resources and the development of resources, and the robust development of marine engineering equipment manufacturing, navy equipment upgrading and other emerging industries would further promote the application of titanium products.

(4) Titanium sponge price

In 2023, the titanium sponge market in China experienced a steady development downward, and the titanium sponge market price experienced the changing curve “Decrease, and then Increase, and then Stable”. In 2023, the titanium sponge market price dropped sharply in the second quarter, increased slightly in the third quarter, and remained stable in the fourth quarter.

(5) Market impetus and future opportunities

Upmarket titanium sponge is facing an uptrend in demand: due to low product rate and high cost, quality titanium sponge used in aerospace field has a relatively small production capacity. With localization of large aircraft, demand for quality titanium sponge will experience a rapid increase and lead to optimization of industrial structure in the future. As titanium metal is being applied more and more widely in the fields of cellphone and other consumer electronics, high-quality titanium sponge will be greeted with more business opportunities.

Beneficial policies and regulations: *Guide for Development of New Material Industry* suggests the country to develop key new material market, improve the system of standards for the market, and launch the pilot program for standardization of the new material industry. *Guidelines on Key Products and Services for Strategic Emerging Industries* released by the National Development and Reform Commission describe the aerospace materials (including aviation Al-Ti materials) and new functional metals (including metal hydride, titanium and titanium alloy powder) as a part of strategic emerging industry.

Further concentrated production capacity: due to in-depth implementation of supply-side structural reform, and updated environmental requirements, semi-process or backward manufacturers are forced to exit the titanium sponge, so the production capacity becomes more concentrated.

4. Anode and Cathode Materials Used in Manufacturing of New Energy Batteries

(1) Overview

Lithium ferric phosphate ($LiFePO_4$) is a lithium-ion battery anode material with excellent performance. The cell of a lithium battery often consists of anode, cathode, electrolyte and battery separator, and the cost of the anode is higher than costs of others. Category and performance of materials used for the anode are decisive factors of a lithium battery’s voltage, energy density, cycle life, etc. Based on the composition of a lithium battery, materials of the anode include lithium cobalt oxide(LCO), lithium ferric phosphate (LFP) and nickel-cobalt-manganese (NCM)

materials. LFP has a unique olivine structure that can apparently improve the cycle performance and the safety of the lithium battery (even under high temperature and the state of overcharge). Raw materials of $LiFePO_4$ include lithium, iron, phosphorus and carbon. The generation process of $LiFePO_4$ can be divided into solid-phase synthesis and solution-phase synthesis by the reaction between materials. Currently, solid-phase synthesis is adopted by most companies to make $LiFePO_4$.

Graphite negative electrode material is a carbon material for cathode, able to withstand high temperatures and to conduct electricity. Materials used for cathode of a lithium battery can store and release energy, and can affect the initial efficiency, cycle performance, etc. Depending on active substance, the cathode materials for a lithium battery can be carbon materials and non-carbon materials: natural and artificial graphite contained in the carbon cathode material features good electric conductivity, high diffusion coefficient of lithium-ion, high lithium-intercalating capacity and low intercalation potential. In terms of comprehensive advantages in specific capacity, first efficiency, cycle lie, safety, etc., carbon material is most frequently used for cathode of a lithium battery. Graphitization is a key step in making artificial graphite cathode material. In graphitization, Acheson furnace, lengthwise furnace and box-type furnace, each of which is well-established, are used. The first two furnaces feature high temperature of heating and rate of graphitization, and thus are used for upmarket products; on the contrary, the third furnace is used for mid-market products.

(2) Market Size of Anode and Cathode Materials Used in Manufacturing of New Energy Batteries

The global lithium iron phosphate output is growing rapidly and had increased from 59,900 tons in 2016 to 431,200 tons in 2021, with a CAGR of 48.4%, and the growth is mainly attributable to the expansion of the lithium iron phosphate production capacity, as well as the rapid increase in the demand in the downstream industries, including lithium battery industry, etc. In the same period, the apparent consumption of lithium iron phosphate around the world had increased from 64,300 tons in 2016 to 430,000 tons in 2021, with a CAGR of 46.2%. According to the statistic data published by GGII, it is expected that by the end of 2026, the output and apparent consumption of lithium iron phosphate around the world will reach 3.3705 million tons and 3.355 million tons respectively, with CAGRs of 50.9% and 50.8% respectively during the period from 2021 to 2026. The market size of battery materials becomes larger as the demand for power batteries and energy storage batteries is rapidly increasing. Related data shows that the output of lithium iron phosphate based anode materials in China in 2023 is approximately 1.272 million tons, with a growth rate of 29% on a year-on-year basis. According to the statistic data published by EVTank, the iron phosphate and lithium iron phosphate production capacity in China has been being released continuously, and as at the end of 2023, in China, the iron phosphate production capacity reached 3.619 million tons and the lithium iron phosphate production capacity reached 3.417 million tons. According to the statistic data published by GGII, in 2023, the shipment volume of lithium iron phosphate based anode materials in China is approximately 1.65 million tons, with a growth rate of 48.3% on a year-on-year basis, and the growth in the lithium iron phosphate production capacity has far exceeded the increase in the demand for lithium iron phosphate.

Iron phosphate is precursor of lithium iron phosphate. Due to the great demand for iron phosphate in downstream industries, the iron phosphate output around the world has been increasing rapidly and had increased from 41,100 tons in 2016 to 322,200 tons in 2021, with a CAGR of 51.0%. In the same period, the apparent consumption of iron phosphate around the world had increased from 40,000 tons in 2016 to 295,100 tons in 2021, with a CAGR of 49.1% during the period from 2016 to 2021. It is expected that in the future, the iron phosphate output and the apparent consumption of iron phosphate around the world will reach 2.618 million tons and 2.386 million tons respectively, with CAGRs of 52.0% and 51.9% respectively during the period from 2021 to 2026.

Graphite cathode materials are also major materials used in manufacturing of lithium iron phosphate batteries. The output of graphite cathode materials around the world is increasing rapidly and had increased from 153,000 tons in 2016 to 816,500 tons in 2021, with a CAGR of 39.8%. In the period from 2016 to 2021, the consumption of graphite

cathode materials around the world had increased from 123,500 tons to 693,800 tons, with a CAGR of 22.3%. According to the data published on iccsino.com, the output of graphite cathode materials around the world in 2022 is 1.468 million tons, with a growth rate of 67.3% on a year-on-year basis. It is expected that in the future, the output and consumption of graphite cathode materials around the world will reach 2.2377 million tons and 2.1404 million tons respectively, with CAGRs of 22.3% and 25.3% respectively during the period from 2021 to 2026.

(3) Downstream market of anode materials used in manufacturing of new energy batteries, market growth promoting factors and future opportunities

The rapid development in new energy vehicle and energy storage industries has promoted the shipment volume of new energy batteries. The data published by GGII shows that the shipment volume of lithium batteries around the world in 2023 is 1166GWh, of which the top 5 manufacturers contribute to 67.1% and the top 10 manufacturers contribute to 84.0%. 6 of the top 10 manufacturers are Chinese manufacturers. The total shipment volume of lithium batteries in China in 2023 is 885GWh, with a growth rate of 34% on a year-on-year basis. China is a major country of manufacturing and export of lithium batteries in the world and the shipment volume of lithium batteries there has ranked first in the world for a number of consecutive years. According to the industry data, the shipment volume of power lithium batteries in China in 2023 is 630GWh, with a growth rate of 31% on a year-on-year basis and accounting for 70% of the shipment volume around the world; and the shipment volume of energy storage lithium batteries in China in 2023 is 200GWh, accounting for 90% of the shipment volume around the world. The lithium battery industry in China in 2023 has continued to grow, and according to the information on the enterprises included in the announcement on lithium battery industry standards and the measurement made by the industry association, the total output of lithium batteries in China in 2023 exceeds 940GWh, with a growth rate of 25% on a year-on-year basis, and the total value of output in the industry exceeds RMB 1400 billion.

According to the data published by GGII, the shipment volume in the market of anode materials used in manufacturing of lithium batteries in China in 2023 is 2.48 million tons, with a growth rate of 31% on a year-on-year basis. From the perspective of the product structure of anode materials: the shipment volume of lithium iron phosphate based anode materials in 2023 is 1.65 million tons, with a growth rate of 48.3% on a year-on-year basis and a market share of 66%, increasing by 7%; the shipment volume of ternary anode materials in 2023 is 650,000 tons, with a growth rate of 2% on a year-on-year basis and a decrease of 26% in the market share; and the shipment volume of lithium manganate and lithium cobalt oxide in 2023 is 100,000 tons and 84,000 tons respectively. The increase in the percentage of the shipment volume of lithium iron phosphate based anode materials is mainly attributable to the increasing demand for energy storage and power lithium iron phosphate batteries.

Popularity of NEVs: China is a leader in promotion of electric vehicles around the world, and the countries overseas, including those in Europe and Americas, are speeding up their promotion of electric vehicles so as to keep pace with China. There is a great space for growth in NEVs and lithium batteries in overseas market. GGII expects that by 2030, the shipment volume of lithium batteries around the world will exceed 4TWh and that the future growth rate in NEVs in overseas market will exceed that in the Chinese market since that the penetration rate of NEVs in overseas market is far lower than that in China. The data published by China Automotive Industry Association shows that the number of new energy vehicles (NEV) cumulatively manufactured and sold in 2023 is respectively 9.587 million and 9.495 million, with growth rates of 35.8% and 37.9% respectively on a year-on-year basis and a market share of 31.6%, increasing by 5.9% in comparison to the same period in the previous year. According to the information collated and published by GGII, in 2023, the penetration rate of NEVs in China is 31.6% and in America has increased to 9.4%.

Development of electrochemical energy storage market: driven by the beneficial policy directed at the electrochemical energy storage market and stimulus from the downstream demands, development of the market will give rise to opportunities for the lithium ferric phosphate industry. In the electrochemical energy storage market,

there are two segments: communication-specific energy storage and electrical energy storage. In the market of communication-specific energy storage, demands focus on backup power supply for base station. Demand for energy storage battery rises among base stations against the backdrop of rapid development of 4G and 5G communication technologies as well as surge in base station. For electrical energy storage market, the Chinese government has released a series of policies to raise availability of renewable energy and peaking capability of electrical power system, for example, the *Guidelines on Accelerating Development of New Energy Storage* issued by the National Development and Reform Commission and the National Energy Administration in July 2021 would help the growth of electrical energy storage market in China. Energy storage batteries have a high requirement for safety performance, and in comparison to ternary lithium batteries, lithium iron phosphate batteries have advantages in useful life, cost and other aspects. The statistic data obtained by GGII through its survey shows that driven by the growth in electricity storage and industrial and commercial energy storage markets, the shipment volume of energy storage lithium batteries around the world in 2023 is 225GWh, with a growth rate of 50% on a year-on-year basis, of which the shipment volume in China is 206GWh, with a growth rate of 58% on a year-on-year basis. The penetration rate of the energy storage lithium batteries manufactured by the Chinese manufacturers in the global energy storage battery market will continue to increase.

Advantage of titanium dioxide manufacturers in lithium iron phosphate manufacturing costs: At present, the precursors used in manufacturing of lithium iron phosphate are mainly iron phosphate, which is a kind of high-purity iron salt and would in general be obtained after a series of purification processes performed on ores. But in preparing lithium iron phosphate with those high-purity materials, elements which are helpful for improvement of the electrochemical performance of lithium iron phosphate need to be added, e.g. Mg, Mn, Al, Cr, etc., most of which elements can be found in natural ores, leading to performance of repeated process steps and increase in the manufacturing costs. Performance of repeated manufacturing process steps can be avoided and the manufacturing costs be reduced when the by-products, including ferrous sulfate, etc., generated from the manufacturing of titanium dioxide are used as raw materials in lithium iron phosphate manufacturing. In addition, this manufacturing method will provide a new approach through which titanium dioxide manufacturers may realize high value-added by disposing of ferrous sulfate generated as by-products from the manufacturing of titanium dioxide, allowing efficient utilization of resources and expansion of the space for development.

Note: Said data is sourced from the National Bureau of Statistics, General Administration of Customs, Titanium Dioxide Sub-center of National Chemical Industry Productivity Promotion Center and Secretariat of Strategic Alliance for Titanium Dioxide Industrial and Technological Innovation, Analysis of Frost & Sullivan, TDD, GGII, etc.

II. Main Business of the Company during the Reporting Period

Headquartered in Industry Cluster Area, Jiaozuo, Henan Province, the Company is a large-scale diversified group

devoted to R&D and manufacturing of new materials and in-depth integration of industries and is currently mainly engaged in manufacturing and sale of titanium dioxide, titanium sponge and zirconium products, as well as lithium-ion battery anode and cathode materials and other products. Its products have been sold in more than 100 countries in 6 continents . The Company remembers all along in mind its mission to “creating a better life with titanium technology and being a respected enterprise”. It has been committed to the titanium industry and titanium-related industry through innovative technology and efficient business model for over 30 years, and has been improving the industrial ability to serve people and the society.

The main products of the Company include titanium dioxide, titanium sponge, zirconic products, as well as anode and cathode materials for lithium batteries. In the Company, the titanium dioxide production capacity is 1,510,000 tons per year and the titanium sponge production capacity is 50,000 tons per year, both ranking top in the world; the lithium iron phosphate production capacity is 50,000 tons per year, the iron phosphate production capacity is 100,000 tons per year, the graphite cathode production capacity is 25,000 tons per year, and the graphitization capacity is 50,000 tons per year. The industrial bases of the Company are located in Henan, Sichuan, Hubei, Yunnan and Gansu, form a green industrial chain integrating exploitation and processing of titanium minerals, production of titanium dioxide and titanium metal and use of derived resources. Its titanium business is within the responsibility of its holding subsidiary named Orient Zirconic Industry (Stock Code: 002167). Refer to the Annual Report 2023 of Orient Zirconic Industry as disclosed on April 19, 2024 for the details about the performance of the business.

1. Main Products and Their Uses

(1) Titanium dioxide

Titanium dioxide has its chemical name as titanium dioxide, its commercial name as titanium dioxide, and its chemical formula as TiO_2. Titanium dioxide, with high refractive index, ideal particle size distribution and good hiding power and tinting strength, is an excellent white pigment widely used in coatings, plastics, paper, printing inks, rubber, etc., is one of the top three best-selling inorganic chemical products in the world, second only to synthetic ammonia and phosphoric acid. Due to various uses of titanium dioxide in economic activities in China, consumption of the chemical product is considered as one of important benchmarks of economic development and level of people’s life in a country, so it is called as “barometer of economic development”.

The Company is a leading titanium dioxide manufacture in the world. One of the titanium product brands of the Company, namely, “Xuelian Brand”, is not only one of the most well-known and influential brands in the global titanium dioxide industry, but also exported to more than 100 countries and regions and are well received by domestic and foreign customers. The Company supplies a complete range of titanium dioxide products under 18 brands, and it is developing more other categories of titanium dioxide. Products of the Company have excellent quality, and among others, their brightness, covering power, weather fastness and dispersion meet the international quality standards. In addition, the Company has also established a comprehensive system for sales and technical supports and customer services to provide customers with high-quality and personalized services.

(2) Titanium sponge

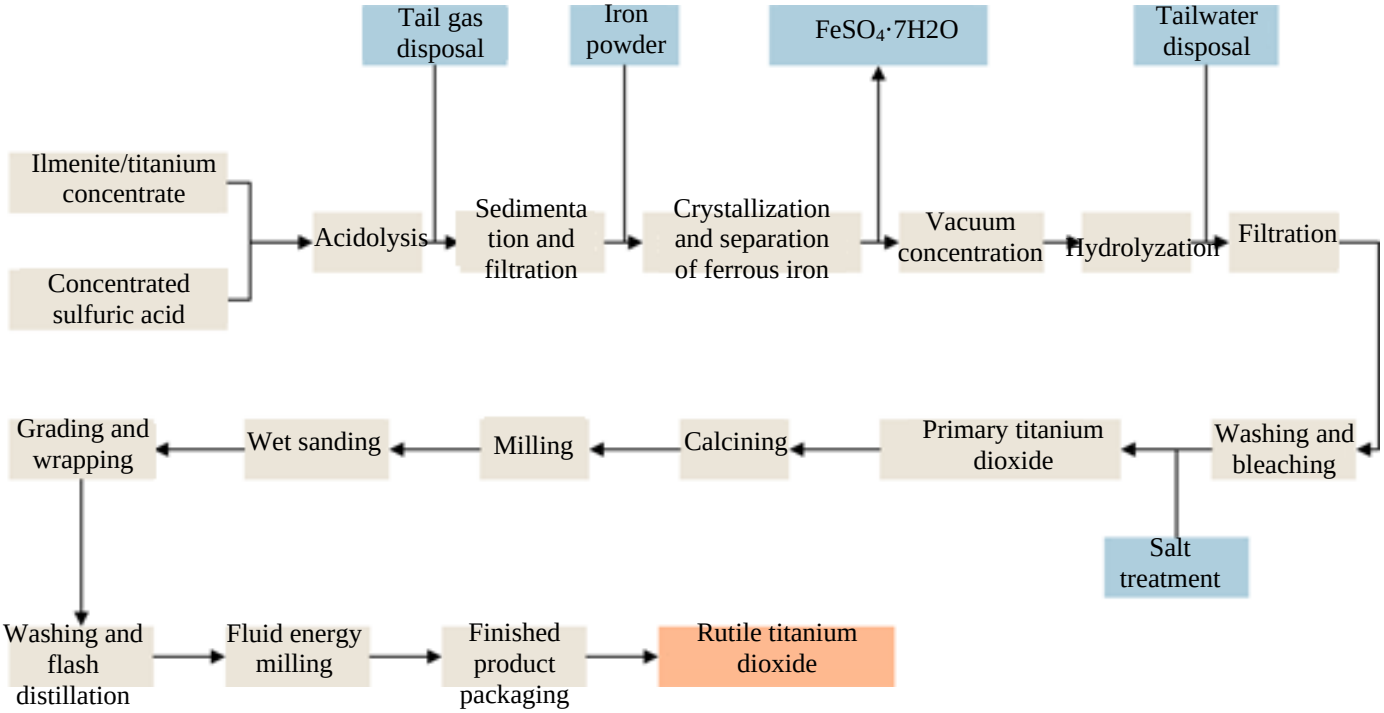
Titanium sponge is a titanium element in the form of light-gray grain or in spongy shape. Titanium sponge is an essential raw material for titanium materials. Titanium has low density, high strength, low heat conductivity, strong resistance to corrosion and low/high temperatures and good biocompatibility. It is widely used in the fields such as aerospace, biomedicine, chemistry & metallurgy, marine engineering, sports and leisure, so it is known as "aerospace metal", "marine metal", "modern metal" and "strategic metal".

2. Main Product Processes

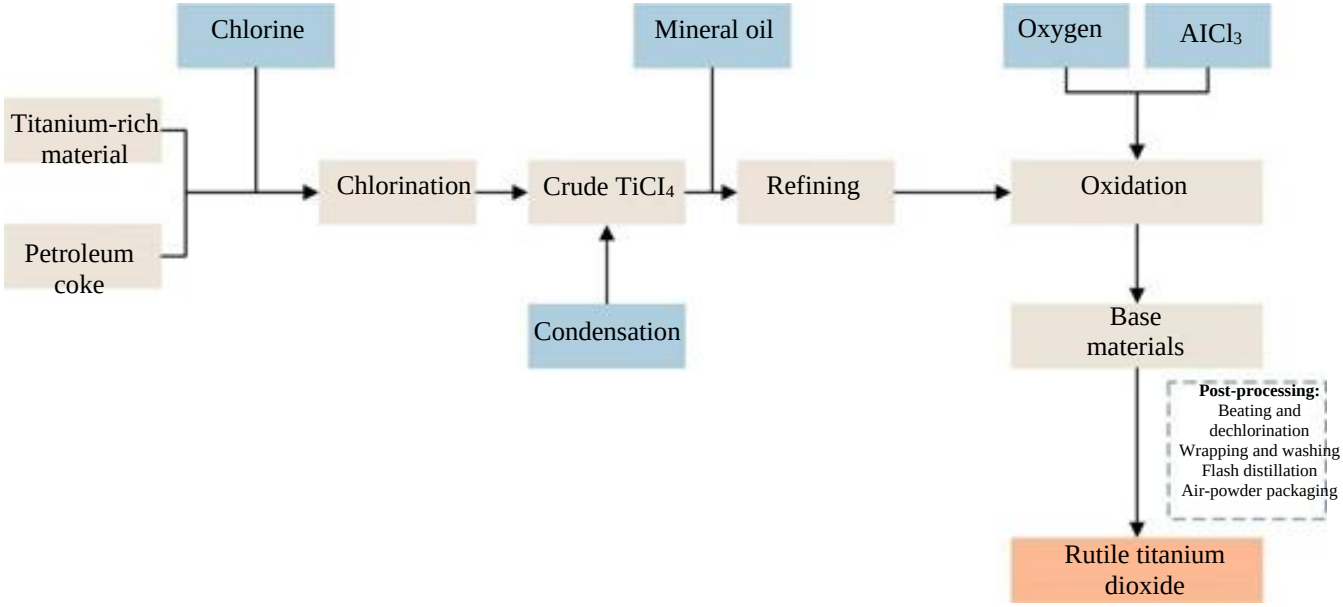
(1) Production processes of titanium dioxide

The Company adopts two processes in producing titanium dioxide, i.e. sulfuric acid process and chlorination process.

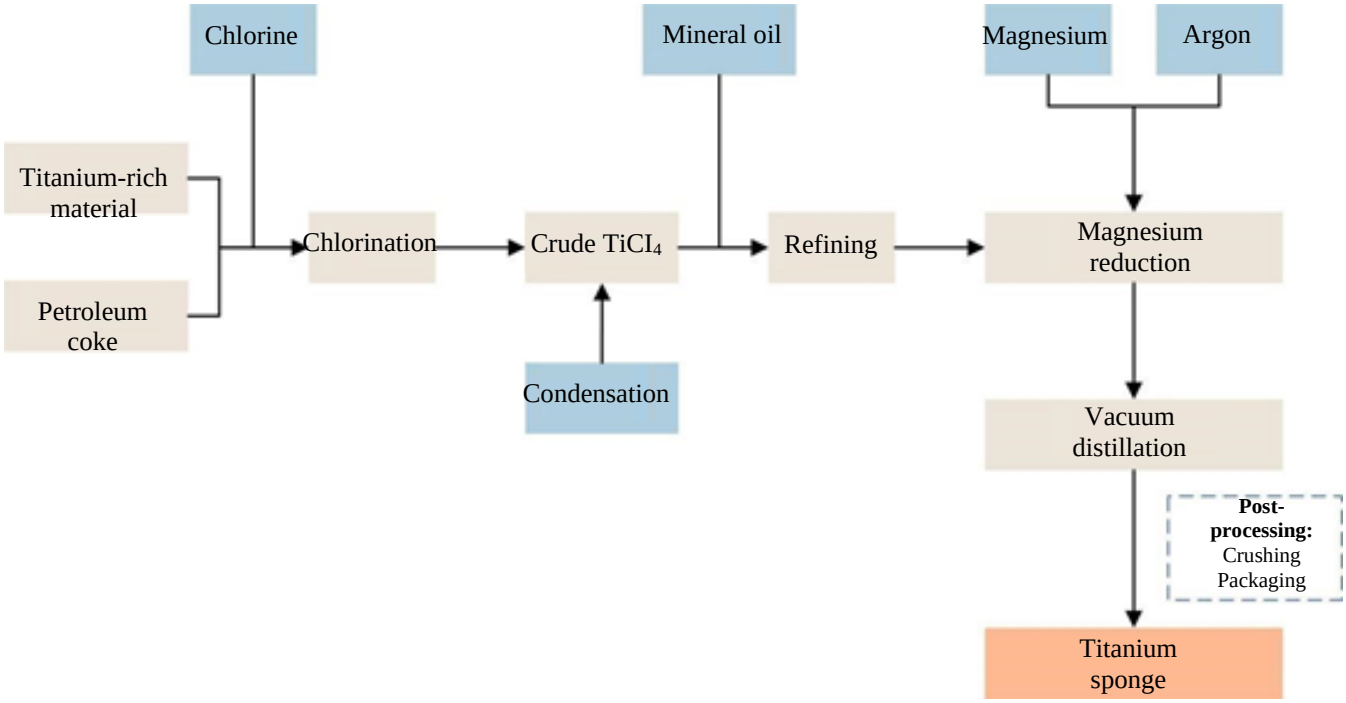
1) Sulfuric acid process producing titanium dioxide



2) Chlorination process producing titanium dioxide



(2) Production processes of titanium sponge



3. Main business model

The Company owns titanium mines at home and abroad, including the biggest titanium source - vanadium-titanium magnetite in Panzhihua, produces titanium concentrate, iron concentrate and cobalt-matte concentrate through peeling off run-of-mine ore, smashing, grinding and beneficiation, uses titanium concentrate, and sells titanium concentrate and cobalt-matte concentrate.

Titanium dioxide by the sulfuric acid process, titanium-rich material (including high titanium slag and synthetic rutile) and crude iron are manufactured by the Company with self-made and purchased titanium concentrate. The Company uses titanium-rich material to make titanium tetrachloride, titanium sponge and chlorinated titanium dioxide. The Company sells titanium dioxide by the sulfuric acid process, chlorinated titanium dioxide, titanium sponge, titanium tetrachloride and iron concentrate.

The Company adopts a continuous large-scale production mode and implements the direct selling and distribution model, and internally establishes a sales company responsible for domestic sales and exports of its products. With the internationalization of the Company, in recent years, it has set up several subsidiaries overseas in Hong Kong, America and Europe to be responsible for business expansion of export market.

4. Development strategy

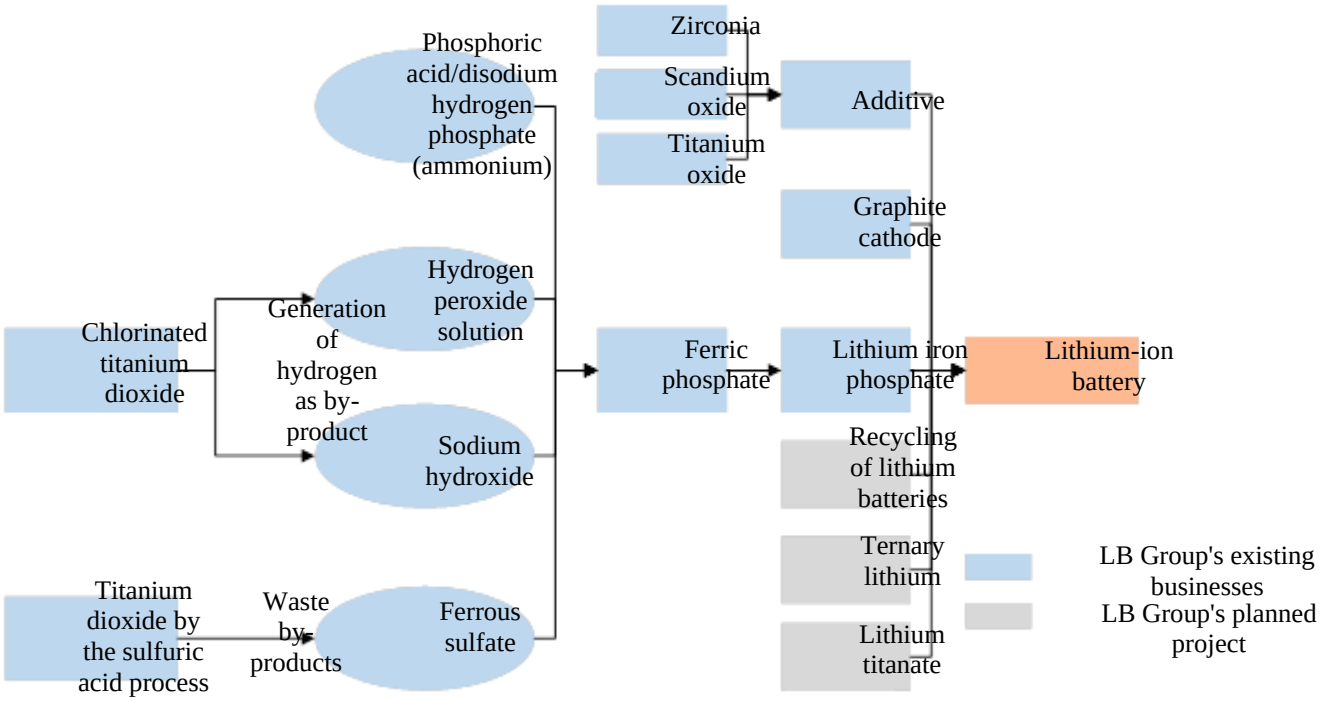
The Company has been taking the development mode driven by merger and acquisition expansion and endogenous growth, and builds a high-quality industrial development system covering “titanium, zirconium, vanadium, iron, scandium” and other elements. When the Company purchased Sichuan Lomon Titanium Industry Co., Ltd., Yunnan Metallurgical Xinli Titanium Co., Ltd., Titanium Plant of Jinchuan Group Co., Ltd., Hunan Oriental Scandium Industry Co., Ltd., etc., it also invested in the 400,000-ton chlorination-based titanium dioxide production line, 500,000-ton Panxi titanium concentrates into chlorinated titanium slags, the green manufacturing project for sulfur-chlorine coupling titanium materials with an annual output of 300,000 tons, the vanadium extraction from waste acid project with an annual output of 800 tons, etc.

In pursuance of the development concept of “full industry chain, greater circulation, and low cost”, and with large equipment applied all along, the Company is devoted to the self-improvement of LB Group through integrating

industrial chains, continuously striving to reduce costs and developing a differentiated core advantage in costs with “scale effect, effect of recycle, and effect of innovation”.

5. Transformation and Industrial Innovation - Integrating Titanium and Lithium

Relying on advantageous resources, the Company develops a layout of new energy industry, actively follows through the “Carbon Peaking and Carbon Neutrality” policy of China, strengthens itself beyond but also based on titanium dioxide, which is considered as important exploration of LB Group against the backdrop of the changing market, an innovative practice in leading the industry and a further step to high-quality development of the whole enterprise.



With previous experience in titanium dioxide, the Company has incorporated the concepts of full industrial chain and integration in lithium battery materials program and introduced innovative combined development of titanium industry and lithium battery industry, which is a model for efficient fusion of two industries.

The Company, through increasing R&D investment and employing talents continuously, has developed advanced and large-scale production technology for ferric phosphate, lithium ferric phosphate and graphite anode. In addition, the current raw materials supply system in the Company suffice its strategy to develop new energy, and its waste byproduct - ferrous sulfate as well as surplus capacity in caustic soda, sulfuric acid, steam and hydrogen can be directly or indirectly harnessed to produce anode/cathode materials for lithium batteries at lower costs. The Company fully harnesses its advantages in management, research and development, technology and supply chain to research and develop ferric phosphate, lithium ferric phosphate, graphite cathode and other battery materials, with the objective of cultivating a secondary growth curve.

The Company enters the field of new energy-based battery through initiating projects, collaboration and acquisition. After purchasing 100% of shares in Henan Zhongtan New Material Technology Co., Ltd., the Company gets into the graphite anode business relying on Zhongtan's talents and technologies, marking its inroad into the field of new energy. The Company has initiated ferric phosphate project with an annual output of 200,000 tons, industrialization of lithium battery materials with an annual output of 200,000 tons, artificial graphite cathode materials for lithium-ion battery with an annual output of 100,000 tons, integration of cathode materials for lithium-ion battery with an annual output of 200,000 tons, electronic-level lithium ferric phosphate with an annual output of 150,000 tons, and all those projects have been at mass production stage (i.e. 50,000 tons of ferric phosphate produced in phases I and II of the first product in total; 50,000 tons of lithium ferric phosphate produced in phase I of the second project in total; 25,000 tons of graphite cathode materials produced in phase I of the third project in total; and 50,000 tons of graphitized materials produced in phase I of the fourth project in total).

The Company must comply with the disclosure rules set forth in the *Guidelines No. 3 of the Shenzhen Stock Exchange on Self-regulation of Listed Companies - Industry Information Disclosure*

Procurement patterns of main raw materials

Type of Unit: RMB per ton

Main raw material	Procurement pattern	Proportion of procurement amount to total procurement amount	Whether there is any major change in the settlement method used	Average price in the first half of the year	Average price in the second half of the year
Imported titanium ore	Depending on production plan	7.11%	No	2,797.55	2,660.57
Domestic titanium ore	Depending on production plan	4.68%	No	2,033.56	2,094.71

Note: Imported titanium ores and domestically produced titanium ores mean titanium concentrates in which the titanium dioxide content is 45% or more. The price of imported titanium ores is CIF Coastal Port in China; and the price of domestically produced titanium ores is exclusive of freight, VAT, etc.

Reasons for major changes in raw material price from that in the previous reporting period

□ Applicable ☑ Not applicable

Purchase costs of energy accounting for more than 30% of the total production costs

□ Applicable ☑ Not applicable

Technologies applied in producing main products

Main product	Stage in technology lifecycle	Core technicians	Patented technology	Advantage in product research and development
Titanium dioxide	Mass production	Current employees of the Company	Production technology of titanium dioxide by the sulfuric acid process	Domestically leading
Titanium dioxide	Mass production	Current employees of the Company	Production technology of sulphur iron titanium by the cleaner co-production process	Internationally leading
Titanium dioxide	Mass production	Current employees of the Company	Production technology of sulfur phosphorus titanium by the cleaner co-production process	Internationally leading
Titanium dioxide	Mass production	Current employees of the Company	Titanium dioxide surface treatment technology	Domestically leading
Titanium dioxide	Mass production	Current employees of the Company	Production technology of titanium dioxide by the chlorination process	Domestically leading
Titanium dioxide	Mass production	Current employees of the Company	Large-scale boiling chlorination production technology	Domestically leading
Titanium dioxide	Mass production	Current employees of the Company	Titanium tetrachloride purification technology	Domestically leading
Titanium sponge	Mass production	Current employees of the Company	Molten salt chlorination production technology	Internationally leading
Titanium sponge	Mass production	Current employees of the Company	Titanium tetrachloride reduction distillation technology	Internationally leading
Titanium sponge	Mass production	Current employees of the Company	Sponge titanium particle crushing technology	Internationally leading
Synthetic rutile	Mass production	Current employees of the Company	Sulfur-chlorination coupling green technology	Domestically leading
Ferric phosphate	Mass production	Current employees of the Company	Lithium iron manufacturing technology	Domestic advanced
Lithium iron phosphate	Mass production	Current employees of the Company	Lithium iron phosphate manufacturing technology	Domestic advanced
Lithium iron phosphate	Mass production	Current employees of the Company	Waste lithium iron phosphate recycling technology	Domestic advanced
Graphite cathode	Mass production	Current employees of the Company	Graphite cathode materials manufacturing technology	Domestic advanced

Capacity of main products

Main product	Designed capacity	Capacity utilization rate	Capacity under construction	Investment and construction status
Titanium dioxide	1.51 million tons per year	78.90%	-	-
Titanium sponge	50,000 tons per year	103.8%	30,000 tons per year	In the phase II (15,000-ton production capacity) of the smart manufacturing technical improvement project for rotor-level titanium sponge with an annual output of 30,000 tons in Yunnan National Titanium, the equipment is being commissioned; and in the phase II (15,000-ton production capacity) of the technical improvement project of Gansu National Titanium for rotor-level titanium sponge with an annual output of 30,000 tons, the equipment is being commissioned.
Ferric phosphate	100,000 tons per year	66.10%	100,000 tons per year	Part of the plants planned to be constructed in Phase III (with a production capacity of 100,000 tons per year) of the battery material-level iron phosphate project with an annual output of 200,000 tons are being constructed.

Categories of products produced in major chemical industrial parks

Major chemical industrial parks	Categories of products
Jiaozuo Industrial Cluster Area	Titanium dioxide produced with sulfuric acid process and chlorination process, iron phosphate
Xiangyang Chengnan Chemical Industrial Park	Titanium dioxide by the sulfuric acid process
Qinfeng Chemical Industrial Area in Yunnan Lufeng Industrial Park	Titanium dioxide by the chlorination process, and titanium sponge
Jinchang Economic and Technological Development Zone	Titanium sponge
Xinshi Industrial Development Zone, Mianzhu City, Sichuan Province	Titanium dioxide by the sulfuric acid process
Qinyang Economic and Technological Development Zone	Lithium iron phosphate

Environmental impact assessment approvals that are in the process or newly obtained during the reporting period

☑ Applicable □ Not applicable

Environmental impact assessment approvals newly obtained during the reporting period:

No.	Approval holder	Item	Approval date	Approval No.	Approved by
1	Longbai Mining and Metallurgy	Green and efficient benefication project for 7 million tons of minerals	March 6, 2023	Panzhihua Environment Permit No. 13 of 2023	Panzhihua Bureau of Ecology and Environment
2		Model innovation project for enhancing the recycling of fine-grained ilmenite	February 8, 2023	Panzhihua Environment Permit No. 4 of 2023	Panzhihua Bureau of Ecology and Environment
3	Fengyuan Mining	Technological innovation and improvement project for green and efficient vanadium-titanium magnetite separation with a capacity of 7 million tons per year	February 9, 2023	Panzhihua Environment Permit No. 7 of 2023	Panzhihua Bureau of Ecology and Environment
4	Longbai Xiangyang	Post-rutile titanium dioxide processing engineering project with an annual output of 200,000 tons	May 26, 2023	Xiangyang Environment Permit No. 10 of 2023	Xiangyang Bureau of Ecology and Environment
5	Yunnan National Titanium	Titanium sponge production line upgrading, modification and innovation project with a capacity of 10,000 tons per year	March 21, 2023	Yunnan Environment Permit No. 1-7 of 2023	Department of Ecology and Environment of Yunnan Province
6		Direct current electric arc furnace smelting titanium slag production line expansion project with an annual output of 160,000 tons in Wuding (environmental impact assessment of Phase II)	July 20, 2023	Yunnan Environment Permit No. 1-18 of 2023	Department of Ecology and Environment of Yunnan Province

7		Expansion of main body of and construction of public auxiliary facilities for integrated slag landfill	March 21, 2023	Chuxiong Environment Permit No. 23 of 2023	Chuxiong Ecological Environment Bureau
8		Integrated model fused salt chlorination project	July 31, 2023	Chuxiong Environment Permit No. 82 of 2023	Chuxiong Ecological Environment Bureau
9	Zhongtan New Material	Project processing 200,000 pieces of irregular parts, 100,000 pieces of saggar and 50,000 tons of electrodes per year	May 31, 2023	Jiaozuo Environment Permit No. 18 of 2023	Jiaozuo Ecological Environment Bureau
10		Ultra-high power graphite electrode project with an annual output of 50,000 tons	December 7, 2023	Henan Environment Permit No. 55 of 2023	Henan Department of Ecology and Environment

Projects with environmental impact assessment approvals that are in the process during the reporting period:

No.	Approval holder	Item	Stage of environmental impact assessment application
1	The Company	Upgrading of calcining kiln equipment used for calcining of high-grade rutile titanium dioxide	Environment impact assessment report being prepared
2	ongbai Mining an Metallurgy	Chlorination process titanium dioxide production line project with an annual output of 200,000 tons	Environment impact assessment report being prepared
3		Innovative upgrading and transformation of titanium concentrates into titanium chloride slags with an annual output of 500,000 tons at Panxi Mine -- CXTZ furnace upgrading and modification project	Environment impact assessment report being prepared
4	Longbai Minerals	Mining project with output of 13 million tons per year at North Hongge Mining Area (Remediation of potential safety hazards existing with side slopes in Beibang, Hongge Iron Mining Area)	Environment impact assessment report being prepared
5	Billions New Material	Efficient slag reuse project with a production capacity of 40,000 tons	Environment impact assessment report being prepared
6	Sichuan Lomon Titanium	Energy-saving technology improvement project for crystallization and concentration of titanium dioxide produced with the sulfuric acid process	Environment impact assessment report being prepared
7		Phase III of waste acid concentration project	Environment impact assessment report being prepared
8	Zhongtan New Material	New energy lithium ion battery cathode material integration project	Environment impact assessment report being prepared
9		Modification and expansion of and intensive processing in Ultra-high power graphite electrode production plant with an annual output of 80,000 tons	Environment impact assessment report being prepared
10	Lufeng Titanium	Project “In-depth purification and upgrading of titanium slags with high calcium and magnesium content for production of raw materials used in production of titanium dioxide with large boiling chlorination furnace” with output of 300,000 tons per year	Environment impact assessment report being prepared
11		New 220KV transformer substation project	Environment impact assessment report being prepared
12	Billions New Energy	Green manufacturing of raw materials for lithium batteries project with an annual output of 300,000 tons	Environment impact assessment report being prepared
13	Longbai New Material	New lithium energy institute project	Environment impact assessment report being prepared

Abnormal production suspension of the Company during the reporting period

□ Applicable ☑ Not applicable

Related approvals, permits/licenses, qualifications and validity periods

☑ Applicable □ Not applicable

Related approvals, permits/licenses and qualifications obtained during the reporting period:

No.	Approval holder	Approval, permit/license or qualification	Document No.	Validity period
1	The Company	Pollutants discharge license	91410800173472241R001R	From August 18, 2023 to August 17, 2028
2		Safety Production License	(Henan H) WH Safety Production Certificate No. 00117 of 2023	From December 26, 2023 to December 25, 2026
3		Production registration certificate of non-drug precursor chemicals	(Henan H) 3S200300002	From June 1, 2023 to December 25, 2026
4	Sichuan Lomon Titanium	Registration certificate of hazardous chemicals	51062300033	From July 16, 2023 to July 15, 2026
5		Production registration certificate of non-drug precursor chemicals	(Sichuan) No. 3S51060000070	From September 28, 2023 to September 27, 2026
6		Occupational Health and Safety Management System Certification	00123S33377R6L/5100	From October 30, 2023 to October 29, 2026
7		Safety Production License	(Sichuan F) WH Safety Production Certificate No. 0016 of 2023	From November 27, 2023 to November 26, 2026
8	Chaoyang Donggao	Pollutants discharge license	91211321561368040X001V	From July 28, 2023 to July 27, 2028
9		Registration certificate of hazardous chemicals	21132300004	From March 2, 2023 to March 1, 2026
10		Safety Production License	(Liaoning) WH Safety Production Certificate No. 1377 of 2023	From July 31, 2023 to July 30, 2026
11	Fengyuan Mining	Safety Production License	(Sichuan) FM Safety Production Certificate No. 7322 of 2023	From October 21, 2023 to March 4, 2026
12		Pollutants discharge license	91510400684186490700 1U	From July 31, 2023 to July 30, 2028
13	Bilions Chemical	Pollutants discharge license	91620303MA71C2T302001Y	From July 4, 2023 to July 3, 2028
14	Gansu National Titanium	Pollutants discharge license	91620303MA72WU5425001P	From September 15, 2023 to September 14, 2028
15	Longbai Mining and Metallurgy (Secondary Separation Plant)	Pollutants discharge license	91510422738307586J001U	From July 31, 2023 to July 30, 2028
16	Longbai Mining and Metallurgy (Initial Separation Plant)	Pollutants discharge license	91510422738307586J002Q	From July 31, 2023 to July 30, 2028
17	Longbai Xiangyang	Pollutants discharge license	91420624573722465L001V	From November 22, 2023 to November 21, 2028
18	Longbai Intelligent	Occupational Health and Safety Management System Certification	0202350148R1M	From February 14, 2023 to February 13, 2026
19	Billions New Material	Pollutants discharge license	91410803MA3XA10A1R001P	From January 11, 2023 to January 10, 2028
20		Safety Production License	(Henan 0) WH Safety Production Certificate No. 00302 of 2023	From May 25, 2023 to May 24, 2026
21		Recordation of critical sources of danger	BA Henan 410803202301, BA Henan 410803202302, BA Henan 410803202303, BA Henan 410803202304	From January 17, 2023 to January 16, 2026
22	Xinli Titanium	Safety Production License	FM05323292013112619000008	From January 16, 2023 to January 15, 2026

23	Lufeng Titanium	Occupational Health and Safety Management System Certification	CQC23S31793R1M/5300	From June 17, 2023 to June 16, 2026
24	Yanbian Zhongtai	Pollutants discharge license	91510422762305185B001U	From July 30, 2023 to July 29, 2028
25	Yunnan National Titanium	Pollutants discharge license	91532300MA6P5G837X001P	From July 27, 2023 to July 26, 2028
26		Registration certificate of hazardous chemicals	53232300011	From August 19, 2023 to August 18, 2026
27	Zhongtan New Material	Pollutants discharge license	91410822MA46GNNW8G001W	From September 12, 2023 to September 11, 2028
28	Zhongzhou Carbor	Occupational Health and Safety Management System Certification	00923S10922R1N	From August 19, 2023 to August 18, 2026

Approvals, permits/licenses and qualifications that will expire in the next reporting period:

No.	Approval holder	Approval, permit/ license or qualification	Document No.	Validity period	Renewal status
1	Billions New Material	Production registration certificate of non-drug precursor chemicals	(Henan H) 3S202100006	From November 12, 2021 to November 11, 2024	Renewed before e xpiration
2		Occupational Health and Safety Management System Certification	00121S31448R1M/4100	From May 19, 2021 to May 31, 2024	Renewed before expiration
3	Longbai Mining and Metallurgy	Safety Production License	(Sichuan) FM Safety Production Certificate No. 7397 of 2021	From March 25, 2022 to March 14, 2024	A renewed certificate has been obtained on February 18, 2024
4	Lufeng Titanium	Safety Production License	(Yunnan) WH Safety Production Certificate No. 0782 of 2015	From July 29, 2021 to July 28, 2024	Renewed before expiration
5		Registration certificate of hazardous chemicals	532310047	From June 19, 2021 to June 18, 2024	Renewed before e xpiration
6	Longbai Xiangyang	Safety Production License	(Hubei) WH Extended Safety Production Certificate No. 0882 of 2021	From August 10, 2021 to August 9, 2024	Renewed before expiration
7		Registration certificate of hazardous chemicals	420610103	From December 10, 2021 to December 9, 2024	Renewed before expiration
8		Production registration certificate of non-drug precursor chemicals	(Hubei) 3S42060017016	From October 18, 2021 to October 17, 2024	Renewed before expiration
9	Yunnan National Titanium	Safety Production License	(Yunnan) WH Safety Production Certificate No. 0824 of 2021	From July 29, 2021 to July 28, 2024	Renewed before expiration
10		Occupational Health and Safety Management System Certification	00121S31158R0M/5300	From September 1, 2022 to April 20, 2024	Renewed before expiration
11	Gansu National Titanium	Occupational Health and Safety Management System Certification	33921S11180R0M	From August 19, 2022 to May 26, 2024	Renewed before expiration

Whether engaged in petroleum processing or petroleum trading industry

□ Yes ☑ No

Whether engaged in the fertilizer industry

□ Yes ☑ No

Whether engaged in the pesticide industry

□ Yes ☑ No

Whether engaged in chlor-alkali or soda ash industry

□ Yes ☑ No

III. Analysis of Core Competitiveness

(I) The Company is a leader in titanium industry around the world

With regard to its titanium business, the Company has developed the titanium dioxide production capacity of 1.51 million tons per year and the titanium sponge production capacity of 50,000 tons per year (and is about to develop the titanium sponge production capacity of 80,000 tons per year), both ranking top in the world.

The relevant statistic data shows that in terms of production capacity, the Company is the largest titanium dioxide manufacturer in the world. It's one of the few manufacturers of titanium dioxide mastering both of sulfuric acid process and chlorination process in the industry. In terms of production capacity, the Company is the biggest manufacturer of titanium dioxide produced under sulfuric acid process, and the third biggest titanium dioxide manufacturer in the world as well as top 1 in China. Its production base located in Jiaozuo City, Henan Province has the largest production capacity of titanium dioxide in the world as a single factory with over 650,000 tons of titanium dioxide produced each year.

On a par with the international advanced level, the chlorination process of the Company allows effectively reducing the production cost, and allows it to realize increase of market share of the Chinese-made titanium dioxide products in the Chinese and the global market.

The Company is in an unbeatable position in the global titanium dioxide market in terms of production cost, quality, technology and scale. In the last more than 30 years, the Company has had an in-depth insight into the industrial features, accurately followed the industrial development trend, and committed to maintain stable supply of raw materials, orderly extension of industrial chain and effective coordination among various products. At the same time, it also boasts leading R&D ability and innovation ability in the domestic industry, sufficient technology reserve, and realizes "full industry chain, greater circulation, and low costs" through powerful technology.

The Company has been awarded such titles as National High-tech Enterprise, National Contract-honoring and Credit-respecting Enterprise, National Technology Innovation Demonstration Enterprise and Leading Enterprise in Innovation in Henan Province. The Company has been awarded "Top 500 Chemical Industries in China" for several consecutive years and had once been awarded "Top 100 Innovative Enterprises of Large Size in China" and "Top 100 Growing Listed Companies in China". The Panzhihua base was once awarded "China Green Mine", Billions New Materials was once awarded "Green Establishment" and "Intelligent Establishment", and Yunnan National Titanium was once awarded "Green Establishment" and included in the *Forbes China Global List of New Unicorn Enterprises in the First Half of 2023*. The Company has two national-level demonstration bases and laboratories, namely "National Mineral Resources Comprehensive Utilization Demonstration Base" and "National and Local Joint Engineering Laboratory for Titanium Dioxide Clean Production Process and Technology". One of the Company's titanium dioxide product brands, namely, "Xuelian Brand", is one of the most well-known and influential brands in the global titanium dioxide industry. The titanium dioxide products under "Xuelian Brand" have been sold also in more than 100 countries and regions and are well received by domestic and foreign customers.

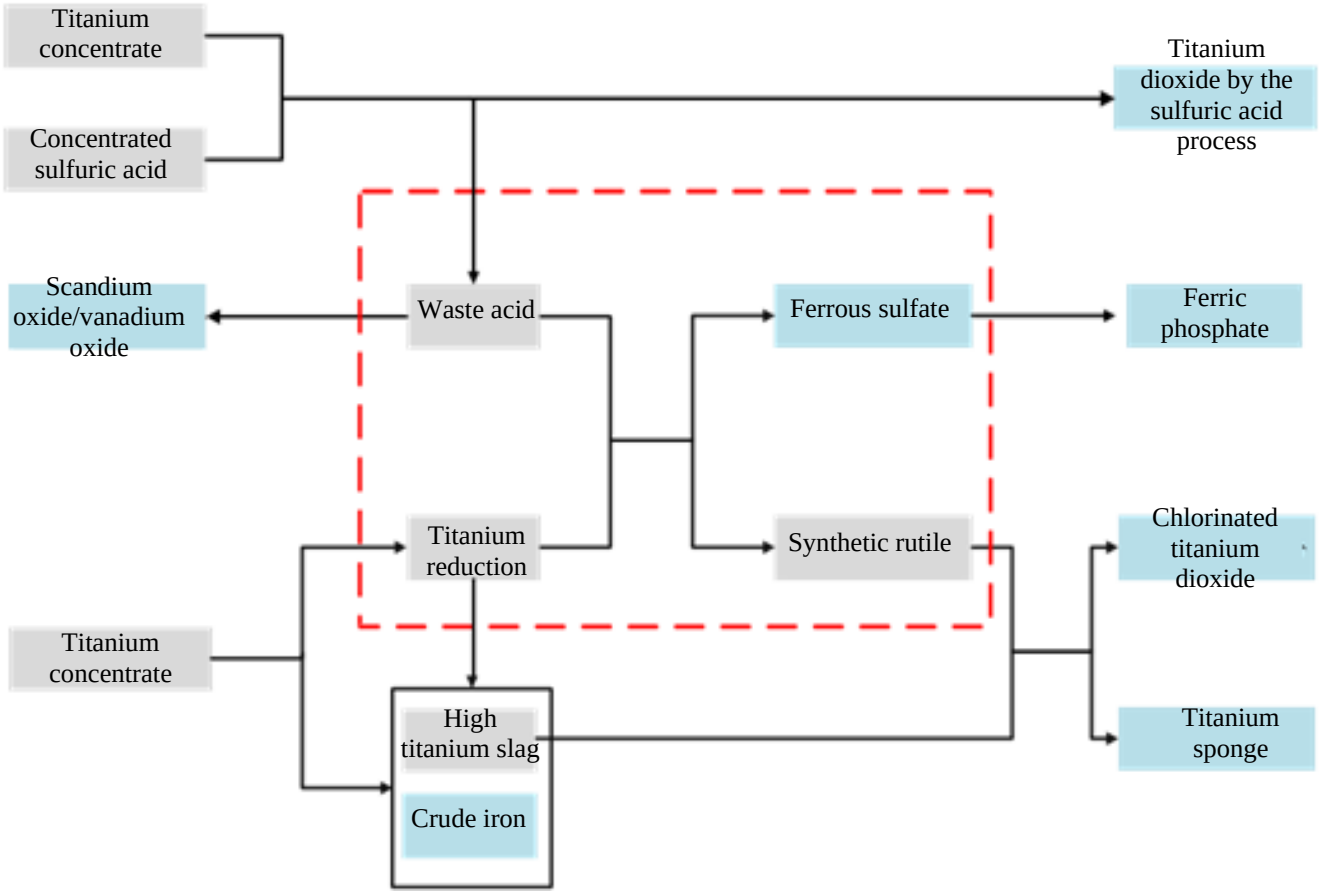
(II) Production Mode of Vertical Integration

The Company is the only titanium dioxide manufacturer having a full industrial titanium chain with high quality mineral resources and intensive processing ability. Each of its products is originated from its full industrial titanium chain. Mining right in several mines offers the Company stable supply of titanium concentrate. Titanium dioxide by the sulfuric acid process, titanium-rich material (including high titanium slag and synthetic rutile) and crude iron are manufactured by the Company with self-made and purchased titanium concentrate. The Company uses titanium-rich material to make titanium tetrachloride, titanium sponge and chlorinated titanium dioxide. Products or byproducts originated from upstream production due to the Company's full industrial chain can be directly used as raw materials for downstream production.

(III) Unique Green Economic Model of Horizontal Coupling

The Company adopts unique "Green Economic Model of Horizontal Coupling". Through researching & developing

and applying various processes, the Company has improved the green industrial chain, and derived vanadium, iron and scandium products from titanium dioxide. For example, the "Green Economic Model of Sulfur-Chlorine Coupling" is shown in the diagram below:



Under this model, the resultant waste byproducts can be recycled, which reduces discharge of waste and at the same time offers raw materials, and further lowers the environmental costs as well as raw materials. The chart provided above shows the process of sulfur-chlorine coupling. In this process, waste acid from production of titanium dioxide under sulfuric acid method can be used to generate synthetic rutile, and can work as a raw material in making titanium dioxide under chlorination method; the ferrous sulfate from generation of synthetic rutile can be used to make ferric phosphate, etc.

(IV) Strong Synergies and Integration Ability

The Company is equipped with strong ability in acquisition and resources integration. It has reduced the coordinated development of "titanium, zirconium, vanadium, iron, scandium" and other elements into practice, optimized its revenue structure, and raised the percentage of revenues from non-titanium-dioxide products. Based on experience in chemical production for more than 30 years, the Company fully uses vanadium, iron, scandium and other elements extracted from processing titanium minerals and manufacturing titanium dioxide to produce byproducts; it also integrates resources in the downstream and upstream components of the industry chain of its principal business through merger and acquisition so as to improve its business landscape and promote coordinated development of titanium products together with byproducts containing other chemical elements.

The Company acquired Huntsman's TR52 ink business in 2014, changing the situation where foreign suppliers monopolized the supply of titanium dioxide ink in the Chinese market; it purchased shares of Sichuan Lomon

Titanium Industry Co., Ltd. in 2016, making a sharp rise in its production capacity in titanium dioxide under sulfuric acid process, and having a mine under its ownership; it purchased shares of Yunnan Metallurgical Xinli Titanium Co., Ltd. in 2019, consolidating its leadership in titanium dioxide under sulfuric acid process, incorporating titanium sponge in its product portfolio, and further raising the mine resources it owned; it acquired titanium sponge assets of Jinchuan Group Co., Ltd., improving the production capacity in titanium sponge; it acquired 100% of the shares in Henan Zhongtan New Material Technology Co., Ltd. and stepped into the graphite cathode material industry in reliance upon the advantages of Henan Zhongtan New Material in talents and technologies; and in 2022, Panzhihua Zhenxing Mining Co., Ltd. became a consolidated subsidiary of the Company, as a result of which the vanadium-titanium magnetite ore volume under the control of the Company has doubled and the mine life period is also extended, laying a solid foundation for the future supply of raw materials by the Company. In 2023, the Company acquired Jiaozuo Zhongzhou Carbon Co., Ltd. to improve its capacity in the supply of raw materials in titanium dioxide and new energy industries. Meanwhile, it has accelerated the progress of the "Coordinated Development of Two Mines Project" and "Xujiagou Iron Mine Development Project" to improve the supply capacity of its "Own Resource Pool" in all aspects.

(V) Strong R&D Ability and Advantages in Technology

The Company uses cutting-edge and self-developed technology and process in producing quality products. Currently, the Company owns more than 1200 patents, including 360 invention patents. In addition, the Company has won 32 provincial or ministerial accomplishment prizes, 1 patent prize, and 31 scientific and technological progress prizes at provincial or ministerial level or above. For example, the project "Development and Industrialization of a Package of Technologies for Manufacturing and Resource Utilization of Titanium Dioxide by Boiling Chlorination Process" was awarded first scientific and technological progress prize by China Petroleum and Chemical Industry Federation; the project "Research on Process and Equipment for Efficient, Green and Integrated Recovery of Vanadium-Titanium Magnetite" was awarded first scientific and technological progress prize by China Nonferrous Metal Industry Association; the project "New Technology for Cleaner Production of Titanium Dioxide by Sulphur-Phosphorus-Titanium Co-production Process" was awarded first scientific and technological progress prize by China Petroleum and Chemical Industry Federation; and the project "Key Technology for and Industrialization of Multiple Levels of Resource Utilization of By-products Generated from Titanium Dioxide Manufacturing" was included in the List of Outstanding Projects 2023 (Scientific and Technological Innovation and Advance), an annual top sustainability award sponsored by Ernst & Young, and won the first prize in the first Henan green manufacturing technology application innovation competition named "Central China Zero-Carbon Cup". In recent years, the Company has increased R&D investment, put more efforts in developing technologies, contributed to advancement of technology, and applied for near one hundred patents. Relying on self-developed technologies, the Company led or participated in development and revision of 25 national standards and 25 industrial standards.

The Company possesses remarkable technology advantages in terms of upgrading and deep processing of titanium raw materials, R&D of new titanium dioxide products and optimization of product performance, process coupling and clean production of titanium and its derivatives, comprehensive utilization of wastes and by-products, increase in atom utilization, production process management and control, and improvement and localization of equipment

by chlorination. The Company (1) has two production processes for titanium-rich materials, i.e. the wet process and the pyrogenic process, as well as two titanium slag smelting processes, i.e. the direct-flow furnace process and the alternating-current furnace process, which can be adapted to titanium ore raw materials of different particle sizes; (2) possesses the technologies for large-scale molten salt chlorination and large-scale boiling chlorination, which can be adapted to titanium-rich materials of different quality levels; (3) possesses the technologies for titanium sponge smelting using U-type furnace and I-type furnace, which allow it to produce titanium sponges meeting the requirements in different application areas; and (4) possesses two different ferric phosphate production processes, namely, sodium- and ammonium-based processes, allowing the maximum and high-value utilization of resources in an environment friendly manner. Besides, the Company has strong technical capabilities in the grading utilization of resources, the cascade utilization of energy and other aspects.

The Company has reached extensive cooperation with overseas partners and retained domestic and foreign industry experts to participate in technological innovation, with a view to being in accord with the highest level of international standards and enhancing the Company's international competitiveness in the field of mid-to-high-end titanium dioxide. The research and development projects under progress are also targeted at building 3 dominant industry chains, namely, titanium, zirconium, and new energy, exploring the potential of synergy from the industry coupling, and carrying out the objective of green development.

(VI) Efficient Global Distribution Channels and Service Quality

The efficient and multilevel global distribution channels enable the Company's products to be available to the whole world. Its products have been sold to more than 100 countries and regions in Europe, Asia, Africa, North America, South America and Oceania. The Company has been awarded the titles of "Key Import Enterprise in Henan Province" and "Key Export Enterprise in Henan Province" by Henan Provincial Commerce Department, and the title of "Model Company in Chinese China Export Leading Indicator" and "Demonstration Enterprise in Export Quality" by the General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China. In order to promote the conduct of its sales and marketing efforts in overseas market in a more efficient manner and obtain a better understanding of its customers' demand, the Company has set up its subsidiaries in the United States, the United Kingdom and Hong Kong as well as Shanghai Lomon Billions Technology Service Co., Ltd. in Shanghai, and has widely established strategic partnerships with international giants in the fields of coatings, plastics and inks, further increasing the Company's globalization process and international influence.

(VII) LB Group has a management team which has extensive experience in the industries and is making innovation efforts on an ongoing basis

Mr. Gang Xu, a controlling shareholder and actual controller of the Company, is well aware of situation of the industry. Working in the titanium industry for more than 30 years, he develops a deep insight into and a keen eye for the industrial trend, demands of downstream customer and changes in products. The Company has established a stable and experienced management team that has been working in the industry for more than 10 years. In this reporting period, reelection of directors, supervisors and officers had been completed within the Company, and as a

result, the Company now has a team comprising younger and more knowledgeable and specialized directors, supervisors and officers and thus has better innovation ability and international view. Mr. Xu and the management team uses their professionalism, rich experience and entrepreneurship in innovation to lead development and growth of the Company, promotes the business transition, maintains its leading position in the industry, innovates products and services, and allows the Company's titanium business to extend to Henan, Sichuan, Hubei, Yunnan and Gansu. The Company has incorporated titanium metal and new energy in its titanium dioxide line, built a development system in which the three industry chains (i.e. "Titanium, Zirconium, and Lithium") are coupled with innovation, strengthened its core competitiveness and profitability, made economic, social and ecological benefits, and contributed to excellent values for shareholders, customers, employees, each of stakeholders and even the whole society.

(VIII) Innovative development path on basis of digital transformation

In response to the digital transformation strategy advocated in Henan, the Company has planned the development of Digital LB with a forward-looking vision. Firstly, the Company takes the initiative to undertake the development of national industrial Internet projects. Specifically, the Company has developed an "Industrial Internet Networked Energy Consumption Management Platform" throughout the Group, which project has been successfully accepted in June 2023. In addition, the Company has developed a distributed multi-level monitoring and data collection network with a coverage rate of 97% and a public digital chemical service platform, realized efficient coordination between the upstream and downstream industries forming its industry chains, and accomplished the goal of energy consumption benchmarking. Secondly, the Company is devoted to developing into a benchmarking digital enterprise. Specifically, in August 2023, the Group entered into a strategic cooperation with an international tycoon software enterprise to commence its journey of digital transformation. It has started a digital empowerment project and has analyzed the key aspects of its business, identified those operational and financial aspects which are in need of digital empowerment and adjusted its organizational structure and functions in due time from the perspectives of data normalization, process standardization and system integration to promote the integrated development of its operational and financial affairs, effectively improve its ability in integrating its operational and financial affairs and facilitate the management reform within the Group. Thirdly, the Company is devoted to developing its capacity in manufacturing large intelligent chemical equipment. In reliance upon its advantage in "full industry chain, and new materials" industry cluster and its strong and comprehensive technological advantage, the Company is devoted to building up its capacity in manufacturing intelligent industrial equipment.

IV. Analysis of Main Business

1. Overview

(I) Microeconomic and industry conditions

The past year is the first year of full implementation of the spirit of the 20th National Congress of the CPC. Faced with an extremely complex international environment and the ambiguous and arduous task of stable reform and development, the CPC Central Committee with Xi Jinping as the core unite and lead the Chinese people of all ethnic groups in withstanding the external pressure and tackling the internal difficulties and making strenuous efforts to achieve a significant decisive victory. In 2023, the main objectives and tasks of the national economic and social development have been successfully completed, the goal of high-quality development has been pushed forward in a robust manner, and the overall social situation has remained stable. As a result, China has taken a solid step toward the objective of building a modern socialist country in all aspects. In 2023, the gross domestic product in China exceeded RMB 126,000 billion, with a growth rate of 5.2%, ranking top among the major economies around the world. The number of employer workers in urban areas increased by 12,440,000, and the average unemployment rate, as surveyed, in urban areas was 5.2%. The CPI increased by 0.2%. The balance of international payments was basically maintained.

In 2023, the overall development of the titanium dioxide market in China remains upward, and due to the steady increase in the exported volume, the titanium dioxide production capacity newly developed in China has been consumed to a certain degree. According to the statistic data published by the secretariat of the Strategic Alliance for Technological Innovation in Titanium Dioxide Industry, the total output in titanium dioxide industry in China in 2023 is 4.16 million tons, hitting a new high again, increasing by 0.25 million tons in comparison to the previous year and with a growth rate of 6.3% on a year-on-year basis. The cumulative volume of titanium dioxide imported to China is 84,500 tons, with a reduction rate of 31.36% on a year-on-year basis and decreasing by 38,600 tons in comparison to the previous year; and the cumulative volume of titanium dioxide exported from China is 1.6418 tons, with a growth rate of 16.80% on a year-on-year basis and increasing by approximately 236,100 tons in comparison to the previous year.

In 2023, the titanium sponge market in China experienced a steady development downward, and the titanium sponge production capacity in China has continued to expand, with the percentage it accounts for of the global titanium sponge production capacity increasing gradually. In 2023, of the global titanium sponge production capacity, the titanium sponge production capacity in China accounts for 63%, followed by Japan and Russia, in which the titanium sponge production capacity accounts for approximately 18% and 10% of the global titanium sponge production capacity respectively. As the titanium sponge production capacity newly developed in China is put into production successively, the percentage the titanium sponge production capacity in China accounts for of the global titanium

sponge production capacity will continue to increase in 2024. According to the statistic data published on Toodudu.com, the accumulated titanium sponge output in China in 2023 is approximately 215,400 tons, with an increase of about 38,400 tons and a growth rate of 21.72% on a year-on-year basis. According to the statistic data published by China Customs, in 2023, the volume of titanium sponge imported to China was 1.3384 million tons, with a reduction rate of 98.82% on a year-on-year basis; the cumulative volume of titanium sponge exported from China was 5,837.84 tons, with a growth rate of 204.08% on a year-on-year basis. Due to the increased demand in international market and the increased output in China, the exported volume of titanium sponge in China has increased significantly.

(II) Overall operation and management of the Company

2023 is the first year of full implementation of the spirit of the 20th National Congress of the CPC and promotion of the Chinese-style modernization and also a key year for LB Group to the in-depth pursuance of high-quality development and implementation of the Fourteen Five-Year Plan in the Group. In 2023, in which year reelection of the board of directors and leadership team of LB Group should be conducted, in an environment where a difficult economic situation prevails generally, the Company has firmly persisted in the top priority of realizing high-quality development and made an overall work planning comprising “business management, scientific and technological research and innovation, corporate governance reform, and CPC development culture”. United as one, and with diligent efforts, the management and employees of the Group have tackled various difficulties and moved forward bravely to achieve remarkable results in its principal business, namely, titanium dioxide business. LB Group has also achieved new results in its business management and reform & development. Overall, the Company has maintained a development trend featured by steady positive development, which has built up a strong potential energy and laid a solid foundation for its development into a world first class “Excellent century international enterprise” in all aspects.

In this reporting period, the Company achieved an operating income of RMB 26.765 billion, up 11.00% over the previous year; realized a total profit of RMB 3.917 billion, down 3.83% over the previous year; and had the net profit attributable to its shareholders of RMB 3.226 billion, down 5.64% over the previous year.

1. LB Group has created a new high in its production and sales and has further consolidated the position of its principal products in the industry

In this reporting period, the Company has adjusted its marketing strategy agilely, seized the favorable opportunity arising from the recovery at the bottom of the titanium dioxide industry, expanded the titanium sponge market actively, and improved the utilization of the titanium dioxide and titanium sponge production capacity effectively, in particular the efficient release of the production capacity of titanium dioxide and titanium sponge produced with the chlorination process. LB Group has created a new high in the production and sales of titanium dioxide and titanium sponge and has gained a bigger market share, as a result of which its dominant position in the market has been further consolidated.

Production and sales of titanium dioxide: In 2023, the Company produced 1,191,400 tons of titanium dioxide, with a year-on-year increase of 20.36%, including 804,000 tons of titanium dioxide produced using the sulfuric acid process, with a year-on-year increase of 18.18%, and 387,400 tons of titanium dioxide produced using the chlorination process, with a year-on-year increase of 25.18%; and the Company sold a total of 1,158,900 tons of titanium dioxide, with a year-on-year increase of 24.93%, with the domestic sales and overseas sales accounting for 43.53% and 56.47% respectively, sold a total of 796,400 tons of titanium dioxide produced using the sulfuric acid process, with a year-on-year increase of 22.15%, and a total of 362,500 tons of titanium dioxide produced using the chlorination process, with a year-on-year increase of 31.48%.

Productivity and sales of titanium sponge: In 2023, the Company produced 51,800 tons of titanium sponge, a year-

on-year increase of 36.05%, and sold 47,000 tons of titanium sponge, a year-on-year increase of 28.15%.

About other products: In 2023, the Company has produced 4.2408 million tons of iron concentrates, with a growth rate of 16.63% on a year-on-year basis, and has sold 4.3382 million tons of iron concentrates, with a reduction rate of 0.65% on a year-on-year basis; has produced 1.4745 million tons of titanium concentrates, with a growth rate of 26.14% on a year-on-year basis, which have been fully consumed within the Group, effectively ensuring the supply of raw materials in the Company; and has produced 66,100 tons of iron phosphate, with a growth rate of 157.80% on a year-on-year basis, and has sold 53,900 tons of iron phosphate, with a growth rate of 163.61% on a year-on-year basis.

2. LB Group has accelerated the progress of the "Coordinated Development of Two Mines Project" to ensure robust development of its business foundation

In 2023, the Company has been active in promoting the progress of the "Coordinated Development of Two Mines Project" and "Xujiagou Iron Mine Development Project", which are two core projects of LB Group, with a view to improving its supply capacity resulting from its own resources and ensuring the stability and development of its business. Meanwhile, the Company has accelerated the progress of its recovery improvement project. In particular, it has successfully completed the last steps of domestic production of raw materials used in production of titanium dioxide with the chlorination process and of industrialization of vanadium extraction with wet process and promoted the improvement of the industrial efficiency by upgrading technologies.

The owner of Miaozigou Iron Mine under the control of the Company has been changed to LB Minerals, which has laid a solid foundation for the coordinated development of Miaozigou Iron Mine and Hongge Iron Mine. The underground mining project with an annual output of 2.30 million tons at Xujiagou Mine has successfully completed the review of underground mining project involving iron ore exploitation, marking a breakthrough in the progress of the project. The successful completion of the relocation of two ultra-high voltage lines (500kV) at Niuchangping Tailing Pond in short time is a new record in the history of relocation of ultra-high voltage lines in Sichuan and also reflects the excellent ability of the Company in risk management, efficiency of project construction and achievement of intended effect of project. The ultra-fine-level ilmenite recovery improvement project has also been successfully completed. It has increased the comprehensive utilization of titanium resources by 42% or more and improved the overall technical strength of LB Group to a leading level around the world. It is also planned that integration and development of mines abroad be carried out in due time to support the future continuous development of the Company with long-term strategic resource reserves.

3. With the objective of developing a complete set of leading technological systems in full industry chain, LB Group has continued to increase the investment in research and development

In the reporting period, the Company has been active in promoting the development of "Two R&D Centers and Two Institutes", and with a view to improving its industrial innovation ability quickly, and focusing on the cities in China in which vigorous innovation is encouraged, the Company has vigorously attracted high-quality talents and efficiently integrated advantageous resources both in and outside China.

The project named "Development and Industrialization of a Package of Technologies for Manufacturing and Resource Utilization of Titanium Dioxide by Boiling Chlorination Process" was awarded first scientific and technological progress prize by China Petroleum and Chemical Industry Federation in 2023. In addition, the Company has won one outstanding patent prize in the petroleum and chemicals industry. In this project, a titanium concentration technology for diversified and complex titanium concentrates is developed, as a result of which the difficulties in low-cost production of raw materials used in production of titanium dioxide with the boiling chlorination process are tackled, thus ensuring secure and reliable supply of raw materials for production of titanium dioxide with the chlorination process in the titanium industry in China; breakthroughs are made with respect to a

series of key technologies applied in boiling chlorination and oxidization processes, enabling the Company to successfully design the first set of large boiling chlorination furnace in China independently and thus become the first enterprise which is capable of realizing continuous and stable production of titanium dioxide with the chlorination process in China; technologies for hierarchical dispersal of titanium dioxide bases, as well as for coating control of series of high-end specific-purpose titanium dioxide are developed, thus tackling the difficulties in control of the grain diameter and dispersibility of titanium dioxide bases and enabling replacement of imported series of high-end titanium dioxide with domestically manufactured ones; and an technology for resource utilization of wastes generated from production of titanium dioxide with the chlorination process is developed for improving the comprehensive utilization of titanium, carbon, vanadium, scandium, chloride and other resources, tackling the difficulties in disposal of wastes generated from production of titanium dioxide with the chlorination process and promoting the cleaner production of titanium dioxide with the chlorination process in the industry.

In September 2023, the ultra-fine-level ilmenite recovery improvement project has also been successfully completed. It has increased the comprehensive utilization of titanium resources by 42% or more and improved the overall technical strength of LB Group to a leading level around the world. In this project, three key technologies, namely, "refined classification – cascade magnetic separation and pre-concentration technology, selective magnetic agglomeration - shear-flocculation-flotation technology, and high turbulence mineralization – new low turbulence flotation and micro-foam intensified flotation process", are successfully developed for tackling the difficulties prevailing around the world in realizing efficient recovery in separation of ultra-fine-level ilmenite. As a result, the Company has become the first enterprise which is capable of realizing industrial recycling in separation of ultra-fine-level ilmenite and has completed the largest model project in the area of ultra-fine-level ilmenite recovery improvement innovation in the world.

4. While market oriented, LB Group optimizes its business model in all aspects and enhances the support from its supply chain system

In 2023, while market demand and customer feedback oriented, the Company has upgraded its business model in all aspects on basis of its titanium dioxide expertise and early-stage development experience and through optimization of its organizational structure, refined management of business lines, sophisticated overall planning, scientific price fixing, etc. The Company is devoted to building a diversified system of functional varieties of titanium dioxide with plastics, coatings, paper, printing ink and other industries as the cores and has always been active in exploring new areas of application and diligent in building a titanium dioxide product chain capable of meeting the market demand, in order to provide strong support for its market expansion, promote the continuous upgrading of titanium dioxide products and realize a diversified and sound development.

In this reporting period, the departments of the Company have collaborated with each other in all aspects in an efficient manner, including in procurement, production, technology research and development, logistics, etc., and at the same time, the precise after-sale service, as well as the combination of localized warehousing and localized services have provided strong support for the internationalization of LB Group brand. With regard to its procurement and supply system, in pursuance of the core principle "ensuring supply, sales and transportation" and following the business philosophy "to make profits from purchase, sale and transportation of products", the Company continuously optimizes its operations in various aspects, including procurement, logistics, sale of by-products, tender, etc., enhances the awareness of strategic procurement, strengthens the management of suppliers, and optimizes and upgrades its efficient supply chain system, in order to better support various production and service projects and ensure the accomplishment of its goals. The Company takes thoughtful organizational measures to optimize its production operation system, in order to ensure efficient and stable production, complete various yield tasks and reduce costs.

5. "Intensive Growth + Extensional Expansion" Driven Development, and Improvement and Perfection of Supply

Chain and Industry Chain

The Company sticks to the development strategy "intensive growth, extensional expansion, integrative development, and innovative improvement". In this reporting period, the Company has further optimized the scale of its investment projects according to the market conditions and accelerated the construction and putting into production of its major projects with the objective of increasing the return on equity. One of the Company's subsidiaries purchased 100% of the shares in Jiaozuo Zhongzhou Carbon Co., Ltd. to accelerate the business planning by the Company in the field of new energy materials, improve the completeness of the Company's chlorination process based industry chain and enhance the stability of the Company's core supply chain and industry chain.

Yunnan National Titanium Metal Co., Ltd., one of the Company's holding subsidiaries, completed the introduction of strategic investors and received investments from a number of central government-owned and state-owned investment funds, including Shenzhen Capital, China National Building Material, Henan Investment Group, etc., as well as government sponsored platforms, industry investors, etc., and raised RMB 2.272 billion through transfer of its issued and outstanding shares, as well as issuance of additional shares. The introduction of strategic investors has significantly increased the comprehensive strength of Yunnan National Titanium, effectively guaranteed the satisfaction of the capital requirements of the titanium sponge capacity expansion project, helped optimize the corporate governance of Yunnan National Titanium, supported and promoted the rapid and sound development of its titanium sponge business, and enhanced its market competitiveness. The plan for spin-off of Yunnan National Titanium Metal Co., Ltd. for listing on the main board market of Shenzhen Stock Exchange was reviewed and approved by the Company, and various work required to implement the plan has commenced. Through its separate listing, Yunan National Titanium may increase its financial strength and obtain access to more financing channels.

6. Deepening digital transformation to improve business management and development efficiency

In 2023, the Company has firmly persisted in promoting the digital transformation within the organization. The Company has developed an "Industrial Internet Networked Energy Consumption Management Platform" throughout the Group, which project has been successfully accepted. In addition, it has developed a distributed multi-level monitoring and data collection network with a coverage rate of 97%, which lays a solid foundation for the collection, transmission and application of production operation and energy consumption data of the Company.

In order to further improve its operational efficiency, the Company has started a digital empowerment project. In the project, the Company has performed in-depth analysis of the key aspects of its business and identified those operational and financial aspects which are in need of digital empowerment from the perspectives of data normalization, process standardization and system integration. Through integration of production and operation data, the coordination between the operational and financial affairs has been optimized and the overall operational efficiency has been improved. Meanwhile, the Company has adjusted its organizational structure and functions in due time according to its actual needs, in order to promote the integrated development of its operational and financial affairs. By taking these measures, the Company has not only effectively improved its ability in integrating its operational and financial affairs, but also promoted the innovation and reform of its management model.

7. Pursuing harmony between rightfulness and benefits and creating a better life for people with titanium technology

In 2023, the Company has diligently carried out the six concepts of corporate social responsibility; has been active in keeping abreast of the times and making exploration and innovation with respect to cultural continuity, resource conservation, environment protection, employee dignity in employment, public welfare and charity undertakings, responsible procurement, compliant marketing, etc.; has practically provided humanistic care and actively engaged in public welfare undertakings; and has practically been involved in various social initiatives, including those concerning commonweal medical examination, rural revitalization, joint development of rural areas and business enterprises, donation for education undertakings, social public welfare events, etc., all of which shows that the

Company has diligently fulfilled its corporate social responsibility as listed company.

Adhering to the mission of creating a better life with titanium technology and being a respected enterprise", the development concept of "making righteousness-based profits", and a stable, sustainable and scientific dividend distribution policy, the Company distributed dividends with respect to the first quarter of 2023 in May 2023, in which RMB6 was paid to each shareholder for every 10 shares in cash (tax-inclusive), totaling RMB 1.434 billion; and distributed dividends with respect to the third quarter of 2023 in November 2023, in which RMB3 was paid to each shareholder for every 10 shares in cash (tax-inclusive), totaling RMB 716,000,000. Since its listing, the Company has cumulatively made dividend distributions in an amount exceeding RMB 16 billion among its shareholders in return for their unremitting support for the development of LB Group.

2. Income and cost

(1) Composition of operating income

Monetary Unit: RMB

	2023		2022		Year-on-year increase or decrease
	Amount	Proportion to operating income	Amount	Proportion to operating income	
Total operating income	26,764,876,739.31	100%	24,112,968,453.50	100%	11.00%
By industry					
Chemical raw materials and chemical products manufacturing	25,888,643,868.17	96.73%	23,167,343,162.36	96.08%	11.75%
Other business	876,232,871.14	3.27%	945,625,291.14	3.92%	-7.34%
By product					
Titanium dioxide	17,767,742,287.36	66.38%	16,178,134,904.30	67.09%	9.83%
Iron products	2,573,173,461.30	9.61%	2,483,831,280.10	10.30%	3.60%
Zirconium products	1,101,875,462.78	4.12%	1,049,484,989.81	4.35%	4.99%
Titanium sponge	2,267,646,633.41	8.47%	2,133,917,358.68	8.85%	6.27%
New Energy Materials	1,047,141,255.37	3.91%	655,653,373.22	2.72%	59.71%
Other	2,007,297,639.09	7.50%	1,611,946,547.39	6.69%	24.53%
By region					
At home	15,774,119,204.27	58.94%	14,763,990,336.36	61.23%	6.84%
Overseas	10,990,757,535.04	41.06%	9,348,978,117.14	38.77%	17.56%
By sales model					
Direct selling	22,181,110,513.94	82.87%	18,239,923,484.33	75.64%	21.61%
Distribution	4,583,766,225.37	17.13%	5,873,044,969.17	24.36%	-21.95%

(2) Description of industries, products, regions and sales model that account for more than 10% of the Company's

operating income or operating profit

☑ Applicable □ Not applicable

The Company must comply with the disclosure rules set forth in the Guidelines No. 3 of the Shenzhen Stock Exchange on Self-regulation of Listed Companies - Industry Information Disclosure

Monetary Unit: RMB

	Operating income	Operating costs	Gross profit margin	Increase or decrease of operating income when compared with the same period of the previous year	Increase or decrease of operating cost when compared with the same period of the previous year	Increase or decrease of gross profit margin when compared with the same period of the previous year
By industry						
Chemical raw materials and chemical products manufacturing	25,888,643,868.17	18,878,052,551.43	27.08%	11.75%	16.18%	-2.78%
By product						
Titanium dioxide	17,767,742,287.36	12,701,511,469.83	28.51%	9.83%	10.47%	-0.42%
Iron products	2,573,173,461.30	1,308,482,352.61	49.15%	3.60%	-4.59%	4.36%
Zirconium products	1,101,875,462.78	954,944,604.45	13.33%	4.99%	18.95%	-10.18%
Titanium sponge	2,267,646,633.41	1,862,352,436.62	17.87%	6.27%	21.97%	-10.58%
New Energy Materials	1,047,141,255.37	1,081,773,331.34	-3.31%	59.71%	88.24%	-15.66%
Other	1,131,064,767.95	968,988,356.58	14.33%	69.75%	103.71%	-14.28%
By region						
At home	14,897,886,333.13	10,609,104,474.17	28.79%	7.81%	11.90%	-2.60%
Overseas	10,990,757,535.04	8,268,948,077.26	24.76%	17.56%	22.17%	-2.85%
By sales model						
Direct selling	21,304,877,642.80	15,518,189,963.97	27.16%	16.80%	24.61%	-4.56%
Distribution	4,583,766,225.37	3,359,862,587.45	26.70%	-21.95%	-11.48%	-8.67%

The Company’s main business data adjusted in the last one year based on the caliber at the end of the reporting period in the case that the Company’s main business data statistics caliber is adjusted during the reporting period

□ Applicable ☑ Not applicable

Operating income or net profit from overseas business operations accounts for over 10% of the Company’s audited operating income or net profit in the last fiscal year

☑ Yes □ No

Name of overseas business	Details about the conduct of	Impact on overseas business of taxation policy	Company’s response

	overseas business	effective during the reporting period	measures
Sales of titanium dioxide	Selling titanium dioxide to foreign customers	Taxation policy effective during the reporting period has no significant impact on the Company's operations overseas due to scattered customers.	Not applicable

(3) Is the Company's physical sales revenue greater than its sales income from labor service

☑ Yes □ No

Industry category	Item	Unit	2023	2022	Year-on-year increase or decrease
Titanium dioxide	Sales volume	Ton	1,158,925.78	927,697.19	24.93%
	Production	Ton	1,191,394.79	989,820.80	20.36%
	Stock	Ton	196,659.91	164,190.90	19.78%

Explanation on reasons for changes in related data over 30% year-on-year

□ Applicable ☑ Not applicable

(4) Performance of the major sales contracts and major purchase contracts signed by the Company as at the reporting period

□ Applicable ☑ Not applicable

(5) Composition of operating cost

Industry category

Monetary Unit: RMB

Industry category	Item	2023		2022		Year-on-year increase or decrease
		Amount	Proportion to operating cost	Amount	Proportion to operating cost	
Titanium dioxide	Raw materials	8,498,270,152.61	66.91%	7,630,322,236.92	66.36%	0.55%
Titanium dioxide	Energy and power	2,289,886,574.24	18.03%	2,163,639,879.54	18.82%	-0.79%
Titanium dioxide	Labor service	454,971,920.92	3.58%	485,276,592.81	4.22%	-0.64%
Titanium dioxide	Depreciation	522,310,143.33	4.11%	450,908,820.90	3.92%	0.19%
Titanium dioxide	Other	468,895,781.43	3.69%	400,910,733.36	3.49%	0.20%
Titanium dioxide	Freight	467,176,897.30	3.68%	366,469,590.22	3.19%	0.49%

Note

None

(6) Whether the scope of consolidation during the reporting period was changed

☑ Yes □ No

Please refer to "IX. Changes in the Scope of Consolidation" and "X. Interests in Other Entities" in Section X of the Report for details of the scope and changes of the consolidated financial statements in the current period.

(7) Major changes or adjustments in business, products or services of the Company during the reporting period

□ Applicable ☑ Not applicable

(8) Description of major sales customers and major suppliers

Description of the Company's major sales customers

Total sales amount of the top five customers (RMB)	2,510,033,640.34
Proportion of total sales of the top five customers in total annual sales	9.39%
Proportion of sales of related parties in total sales of the top five customers in total annual sales	0.00%

Information of the top 5 customers of the Company

No.	Name of customer	Sales (RMB)	Proportion to total annual sales
1	No.1	961,159,121.39	3.60%
2	No.2	586,286,575.65	2.19%
3	No.3	332,790,805.35	1.25%
4	No.4	326,965,296.77	1.22%
5	No.5	302,831,841.18	1.13%
Total	--	2,510,033,640.34	9.39%

Other information of major customers

□ Applicable ☑ Not applicable

Description of the Company's major suppliers

Total purchase amount of the top five suppliers (RMB)	3,639,044,152.49
Proportion of total purchase amount of the top five suppliers to total annual purchase amount	13.67%
Proportion of purchase amount of related parties in purchase amount of the top five suppliers to total annual purchase amount	0.00%

Information of the top 5 suppliers of the Company

No.	Name of supplier	Purchase amount (RMB)	Proportion to total annual purchase amount
1	No.1	1,445,628,208.54	5.43%
2	No.2	1,123,401,219.27	4.22%
3	No.3	424,086,699.26	1.59%
4	No.4	335,225,538.92	1.26%
5	No.5	310,702,486.50	1.17%
Total	--	3,639,044,152.49	13.67%

Other information of major suppliers

□ Applicable ☑ Not applicable

3. Fees

Monetary Unit: RMB

	2023	2022	Year-on-year increase or decrease	Description of major changes
Selling expenses	546,012,548.98	427,564,584.57	27.70%	
Administrative expenses	999,218,784.62	1,424,011,779.11	-29.83%	Mainly attributable to reduction in share-based payments for stock ownership incentives and repair costs
Financial expenses	237,429,701.37	102,025,898.95	132.72%	Mainly attributable to increased interest accrued on additional loans, as well as increased exchange losses resulting from foreign exchange rate fluctuation
R&D expenses	1,014,115,760.06	1,013,679,077.42	0.04%	

4. R&D investment

☑ Applicable □ Not applicable

Name of major R&D projects	Project purpose	Project status	Proposed objective	Expected influence on the Company's future development
Research on technology for improving the quality of the products produced by high weather resistant chlorination process	In this project, a method of optimizing grain size and improving surface treatment is put forward to improve the dispersibility and weathering resistance of titanium dioxide produced by chlorination process. On basis of research on the mechanism of action of crystal refiner and accelerator, a process through which base materials with uniform particle size can be produced utilizing the synergistic effect of crystal refinement and accelerator has been invented, in order to improve the dispersibility of titanium dioxide products. Through refining the additive amount and types of surface treatment agents, a low-cost and high-quality surface treatment process has been realized, which ensures the dispersibility of titanium dioxide products in the application system and enables the production of highly weather-resistant titanium dioxide with the chlorination process.	Lab research and pilot plant test have been completed for the project.	Following the completion of this project, a complete and systematic high-quality chlorination process for production of titanium dioxide and related control process will be formed, enabling the quality of titanium dioxide so produced to meet the requirements of downstream customers and further promoting the progress of the Group's objective of "Always Supply High Quality Titanium Dioxide"! Besides, the project allows refining classification of the products of the Company, as well as helps improve the quality and grade of its products and promotes the development of related industries.	It is also of great significance to promoting the position of the Company among its peers in and outside China and improving its market competitiveness.
Titanium-rich materials for in-depth purification, upgrading and chlorination of titanium slag generated from smelting titanium concentrates with pyrogenic process	This project is aimed at developing a process through which titanium-rich materials that meet the requirements of titanium dioxide production by chlorination process can be prepared by initial pressurized acid leaching using hydrochloric acid process, second acid leaching after low-temperature oxidative roasting, and third acid leaching after addition of Na2CO3/MgCO3 in the process of reductive roasting, etc.	Lab research is being conducted for the project.	The project is designed to accomplish the purpose of preparing with wet process raw materials to be used in production of titanium dioxide with boiling chlorination process at Panxi Mine.	It will lay a solid foundation for the promotion of new technique and reduction of costs throughout the Company, as well as promote the position of the Company among its peers and improve its competitiveness.

in Panxi				
Research on technology for production of high-gloss low-oil absorption ink-grade titanium dioxide	Aimed at improving the situation of lack of advanced process for production of finished printing ink in China, this project adopts our proprietary technology to tackle the difficulties existing in certain specific areas of application, and has made technological upgrading and improving with the use of post-processing grinding technology, coating technology, vapor powder control process, etc., and developed a set of new process control technologies to achieve the balance of gloss and coverage, in order to be capable of producing high-gloss and high-coverage products.	Lab research and pilot plant test have been completed for the project.	It is targeted at developing a new high-gloss low-oil absorption ink-grade titanium dioxide product, with a product quality goal of reaching the advanced level of quality of similar products produced abroad and a product gloss and coverage goal of reaching the level of gloss and coverage of imported RDI-S and R-980 titanium dioxide products.	It has promoted the international position of the printing ink industry in China, improved the competitiveness of LB Group products in the printing ink industry, and pushed forward the research and development of specific-purpose titanium dioxide in the titanium dioxide industry in China to develop specific-purpose titanium dioxide suitable for use in various industries and improve the international competitiveness of the titanium dioxide industry in China.
Research on technology for ultra-low emission of off-gas in titanium dioxide calcining	Targeted at resolving the calcining off-gas issue, research work has been performed with respect to low-nitrogen combustion, hot-air reuse, etc. in this project. It does not only reduce the generation of pollutants from the source, but also improve the efficiency and reduce the costs of off-gas treatment through optimization of the existing off-gas desulfurization and denitrification processes, in order to achieve ultra-low emission of off-gas in titanium dioxide calcining.	Pilot plant test has been completed for the project.	Following completion of the project, the emission of off-gas in titanium dioxide calcining would be reduced and the capacity of treatment of such off-gas would be improved, as a result of which the costs of treatment of off-gas in titanium dioxide calcining would be reduced.	This project is aimed at researching how to optimize off-gas treatment process and improve the efficiency of off-gas treatment. It will improve the technological level of off-gas treatment in the Company and be of remarkable significance to improving the image of the Company as an environmentalist and reducing the costs of manufacturing of titanium dioxide.
Industrial experiment for vanadium extraction by dump leaching of alkaline oxidized pellets from vanadium-titanium-iron concentrates	This project is targeted at realizing a high vanadium recovery rate through process control while reducing iron loss to the greatest extent possible to ensure “vanadium extraction while minimizing iron loss”. In this project, vanadium would be obtained through purification, precipitation, calcining and other processing of mother solution containing vanadium.	Verification test is being conducted in pilot plant test performed for the project.	1. Mother solution containing vanadium: vanadium recovery rate ≥65%, vanadium content (V) ≥6g/L, iron recovery rate ≤1.5%. 2. 98% sulfuric acid: consumption of 98% sulfuric acid ≤90kg per ton of alkaline oxidized pellets. 3. Compressive strength of calcined alkaline oxidized pellets ≥2000N per pellet. 4. Vanadium pentoxide: vanadium precipitation rate ≥97%, purity of produced Vanadium pentoxide >98%.	This project optimizes the process for production of alkaline fresh pellets from vanadium-titanium-iron concentrates and the standards on calcining of oxidized pellets, as a result of which the strength of those pellets has been enhanced significantly so that they can meet the requirements of blast furnace iron making. It would create considerable economic benefits for the Company.
Research on flotation of	This project is aimed at developing a combined ilmenite separation process comprising “magnetic	The construction of	1. Grade of titanium concentrates: TiO2≥46.00% 2.	The titanium concentrate recovery rate is increased

titanium concentrates from low-grade vanadium-titanium magnetite in Panzhihua mine lot and its application in production operations	separation + gravity separation + flotation" to improve the weakness in each separation process and give full play to the advantages of each separation process, in order to achieve adequate recovery of titanium metal and improve the titanium metal recovery rate.	the project has been completed, and it is now being commissioned for putting into production	Acceptability of titanium concentrates: FTQ ≥90%; 3. Grade of sulfur concentrates: S≥35.00% 4. Acceptability of sulfur concentrates: FTQ ≥90%;	from 35.15% to 38.00%, i.e. increased by 2.85%, and the project provides new process technology support for ensuring the supply of raw materials from titanium concentrates.
Development of low-cost and stable manufacturing technology with large boiling chlorination furnace	This project is aimed at reducing the costs of titanium tetrachloride manufacturing to increase the profit margin of titanium sponge.	Research on the process is being conducted.	The project is designed to reduce the costs of raw materials used in production with chlorination process; and to improve the stability and production efficiency of chlorination furnace so as to realize a long-cycle operation.	The project would allow reducing the costs of raw materials used in production with chlorination process; and improving the stability and production efficiency of chlorination furnace so as to realize a long-cycle operation.
Preparation with wet process of titanium-rich raw materials used in production of titanium dioxide with boiling chlorination process at Panxi Mine	This project is aimed at developing a wet process through which high-calcium and magnesium titanium concentrates from Panxi mine can be upgraded and purified so as to produce low-calcium and magnesium titanium-rich materials meeting the requirements of the boiling chlorination process for raw materials	Pilot plant test has been completed for the project, and a trial production line for mass production is being built.	In this project, a wet process through which high-calcium magnesium ores at Panxi mine can be upgraded and purified has been developed for preparing raw materials with calcium and magnesium contents less than 1.5% which meet the requirements of the boiling chlorination process for raw materials, in order to resolve the difficulties in application of the titanium concentrates from Panxi mine due to their high calcium and magnesium content.	It provides strong technical support for the production of raw materials used in production of titanium dioxide with the boiling chlorination process in the Company.
Research on development of a process through which ferrous chloride can be used as raw materials in producing precursors for anode materials of lithium ion batteries	This project is targeted at producing iron phosphate using the ferrous chloride generated as by-products in the process of production of titanium dioxide with the chlorination process, in order to realize resource recycling, as well as extra profits and energy conservation in this regard.	Lab test and pilot plant test have been completed for the project, and it is about to be put into production.	In this project, methods of purification of waste acids generated from the chlorination process are explored and the most suitable purification method is then selected, and the iron salts obtained after the purification are used in synthesizing iron phosphate, and the conditions for the synthesis of iron phosphate are researched.	This project is targeted at realizing resource utilization of the waste acids generated from production of titanium dioxide with the chlorination process and reducing the costs of raw materials used in production of iron phosphate.
Research on treatment of waste water generated from preparation of battery-level iron phosphate	This project is aimed at developing a method by which high-value recycling of the waste water generated from preparation of battery-level iron phosphate can be realized in an environment-friendly and resource-saving manner	Lab test is being conducted for the project.	The objectives of the project include the followings: removing Mn, Ca, Mg and other impurity metal cations in the filtrate; realizing the recycling of phosphate radical so that the total phosphorus content in the filtrate	Following completion of the project, the waste water generated from production of iron phosphate would be discharged while meeting the applicable discharge

			meets the water quality requirements; and reducing the costs of ferric phosphate production and enhancing the market competitiveness of LB Group's ferric phosphate products.	standards, and the Company's costs of ferric phosphate production would be reduced and the market competitiveness of LB Group's ferric phosphate products be enhanced.
Research on technology for preparation of low-specific surface area iron phosphate	This project is aimed at investigating the effect of the changes in the iron phosphate preparation process parameters on the specific surface area of iron phosphate and verifying the feasibility of research on technology for preparation of low-specific surface area iron phosphate.	A combination of lab test and pilot plant test is performed for the project, and it is now in the stage of process optimization.	In this project, the iron phosphate synthesis process parameters are adjusted to find out those process parameters which have an effect on the specific surface area of iron phosphate, and the conditions applied in the early stage of the process are adjusted to lower the specific surface area of iron phosphate.	It is targeted at preparing finished iron phosphate products with specific surface area meeting the demand of the customers and the market, in order to improve the Company's market competitiveness.
Research on process and technology for preparation of iron phosphate using industrial ammonium as raw materials	This project is aimed at developing a process through which iron phosphate can be prepared using ammonium as raw materials so as reduce the costs of phosphate production.	A combination of lab test and pilot plant test is performed for the project, and it is now in the stage of process optimization.	In this project, with the objective of developing a process through which iron phosphate can be prepared using ammonium as raw materials, iron phosphate is prepared with the co-precipitation process, in which preparation ammonium phosphate produced by the Company is used as phosphorus source and ferrous sulfate produced by the Company used as iron source.	It is targeted at developing a process through which iron phosphate can be prepared using ammonium as raw materials so as to reduce the costs of iron phosphate production and improve the Company's market competitiveness.
Research and development of high-rate lithium iron phosphate preparation process	This project is aimed at developing an optimized process suitable for preparation of high-rate lithium iron phosphate with iron phosphate produced by LB Group	Lab test is being conducted for the project.	In this project, with the objective of preparing high-volume (0.1C>155mAh/g) and high-rate (1C>140mAh/g) lithium iron phosphate of high performance using iron phosphate produced by the Company, the performance of iron phosphate produced by the Company is evaluated and the conditions required by the lithium iron phosphate preparation process is investigated for the purpose of optimizing the lithium iron phosphate preparation process	It provides a direction and technical guidance for the production of iron phosphate and lithium iron phosphate in the Company.
Research on technology for preparation of lithium iron phosphate used in energy storage technology	This project is aimed at providing lithium iron phosphate anode materials for long-cycle energy storage technology, which should be of good revolving charge-discharge performance.	The project has been completed	In this project, research on long-cycle performance has been conducted, and the process and formula for preparation of lithium iron phosphate has been optimized to reduce the capacity fading rate of the materials	It helps the Company develop a more integrated industry system, diversifies its product types, and improves its market competitiveness.
Highly cost-effective artificial graphite cathode	This project is aimed at researching and developing highly cost-effective artificial graphite cathode materials used for production of energy	Pilot plant test has been completed for	In this project, gradient experiment has been conducted with respect to those issues which	Through research on artificial graphite cathode materials used for

material development and research	storage-type lithium ion batteries so as to better promote the construction and putting into production of a graphite cathode materials project with an annual output of 100,000 tons in Henan Zhongtan New Material Co., Ltd.	the project, and it is preparing for close-out.	may affect the performance of the materials, including the amount of addition of pitch, the pelleting temperature and time, etc., and highly cost-effective artificial graphite cathode materials have finally been prepared.	production of energy storage-type lithium-ion batteries, the project may play an active role in promoting the integration of the group companies in the supply chain for new energy material manufacturing.
Development and research of artificial graphite intended for fast power battery charging market	This project is aimed at developing a kind of high-performance artificial graphite cathode materials suitable for the power battery market demand.	A process route of high feasibility has been defined.	This project is targeted at developing a stable and mass-producible liquid-phase coated artificial graphite product with a specific discharge capacity at 354±3mAh/g and a feature of 4C fast charging and suitable for LFP, NCM, NCA, etc., as well as other commercial electrolytes.	It will contribute to the improvement of the Company's technological strength.
Development and research of artificial graphite cathode materials of high specific energy	This project is aimed at developing artificial graphite cathode materials of high specific capacity, high efficiency, and excellent cycle performance.	Lab test is being conducted for the project.	This project is targeted at developing a process through which artificial graphite cathode materials of high specific capacity and high efficiency can be produced so that the products become medium and high-end products with their 0.1C reversible specific capacity at 352mAh/g at least, initial efficiency at 92% at least and pole piece compaction density at 1.65g/cm3 at least.	It is intended to upgrade the artificial graphite cathode materials manufactured by the Company to medium and high-end products to create economic benefits for the Company.
Research on application of iron alloy smelting furnace	This project is aimed at realizing the research and development and manufacturing of the largest VAR furnace (20 tons) for ingot casting in China	The installation has been completed, and the equipment is being commissioned.	In this project, the Company has the possession of the first-hand design and manufacturing data, enabling it to break the technological barrier in the industry and realize the application of VAR furnaces throughout the Group.	Following completion of this project, LB Group's access to VAR furnaces would no longer be dependent on the external source of supply, and it will empower the Group's iron alloy smelting projects.
Calcining kiln system equipment research and development	This project is aimed at developing through research on calcining kiln system equipment a reasonable process and dedicated equipment with which iron phosphate can be produced in an energy-saving and low-consumption manner, in order to increase economic benefits for the Company.	The project has been completed and is operating.	In this project, the energy consumption in the course of iron phosphate calcining is reduced through an optimized design performed on the whole calcining kiln system.	It provides strong data support for improvement of the iron phosphate manufacturing process of the Company and is able to reduce energy consumption in product manufacturing through optimization.
Ultra-fine grinding and dispersion equipment research and development	This project is aimed at developing ultra-fine grinding and processing equipment to meet the requirements of the new energy material manufacturing process.	A prototype machine has been made and is about to be tested.	This project is targeted at ensuring that the technical indicators for lithium iron phosphate grinding meet the requirements of the new energy material manufacturing process	It provides low-cost ultra-fine grinding equipment of stable performance supporting the manufacturing of new energy materials in the

			and that the energy consumption in the manufacturing of new energy materials reaches or becomes better than the international leading level.	Company.

R&D staff of the Company

	2023	2022	Variable proportion
Number of R&D staffs (person)	2,228	1,873	18.95%
Proportion of number of R&D staffs	12.14%	11.77%	0.37%
Degree of R&D staffs			
Bachelor degree	660	615	7.32%
Master	186	181	2.76%
Age of R&D staffs			
Under 30	699	415	68.43%
30~40	843	851	-0.94%

Description of the Company's R&D investment

	2023	2022	Variable proportion
R&D investment amount (RMB)	1,014,115,760.06	1,013,679,077.42	0.04%
Proportion of R&D investment in operating income	3.79%	4.20%	-0.41%
Amount of capitalized R&D investment (RMB)	0.00	0.00	0.00%
Proportion of capitalized R&D investment in total R&D investment	0.00%	0.00%	0.00%

Reason for and influence of significant changes in R&D staffs

□ Applicable ☑ Not applicable

Reasons for significant change in the ratio of total R&D investment to operating income compared with the previous year

□ Applicable ☑ Not applicable

Reason and rationality of the drastic change of the capitalization rate of R&D investment

□ Applicable ☑ Not applicable

5. Cash flow

Monetary Unit: RMB

Item	2023	2022	Year-on-year increase or decrease
Subtotal of cash inflows from operating activities	22,242,902,331.32	21,545,374,046.59	3.24%
Subtotal of cash outflows from operating activities	18,838,544,575.24	18,348,467,745.61	2.67%
Net cash flows from operating activities	3,404,357,756.08	3,196,906,300.98	6.49%
Subtotal of cash inflows from investment activities	2,054,074,154.15	410,627,934.84	400.23%
Subtotal of cash outflows from investment activities	5,030,663,767.45	5,999,010,765.12	-16.14%
Net cash flows from investment activities	-2,976,589,613.30	-5,588,382,830.28	-46.74%
Subtotal of cash inflows from financing activities	22,503,166,817.15	22,427,986,101.67	0.34%
Subtotal of cash outflows from financing activities	23,722,682,220.95	19,534,908,645.98	21.44%
Net cash flows from financing activities	-1,219,515,403.81	2,893,077,455.69	-142.15%
Net increase in cash and cash equivalents	-804,419,709.96	543,746,182.30	-247.94%

Description of main influencing factors leading to significant changes in related data over the same period of last year

☑ Applicable □ Not applicable

The increase in cash inflow from investment is mainly attributable to sale of the investment in Yunnan National Titanium.

Description of the reasons for significant difference between the net cash flow generated by the Company's operating activities during the reporting period and the net profit for the current year

□ Applicable ☑ Not applicable

V. Analysis of Non-main Business

□ Applicable ☑ Not applicable

VI. Analysis of Status of Assets and Liabilities

1. Description of significant changes in composition of assets

Monetary Unit: RMB

	End of 2023		Beginning of 2023		Increase/decrease in proportion	Description of major changes
	Amount	Proportion to total assets	Amount	Proportion to total assets		
Monetary capital	7,007,026,816.05	10.98%	8,726,311,365.31	14.74%	-3.76%	
Accounts receivable	3,012,729,072.50	4.72%	2,253,112,598.11	3.81%	0.91%	
Contract assets	2,588,294.12	0.00%	3,344,498.59	0.01%	-0.01%	
Inventories	7,328,180,921.73	11.48%	6,546,613,278.89	11.06%	0.42%	
Investment real estate	108,686,705.97	0.17%	94,363,616.39	0.16%	0.01%	
Long-term equity investment	860,134,072.53	1.35%	336,950,393.42	0.57%	0.78%	
Fixed assets	23,510,998,450.69	36.84%	18,117,544,699.91	30.61%	6.23%	
Construction in progress	4,763,656,877.81	7.46%	5,795,856,054.74	9.79%	-2.33%	
Right-of-use assets	30,516,468.44	0.05%	57,000,038.83	0.10%	-0.05%	
Short-term borrowings	8,198,171,863.19	12.85%	5,616,899,941.15	9.49%	3.36%	
Contractual liabilities	301,053,584.35	0.47%	328,121,242.06	0.55%	-0.08%	
Long-term borrowings	10,757,275,726.08	16.86%	8,405,430,000.00	14.20%	2.66%	
Lease liabilities	3,315,069.88	0.01%	11,196,547.74	0.02%	-0.01%	

Relatively high percentage of foreign assets

□ Applicable ☑ Not applicable

2. Assets and liabilities measured at fair value

□ Applicable ☑ Not applicable

3. Description of restricted rights to assets as at the end of the reporting period

Item	Closing book value	Cause of restriction
Monetary capital	5,405,846,671.29	Banker's acceptance bills, letters of credit and other security deposits, pledged term deposits and interest
Notes receivable	12,245,500.00	Endorsed, but not due yet
Accounts receivable financing	56,021,951.27	Granted against pledge
Long-term equity investment	937,235,853.38	Pledge created to secure payment of bank loans
Fixed assets	3,185,836,812.76	Mortgage for borrowings
Intangible assets	611,530,493.87	Mortgage for borrowings
Construction in progress	5,434,265.74	Mortgage for borrowings
Total	10,214,151,548.31	

VII. Analysis of Investment Status

1. Overall situation

☑ Applicable □ Not applicable

Investment amount during the reporting period (RMB)	Investment amount in the same period of last year (RMB)	Proportion of change
7,457,155,884.60	6,919,038,417.31	7.78%

2. Significant equity investment obtained during the reporting period

☑ Applicable □ Not applicable

Monetary Unit: RMB

Name of invested companies	Primary business	Way of investment	Investment amount	Shareholding ratio	Capital source	Partner	Term of investment	Product type	Progress as at balance sheet date	Estimated revenue	Current investment profit and loss	Whether any litigation is involved	Date of disclosure (if any)	Disclosure index (if any)
Jiaozuo Zhongzhou Carbon CO., Ltd.	Manufacturing and sale of graphite products	Acquisition	806,000,000.00	100.00%	Own funds	None	Long term	Graphite products	Completed	0.00	0.00	No	April 28, 2023	www.cninfo.com.cn
Longbai Sichuan Titanium Industry Co., Ltd.	Production and sales of titanium dioxide	Additional investment	600,000,000.00	100.00%	Own funds	None	Long term	Titanium dioxide	Completed	0.00	0.00	No	March 11, 2023	www.cninfo.com.cn
Jiaozuo Zhongzhou Carbon CO., Ltd.	Manufacturing and sale of graphite products	Additional investment	300,000,000.00	100.00%	Own funds	None	Long term	Graphite products	Completed	0.00	0.00	No	July 11, 2023	www.cninfo.com.cn
Panzhihua Zhenxing Mining Co. Ltd.	Mineral dressing, and sale of minerals	Additional investment	900,000,000.00	100.00%	Own funds	None	Long term	Mineral products	Completed	0.00	0.00	No	August 26, 2023	www.cninfo.com.cn
Panzhihua Longbai Fengyuan Mining Co., Ltd.	Processing and sale of mineral products	Additional investment	900,002,400.00	100.00%	Own funds	None	Long term	Mineral products	Completed	0.00	0.00	No	August 26, 2023	www.cninfo.com.cn

Yunnan National Titanium Resource Development and Management Co., Ltd.	Exploitation of mineral resources	New establishment	270,000,000.00	100.00%	Own funds	None	Long term	Mineral products	Business registration completed	0.00	0.00	No	October 19, 2023	www.cninfo.com.cn
Wuding Guotai Minerals Co., Ltd.	Exploitation of mineral resources	New establishment	270,000,000.00	90.00%	Own funds	Wuding Kuangtou Mineral Resource Development Co., Ltd.	Long term	Mineral products	Business registration completed	0.00	0.00	No	October 19, 2023	www.cninfo.com.cn
Henan Caiyuanyifeng Industry Investment Partnership (L.P.)	Investment and asset management	New establishment	1,715,000,000.00	49.00%	Own funds	Henan Zhuoyi Industry Investment Co., Ltd., Henan Yunke Enterprise Management Co., Ltd.	Long term	Investment and asset management	Business registration completed	0.00	0.00	No	November 22, 2023	www.cninfo.com.cn
Total	--	--	5,761,002,400.00	--	--	--	--	--	--	0.00	0.00	--	--	--

3. Significant non-equity investment in progress during the reporting period

□ Applicable ☑ Not applicable

4. Investment of financial assets

(1) Investment of securities

□ Applicable ☑ Not applicable

The Company had no investment in securities during the reporting period.

(2) Investment of derivatives

□ Applicable ☑ Not applicable

The Company had no investment of derivatives in during the reporting period.

5. Use of raised funds

□ Applicable ☑ Not applicable

The Company used no raised funds during the reporting period.

VIII. Sale of Major Assets and Equity

1. Sale of major assets

□ Applicable ☑ Not applicable

No significant assets were sold by the Company during the reporting period.

2. Sale of major equity

☑ Applicable □ Not applicable

Counterparty	Shares sold	Sold on	Sale and purchase price (RMB ten thousand)	Amount of net profits the sold shares had contributed to the listed company from the beginning of this period through the date of sale (RMB ten thousand)	Effect of the sale on the Company	Percentage of the net profits that the share sale contributes to the listed company in the total net profits of the listed company	Principles used in fixing the sale price	Related party transaction or not	Affiliation relationship with the counterparty	Registration of the transfer of all shares sold completed or not	Transaction consummated on schedule as planned or not, and if not, the reason, as well as the actions the Company has taken to address this situation should be explained	Date of disclosure	Index of disclosure
18 strategic investors, including Shenzhen Capital Group Co., Ltd., etc.	380,000,000 shares in Yunan National Titanium Metal Co., Ltd.	May 12, 2023	121,600	3,911.83	The share sale has no effect on the business continuity and the stability of the management of the Company.	0.00%	As set out in the *Asset Appraisal Report*	No	None	Yes	Yes	March 25, 2023	www.cninfo.com.cn

XI. Analysis of Major Holding and Joint-stock Companies

☑ Applicable □ Not applicable

Description of major subsidiaries and joint-stock companies that affect the Company's net profit by more than 10%

Monetary Unit: RMB

Company name	Company Type	Primary business	Registered capital	Total Assets	Net assets	Operating income	Operating Profit	Net profit
Longbai Sichuan Titanium Industry Co., Ltd.	Subsidiary	Titanium dioxide	400,000,000.00	3,700,477,029.80	1,662,581,199.58	3,671,301,404.06	419,398,157.76	368,049,532.58
Longbai Sichuan Mining and Metallurgy Co., Ltd.	Subsidiary	Mineral products	520,000,000.00	10,360,630,450.60	5,047,165,792.11	6,866,593,635.78	2,984,475,945.38	2,532,062,261.39

Acquisition and disposal of subsidiaries during the reporting period

☑ Applicable □ Not applicable

Company name	Ways of acquiring and disposing of subsidiaries during the reporting period	Impacts on overall production, operation and performance
Jiaozuo Zhongzhou Carbon CO., Ltd.	Acquisition	Zhongzhou Carbon is one of the earliest carbon enterprises in China and possesses advanced graphite product manufacturing technology, and its products mainly include calcined coke, graphite saggar, graphite boards, graphite electrodes, etc. It possesses leading technologies in the industry, and its products, including calcined coke, graphite sagger, graphite boards, graphite electrodes, etc., can be used in the manufacturing of chlorination process produced titanium dioxide, high titanium slag, new energy anode and cathode materials and other products in the Company. The acquisition of Zhongzhou Carbon would help ensure the Company's supply of raw materials in titanium dioxide and new energy industries. Zhongzhou Carbon has graphite products related patented technologies, professional management team and technicians, and Zhongzhou New Materials and Zhongzhou Carbon have complementary advantages in technology, labor force, products, etc., which would help improve the Company's scale advantages and market competitiveness in the field of graphite cathode materials.

Description of major shareholding and joint-stock companies

Not applicable

X. Structured Subjects Controlled by the Company

□ Applicable ☑ Not applicable

XI. Prospects for the Company's Future Development

Going public in 2011 and seeing the completion of the "12th Five-year Plan" and "13th Five-year Plan", the Company has become a large-scale diversified group devoted to R&D and manufacturing of titanium, zirconium, lithium, vanadium, scandium and other new materials, as well as in-depth integration of industries, and formed a full-industrial chain pattern ranging from benefication of titanium ore, intensive processing of such raw materials as reduced titanium, high titanium slag and synthetic rutile, to the production of sulfuric-acid titanium dioxide, chlorination titanium dioxide and titanium.

2024 is a key year to the Company's objectives to be accomplished during the Fourteen Five-Year Plan. In this year, the Company will continue to hold the development vision of "Become an excellent century international enterprise", persist in the business mission of "Create a better life with titanium technology and be a respected enterprise", stick to the development strategy of "intensive growth, extensional expansion, integrative development, and innovative improvement", and be oriented by the objective of "Offering high-tech and refined titanium products, as well as a complete set of fine titanium based derivative products, and increasing the value of titanium to the life of human beings on an ongoing basis", and further push forward its "1-3-5 Plan" (namely: 1 system: building an innovative system enabling the

high-quality development of LB Group's green new materials business; 3 chains: building dominant titanium, zirconium and new energy industry chains, exploring the potential of synergy from industry coupling, and carrying out the objective of green development; 5 poles: with the impetus from "M&A and innovative projects", developing growth poles in 5 new material businesses, i.e. titanium dioxide, titanium and zirconium metals, zirconic materials, new energy materials, and scattered elements (vanadium, scandium, hafnium, cobalt, etc.)), in order to develop a new business pattern and move toward a new stage of development.

(I). Development goals and key capacity planning under the "14th Five-Year Plan"

As the "14th Five-Year Plan" has been put into effect, the Company has set a business goal of over RMB50 billion for its business operations in the fields of titanium dioxide, metal titanium, mineral products and new energy, and expects to realize sound development, accomplish established goals and repay all members of the big Lomon Billions family under the guidance of the "14th Five-Year Plan" and by relying upon science and technology.

(II) Development strategy of the Company

The Company will build a low-cost co-production system covering titanium dioxide by the sulfuric acid process, titanium dioxide by the chlorination process, titanium sponge and high-end titanium alloys by relying on its existing key resources and advantages, and will further optimize the green and greater-circulation industrial chain to build a complete industrial chain integrating mining and processing of titanium ore, titanium dioxide production by the chlorination process, titanium sponge production, titanium metals production and processing of titanium materials. At the same time, the Company under the guidance of resource recycling and green development upholds the development idea of "full industry chain, greater circulation, and low cost", and develops the new energy business. The Company insists upon both connotative growth and denotative expansion by enhancing itself inside, as well as seizing the opportunities of and carrying out horizontal and vertical acquisition.

1. Building of an "Own Resource Pool" to improve quality and expand production capacity and ensure acquisition of raw materials at low costs

While there is a trend of tension in the supply of titanium resources around the world and the Group is rapidly releasing its titanium dioxide and titanium sponge production capacity, the Company must stick to the "Resources First" strategy to ensure the supply of raw materials. To this end: Firstly, the Company will accelerate the building of its "Own Resource Pool" by pushing forward the putting into production of new titanium mining projects, including Northern Expansion of Hongge Mining Area, Xujiagou Mining Development, etc. Secondly, the Company will improve its "Level of Manufacturing" by pushing forward its titanium slag chlorination, titanium recovery improvement, vanadium, scandium,

manganese and chromium extraction and other projects and increasing the degree of self-sufficiency of raw materials for the chlorination process to realize efficient utilization of resources. Thirdly, the Company will commence development of mines abroad in proper time to obtain strategic resource reserves for the Group.

2. Enrich the existing product structure and improve product quality

(1) In the titanium dioxide industry: the Company enhances the proportion of titanium dioxide by chlorination, upgrades its products to the middle and high end, and increases the proportion of the products to be exported outside China, so as to be a pioneer in the industrial structure reform of titanium dioxide in China. The Company makes every effort to facilitate the release of the capacity of the production line with a planned annual production of 200,000 tons of titanium dioxide by chlorination at Lufeng Titanium Industry; actively makes plan for future development of production capacity and rapidly expands its business to consolidate its advantages in the industry; has increased R&D investment to develop new high-end products featured in high light resistance and super weather resistance; strives to build a functional titanium dioxide system aimed at application in plastic, paint, paper, ink and other industries and continuously explore new application areas; and builds and improves the quality supervision and feedback system, promotes TR52 quality concept and stabilizes the product quality to meet customer demands.

(2) In the titanium metal industry: Relying upon its mature large-scale boiling chlorination technology and advantages in industrial chain, and by means of technical renovation and expansion of existing production lines and development of new projects, the Company seeks to further increase its production capacity of titanium sponge. It will accelerate the progress of Phase II (15,000-ton production capacity) of the smart manufacturing technical improvement project for rotor-level titanium sponge with an annual output of 30,000 tons in Yunnan National Titanium and Phase II (15,000-ton production capacity) of the technical improvement project for rotor-level titanium sponge with an annual output of 30,000 tons in Gansu National Titanium to increase the titanium sponge production capacity and continuously reduce the manufacturing costs. It will also increase the talent, technology and other resource reserves and conduct feasibility research and tackle technological difficulties with respect to titanium metal projects.

3. Continuous inputs into new energy industry

Meanwhile, the Company will fully exploit its potential in improvement of recovery ratio and reduction of energy consumption in three key aspects of production, namely, “quality, yield, and cost”; accelerate the research and development of the third generation of highly compacted lithium iron phosphate, LMFP, high-rate lithium iron phosphate and other anode materials, as well as of high energy density graphite cathode, fast charging graphite cathode, long-cycle graphite cathode and other high-end graphite cathode materials to accomplish the upgrading of the performance of its

products; and pay a close attention to the future growth points of new energy products and develop brand promotion and technology marketing strategy. In addition, the Company will accelerate the establishment and development of Hunan Institute of Lithium Battery Materials into a central institute in the field of lithium battery within the Group, and strive to improve the level of lithium battery materials development technology of the Group from a "follower" to a "peer" and then gradually accomplish the ambiguous goal of becoming a "leader" in new energy industry.

4. Excellent market service capabilities

By integrating and optimizing its marketing network, the Company will: (1) build a professional and localized network for marketing to provide differentiated products and services in areas designated in the world as per the demands of customers and products; (2) build Lomon Billions Shanghai Market Service Center, makes the best of the talents, technology, finance, policies and other resources in the Yangtze River Delta and takes into account both domestic and foreign markets to enhance its status and brand advantages in titanium and titanium derivatives related industries; (3) make an appropriate layout in the fields of titanium dioxide by the sulfuric acid process, titanium dioxide by the chlorination process, titanium sponge and high-end titanium alloys, and conduct business expansion in the fields of vanadium, zirconium, iron, scandium, cobalt and other titanium derivatives and in the emerging industries such as intelligent manufacturing and new energy materials; (4) pay close attention to the industry mainstream customers, gain insight into customer demands, keep an eye on the development trend of competitors and the industry, and make use of its advantages in terms of innovation to seize the market.

5. Green, recyclable and sustainable development

The Company will increase its innovation inputs and upgrade the existing technologies to realize multipurpose utilization of waste water and solid resources. The Company will: (1) upgrade and improve the sulfuric acid process, optimize the existing sulfuric acid production process, and realize the harmony between titanium dioxide production and environmental protection; (2) accelerate the horizontal coupling and integration of the sulfuric acid process and the chlorination process, overcome the bottleneck in an artificial rutile production line process, and ensure the source of the raw materials used in producing titanium dioxide by the chlorination process and reduce the manufacturing costs; (3) explore multiple applications of ferrous sulfate, and further reduce the output of solid waste titanium gypsum; (4) facilitate the coupling between the processes, and reduce water consumption; (5) separate and recycle the ore and coke in inert waste residues through the comprehensive utilization project of chlorinated inert waste residues, and increase the recycling rate of raw titanium materials; and (6) make every effort to promote the recycling of rare precious metals in waste acid and waste residue to improve the level of comprehensive utilization of resources, and further promote the extraction of vanadium

and scandium metals from waste acid and waste residue and then use them in producing vanadium electrolyte, which will be supplied as raw materials for the vanadium liquid current battery industry.

6. Pushing forward the development of talent team in a robust manner to lay a solid foundation for high-quality development

Talents are strategic resources of the greatest importance to the development of the Group, and it has developed a macroscopic and overall planning for the introduction, cooperation, development, attraction and use of or with talents. In 2024, with the objective of pushing forward the development of its talent team in a robust manner, the Group will improve the competency and stimulate the initiative and creativity of all employees through establishment of a standard talent review system, digital transformation, optimization of performance review, and offering of effective and wide-range training at different levels, and implement the talent development philosophy "care for employees, efficiency first, and best use of talents" to adapt to the new trend in the reform and innovative development within the Group.

(III) Possible risks and countermeasures

1. Environmental policy related risks

The State of Council issued a report stating that in 2022, the target on ecological environment protection should continue and the efforts to be put on the target should not be reduced. Future national environmental standards, resource recycling standards and production safety standards will further promote to adopt standards of developed countries and leading companies in the world, and will promote to strengthen law enforcement. With higher standards, stricter requirements and continuous strengthening of environmental supervision, chemical companies will face environmental risks in the next few years.

Responses: The Company always attaches great importance to fulfilling social responsibility of environmental protection, firmly establishes the concept of ecological priority and green development, takes the initiative to comply with the new standards and new requirements for treatment of waste water, waste gas, dust, noise and solid waste, and continuously increase its investment in environmental protection to ensure normal operation of environmental protection facilities and standard-compliant discharge of various pollutants. At the same time, the Company, in accordance with the principle of "reduction, reuse and recycling", relies on technological advancement and technological innovation to vigorously develop comprehensive utilization and circular economy.

2. Operation and management related risks

During this reporting period, the Company has experienced rapid development and has formed a trans-regional group management mode based on its seven production bases, giving higher requirements for management of the Group. In

view of the increasingly complex and volatile macroeconomic environment, inability of the Company to continue to improve its management level and decision-making efficiency may have a certain impact on the Company's normal production and operation.

Responses: The Company will take into account of its development strategy outline for the next ten years and its "Fourteenth Five-Year" Development Plan to unify its management philosophy and development goals, always maintain a new and innovative way of thinking, continuously improve the knowledge structure of the Company's employees by continuing to improve its operation and management level and through multi-level and multi-channel training and communication, and actively introduce relevant industry talents and management teams.

3. Risks in price fluctuation of product and raw material

In view of the fact that ever-changing policy factors and complex market environment will lead to more frequent price fluctuation of products and bulk raw materials, and will have a greater impact on revenue, production and operation and cost control of enterprises, the Company will inevitably bear the risk of fluctuations concerning products and raw material prices.

Responses: Build a more perfect industrial chain through domestic and foreign resource integration and technological innovation to achieve the goal of industrial integration as soon as possible; cooperate with upstream suppliers to further expand the mining and mineral separation capabilities of group companies, strive to grasp the market trend, make profits, appropriately avoid risks in raw material price fluctuations, lower cost of product and ensure the stability of production and operation.

4. Product demand risk

Demand for products of the Company is impacted by various factors. In China, "supply-side structural reform" and other policies have been issued to adjust the country's economic structure and improve and increase the quality and quantity of economic growth, which makes the demand for titanium products to shift from quantity to quality.

Responses: the Company has expanded the capacity of titanium dioxide production under chlorination process, and will keep optimizing the structure and quality of its products, acquiring advantages in both cost and quality. The Group will further enhance its business distribution abroad and strive to establish a unified sale network around the world to gain a greater market share.

5. Investment risks

In order to realize strategic layout of the Company's titanium industry as soon as possible, the Company will continue to carry out domestic and overseas industrial mergers and acquisitions as well as resource integration based on its main

business. There is investment risk since investment in each project will be affected by various factors such as domestic and international economic environment, macro policies, industry cycle and trading plan.

Responses: In order to effectively resolve the investment risks brought by industrial mergers and acquisitions, the Company will engage professional project teams to carry out investment related cooperation in carefully selecting investment targets, carry out comprehensive project due diligence, establish an efficient investment decision-making mechanism, fully pay attention to and prevent risks, and strictly control risks.

6. Exchange rate risks

As the largest export enterprise of titanium dioxidea in China, the annual export volume of the Company accounts for 30%-40% of China's export volume of titanium dioxide, with the potential of continuous growth. As the Company grows to be an international enterprise, its import and export business will gradually increase, and any exchange rate fluctuation may result in exchange loss risks.

Responses: Improve the level of financial and foreign exchange business of relevant management personnel, actively pay attention to the fluctuations of the foreign exchange market and exchange rate trends, enhance the ability of pre-judgment, and seek advantages and avoid risks. Actively make use of advanced financial instruments, flexibly make adjustments to policies concerning export settlement and pricing, and avoid the risks that may be resulted from exchange rate fluctuations to the maximum extent.

7. Other Emergency Risks

The Company may potentially be faced with various challenges and risks due to the intensity of the international situation, occurrence of natural disasters and other emergencies in China, etc. in recent years.

Response measures: The Company will keep a close eye on the international situation, adopt stringent and refined measures to prevent and control other emergency incidents, and develop a scientific, effective and swift mechanism to respond to such incidents, and at the same time, will make continuous efforts to reduce costs while expanding domestic and foreign marketing activities, so as to ensure stable growth in the Company's business performance. In addition, the Company will, on the basis of the concept of being innovation-driven, continue to optimize its product structure, enrich its product categories, flexibly adjust its production and sales strategies, take more proactive response measures against black swan events, seize opportunities in face of challenges, and revitalize the titanium industry.

XII. Reception of survey, communication, interview and other activities during the reporting period

☑ Applicable □ Not applicable

Date of reception	Reception location	Way of reception	Type of reception object	Guests received	Main content of discussion and materials provided	Index of basic situation of survey
February 13, 2023	The Company's meeting room	Field survey	Institution	ZHANG Cuicui from Haitong Securities, DING Xu from GF Securities, WANG Minghui and JIN Wei from Sinolink Securities, LV Yanan from Golden Eagle Fund, YU Lihong from Hezhongyisheng, SUN Bin from Guangdong Xinqiji Asset Management, LI Nanzhu from Xingquan Fund, DAI Chenyang from AXA SPDB Investment Managers, WANG Chengqiang from Hexie Huiyi, LIU Bi from Yuanlesheng, LIU Li from Ruijun Asset Management, HU Shuang from Essence Fund, and Andy from Tianhong Asset Management	About the production and operations of the Company, as well as its project development and planning, etc.	For details, please refer to *002601 Survey Information of LB Group 20230213* published on http://www.cninfo.com.cn on February 15, 2023
March 31, 2023	Online communication	Other	Institution	Total 80 participants from a number of companies and organizations, including SONG Tao and REN Jie from Shenwan Petrochemicals; WANG Qi, WANG Yuncong and DUAN Haifeng from GF Fund Management; WANG Peijian from E-Fund; ZHANG Jun from China Asset Management; SHEN Heng and WANG Huanji from Wells Fargo Funds Management; REN Xiangdong and LI Nanzhu from Xingquan Fund; ZHENG Yong from China Southern Asset Management; JIA Yubo from Bosera Asset Management; WANG Xi from Zhong Ou AMC; WANG Xiwei from Penghua Fund; WANG Haofei from ABC-CA Fund Management; JIANG Shan, HU Yinyu and SHI Hang from Yinhua Fund; ZHANG Rui from Hua An Fund Management; GONG Cheng from China Life Asset Management; LIU Shaojun and MA Dunchao from Taikang Asset; ZHANG Xiaohui from CPIC Asset Management; PENG Zhili from CMB Wealth Management; LUO Siwei from CITIC Securities Asset Management; ZHAO Fangfang from the principal office of CITIC Securities; YANG Qianli from Gaoyi Asset Management; LIU Bi from Yuanlesheng Asset Management, etc.	About the re-election of the board of directors and board of supervisors of the Company, as well as its production and operations, project planning, etc.	For details, please visit http://www.cninfo.com.cn for *002601 Survey Information of LB Group 20230331* issued on April 2, 2023
May 5, 2023	wxly.p5w.net, an online investor relation communication platform	Online communication on an online platform	Other	Investors participating in the online meeting held for explaining the business performance set out in Annual Report 2022	About the operations of the Company, as well as its project development and planning, performance in capital market, etc.	For details, please refer to *002601 Information on LB Group Online Performance Briefing Meeting regarding 2022 Annual Report 20230505* published on

						http://www.cninfo.com.cn on May 8, 2023.
June 10, 2023	The guests participated in the exchange meeting held in person in Kunming, Yunnan and visited the factories of the Company in Lufeng, Chuxiong and Panzhihua	Field survey	Institution	Total 71 participants from a number of companies and organizations, including YUAN Yue and YANG Qianli from Gaoyi Asset Management; LIANG Jianwen from Q Fund Management (a company based in Hong Kong); WANG Huanji from Wells Fargo Funds Management; CHEN Bo and SUN Ya from Huaneng Guicheng Trust; CHEN Chen from CICC Asset Management; LIANG Zhangcheng from STAROCK; ZHAO Chen from Hexie Huiyi; LI Nanzhu from AEGON-Industrial Fund; YU Lihong from Tibet Hezhongyisheng Investment; SUN Zhaohui from Guotai AMC; ZHOU Weifeng from Vision Capital; XUE Han and YANG Haolin from Skycus Capital; YU Ge from the principal office of Hongta Securities; CAO Ling, CHEN Jiayi and LIU Shaojun from Taikang Asset; ZHANG Yulong from Caitong Fund; QI Xiang from Qinghequan; PENG Zhili from CMB Wealth Management; CUI Wenwi from Foresight Fund; YUAN Ye and LU Chenwei from Haichuang VC; QIU Weijia from Wealspring Asset; ZHANG Rui from Hua An Fund Management; TIAN Wentian from Purekind Fund; WANG Yuan from ZS AMC; ZHANG Tiannan from Sunsource; HUANG Chao from TrueValue Asset Management; JI Wenyi from Guotai AMC; REN Jie from Shenwan Hongyuan Securities; ZHANG Xiong from Huatai Chemicals; ZHOU Jianuo from Everbright Securities; YU Shuangyu from Guosen Securities; WANG Huabing and PAN Yunhe from Zhongtai Securities; YU Jie from Northeast Securities; ZHANG Xun from Industrial Securities; MU Lei from J.P. Morgan; RU Yi from HSBC; TIAN Yuan from Caitong Securities; LIU Tianwen from Huaan Securities; ZHAI Xuli from Capital Securities; DING Xu and WU Xinran from GF Securities; JIANG Kuayue from Kaiyuan Chemicals; SHI Yan from People’s Daily Online; GUO Dongyi from Xinhua Net; ZHANG Shiguang from Securities Daily; CHEN Shiang from Dahe Fortune Cube; ZHAO Liyun from Securities Times Online, etc.	About the production and operations of the Company, as well as its project development and planning, etc.	For details, please refer to *002601 Survey Information of LB Group 20230612* published on http://www.cninfo.com.cn on June 12, 2023

XIII. Details about Implementation of the Course of Action "Quality Improvement and Return Increase"

Whether the Company has disclosed the Course of Action "Quality Improvement and Return Increase".
☑ Yes □ No

1. In response to the guiding concepts proposed at a meeting of the Political Bureau of the Central Committee of the CPC and at an executive meeting of the State Council, i.e. "Activate the capital market and enhance investors' confidence" and "Vigorously increase the quality and value of investment in listed companies, and take more vigorous and effective measures to stabilize the market and keep investors' confidence", the Company has published the course of action "Quality Improvement and Return Increase", in order to protect the interests of all shareholders, enhance its investors' confidence, boost its stock price, and promote the high-quality development of LB Group. For details, please refer to the *Announcement Regarding the Course of Action "Quality Improvement and Return Increase"* published by the Company in *China Securities Journal*, *Securities Times* and *Shanghai Securities News* and on www.cninfo.com.cn on March 2, 2024.

2. The implementation of said plan as of the date of this report is detailed as follows:

(1) The Company continues to vigorously develop its principal business to realize the development of all business in a coordinated manner using the "Point-to-Area" strategy. The Company remembers all along in mind its mission of "creating a better life with titanium technology and being a respected enterprise". It has been committed to the titanium industry and titanium-related industry through innovative technology and efficient business model for more than 30 years, and has been increasing the value of the industry in improving the public welfare. At present, among the main products of the Company, the production capacity of titanium dioxide is 1.51 million tons per year and titanium sponge is 50,000 tons per year, both ranking top in the world. The Company has developed a full industry chain covering exploitation and selection of vanadium-titanium magnetite, intensive processing of high titanium slag, synthesized rutile and other raw materials, and manufacturing of titanium dioxide produced by sulfuric acid process and chlorination process, titanium metal and other products, as well as a green industry system comprising comprehensive utilization of vanadium, scandium, iron and other derivative resources.

(2) The Company continues to increase the investment in its research and development activities to consolidate and enhance its core competitive advantages. In pursuance of the philosophy "Innovation makes every day in LB Group a new day", the Company develops advanced innovation and R&D strategies and maintains an innovation system comprising "all employees, all industries, and all elements" to facilitate the innovation and integration of industry chains, motivate the innovation of all elements and stimulate the activity of innovation within the organization; and continues to increase

the investment in research and development and strives to make technological breakthroughs to promote the innovative development of the Company. In the past 3 years, the Company has cumulatively invested approximately RMB 3 billion in research and development. The Company has made remarkable accomplishments in, amongst others, industrial and technological innovation. For example, the Company is the first enterprise in China which has developed large-scale boiling chlorination process for manufacturing of titanium dioxide and broken the foreign technological monopoly existing for several decades in this regard; and has realized the industrialized application of recycled ultra-fine-level ilmenite, which was once a world-class technological difficulty, to improve the comprehensive utilization of vanadium – titanium magnetite.

(3) In pursuance of the principle "harmony between righteousness and profit, and profit sharing" and following a stable, continuing and scientific dividend distribution idea, the Company makes considerable dividend distributions among its shareholders in return for their support for its development. Since its listing, the Company has made dividend distributions in cash in an amount exceeding RMB 16 billion among its shareholders cumulatively.

For the purposes of promoting the sharing among all shareholders of the results of the Company's business operations and development and practically carrying out the course of action "Quality Improvement and Return Increase" and the LB Group Co., Ltd. Return on Investment Planning for the Shareholders for the Future Three Years (2023 to 2025), and based on his recognition of the stable operations and bright development prospect of the Company, Mr. XU Gang, the controlling shareholder, actual controller and honorary chairman of the Company, proposed that subject to compliance with the profit distribution principles set out in the Articles of Association of the Company, and provided that the normal operations and long-term development of the Company could be assured, profits should be distributed among the shareholders for the first quarter of 2024 as follows: Based on the total share capital of the Company as of March 31, 2024, RMB 6.00 per 10 shares (inclusive of taxes) should be paid to each shareholder; provided, however, that if the total number of shares of the Company on the record date should differ from that at the end of the first quarter of 2024, then the profit distribution plan should be based on the total share capital of the Company on the record date fixed for implementation of the profit distribution plan in the future, and the distribution ratio should be adjusted accordingly while the total amount of profits available for distribution should remain unchanged. Mr. XU Gang undertook to vote for the profit distribution plan for the first quarter of 2024 when the same would be considered at a general meeting of shareholders.

(4) The Company continues to perfect its corporate governance structure to regulate its operation. The Company has built a corporate governance equation mechanism which is composed of the shareholders' meeting, the Board of Directors, the

Board of Supervisors and senior management, with “a clear division of power and responsibility, each performing his own duties, mutual coordination and effective checks and balances”, and optimizing its governance system among power organs, decision-making organs, supervision organs and executive organs to ensure “scientific decision-making, effective supervision and robust operation”, so as to ensure the sustainable and sound development of Company. To adapt to its rapid development, the Company has adopted an internal control system of “Full Participation, Hierarchical Implementation and Aggregation through Administrative Levels”.

The Company persists in high-quality information disclosure and has been rated “A” (Excellent) for three consecutive years, i.e. 2020, 2021 and 2022, by Shenzhen Stock Exchange with regard to its information disclosure performance review. This rating reflects the regulator’s high appreciation and recognition of the Company’s compliant operation and overall information disclosure performance and also shows the Company’s professionalism and compliance in information disclosure, corporate governance, etc. Further, it demonstrates convincingly that the Company has been diligently fulfilling its corporate social responsibility in the capital market.

(5) The Company attaches a great importance to the management of investor relations and communicates in a timely, open and transparent manner the information on its state of business, prospect and other affairs to market participants by various means, including announcement, business performance briefing, securities dealer strategy presentation, irm.cninfo.com, investor hotline, etc.

(6) About the implementation of other work:

Based on their confidence on the future development of the Company, and in order to support the long-term sound development of the Company, the management members of the Company have been active in increasing their shareholding in the Company, and in the period from October 27, 2022 to December 28, 2023, the controlling shareholder and some directors, supervisors and officers of the Company had increased their shareholding in the Company by RMB 94,000,000.00 in the aggregate.

Based on his confidence in the future stable development of and his recognition of the value of the Company, and for the purposes of further establishing and perfecting the Company’s long-term incentive mechanism, attracting and retaining talents, protecting the legitimate rights and interests of all shareholders, and promoting the stable and sound development of the Company, and taking into account of the development prospect of the principal business of and the financial position of the Company, Mr. HE Benliu, the chairman of the Company, proposed that the Company should repurchase its issued and outstanding ordinary shares (i.e. Class A shares) in the aggregate amount of at least RMB 100,000,000.00 and no more than RMB 200,000,000.00 with its own funds and by way of collective bidding, which shares when repurchased

should be used for its employee stock ownership plan or for granting stock ownership incentives to its employees. Mr. HE Benliu undertook to actively procure that a meeting of the board of directors should be convened as soon as possible to consider the proposed share repurchase and to vote for the proposal at the meeting. For details, please refer to the *Announcement Regarding the Chairman's Proposal for Repurchase by the Company of Its Own Shares* published by the Company in *China Securities Journal*, *Securities Times* and *Shanghai Securities News* and on www.cninfo.com.cn on March 11, 2024.

Section IV Corporate Governance

I. Basic Situation of Corporate Governance

Since its listing in 2011, the Company has been diligently devoted to learning the international and professional corporate governance standards and has been always following the values of simpleness, transparency, compliance and accountability and has established a sound modern enterprise management system. In the company, the corporate governance system, including, without limitation, decision-making system, oversight mechanism, incentive and restraint mechanisms, risk control system and information disclosure mechanism, has taken shape. With effective corporate governance, the Company nourishes and protects entrepreneurship, innovates, aligns resources, lowers costs, creates unrepeatable competitive advantages, and maintains rapid and high-quality growth.

1. Establishment of Standardized and Transparent Corporate Governance System of Effective Equation

The Company constantly perfects its corporate governance structure and regulates its own operation in accordance with the requirements set out in the *Company Law*, the *Securities Law*, the *Listing Rules of Shenzhen Stock Exchange* and other relevant laws and regulations. The Company has built a corporate governance equation mechanism which is composed of the shareholders' meeting, the Board of Directors, the Board of Supervisors and senior management, with "a clear division of power and responsibility, each performing his own duties, mutual coordination and effective checks and balances", and optimizing its governance system among power organs, decision-making organs, supervision organs and executive organs to ensure "scientific decision-making, effective supervision and robust operation", so as to ensure the sustainable and sound development of Company.

The Company continuously perfects its procedures to collectively decide and approve all material matters, prevents its internal control mechanism from failing, strengthens the regulation of the conduct of the "critical minority", and prevents the occurrence of embezzlement of its funds by its majority shareholder(s), provision of guarantee in violation of the regulations, insider trading, etc. The Company maintains independent director selection and appointment, remuneration management and working rules, protects the legitimate rights and interests of its independent directors, causes its independent directors to actively perform their duties with respect to the corporate governance, internal control, information disclosure, financial oversight and other aspects of the listed company, and seek advice from its independent directors about related party transactions, profit distribution, financial support, etc. The independent directors fully play the functional roles of audit committee, nomination committee and remuneration and performance review committee,

improves the level of scientific decision-making in the board of directors, and enhances the strategic management function of the board of directors.

2. Perfection of Performance Evaluation Mechanism and Improvement of Management Efficiency

The Company has built an entrepreneurial management team, relies on sound corporate governance to "decentralize and empower" its management team, forming an economic accountability assessment system for such businesses as production, procurement, sales, finance, R&D and investment, promotes business transformation, innovative products and services, and expands the distribution of the Company's titanium industry base to five provinces and six cities including Henan, Sichuan, Hubei, Yunnan and Gansu. The Company extends its product line from titanium dioxide to titanium and alternative energy to enhance constantly its core competitiveness and profitability, promote economic, social and ecological benefits simultaneously and create superior value for all stakeholders, including shareholders, customers and employees, and the society as a whole.

3. Internal Control System Featured by "Total Involvement, Hierarchical Implementation, and Summarization by Levels"

Since 2015, the Company has accelerated procurement and project construction, successively acquired companies such as Lomon Titanium Industry, Ruierxin, Xinli Titanium Industry, Orient Zirconic Industry, Hunan Oriental Scandium, Titanium Sponge Branch of Jinchuan Group, Zhenxing Mining Industry, Zhongzhou Carbon, etc., and implemented projects like titanium dioxide chloride, titanium sponge, titanium alloy, new energy. The Company expands rapidly. With more than 60 subsidiaries, LB Group manufactures titanium, zirconium, iron, scandium, vanadium and lithium, has manufacturing bases in nine provinces, employs more than 18,000 people and serves customers in more than 100 countries and regions.

To adapt to its rapid growth, the Company follows an internal control system of "full participation, hierarchical implementation and aggregation through administrative levels". In other words, the Company thoroughly and systematically governs and reviews key business processes by certain standards to optimize systems and processes, has established a self-assessment system and operational mechanism for the LB Group's internal controls, built up the appropriate internal control self-assessment workflow, methods and templates, and realized the day-to-day operation of internal control self-assessment, promoted the comprehensive upgrade of the internal control system and ensured the effectiveness of the internal control system by solidifying project results and setting up internal control assessment and accountability mechanism.

4. High-quality Information Disclosure

The Company received an A rating for its information disclosure performance evaluation in 2022, and it has received that result from Shenzhen Stock Exchange for three consecutive years since going public. The Company has attached great value to information disclosure in recent years, building an institutional system, including the *Rules and Regulations Governing Information Disclosure Affairs*, *Management System of Investor Relations (October 2022)* and the *Rules and Regulations on External Information Reporting and Use Management*, and an information disclosure accountability system with the Chairman as the first person responsible and Secretary of the Board of Directors as the direct person responsible, and constantly optimizing the work mechanism of its disclosure department to ensure that disclosures are truthful, accurate, complete, timely, fair and legal and compliant.

The Company perceives investors as the most honorable partners, perseveres with multi-channel, multi-tiered and two-way communication, operates an "online and offline" channels and "1 platform + 4 meetings +2 hotlines" and makes communication accessible by offering dedicated services so that investors can have a complete and timely picture of all aspects of investors' concerns, including the Company's operations and financial positions, better exercise their supervisory rights and protect their legitimate rights and interests; LB Group discloses its social responsibilities, including environmental, social and corporate governance (ESG) commitments; Secretary of the Board of Directors is able to maintain an open line of communication with regulating organs, cooperate with them in their regulatory work and information collection in an active manner and organize the publicity of newly enacted laws and regulations in the PRC.

5. Coexistence and Sharing of Righteousness and Benefits

Since going public, the Company has successfully implemented its employee stock ownership plan and stock incentive plan for two phases respectively and built and perfected its long-term incentive system to effectively align the interests of shareholders, the Company and the core team with the initiative of senior management, middle-level management and key technical (business) personnel; it follows the principle of steady, sustainable and scientific dividend payout and rewards its shareholders who support the Company's development with good dividend returns. Since going public, the Company has paid cash dividends more than RMB16 billion to its shareholders.

In the reporting period, the Company abides by the Company Law, the Securities Law, the Code on Corporate Governance of Listed Companies, the Stock Listing Rules of the Shenzhen Stock Exchange, and other laws, regulations and normative documents of China Securities Regulatory Commission (CSRC), constantly enhances its corporate governance structure, optimizes its governance system and operating mechanism, builds a sound internal control and risk management system, continues to deepen its corporate governance, strictly enforces the management by the Board of Directors, the Board of Supervisors and the shareholders' meetings, performs its disclosure obligations pursuant to law, enhances investor

relations management, and ensures that the Company operates in a standardized manner to effectively protect the interests of its investors.

Is there any significant difference between the actual corporate governance and the laws, administrative regulations, and CSRC regulations regarding public corporate governance?

□ Yes ☑ No

There is no significant difference between the actual corporate governance and the laws, administrative regulations, and CSRC regulations regarding public corporate governance.

II.The Company's Independence of the Controlling Shareholder and the Actual Controller in Ensuring Corporate Assets, Personnel, Finance, Organization and Business

The Company is fully independent of its controlling shareholder and the actual controller in terms of assets, personnel, finance, organization and business and has independent and integrated business operations as well as independent business capacities.

1. In terms of assets: The Company has production and business premises independent of its controlling shareholder, an independent and complete asset structure, independent production system, auxiliary production system and supporting facilities, land use rights, housing titles and other assets, and an independent procurement and marketing system.

2. In terms of personnel: The Company is fully independent of any other individual or entity in terms of personnel, labor service, human resources and payroll. Presidents, Vice Presidents, Financial Administrators and other senior executives of the Company serve and get paid by the Company, and do not serve and get paid by the Company's controlling shareholder and its subsidiaries.

3. In terms of finance: The Company has set up an independent Financial & Accounting Department as well as independent accounting system and financial management system, and makes independent financial decisions. Moreover, the Company has opened independent bank accounts, and pays taxes independently.

4. In terms of organization: The Company has established a sound organizational system, and runs independently without any mixed business operations or shared business premises with its controlling shareholder and other entities controlled by it.

5. In terms of business: The Company conducts business independent of its controlling shareholder and subsidiaries without relying on any shareholder or other affiliate, and has an independent and comprehensive supply-production-marketing system.

III. Horizontal Competition

□ Applicable ☑ Not applicable

IV. Relevant Information of Annual General Meetings and Extraordinary General Meetings Held During the Reporting Period

1. General meetings held during the reporting period

Session	Type of meeting	Investor participation ratio	Meeting date	Date of disclosure	Meeting resolution
1st Extraordinary General Meeting of Shareholders of LB Group in 2023	Extraordinary general meeting	43.18%	January 16, 2023	January 17, 2023	At the meeting, all the motions presented at the meeting were reviewed and approved, as detailed in the *Announcement on the Resolutions of the First Extraordinary General Meeting in 2023* (No. 2023-004) published in *China Securities Journal*, *Securities Times* and on www.cninfo.com.cn on January 17, 2023.
2nd Extraordinary General Meeting of Shareholders of LB Group in 2023	Extraordinary general meeting	15.99%	February 14, 2023	February 15, 2023	At the meeting, all the motions presented at the meeting were reviewed and approved, as detailed in the *Announcement on the Resolutions of the Second Extraordinary General Meeting in 2023* (No. 2023-013) published in *China Securities Journal*, *Securities Times* and on www.cninfo.com.cn on February 15, 2023.
3rd Extraordinary General Meeting of Shareholders of LB Group in 2023	Extraordinary general meeting	43.37%	April 10, 2023	April 11, 2023	At the meeting, all the motions presented at the meeting were reviewed and approved, as detailed in the *Announcement on the Resolutions of the Second Extraordinary General Meeting in 2023* (No. 2023-044) published in *China Securities Journal*, *Securities Times* and on www.cninfo.com.cn on April 11, 2023.
4th Extraordinary General Meeting of Shareholders of LB Group in 2023	Extraordinary general meeting	43.58%	April 17, 2023	April 18, 2023	At the meeting, all the motions presented at the meeting were reviewed and approved, as detailed in the *Announcement on the Resolutions of the Fourth Extraordinary General Meeting in 2023* (No. 2023-046) published in *China Securities Journal*, *Securities Times* and on www.cninfo.com.cn on April 18, 2023.
Annual General Meeting of Shareholders 2022	Annual general meeting	42.49%	May 18, 2023	May 19, 2023	At the meeting, all the motions presented at the meeting were reviewed and approved, as detailed in the *Announcement on the Resolutions of the Annul General Meeting in 2022* (No. 2023-073) published in *China Securities Journal*, *Securities Times* and on www.cninfo.com.cn on May 19, 2023.
5th Extraordinary General Meeting of Shareholders of LB	Extraordinary general meeting	41.69%	July 26, 2023	July 27, 2023	At the meeting, all the motions presented at the meeting were reviewed and approved, as detailed in the *Announcement on the*

Group in 2023					*Resolutions of the Fifth Extraordinary General Meeting in 2023* (No. 2023-092) published in *China Securities Journal*, *Securities Times* and on www.cninfo.com.cn on July 27, 2023.
6th Extraordinary General Meeting of Shareholders of LB Group in 2023	Extraordinary general meeting	45.68%	September 11, 2023	September 12, 2023	At the meeting, all the motions presented at the meeting were reviewed and approved, as detailed in the *Announcement on the Resolutions of the Sixth Extraordinary General Meeting in 2023* (No. 2023-103), published in *China Securities Journal*, *Securities Times* and on www.cninfo.com.cn on September 12, 2023.
7th Extraordinary General Meeting of Shareholders of LB Group in 2023	Extraordinary general meeting	46.51%	October 30, 2023	October 31, 2023	At the meeting, all the motions presented at the meeting were reviewed and approved, as detailed in the *Announcement on the Resolutions of the Seventh Extraordinary General Meeting in 2023* (No. 2023-124) published in *China Securities Journal*, *Securities Times* and on www.cninfo.com.cn on October 31, 2023.
8th Extraordinary General Meeting of Shareholders of LB Group in 2023	Extraordinary general meeting	50.12%	December 7, 2023	December 8, 2023	At the meeting, all the motions presented at the meeting were reviewed and approved, as detailed in the *Announcement on the Resolutions of the Eighth Extraordinary General Meeting in 2023* (No. 2023-144) published in *China Securities Journal*, *Securities Times* and on www.cninfo.com.cn on December 8, 2023.
9th Extraordinary General Meeting of Shareholders of LB Group in 2023	Extraordinary general meeting	44.95%	December 21, 2023	December 22, 2023	At the meeting, all the motions presented at the meeting were reviewed and approved, as detailed in the *Announcement on the Resolutions of the Ninth Extraordinary General Meeting in 2023* (No. 2023-146) published in *China Securities Journal*, *Securities Times* and on www.cninfo.com.cn on December 22, 2023.

2. Preferred shareholders with voting rights restored requested to hold an extraordinary general meeting

□ Applicable ☑ Not applicable

V. Information of Directors, Supervisors and Officers

1. Basic Information

Name	Sex	Age	Position	Employment status	Starting date of appointment	Ending date of appointment	Number of shares held at the beginning of the period (share)	Number of shares increased in this period (share)	Number of shares decreased in this period (share)	Other increase and decrease (share)	Number of shares held at the end of the period (share)	Reasons for increase or decrease in shares
HE Benliu	Male	56	Director	Incumbent	April 22, 2020	April 16, 2026	19,767,444	0	0	0	19,767,444	
HE Benliu	Male	56	Chairman of the Board	Incumbent	April 17, 2023	April 16, 2026	19,767,444	0	0	0	19,767,444	
XU Ran	Female	34	Vice Chairman of the Board	Incumbent	April 17, 2023	April 16, 2026	0	0	0	0	0	
WU Pengsen	Male	44	Director, President	Incumbent	April 17, 2023	April 16, 2026	2,065,000	0	0	0	2,065,000	
SHEN Qingfei	Male	43	Director	Incumbent	April 22, 2020	April 16, 2026	3,486,950	28,100	0	0	3,515,050	Acquired additional shares in the Company by way of centralized bidding
SHEN Qingfei	Male	43	Financial Director	Incumbent	Apr. 4, 2014	April 16, 2026	3,486,950	28,100	0	0	3,515,050	Acquired additional shares in the Company by way of centralized bidding
CHEN Jianli	Male	48	Director	Incumbent	April 17, 2023	April 16, 2026	2,350,000	27,000	0	0	2,377,000	Acquired additional shares in the Company by way of centralized bidding
CHEN Jianli	Male	48	R&D Vice President	Incumbent	April 22, 2020	April 16, 2026	2,350,000	27,000	0	0	2,377,000	Acquired additional shares in the Company by way of centralized bidding
WANG Xudong	Male	47	Directors, Vice Presidents and Board Secretary	Incumbent	April 17, 2023	April 16, 2026	0	0	0	0	0	
QIU Guanzhou	Male	75	Independent Director	Incumbent	April 22, 2020	April 16, 2026	0	0	0	0	0	
LIANG Lijuan	Female	59	Independent Director	Incumbent	April 17, 2023	April 16, 2026	0	0	0	0	0	
LI Li	Female	56	Independent Director	Incumbent	April 22, 2020	April 16, 2026	0	0	0	0	0	
ZHANG	Male	48	Chairman of the	Incumbent	April 17, 2023	April 16,	2,004,800	19,200	0	-1,200,000	824,000	Acquired

Haitao			Board of Supervisors			2026						19,200 more shares in the Company by way of centralized bidding, and 1,200,000 restricted shares granted pursuant to the stock ownership incentive plan(s) in respect of which the restrictions on transfer have not been lifted repurchased and cancelled after being appointed as supervisor on April 17, 2023.
DU Weili	Male	46	Director	Incumbent	April 22, 2020	April 16, 2026	10,300	0	0	0	10,300	
LIN Ping	Male	44	Director	Incumbent	April 17, 2023	April 16, 2026	41,600	0	0	-24,000	17,600	24,000 restricted shares granted pursuant to the stock ownership incentive plan(s) in respect of which the restrictions on transfer have not been lifted repurchased and cancelled after being appointed as supervisor on April 17, 2023.
XU Gang	Male	61	Chairman of the Board	Resigned	July 5, 2002	April 17, 2023	624,231,769	2,284,200	0	0	626,515,969	Acquired additional shares in the Company by way of centralized bidding
TAN Ruiqing	Male	58	Vice Chairman of the Board	Resigned	July 5, 2002	April 17, 2023	197,384,705	0	0	0	197,384,705	
CHANG Yili	Male	75	Director	Resigned	May 18, 2002	April 17, 2023	4,825,000	951,100	0	0	5,776,100	Acquired additional shares in the

												Company by way of centralized bidding
YANG Minle	Male	68	Director	Resigned	May 18, 2002	April 17, 2023	7,324,125	484,300	0	0	7,808,425	Acquired additional shares in the Company by way of centralized bidding
ZHANG Qibin	Male	59	Director	Resigned	May 18, 2002	April 17, 2023	0	0	0	0	0	
ZHOU Xiaokui	Male	62	Director	Resigned	April 24, 2017	April 17, 2023	0	0	0	0	0	
YU Xiaohong	Female	51	Independent Director	Resigned	April 22, 2020	April 17, 2023	0	0	0	0	0	
LIN Suyue	Female	61	Independent Director	Resigned	January 3, 2018	April 17, 2023	0	0	0	0	0	
ZHANG Gang	Male	47	Chairman of the Board of Supervisors	Resigned	June 2, 2022	April 17, 2023	9,200	16,900	0	0	26,100	Acquired additional shares in the Company by way of centralized bidding
HE Benliu	Male	56	President	Resigned	January 17, 2022	April 17, 2023	19,767,444	0	0	0	19,767,444	
WU Pengsen	Male	44	Executive Vice President and Compliance Manager	Resigned	January 17, 2022	April 17, 2023	2,065,000	0	0	0	2,065,000	
ZHANG Haitao	Male	48	Board Secretary	Resigned	February 23, 2017	April 17, 2023	2,004,800	19,200	0	-1,200,000	824,000	Acquired 19,200 more shares in the Company by way of centralized bidding, and 1,200,000 restricted shares granted pursuant to the stock ownership incentive plan(s) in respect of which the restrictions on transfer have not been lifted repurchased and cancelled after being appointed as supervisor on

												April 17, 2023.
ZHANG Haitao	Male	48	Vice President	Resigned	April 22, 2020	April 17, 2023	2,004,800	19,200	0	-1,200,000	824,000	Acquired 19,200 more shares in the Company by way of centralized bidding, and 1,200,000 restricted shares granted pursuant to the stock ownership incentive plan(s) in respect of which the restrictions on transfer have not been lifted repurchased and cancelled after being appointed as supervisor on April 17, 2023.
ZHANG Haitao	Male	48	HR & Admin Director	Resigned	January 17, 2022	April 17, 2023	2,004,800	19,200	0	-1,200,000	824,000	Acquired 19,200 more shares in the Company by way of centralized bidding, and 1,200,000 restricted shares granted pursuant to the stock ownership incentive plan(s) in respect of which the restrictions on transfer have not been lifted repurchased and cancelled after being appointed as supervisor on April 17, 2023.
JIN Xinlu	Male	48	Director	Resigned	April 22, 2020	April 17, 2023	0	0	0	0	0	
Total	--	--	--	--	--	--	863,500,893	3,810,800	0	-1,224,000	866,087,693	--

Note: Some directors, supervisors and officers have more than one title due to change of their job positions or due to their holding of more than one office. In calculating the number of shares held at the beginning of the period, the number of additional shares acquired during the period, the number of shares disposed of during the period, other changes in shareholding, the number of shares held at the end of the period, etc., those directors, supervisors and officers who have more than one title should be counted no more than once.

Was any director, supervisor or officer dismissed during the reporting period?

□ Yes ☑ No

Changes in directors, supervisors and senior executives of the Company

☑ Applicable □ Not applicable

Name	Position	Type	Date	Cause
HE Benliu	Chairman of the Board	Elected	April 17, 2023	General election
XU Ran	Vice Chairwoman of the Board	Elected	April 17, 2023	General election
WU Pengsen	Director	Elected	April 17, 2023	General election
WU Pengsen	President	Appointment	April 17, 2023	Re-appointment
CHEN Jianli	Director	Elected	April 17, 2023	General election
WANG Xudong	Director	Elected	April 17, 2023	General election
WANG Xudong	Vice President	Appointment	April 17, 2023	Re-appointment
WANG Xudong	Board Secretary	Appointment	July 10, 2023	Re-appointment
LIANG Lijuan	Independent Director	Elected	April 17, 2023	General election
ZHANG Haitao	Chairman of the Board of Supervisors	Elected	April 17, 2023	General election
LIN Ping	Director	Elected	April 17, 2023	General election
XU Gang	Chairman of the Board	Leaved upon expiry of term of office	April 17, 2023	Expiry of term of office
TAN Ruiqing	Vice Chairman of the Board	Leaved upon expiry of term of office	April 17, 2023	Expiry of term of office
CHANG Yili	Director	Leaved upon expiry of term of office	April 17, 2023	Expiry of term of office
YANG Minle	Director	Leaved upon expiry of term of office	April 17, 2023	Expiry of term of office
ZHANG Qibin	Director	Leaved upon expiry of term of office	April 17, 2023	Expiry of term of office
ZHOU Xiaokui	Director	Leaved upon expiry of term of office	April 17, 2023	Expiry of term of office
YU Xiaohong	Independent Director	Leaved upon expiry of term of office	April 17, 2023	Expiry of term of office
LIN Suyue	Independent Director	Leaved upon expiry of term of office	April 17, 2023	Expiry of term of office
ZHANG Gang	Chairman of the Board of Supervisors	Leaved upon expiry of term of office	April 17, 2023	Expiry of term of office

JIN Xinlu	Director	Leaved upon expiry of term of office	April 17, 2023	Expiry of term of office
ZHANG Haitao	Vice President and Board Secretary	Leaved upon expiry of term of office	April 17, 2023	Expiry of term of office
HE Benliu	President	Leaved upon expiry of term of office	April 17, 2023	Expiry of term of office
WU Pengsen	Executive Vice President and Compliance Manager	Leaved upon expiry of term of office	April 17, 2023	Expiry of term of office
ZHANG Haitao	HR & Admin Director	Leaved upon expiry of term of office	April 17, 2023	Expiry of term of office

2. Roles and Responsibilities

Professional background, main work experience and current main duties in the Company of current directors, supervisors and senior executives

Non-independent Director:

Mr. HE Benliu, a Chinese citizen born in 1968, who has no permanent residency abroad, is a doctoral candidate and also senior economist and senior engineer. In the Company, he served as Vice General Manager since 2005 till January 2015; served as General Manager since January 2015 till December 2016; served as Executive Vice President and HR & Admin Director since December 2016 till April 2022; has been serving as Director since April 2020; served as President since January 2022 till April 2023; and has been serving as Chairman since April 4, 2023.

Ms. XU Ran, a Chinese citizen born in 1990, who has no permanent residency abroad, holds master's degree. Ms. XU served the Company as business manager from October 2014 to March 2017; has been serving Billions (Europe) as director since November 2014 and Billions (Americas) as director since May 2015; served the Company as assistant to president from March 2017 to April 2023; has been serving Jiaozuo Federation of Young Private Entrepreneurs as vice chairman since April 2021; has been serving Image ResourcesNL as director since June 2022; has been serving Jiaozuo Association of Industry and Commerce as vice president since July 2022; and has been serving the Company as deputy chairwoman, as well as general manager of its sales division since April 2023.

Mr. WU Pengsen, a Chinese citizen born in 1980, who has no permanent residency abroad, is a doctoral candidate and also senior engineer. In the Company, he had been serving as Workshop Director of Jiangxi Kingan Hi-tech Co., Ltd. since July 2002 till December 2003; Production Manager of Shanghai Zhengrong Chemical Plant since March 2004 till May 2006, General Manager Assistant of the Company, Manager of Orient Zirconic Industry and Manager of Titanium Third Branch since June 2006 till December 2011, Technical Vice General Manager of the Company since January 2012 till December 2016, General Manager of Jiaozuo Base of the Company since January 2017 till December 2018, and General Manager of Longbai Sichuan Titanium Industry Co., Ltd., one of the subsidiaries of the Company since December 2018 till April 2023; Executive Vice President and Compliance Manager of the Company since January 2022 till April

2023; and he has been serving as director and president of the Company and as chairman of Longbai Sichuan Titanium Industry Co., Ltd. since April 2023.

Mr. SHEN Qingfei, a Chinese citizen born in 1981, Master of Accounting. He has qualification certificates as senior economist, accountant, Secretary of the Board of Directors, etc. He served as Deputy Director of Strategic Development Department of the Company from July 2003 to January 2006, and Manager Assistant of Securities Department, Deputy Director of Board Secretariat and Securities Affairs Representative of Guangdong Guanhao High -Tech Co., Ltd. from January 2006 to June 2008. And he served as Deputy Director of Internal Audit of Guangzhou Mopark Department Store Co., Ltd. from June 2008 to January 2011, and Securities Affairs Representative of China Hainan Rubber Industry Group Co., Ltd. from January 2011 to October 2012. He served as Board Secretary of the Company from October 2012 to October 2017, and has been serving as Financial Manager of the Company since April 2014 and Director of the Company since April 2020. He has been serving as chairman of Hunan Oriental Scandium Industry Co., Ltd. concurrently since October 2020.

Mr. CHEN Jianli, a Chinese citizen born in 1976, is a doctoral candidate and also senior engineer. He has been serving the Company and in charge of research and development, quality management, marketing techniques, production processes and other aspects since July 2000, and once served as Principal of Technology Research and Development Department, Deputy Technical Manager, Assistant President and other roles in the Company. Besides, he has been serving as chairman of Yunnan National Titanium Metal Co., Ltd. since September 2021, and Vice President of R&D of the Company since April 2020. He has been serving as director of the Company since April 2023.

Mr. WANG Xudong, a Chinese citizen born in 1977, holds master's degree. Mr. WANG worked in Henan Pingdingshan Bureau of Environment Protection from 1998 to 2004; worked in Central China Securities as Vice General Manager of the fifth division of investment banking and deputy general manager of the head office of Zhengzhou Investment Banking Division successively from 2007 to 2019 and was responsible for the investment banking business and sponsor representative role; and worked in Huajin Securities as general manager of its corporate financing and assistant to president successively from 2019 to March 2023 and was responsible for the investment banking business and sponsor representative role. He has been serving as director and vice president of the Company since April 2023. He was an acting secretary of the board of directors of the Company from April 17, 2023 through July 10, 2023. He has been serving as secretary of the board of directors of the Company since July 10, 2023.

Independent directors:

Mr. QIU Guanzhou, a Chinese citizen born in 1949, holds doctoral degree and is professor, doctoral supervisor and academician of Chinese Academy of Engineering. He is the academic leader of the Innovation Group of National Natural Science Foundation of China, chief scientist of National 973 Program in the field of biometallurgy, and Chairman of the 19th International Biometallurgy Conference, and was elected as Vice Chairman of International Society for Biometallurgy. Mr. QIU Guanzhou has received training and assessment, and has obtained the qualification certificate to serving as an independent director of the Company. He served as Vice President of Central South University of Technology and Vice President of Central South University, and has been serving as Professor and Doctoral Supervisor of Central South University since April 2010, Independent Director of Guangdong Hongda Blasting Co., Ltd. since December 2019, and Independent Director of Aluminum Corporation of China Limited (hereinafter referred to as "Chalco") since June 2021. He has been serving as Independent Director of the Company since April 2020.

Ms. LIANG Lijuan, a Chinese citizen born in 1965, holds master's degree and is an accounting professor, postgraduate tutor and non-practicing CPA. Ms. LIANG has been working on accounting teaching and related scientific research in Henan Polytechnic University since July 1987; once served Jiaozuo Wanfang Aluminum Industry Co., Ltd. as independent director of its third and fourth boards of directors and DFD New Materials Co., Ltd. as independent director of its third, fourth and sixth boards of directors; and is currently serving DFD New Materials Co., Ltd. as independent director of its seventh board of directors and also an accounting professor of Henan Polytechnic University. She has been serving as independent director of the Company since April 2023.

Ms. LI Li, a Chinese citizen born in 1968, hods bachelor degree. She has been serving as Director and Second-grade Lawyer of Henan Licheng Law Firm since March 2005, and currently serves as Vice Chairman of Jiaozuo Bar Association, Expert Legislative Consultant of Jiaozuo Municipal NPC Standing Committee, a member of the 10th, 11th and 12th CPPCC and Director of Jiaozuo Women and Children's Rights Protection Service Center. Ms. LI Li has received training and assessment, and has obtained the qualification certificate to serving as an independent director of the Company and has been serving as independent director of the Company since April 2020.

Members of board of supervisors:

Mr. ZHANG Haitao, born in 1976, holds a doctoral degree in economics and is an economist. Mr. ZHANG served Southern Securities as investment banking manager of Zhengzhou Office from July 1998 to December 2001; served as vice director of the budget preparation office and director of the department of claims & debts of Jiaozuo Finance Bureau from December 2001 to August 2017; served the Company as secretary of the board of directors, vice president and HR

& Administration Director from October 2017 to April 2023; and has been serving the Company as chairman of the board of supervisors since April 2023.

Mr. DU Weili, a Chinese citizen born in 1978, Han, who has no permanent residency abroad, holds bachelor degree. He has been serving the Company since January 2012, served as Deputy Director of the Board of Directors of the Company, and currently serves as General Manager Assistant and Principal of Legal & Audit Department of Longbai Sichuan Titanium Industry Co., Ltd. He has been serving as Director of the Company since April 2020.

Mr. LIN Ping, a Chinese citizen born in 1980, Han, who has no permanent residency abroad, holds bachelor degree. Mr. LIN served Jiaozuo Future Aluminum Industry Co., Ltd. as instrumentation automation engineer and director of the electronic instrument workshop successively from July 2004 to March 2012. He has been serving the Company since March 2012 and was once the leader of the information unit of the President's Office and is now a vice director of the President's Office. He has been serving as supervisor of the Company since April 2023.

Roles and Responsibilities in share-holding entities

□ Applicable ☑ Not applicable

Description of roles and responsibilities in other entities

☑ Applicable □ Not applicable

Name of officeholder	Name of other entities	Position held in other entities	Starting date of appointment	Ending date of appointment	Whether remuneration allowances are granted by other units
QIU Guanzhou	Central South University	Professor	April 1, 2010		Yes
QIU Guanzhou	Guangdong Hongda Holdings Group Co., Ltd.	Independent Director	December 27, 2019		Yes
QIU Guanzhou	Aluminum Corporation of China Limited	Independent Director	June 29, 2021		Yes
LI Li	Henan Licheng Law Firm	Director	March 1, 2005		Yes
LIANG Lijuan	DFD New Materials Co., Ltd.	Independent Director	January 16, 2020		Yes
LIANG Lijuan	Henan Polytechnic University	Professor	April 8, 2005		Yes

Penalties imposed by securities regulatory agencies on current directors, supervisors and senior executives of the Company and those who left during the reporting period in the past three years

□ Applicable ☑ Not applicable

3. Remunerations of Directors, Supervisors and Officers

Decision-making procedures, determination basis and actual payment of remunerations of directors, supervisors and senior executives

Decision-making procedures: During the reporting period, the Company formulated the *Management Measures for Remunerations of Chairman of the Board, Chairman of the Board of Supervisors and Senior Executives* and adjusted the allowances paid to the independent directors, non-independent directors and supervisors of the Company, which were reviewed and approved at the 31st meeting of the 7th board of directors held on January 17, 2022 and the 1st extraordinary general meeting of 2022 held on February 7, 2022.

Determination basis: Remunerations for such personnel are determined according to the *Management Measures for Remunerations of Chairman of the Board, Chairman of the Board of Supervisors and Senior Executives* reviewed and approved at the 1st extraordinary general meeting of 2022 of the Company and by taking into account of work division and business performance of the Company, individual performance, performance of duties, completion of responsibility objectives and other factors. Remunerations of independent directors and the directors and supervisors not working in the Company were determined in accordance with the *Proposal on Adjusting the Allowances of Independent Directors, Non-Independent Directors and Supervisors of the Company* passed at the first extraordinary general meeting of 2022.

Remunerations of directors, supervisors and senior executives of the Company in the reporting period

Unit: RMB ten thousand

Name	Sex	Age	Position	Employment status	Total pre-tax remunerations obtained from the Company	Whether compensation is obtained from affiliates of the Company
HE Benliu	Male	56	Chairman of the Board	Incumbent	137.86	No
XU Ran	Female	34	Vice Chairman of the Board	Incumbent	86.88	No
WU Pengsen	Male	44	Director, President	Incumbent	129.28	No
SHEN Qingfei	Male	43	Director, Financial Manager	Incumbent	105.13	No
CHEN Jianli	Male	48	Director, R&D Vice President	Incumbent	114.00	No
WANG Xudong	Male	47	Directors, Vice Presidents and Board Secretary	Incumbent	83.34	No
QIU Guanzhou	Male	75	Independent Director	Incumbent	12.00	No
LIANG Lijuan	Female	59	Independent Director	Incumbent	8.00	No
LI Li	Female	56	Independent Director	Incumbent	12.00	No
ZHANG Haitao	Male	48	Chairman of the Board of Supervisors	Incumbent	104.67	No

DU Weili	Male	46	Director	Incumbent	34.38	No
LIN Ping	Male	44	Director	Incumbent	19.83	No
XU Gang	Male	61	Chairman of the Board	Resigned	104.91	No
TAN Ruiqing	Male	58	Vice Chairman of the Board	Resigned	26.09	Yes
CHANG Yili	Male	75	Director	Resigned	97.33	No
YANG Minle	Male	68	Director	Resigned	125.47	No
ZHANG Qibin	Male	59	Director	Resigned	1.20	Yes
ZHOU Xiaokui	Male	62	Director	Resigned	1.20	No
YU Xiaohong	Female	51	Independent Director	Resigned	0	No
LIN Suyue	Female	61	Independent Director	Resigned	0	No
ZHANG Gang	Male	47	Chairman of the Board of Supervisors	Resigned	111.65	No
JIN Xinlu	Male	48	Director	Resigned	43.60	No
Total	--	--	--	--	1,358.82	--

Description of other matters

□ Applicable ☑ Not applicable

VI. Directors' Performance of Duties during the Reporting Period

1. Board of Directors during the Reporting Period

Session	Meeting date	Date of disclosure	Meeting resolution
47th Meeting of the 7th board of directors	January 29, 2023	January 30, 2023	The meeting reviewed and approved the following motions: 1. The *Proposal for Adjustment of the Plan to Increase Shareholding in the Company by Its Controlling Shareholder and Certain Directors Supervisors and Officers* was reviewed and approved; 2. The meeting has reviewed and approved the *Proposal to Convene the 2nd Extraordinary General Meeting of 2023*.
48th Meeting of the 7th board of directors	March 10, 2023	March 11, 2023	The meeting reviewed and approved the following motions: 1. The *Proposal for Additional Capital Contribution to Subsidiaries* was reviewed and approved; 2. The *Proposal for Adjustment of Ownership Structures of Subsidiaries* was reviewed and approved.
49th Meeting of the 7th board of directors	March 24, 2023	March 25, 2023	The meeting reviewed and approved the following motions: 1. The *Proposal for Introduction of Strategic Investors into Subsidiaries* was reviewed and approved; 2. The *Proposal for Convening the 3rd Extraordinary General Meeting of 2023* was reviewed and approved.
The 50th Meeting of the 7th Board of Directors	March 30, 2023	March 31, 2023	The meeting reviewed and approved the following motions: 1. The *Proposal for Amendment to the Articles of Association of the Company* was reviewed and approved; 2. The *Proposal for Re-election of Non-independent Directors of the Board of Directors* was reviewed and approved;

			3. The *Proposal for Re-election of Independent Directors of the Board of Directors* was reviewed and approved; 4. The *Proposal for Repurchase and Cancellation of Certain Restricted Shares* was reviewed and approved; 5. The *Proposal for Adjustment of the Organizational Structure of the Company* was reviewed and approved; 6. The *Proposal for Convening the 4th Extraordinary General Meeting of 2023* was reviewed and approved.
The 1st Meeting of the 8th Board of Directors	April 17, 2023	April 18, 2023	The meeting reviewed and approved the following motions: 1. The *Proposal for Election of Chairman and Deputy Chairmen of the 8th Board of Directors of the Company* was reviewed and approved; 2. The *Proposal for Election of Members of Specialized Committees of the 8th Board of Directors of the Company* was reviewed and approved; 3. The *Proposal for Appointment of President for the Company* was reviewed and approved; 4. The *Proposal for Appointment of Other Officers for the Company* was reviewed and approved; 5. The *Proposal for Appointing Directors and Vice Presidents to Temporarily Perform the Duties of Secretary of the Board of Directors* was reviewed and approved; 6. The *Proposal for Appointment of Principal of Internal Audit Department* was reviewed and approved; 7. The *Proposal for Hiring Securities Representative* was reviewed and approved.
The 2nd Meeting of the 8th Board of Directors	April 26, 2023	April 27, 2023	The meeting reviewed and approved the following motions: 1. The *Proposal for Appointment of XU Gang as Honorary Chairman of the Company* was reviewed and approved; 2. The *2022 Work Report of the Board of Directors of the Company* was reviewed and approved; 3. The *2022 Work Report of the President* was reviewed and approved; 4. The *2022 Annual Report* was reviewed and approved; 5. The *2022 Final Financial Accounting Report* was reviewed and approved; 6. The *Profit Distribution Plan 2022* was reviewed and approved; 7. The *Report on Self-Evaluation of Internal Control 2022* was reviewed and approved; 8. The *CSR Report 2022* was reviewed and approved; 9. The *Proposal on Writing off Part of the Losses of Fixed Assets* was reviewed and approved ; 10. The *Specific Report on the Deposit and Application of Raised Funds in 2022* was reviewed and approved; 11. The *Proposal Concerning the Return on Investment Planning for the Shareholders of the Company for the Future Three Years (2023 to 2025)* was reviewed and approved; 12. The *Report for the First Quarter of 2023* was reviewed and approved; 13. The *Profit Distribution Plan for the First Quarter of 2023* was reviewed and approved; 14. The *Proposal for Purchase of 100% of the Shares in Jiaozuo Zhongzhou Carbon Co., Ltd.* was reviewed and approved; 15. The *Proposal Regarding Changes in Accounting Policies* was reviewed and approved; 16. The *Proposal for Provision of Guarantee for Subsidiaries* was reviewed and approved; 17. The *Proposal on Requesting the General Meeting of Shareholders to Authorize the Board of Directors to Deal with the Matters*

			Concerning Quick Micro-financing was reviewed and approved; 18. The *Proposal for Convening the Annual General Meeting o Shareholders 2022* was reviewed and approved.
3rd Meeting of the 8th Board of Directors	June 5, 2023	June 6, 2023	The meeting reviewed and approved the following motions: 1. The *Proposal on Repurchase and Cancellation of Certain Restricted Stock* was reviewed and approved; 2. The *Proposal Concerning the Satisfaction of the Conditions for Lifting Restrictions on Transfer for the Second Lock-up Period of the Restricted Shares Initially Granted and for the First Lock-up Period of the Reserved Restricted Shares Granted under 2021 Restricted Stock Ownership Incentive Plan* was reviewed and approved; 3. The *Proposal for Extension of the Second Employee Stock Ownership Plan* was reviewed and approved.
4th Meeting of the 8th Board of Directors	July 10, 2023	July 11, 2023	The meeting reviewed and approved the following motions: 1. The *Proposal for Amendment to the Articles of Association of the Company* was reviewed and approved; 2. The *Proposal for Appointment of Secretary of the Board of Directors* was reviewed and approved; 3. The *Proposal for Provision of Guarantee for Subsidiaries* was reviewed and approved; 4. The *Proposal for Additional Capital Contribution to Zhongzhou Carbon* was reviewed and approved; 5. The *Proposal for Conduct of Foreign Exchange Hedging Business* was reviewed and approved; 6. The *Proposal for Liquidation and Cancellation of Panzhihua Revitalization Vanadium and Titanium Resources Equity Investment Center (Limited Partnership)* was reviewed and approved; 7. The *Proposal for Convening the 5th Extraordinary General Meeting of 2023* was reviewed and approved.
5th Meeting of the 8th Board of Directors	August 24, 2023	August 25, 2023	The meeting reviewed and approved the following motions: 1. The *2023 Semiannual Report (Full Text and Summary)* was reviewed and approved; 2. The *Proposal for Additional Capital Contribution to Subsidiaries* was reviewed and approved; 3. The *Proposal for Provision of Guarantee for Subsidiaries* was reviewed and approved; 4. The *Proposal for Amendment to the Articles of Association of the Company* was reviewed and approved; 5. The *Proposal for Convening the 6th Extraordinary General Meeting of 2023* was reviewed and approved.
6th Meeting of the 8th Board of Directors	October 13, 2023	October 14, 2023	The meeting reviewed and approved the following motions: 1. The *Report for the Third Quarter of 2023* was reviewed and approved; 2. The *Profit Distribution Plan for the Third Quarter of 2023* was reviewed and approved; 3. The *Proposal for Renewal of Appointment of External Accountant* was reviewed and approved; 4. The *Proposal for Convening the 7th Extraordinary General Meeting of 2023* was reviewed and approved.
7th Meeting of the 8th Board of Directors	October 18, 2023	October 19, 2023	The meeting reviewed and approved the following motions: 1. The *Proposal on Repurchase and Cancellation of Certain Restricted Stock* was reviewed and approved; 2. The *Proposal for Reduction of Joint-stock Companies' Registered Capital of Yili Micro-financing* was reviewed and approved; 3. The *Proposal for Amendment to the Articles of Association of the*

			Company was reviewed and approved; 4. The *Proposal for Revision of the Working Rules for Independen Directors* was reviewed and approved; 5. The *Proposal for Reelection of Members of the Audit Committee* was reviewed and approved; 6. The *Proposal for Formulation of Specific Rules for the Meetings o Independent Directors* was reviewed and approved; 7. The *Proposal for Establishment of Subsidiaries* was reviewed and approved.
8th Meeting of the 8th Board of Directors	October 25, 2023	October 26, 2023	The meeting reviewed and approved the following motions: 1. The *Proposal for Participation in the Auction by Sale of the V-T Magnetite Mining Right in Honggenan, Yanbian County, Sichuan Province* was reviewed and approved.
9th Meeting of the 8th Board of Directors	November 20, 2023	November 21, 2023	The meeting reviewed and approved the following motions: 1. The *Proposal for Initial Public Offering of Shares and Listing o Yunnan National Titanium Metal Co., Ltd. on the Main Board Marke of Shenzhen Stock Exchange* was reviewed and approved; 2. The *Proposal for Compliance with the Relevant Laws and Regulations of Spin-off of Yunnan National Titanium Metal Co., Ltd for Listing on the Main Board Market of Shenzhen Stock Exchange* was reviewed and approved; 3. The *Proposal for Compliance with the Rules on Spin-off of Listed Companies (for trial implementation) of Spin-off of Certain Subsidiary for Listing* was reviewed and approved; 4. The *Proposal for Deliberation of the Plan for Spin-off of Yunnan National Titanium Metal Co., Ltd. for Listing on the Main Board Market of Shenzhen Stock Exchange* was reviewed and approved; 5. The *Proposal for Deliberation of the Opinion That the Proposed Spin-off of Yunnan National Titanium Metal Co., Ltd. for Listing on the Main Board Market of Shenzhen Stock Exchange is Helpful to Protect the Legitimate Rights and Interests of the Shareholders and Creditors* was reviewed and approved; 6. The *Proposal for Maintenance of the Independence and Going-concern Capability of the Company* was reviewed and approved; 7. The *Proposal for Deliberation of the Opinion That Yunnan National Titanium Metal Co., Ltd. is Capable of Operating in a Compliant Manner* was reviewed and approved; 8. The *Proposal Concerning the Explanation about the Completeness and Compliance of the Legal Procedures Performed and the Validity of the Legal Documents Submitted in the Course of Spin-off of Yunnan National Titanium Metal Co., Ltd. for Listing* was reviewed and approved; 9. The *Proposal Concerning the Purpose, Necessity, Commercial Reasonableness and Feasibility Analysis of the Proposed Spin-off o Yunan National Titanium Metal Co., Ltd. for Listing* was reviewed and approved; 10. The *Proposal Concerning the Shareholding by Certain Directors and Officers in Yunan National Titanium Metal Co., Ltd. to Be Spun off for Listing* was reviewed and approved; 11. The *Proposal on Requesting the General Meeting of Shareholders to Authorize the Board of Directors and Their Authorized Persons to Deal with the Matters Concerning the Spin-off of Yunnan National Titanium Metal Co., Ltd. for Listing on the Main Board Market o Shenzhen Stock Exchange with Full Power* was reviewed and approved; 12. The *Proposal for Establishment of a Joint Venture in the Form o*

			ndustry Investment Partnership was reviewed and approved; 13. The *Proposal for Convening the 8th Extraordinary Genera Meeting of 2023* was reviewed and approved.
10th Meeting of the 8th Board of Directors	December 5, 2023	December 6, 2023	The meeting reviewed and approved the following motions: 1. The *Proposal on Applying for Banking Facility in 2024* was reviewed and approved; 2. The *Proposal for Provision of Guarantee for Subsidiaries* was reviewed and approved; 3. The *Proposal for Convening the 9th Extraordinary General Meeting of 2023* was reviewed and approved.

2. Participation by Directors in Board Meetings and General Meetings

Participation by Directors in Board Meetings and General Meetings							
Name of director	Number of times of participating in board meeting during the reporting period	Number of times of participating in on-site board meeting	Number of times of participating in board meeting by correspondence	Number of times of participating in board meeting through proxy	Number of times of absence from board meeting	Whether the director has not personally attended board meeting twice in a row	Number of times of participation in general meeting
HE Benliu	14	14	0	0	0	No	10
XU Ran	10	10	0	0	0	No	6
WU Pengsen	14	14	0	0	0	No	10
SHEN Qingfei	14	14	0	0	0	No	10
CHEN Jianli	14	14	0	0	0	No	10
WANG Xudong	10	10	0	0	0	No	6
QIU Guanzhou	14	2	12	0	0	No	5
LIANG Lijuan	10	10	0	0	0	No	6
LI Li	14	14	0	0	0	No	10
XU Gang	4	4	0	0	0	No	4
TAN Ruiqing	4	4	0	0	0	No	4
CHANG Yili	4	4	0	0	0	No	4
YANG Minle	4	4	0	0	0	No	4
ZHANG Qibin	4	0	4	0	0	No	0
ZHOU Xiaokui	4	0	4	0	0	No	0
YU Xiaohong	4	0	4	0	0	No	2
LIN Suyue	4	4	0	0	0	No	5

Explanation for absence from board meeting in person for two consecutive times

Not applicable

3. Objections Raised by Directors to Relevant Matters of the Company

Objections Raised by Directors to Relevant Matters of the Company

□ Yes ☑ No

Directors raised no objection to any matter of the Company in the reporting period.

4. Additional Information on Performance of Duties by Directors

Was the directors' advice to the Company followed?

☑ Yes □ No

Description on adopting or not adopting relevant recommendations proposed by directors to the Company

During the reporting period, the directors attended the board meetings and general meetings, performed their duties and provided constructive opinions and suggestions on the Company's development policy in strict accordance with the applicable laws and regulations, including the *Company Law*, the *Securities Law*, the *Stock Listing Rules of the Shenzhen Stock Exchange*, the *Self-Regulatory Guidelines No. 1 for Companies Listed on Shenzhen Stock Exchange – Compliant Operation of Companies Listed on Main Board Market*, etc., as well as *the Company's Articles of Association*. The independent directors, in accordance with the relevant applicable regulations, were concerned with normative operation of the Company, performed duties independently, diligently and conscientiously, provided a great many valuable professional suggestions on the Company's rule and regulation improvement and daily business decision-making, supervised, in a prudent manner, the introduction of strategic investors into subsidiaries, re-election of board of directors, appointment of officers, repurchase and cancellation of certain restricted shares, external guarantees, profit distribution plan, accounting firm appointment, foreign exchange hedging, listing of subsidiaries on the main board of Shenzhen Stock Exchange and other matters within the Company during the reporting period, offered professional independent suggestions, maintained full independence in the work, served all shareholders with care, loyalty and diligence, and effectively protected the interests of the Company and all shareholders.

VII. Information on the Special Committees under the Board of Directors during the Reporting Period

Names of the committees	Members	Number of the meetings held	Meeting date	Content	Important comments and suggestions	Other information on performance of duties	Details of the objection (if any)
Audit Committee of the Board	YU Xiaohong (Convener), LI Li and SHEN Qingfei.	1	February 25, 2023	The following proposals were considered: 1. Summary Report on Internal Audit in the Company in 2022; 2. Internal Audit Plan in the Company in 2023.	Passed	None	None
Audit Committee of the Board	LIANG Lijuan (Convener), LI Li, and SHEN Qingfei.	3	April 26, 2023	The following proposals were considered: 1. Summary Report on Accountant Audit in 2022; 2. Report on Self-Evaluation of Internal Control in the Company in 2022; 3. Annual Report 2022; 4. Specific Report on the Deposit and Application of Raised Funds in 2022; 5. Audit Report of Internal Control in the 1st Quarter of 2023; 6. Report for the 1st Quarter of 2023.	Passed	None	None
			August 23, 2023	The following proposals were considered: 1. Semi-annual Audit Report of Internal Control in 2023; 2. Semi-annual Report 2023.	Passed	None	None
			October 13, 2023	The following proposals were considered: 1. Report for the 3rd Quarter of 2023; 2. Proposal for Renewal of Appointment of External Accountant; 3. Audit Report of Internal Control from January to September 2023.	Passed	None	None
Strategy Committee of the Board	XU Gang (Convener), TAN Ruiqing, HE Benliu and LIN Suyue.	2	March 4, 2023	The following proposals were considered: 1. Proposal for Additional Capital Contribution to Subsidiaries; 2. Announcement on Adjustment of Ownership Structures of Subsidiaries.	Passed	None	None
			March 7, 2023	The following proposals were considered: Proposal for Introduction of Strategic Investors into Subsidiaries.	Passed	None	None
Strategy Committee of the Board	HE Benliu (Convener), XU Ran, and WU Pengsen.	4	April 19, 2023	The following proposals were considered: Proposal for Purchase of 100% of the Shares in Jiaozuo Zhongzhou Carbon Co., Ltd.	Passed	None	None
			July 4, 2023	The following proposals were considered: 1. Proposal for Increase of the Registered Capital of Zhongzhou Carbon; 2. Proposal for Liquidation and Cancellation of Panzhihua Revitalization Vanadium and Titanium Resources Equity Investment Center (Limited Partnership).	Passed	None	None
			August 18, 2023	The following proposals were considered: Proposal for Additional Capital Contribution to Subsidiaries.	Passed	None	None
			November 16, 2023	The following proposals were considered: 1. The Proposal for Initial Public Offering of Shares and Listing of Yunnan National Titanium	Passed	None	None

				Metal Co., Ltd. on the Main Board Market of Shenzhen Stock Exchange; 2. Proposal for Compliance with the Relevant Laws and Regulations of Spin-off of Yunnan National Titanium Metal Co., Ltd. for Listing on the Main Board Market of Shenzhen Stock Exchange; 3. Proposal for Compliance with the Rules on Spin-off of Listed Companies (for trial implementation) of Spin-off of Certain Subsidiary for Listing; 4. Proposal for Deliberation of the Plan for Spin-off of Yunnan National Titanium Metal Co., Ltd. for Listing on the Main Board Market of Shenzhen Stock Exchange; 5. Proposal for Deliberation of the Opinion That the Proposed Spin-off of Yunnan National Titanium Metal Co., Ltd. for Listing on the Main Board Market of Shenzhen Stock Exchange is Helpful to Protect the Legitimate Rights and Interests of the Shareholders and Creditors; 6. Proposal for Maintenance of the Independence and Going-concern Capability of the Company; 7. Proposal for Deliberation of the Opinion That Yunnan National Titanium Metal Co., Ltd. is Capable of Operating in a Compliant Manner; 8. Proposal Concerning the Explanation about the Completeness and Compliance of the Legal Procedures Performed and the Validity of the Legal Documents Submitted in the Course of Spin-off of Yunnan National Titanium Metal Co., Ltd. for Listing; 9. Proposal Concerning the Purpose, Necessity, Commercial Reasonableness and Feasibility Analysis of the Proposed Spin-off of Yunan National Titanium Metal Co., Ltd. for Listing; 10. Proposal Concerning the Shareholding by Certain Directors and Officers in Yunan National Titanium Metal Co., Ltd. to Be Spun off for Listing; 11. Proposal for Authorization by the General Meeting of Shareholders of the Board of Directors and Their Authorized Persons to Deal with the Matters Concerning the Spin-off of Yunnan National Titanium Metal Co., Ltd. for Listing on the Main Board Market of Shenzhen Stock Exchange with Full Power; 12. Proposal for Establishment of a Joint Venture in the Form of Industry Investment Partnership.			
Nomination Committee under the Board of Directors	QIU Guanzhou (Convener), XU Gang and YU Xiaohong.	1	March 25, 2023	The following proposals were considered: 1. Proposal to Review and Recommend Non-Independent Director Candidates for the Company’s Board of Director; 2. Proposal to Review and Recommend Independent Director Candidates for the Company’s Board of Directors.	Passed	None	None
Nomination Committee	QIU Guanzhou (Convener),	2	April 17, 2023	The following proposals were considered: 1. Proposal for Review of Recommended	Passed	None	None

under the Board of Directors	LIANG Lijuan, HE Benliu and YU Xiaohong.			Candidate for President of the Company; 2. Proposal for Review of Recommended Candidates for Other Officers of the Company; 3. Proposal for Review of Recommended Candidate for Securities Representative of the Company.			
			July 3, 2023	The following proposals were considered: Proposal for Review of Recommended Candidate for Secretary of Board of Directors of the Company.	Passed	None	None
Remuneration and Assessment Committee under the Board of Directors	LI Li (Convener), QIU Guanzhou, CHANG Yili.	1	January 5, 2023	The following proposals were considered: 2022 Plan for Distribution of Performance-based Bonus.	Passed	None	None
Remuneration and Assessment Committee under the Board of Directors	LI Li (Convener), QIU Guanzhou, and HE Benliu.	1	June 1, 2023	The following proposals were considered: Proposal Concerning the Satisfaction of the Conditions for Lifting Restrictions on Transfer for the 2nd Lock-up Period of the Restricted Shares Initially Granted and for the 1st Lock-up Period of the Reserved Restricted Shares Granted under 2021 Restricted Stock Ownership Incentive Plan.	Passed	None	None

VIII. Work of the Board of Supervisors

Whether any risk was found by the board of supervisors in the Company during the reporting period

□ Yes ☑ No

The Board of Supervisors had no objection to the matters under supervision during the reporting period.

IX. Employees of the Company

1. Number, specialty and degree of education of employees

Number of on-job employees in parent company at the end of the reporting period (persons)	2,157
Number of on-job employees in major subsidiaries at the end of the reporting period (persons)	16,199
Total number of on-job employees at the end of the reporting period (persons)	18,356
Total number of employees receiving remunerations in the current period (person)	18,356
Number of retired employees to whom payment is made by parent company and major subsidiaries (person)	0
Specialty	
Type of specialty	Number of professionals (person)
Production personnel	13,826
Marketing personnel	341

Technicians	3,234
Financial personnel	210
Administrative personnel	745
Total	18,356
Degree of education	
Category of degree of education	Number (person)
Master's degree and above	356
Bachelor degree	2,611
Junior college degree	4,264
High school degree	2,411
Technical school graduate	4,034
Middle school degree and below	4,680
Total	18,356

2. Remuneration policies

(I) General remuneration provisions

1. Remuneration is an important factor affecting the employees' enthusiasm about their jobs, and in order to ensure equal pay for equal work within the organization, the Company has always been persisting in carrying out the remuneration principle "remuneration decided by job position, performance and competence" and prohibits discrimination on basis of sex, age, illness, race, religious belief, etc. The Company determines the remuneration payable to its employees in pursuance of the principle that competence and performance are the fundamental criteria for assessing the value of employees, with a view to ensuring the match between employees and their job positions, as well as higher remuneration for better performance. In addition, the Company will apply a new management model named "Broadband Pay" and based on a diversified evaluation mechanism, break the hierarchical pay practice, attach importance to the development of employee benefit and incentive policies, and carve out a number of career development paths for its employees, in order to ensure stable and continuous increase in the employees' income.

2. Based on the basic principles of external competitiveness, internal fairness, employee incentives, corporate profitability and social legitimacy, the Company ensures the competitiveness of its remuneration standards. Through scientific and rigorous job valuation and qualification evaluation, the Company evaluates the value created by employees to the Company as a whole in a fair manner, determines remuneration based on employees' work performance and under national and local labor and personnel policies and regulations, and pays due taxes according to law.

3. Employees' total remuneration is composed of base salary, individual bonus, allowances and subsidies, year-end bonus and other amounts.

(II) Remuneration evaluation

The Company sticks to the remuneration policy "more pay for more work, and higher remuneration for better performance", continuously optimizes and refines the performance review indicators, and emphasizes on decomposition and accomplishment level by level of various business goals:

1. The Company conducts employee remuneration assessment by using the monthly performance assessment method in terms of actual monthly income-output accomplishment rate, department performance, job responsibilities, comprehensive quality and other aspects.

2. The Company conducts monthly evaluation towards its subsidiaries in accordance with the annual performance evaluation program or the economic liability contract, mainly covering monthly production and business results of each subsidiary in terms of output, quality, cost, safety, environmental protection, civilized production management, etc.

(III) Employee benefits

1. Employees on duty and offering labor services as required are entitled to various social insurance benefits and housing provident fund benefits in accordance with the applicable national laws and regulations and the Company's policies.

2. Each employee is entitled to seniority allowance as per his/her length of service in the Company.

3. Employees being on duty as required every month are entitled to meal, medical, travel and other allowances.

4. The Company offers regular medical examination to its employees free of charge to ensure the health and safety of the employees, as well as "early prevention, early detection, early treatment, and early recovery".

In pursuance of the people-centered objective of "Care for Employees", the Company strives to keep reforming its remuneration and benefits system, thoroughly optimize remuneration and benefits of employees, and build a sound remuneration and welfare system to allow employees to benefit from its profits and to enhance employees' sense of belonging, belief and happiness. The Company will strive to achieve a better situation in which "the Company functions well and employees live in harmony" with more competitive remunerations and benefits, more human-oriented welfare mechanism and more scientific management.

3. Training plan

(I) Guiding principles

LB Group strictly carries out the strategic thinking "Talents contribute to a stronger enterprise" and the spirit reflected in the Opinions on the *Implementation of Foundation Enhancement Training Program in LB Group*, advocates the values followed in the Group, improves the essential qualities of the employees, enhances the competence of the employees in performing their job duties, improves the level of management at the primary organizations, solidifies the foundation of overall development of the Group, improves the level of training throughout the Group steadily, firmly establishes the thinking "Functions serve production, and production serves sales", and remains true to the mission, always pursues perfection and acts proactively.

(II) Main Tasks

1. Encouraging the middle and senior management to enhance their competence and gain empowerment from knowledge to improve the level of management within LB Group.

In 2024, the Group will enhance the professional competence of its middle and senior management through a combination of internal training by external trainers and industrial tour and exchange. Specifically, it will invite outstanding external lecturers to offer training to its middle and senior management members and in close cooperation with the Party School under Jiaozuo Municipal Committee of the CPC, assign them on hierarchical and classification basis and in batches to the benchmarking enterprises in the industry in China to take industrial tour and exchange, in order to broaden their vision, develop their excellent leadership, simulate their innovative thinking and enhance their expertise.

2. Obtaining practical experience with and focusing on the primary units to improve the qualities of employees.

(1) Technician development program. In 2024, the Group will put great efforts in improving the qualities of its technicians to improve their professional competence and their working efficiency and quality, in order to better satisfy its requirements for process improvement and technological innovation. It is planned that *LB Group Technician Development Program* be formulated; starting with the projects included in outsourcing expenses, the pilot program first be made available to the technicians at Jiaozuo Manufacturing Site; job-oriented technology and technique training and evaluation be conducted on classification and hierarchical basis; and with respect to preventive maintenance and repair, overall technique improvement be realized mainly through senior technicians providing guidance and direction for junior technicians.

(2) Attaching importance to the training for functional departments. The thought "Functions serve production, and production serves service" is fully carried out. The training for the functional departments and offices is strictly monitored,

and the principals of the functional departments and offices are motivated to take part in the training and the awareness of training of the employees is enhanced continuously. Each functional department and office organizes group-level training for the personnel assuming the corresponding positions at all manufacturing sites according to their respective affairs, and it is planned that each functional department and office hold such training once in turn in two years.

(3) Application of new apprenticeship training once again. In close cooperation with Jiaozuo Vocational College of New Materials, LB Management School will commence the new apprenticeship training program once again, in which the cooperation channel will be further broadened, training courses be extended, more participants be admitted, and the practical effectiveness of training be enhanced. In the program, focus will be put on skill evaluation, and competition be organized among the participants in the same program, in which positive incentives are mainly provided.

(4) Organization of "LB Champion" Competition. This competition is closely integrated with the technology improvement session, skill improvement session and operator competence improvement session organized in each group company to improve practice by training, improve competition by practice, and improve training by competition, thus developing a virtuous interactive cycle of training, practice and competition. Through organization of competition instead of offering of training, a platform on which the employees can exchange and compare notes with each other and show themselves will be built so as to create an atmosphere "Believing in technology, advocating innovation, respecting labor, and valuing talents" within the Group.

3. Developing an outstanding trainer team, as well as high-quality training courseware to optimize the training resources in the Group.

An outstanding trainer team and high-quality training courseware are essential conditions for improvement of training quality. Persist in developing an outstanding internal trainer team and high-quality training courses, improve the trainer certification system, and continue to organize and carry out registered trainers activities, as well as excellent lecturer, training courses and training courseware evaluation activities and LB Micro-course competitions. Fully explore outstanding faculty and high-quality training course resources within the Group, actively create an atmosphere of teaching, sharing, learning and exchange, enhance the professional skills of internal lecturers in developing training courses and making training courseware, and promote the training resource development and reserve in the Group.

4. Enhancing supervision and making an overall assistance planning inside the Group to adapt to the diversified business development in the Group.

(1) As the Group is experiencing diversified development, training should be contemplated and developed on basis of the overall situation of the Group. In order to better carry out the specific components of the training work, in 2024, LB

Management School will enhance the supervision of its branches, and clearly define their respective responsibilities. Specifically, LB Management School will review and issue a circular about the implementation of the foundation enhancement training program in the Company each month and will solicit the opinions of the employees and manufacturing sites about any issues found during the review, attach importance to the feedback on the effectiveness of training and ensure that the training is practically carried out.

(2) Up to now, the Group has established a "1+16" talent training and development system. Some of the group companies have a late start in the training program and thus need assistance by assigning additional resources to them in this regard. To this end, the Group will take actions starting with faculty team development, training course resource development, system development, etc. With regard to faculty team development, outstanding trainers and lecturers will be selected within the Group to provide training courses online or offline according to the needs specified by the branches of LB Management School; external training resources will be shared with the branches of LB Management School to broaden their training vision, and each branch will be granted access to the shared external training resources according to its specific needs; and organize the revision of standard training courseware by the branches of LB Management School regularly to develop and provide high-quality training courses gradually. In order to better promote the conduct of training at its manufacturing sites, the Group will organize in-pair assistance activities among the manufacturing sites, enabling the replication of successful training experience and sound training system.

4. Labor outsourcing

□ Applicable ☑ Not applicable

X. Profit Distribution of the Company and Conversion of Capital Reserve to Share Capital

Development, implementation or adjustment of profit distribution policies, particularly cash dividend policies, during the reporting period

☑ Applicable □ Not applicable

The Company strictly executed its *Shareholder Return Plan for the Next Three years (2023-2025)*. The plan has been reviewed and approved at the 2nd meeting of the 8th Board of Directors and the annual general meeting in 2022 of the Company, with its contents published on http://www.cninfo.com.cn. The Company did a good job in the implementation of its profit distribution plan strictly in accordance with the provisions and requirements of the *Decision on Amending Some Provisions on Cash Dividends by Listed Companies*, the *Notice on Further Implementing Matters Concerning Cash*

Dividends of Listed Companies, the *Guidelines on Regulation of Listed Companies No. 3 - Cash Dividends in Listed Companies* and other related laws and regulations, as well as of its Articles of Association.

During the reporting period, the Company's good-faith implementation of its cash dividends distribution policies was in line with the provisions of its Articles of Association or the requirements of the resolutions made at general meetings, matched with the growth of performance and future development plan of the Company, and successfully safeguarded the interests of all shareholders.

At the Company's Annual General Meeting 2022 held on May 19, 2023, the Profit Distribution Plan of the Company for the first quarter of 2023 was reviewed and approved, planning to distribute cash dividends of RMB6.00 (tax-inclusive) for every 10 shares to all shareholders based on the Company's total share capital of 2,389,266,956.00 shares as at March 31, 2023, totaling RMB1,433,560,173.60 (tax-inclusive). The profit distribution plan was completely implemented on May 29, 2023. For details, please refer to the *Dividend Distribution Implementation Announcement for the First Quarter of 2023* (Announcement No.: 2023-075) published by the Company in *China Securities Journal*, *Securities Times* and on http://www.cninfo.com.cn on May 23, 2023.

At the Company's 7th Extraordinary General Meeting of 2023 held on October 30, 2023, the Profit Distribution Plan of the Company for the third quarter of 2023 was reviewed and approved, planning to distribute cash dividends of RMB3.00 (including tax) for every 10 shares to all shareholders based on the Company's total share capital of 2,386,293,256.00 shares as at September 30, 2023, totaling RMB715,887,976.80 (tax-inclusive). The profit distribution plan was completely implemented on November 8, 2023. For details, please refer to the *Dividend Distribution Implementation Announcement for the Third Quarter of 2023* (Announcement No.: 2023-127) published by the Company in *China Securities Journal*, *Securities Times* and on http://www.cninfo.com.cn on November 1, 2023.

Special Notes on Cash Dividends Distribution Policies	
Whether the provisions of the Company's Articles of Association or the requirements of the resolutions made at general meeting are satisfied:	Yes
Whether the standards and proportions of dividends distribution are clear:	Yes
Whether relevant decision-making procedures and mechanisms are complete:	Yes
Whether independent directors have performed their duties and played their due role:	Yes
If no cash dividend is paid, the Company shall explain the specific reason, as well as the actions proposed to be taken to increase the ROI of its investors:	Not applicable
Whether minority shareholders have the opportunity to fully express their opinions and appeals, and have their legitimate rights and interests fully protected:	Yes
Whether relevant conditions and procedures are compliant and transparent where any adjustment or change is made to cash dividend distribution policies:	Not applicable, because no adjustment or change is made of the cash dividend policy of the Company during the reporting period.

The Company was profitable and the parent company had positive distributable profit for shareholders but had not proposed a cash dividend distribution plan during the reporting period

□ Applicable ☑ Not applicable

Profit distribution and transfer of capital reserve into share capital during the reporting period

□ Applicable ☑ Not applicable

The Company plans to neither pay cash dividends or bonus shares nor raise capital with accumulation funds.

XI. Implementation of the Company's Stock Ownership Incentives Plan, Employee Stock Ownership Plan or Other Employee Incentives

☑ Applicable □ Not applicable

1. Stock Ownership Incentive

(I) The 15th meeting of the 7th Board of Directors, held on March 9, 2021, reviewed and approved the *Proposal on the Company's Restricted Stock Incentive Plan for 2021 (Draft) and Its Summary*, the *Proposal on the Company's Implementation, Assessment and Management Measures for 2021 Restricted Stock Incentive Plan* and the *Proposal on Requesting the General Meeting of Shareholders to Authorize the Board of Directors to Handle Matters Concerning Stock Ownership Incentives*, etc., and the independent directors expressed concurred independent opinions on the proposed incentive plan.

(II) The 15th meeting of the 7th Board of Supervisors, held on March 9, 2021, reviewed and approved the *Proposal on Company's 2021 Restricted Stock Incentive Plan (Draft) and Its Summary*, the *Proposal on the Company's Implementation, Assessment and Management Measures for 2021 Restricted Stock Incentive Plan* and the *Proposal to Verify the Company's List of Incentive Recipients of the Restricted Stock Incentive Plan 2021*.

(III) The 19th meeting of the 7th Board of Directors, held on April 29, 2021, reviewed and approved the *Proposal on Company's 2021 Restricted Stock Incentive Plan (Revision) and its Summary* and the Proposal on the *Company's Implementation, Assessment and Management Measures for 2021 Restricted Stock Incentive Plan (Revised Draft)*; the independent directors expressed concurred independent opinions on the proposed revision to the incentive plan.

(IV) The 19th meeting of the 7th Board of Supervisors, held on April 29, 2021, reviewed and approved the *Proposal on Company's 2021 Restricted Stock Incentive Plan (Revised Draft) and Its Summary*, the *Proposal on the Company's Implementation, Assessment and Management Measures for 2021 Restricted Stock Incentive Plan (Revision)* and the *Proposal to Verify the Company's List of Incentive Recipients of the Restricted Stock Incentive Plan in 2021 (Revision)*.

(V) The Company publicized the names and titles of the proposed recipients under the incentive plan internally from April 30, 2021 to May 9, 2021. The Company's Board of Supervisors received no objections during the publicity period relating to the proposed recipients under the incentive plan. The Company disclosed the *Public Information Note and Verification Opinion of the Board of Supervisors on the List of the First Incentive Recipients under the 2021 Restricted Stock Incentive Plan* on May 11, 2021.

(VI) The 1st Extraordinary General Meeting of 2021, held on May 17, 2021, reviewed and approved the *Proposal on Company's 2021 Restricted Stock Incentive Plan (Revised Draft) and its Summary*, the *Proposal on the Company's Implementation, Assessment and Management Measures for 2021 Restricted Stock Incentive Plan (Revision)* and the *Proposal on Requesting the General Meeting of Shareholders to Authorize the Board of Directors to Handle Matters Concerning Stock Ownership Incentives*.

(VII) The Company disclosed the *Self-audit Report on Insiders and Incentive Recipients' Trading of Company Stock under the 2021 Restricted Stock Incentive Plan* on May 18, 2021.

(VIII) The *Proposal to Adjust the Initial Grant Price of Its 2021 Restricted Stock Incentive Plan* and the *Proposal on Granting Restricted Stock to Part of Incentive Recipients for the First Time* were reviewed and approved at the Company's 21st Meeting of the 7th Board of Directors and the 21st Meeting of the 7th Board of Supervisors held on May 28, 2021. Both the meetings agreed to set May 28, 2021 as the grant date, granting 139,200,000 restricted shares to 5,001 incentive recipients at a grant price of RMB15.64 per share. The number of incentive recipients actually is 4859, and the number of restricted shares initially granted actually is 139,060,000 and would be listed for trading on July 2, 2021. Now that Mr. HE Benliu, another incentivised recipient, director and officer of the Company, decreased his stock holdings in the six months prior to such grant date and that the Company shall defer vesting of restricted stock for six months from the date of a director's last stock decrease transaction under the *Securities Law*'s rules for short-term trading, the Company planned to hold a separate board meeting to determine the grant date for the 2.8 million restricted shares granted to Mr. HE Benliu. The independent directors of the Company expressed concurred independent opinions on the aforesaid issues.

(IX) The *Proposal on Granting Restricted Stock to Incentive Recipients Whose Grants Deferred* was reviewed and approved at the 27th Meeting of the 7th Board of Directors and the 27th Meeting of the 7th Board of Supervisors on September 3, 2021. The restricted purchase period for Mr. HE Benliu has expired as of September 3, 2021, and both the meetings agreed to grant 2.8 million restricted shares at the price of RMB15.64 per share to Mr. HE Benliu, eligible recipient of the deferred incentive grant, on September 3, 2021 as the grant date. The grant of 2.8 million restricted shares

to Mr. HE Benliu was deferred until September 24, 2021. The independent directors of the Company expressed concurred independent opinions on the aforesaid issues.

(X) At the 29th Meeting of the 7th Board of Directors and the 29th Meeting of the 7th Board of Supervisors on November 29, 2021, the *Proposal on Repurchase and Cancellation of Certain Restricted Shares* and the *Proposal on Reduction of the Registered Capital and Amendment to the Articles of Association of the Company* were reviewed and approved, stating that now that of the restricted stock incentive recipients, 10 recipients resigned, 4 recipients retired, and 2 recipients died of illness, and thus, all those recipients are no longer eligible restricted stock incentive recipients, 260,000 restricted shares that have been granted to them and in respect of which the conditions for lifting of the restrictions on transfer have not been satisfied should be repurchased and cancelled by the Company pursuant to the *Restricted Stock Incentive Plan 2021 of Lomon Billions Group Co., Ltd. (Revised Draft)* (the "Restricted Stock Incentive Plan (Revised Draft)"). The independent directors of the Company expressed concurred independent opinions on the aforesaid issues.

At the 7th extraordinary general meeting of shareholders in 2021 of the Company on December 15, 2021, the *Proposal on Reduction of the Registered Capital and Amendment to the Articles of Association of the Company* was reviewed and approved, and an *Announcement on Reduction of Registered Capital* was published on December 16, 2021. In March 2022, the Company completed the corporate change registration formalities required to be completed in connection with the reduction of its registered capital. As reviewed and confirmed by the China Securities Depository and Clearing Corporation Limited Shenzhen Branch, the Company completed said repurchase and cancellation of restricted shares on March 28, 2022.

(XI) At the 35th Meeting of the 7th Board of Directors on April 28, 2022, the *Proposal on Repurchase and Cancellation of Certain Restricted Shares* and the *Proposal on Reduction of the Registered Capital and Amendment to the Articles of Association of the Company* were reviewed and approved, stating that now that of the restricted stock incentive recipients, 32 recipients resigned, 1 recipient retired, and 1 recipient died of illness, and thus, all those recipients are no longer eligible restricted stock incentive recipients, 930,000 restricted shares that have been granted to them and in respect of which the conditions for lifting of the restrictions on transfer have not been satisfied should be repurchased and cancelled by the Company pursuant to its Restricted Stock Incentive Plan (Revised Draft). The independent directors of the Company expressed concurred independent opinions on the aforesaid issues.

At the 2nd extraordinary general meeting of shareholders of the Company on May 16, 2022, the *Proposal on Reduction of the Registered Capital and Amendment to the Articles of Association of the Company* was reviewed and approved, and an Announcement on *Reduction of Registered Capital* was published on May 17, 2022. In July 2022, the Company completed

the corporate change registration formalities required to be completed in connection with the reduction of its registered capital. As reviewed and confirmed by the China Securities Depository and Clearing Corporation Limited Shenzhen Branch, the Company completed said repurchase and cancellation of restricted shares on July 26, 2022.

(XII) The *Proposal on Granting Reserved Restricted Stock to Incentive Recipients* was reviewed and approved at the 36th Meeting of the 7th Board of Directors and the 36th Meeting of the 7th Board of Supervisors on May 17, 2022, authorizing the grant of 10 million restricted shares at the price of RMB9.38 per share to 883 incentive recipients on May 17, 2022 as the grant date. The independent directors of the Company expressed concurred independent opinions on the aforesaid issues. Finally, 833 incentive recipients were granted 9.975 million reserved restricted shares, which were listed on July 6, 2022.

(XIII) At the 37th meeting of the 7th board of directors and the 38th meeting of the 7th board of supervisors on June 13, 2022, the *Proposal Concerning the Satisfaction of the Conditions for Lifting Restrictions on Transfer for the 1st Lock-up Period of the Restricted Shares Initially Granted under 2021 Restricted Stock Ownership Incentive Plan* was reviewed and approved, authorizing the Company to deal with the matters concerning the lifting of the restrictions on transfer of restricted shares in favor of those incentive recipients who had satisfied such conditions pursuant to the relevant provisions of the 2021 Restricted Stock Ownership Incentive Plan. The independent directors of the Company approved of the proposal, and the board of supervisors issued its supervisory opinions about the proposal.

Specifically, the number of the incentive recipients who had satisfied the conditions for lifting restrictions on transfer for the 1st lock-up period of the restricted shares initially granted under 2021 Restricted Stock Ownership Incentive Plan was 4,798; the number of such restricted shares in respect of which the restrictions on transfer could be lifted was 55,104,000; and said 1st lock-up period expired on July 1, 2022. As confirmed by the China Securities Depository and Clearing Corporation Limited Shenzhen Branch, the restricted shares in respect of which the restrictions on transfer were lifted this time could be listed for trading on July 4, 2022; the number of incentive recipients who had satisfied the conditions for lifting of the restrictions on transfer for the 1st lock-up period of the restricted shares the grant of which was deferred was 1; the number of such restricted shares in respect of which the restrictions on transfer could be lifted was 1,120,000; and said 1st lock-period would expire on September 23, 2022. As reviewed and confirmed by the China Securities Depository and Clearing Corporation Limited Shenzhen Branch, the restricted shares in respect of which the restrictions on transfer were lifted this time could be listed for trading on September 26, 2022.

(XIV) At the 37th Meeting of the 7th Board of Directors and 38th Meeting of the 7th Board of Supervisors on June 13, 2022, the *Proposal on Repurchase and Cancellation of Certain Restricted Shares* and the *Proposal on Reduction of the*

Registered Capital and Amendment to the Articles of Association of the Company were reviewed and approved, stating that now that of the restricted stock incentive recipients, 11 recipients resigned, and thus are no longer eligible restricted stock incentive recipients, 110,000 restricted shares that have been granted to them and in respect of which the conditions for lifting of the restrictions on transfer have not been satisfied should be repurchased and cancelled by the Company pursuant to its Restricted Stock Incentive Plan (Revised Draft). The independent directors of the Company expressed concurred independent opinions on the aforesaid issues.

At the 4th extraordinary general meeting of shareholders of the Company on June 30, 2022, the *Proposal on Reduction of the Registered Capital and Amendment to the Articles of Association of the Company* was reviewed and approved, and an *Announcement on Reduction of Registered Capital* was published on July 1, 2022. In August 2022, the Company completed the corporate change registration formalities required to be completed in connection with the reduction of its registered capital. As reviewed and confirmed by the China Securities Depository and Clearing Corporation Limited Shenzhen Branch, the Company completed said repurchase and cancellation of restricted shares on September 5, 2022.

(XI) At the 45th Meeting of the 7th Board of Directors and 46th meeting of the 7th Board of Supervisors on December 6, 2022, the *Proposal on Repurchase and Cancellation of Certain Restricted Shares* and the *Proposal on Amendment to the Articles of Association of the Company* were reviewed and approved, stating that now that of the restricted stock incentive recipients initially granted restricted shares under the stock ownership incentive plan, in addition to 1 recipient who is no longer eligible restricted stock incentive recipients for some other reason, 55 recipients resigned, 7 recipients retired, 5 recipients died, and thus, all those recipients are no longer eligible restricted stock incentive recipients, 648,300 restricted shares that have been granted to them and in respect of which the conditions for lifting of the restrictions on transfer have not been satisfied should be repurchased and cancelled by the Company pursuant to its Restricted Stock Incentive Plan (Revised Draft); and that now that of the restricted stock incentive recipients to whom reserved restricted shares were granted, 21 recipients resigned and thus are no longer eligible restricted stock recipients, 230,000 restricted shares that have been granted to them and in respect of which the conditions for lifting of the restrictions on transfer have not been satisfied should be repurchased and cancelled by the Company pursuant to its Restricted Stock Incentive Plan (Revised Draft). To sum up, 878,300 restricted shares that have been granted and in respect of which the conditions for lifting of the restrictions on transfer have not been satisfied should be repurchased and cancelled by the Company pursuant to its Restricted Stock Incentive Plan (Revised Draft) this time. The independent directors of the Company expressed concurred independent opinions on the aforesaid issues.

At the 7th extraordinary general meeting of shareholders of the Company on December 22, 2022, the *Proposal on Amendment to the Articles of Association of the Company* was reviewed and approved, and an *Announcement on Reduction of Registered Capital* was published on December 23, 2022. In April 2023, the Company completed the corporate change registration formalities required to be completed in connection with the reduction of its registered capital. As reviewed and confirmed by the China Securities Depository and Clearing Corporation Limited Shenzhen Branch, the Company completed said repurchase and cancellation of restricted shares on April 19, 2023.

(XVI) At the 50th Meeting of the 7th Board of Directors and 51st meeting of the 7th Board of Supervisors on March 30, 2023, the *Proposal on Repurchase and Cancellation of Certain Restricted Shares* and the *Proposal on Amendment to the Articles of Association of the Company* were reviewed and approved, stating that now that of the restricted stock incentive recipients initially granted restricted shares under the stock ownership incentive plan, 30 recipients resigned, and the job positions of 2 recipients were changed, and thus, all those recipients are no longer eligible restricted stock incentive recipients, 2,828,700 restricted shares that have been granted to them and in respect of which the conditions for lifting of the restrictions on transfer have not been satisfied should be repurchased and cancelled by the Company pursuant to its Restricted Stock Incentive Plan (Revised Draft); and that now that of the restricted stock incentive recipients to whom reserved restricted shares were granted, 19 recipients resigned and thus are no longer eligible restricted stock recipients, 145,000 restricted shares that have been granted to them and in respect of which the conditions for lifting of the restrictions on transfer have not been satisfied should be repurchased and cancelled by the Company pursuant to its Restricted Stock Incentive Plan (Revised Draft). To sum up, 2,973,700 restricted shares that have been granted and in respect of which the conditions for lifting of the restrictions on transfer have not been satisfied should be repurchased and cancelled by the Company pursuant to its Restricted Stock Incentive Plan (Revised Draft) this time. The independent directors of the Company expressed concurred independent opinions on the aforesaid issues.

At the 4th extraordinary general meeting of shareholders of the Company on April 17, 2023, the *Proposal on Amendment to the Articles of Association of the Company* was reviewed and approved, and an *Announcement on Reduction of Registered Capital* was published on April 18, 2023. As reviewed and confirmed by the China Securities Depository and Clearing Corporation Limited Shenzhen Branch, the Company completed said repurchase and cancellation of restricted shares on September 12, 2023. The Company has recently completed the required corporate change registration formalities.

(XVII) At the 3rd meeting of the 8th Board of Directors and 3rd meeting of the 8th Board of Supervisors on June 5, 2023, the *Proposal on Repurchase and Cancellation of Certain Restricted Shares* was reviewed and approved, stating that now that of the restricted stock incentive recipients initially granted restricted shares under the stock ownership incentive plan,

in addition to 1 recipient against whom a determination that part of the restricted shares then held by him/her should be repurchased and cancelled though he/she was "qualified" in the annual performance evaluation 2022, 13 recipients resigned, and 4 recipients died, and thus, all those recipients are no longer eligible restricted stock incentive recipients, 521,100 restricted shares that have been granted to them and in respect of which the conditions for lifting of the restrictions on transfer have not been satisfied should be repurchased and cancelled by the Company pursuant to its Restricted Stock Incentive Plan (Revised Draft); and that now that of the restricted stock incentive recipients to whom reserved restricted shares were granted, in addition to 1 recipient against whom a determination that part of the restricted shares then held by him/her should be repurchased and cancelled though he/she was "qualified" in the annual performance evaluation 2022, and 1 recipient against whom a determination that all of the restricted shares then held by him/her should be repurchased and cancelled for he/she was "disqualified" in the annual performance evaluation 2022, 12 recipients resigned and thus are no longer eligible restricted stock recipients, 70,750 restricted shares that have been granted to them and in respect of which the conditions for lifting of the restrictions on transfer have not been satisfied should be repurchased and cancelled by the Company pursuant to its Restricted Stock Incentive Plan (Revised Draft). To sum up, 591,850 restricted shares that have been granted and in respect of which the conditions for lifting of the restrictions on transfer have not been satisfied should be repurchased and cancelled by the Company pursuant to its Restricted Stock Incentive Plan (Revised Draft) this time. The independent directors of the Company expressed concurred independent opinions on the aforesaid issues.

At the 5th extraordinary general meeting of shareholders of the Company on June 26, 2023, the *Proposal on Amendment to the Articles of Association of the Company* was reviewed and approved, and an *Announcement on Reduction of Registered Capital* was published on July 27, 2023. The Company is currently working on the formalities required to be completed in connection with said repurchase and cancellation of shares.

(XVIII) At the 3rd meeting of the 8th board of directors and the 3rd meeting of the 8th board of supervisors on June 5, 2023, the *Proposal Concerning the Satisfaction of the Conditions for Lifting Restrictions on Transfer for the 2nd Lock-up Period of the Restricted Shares Initially Granted and the 1st Lock-up Period of Reserved Restricted Shares Granted under 2021 Restricted Stock Ownership Incentive Plan* was reviewed and approved, authorizing the Company to deal with the matters concerning the lifting of the restrictions on transfer of restricted shares in favor of those incentive recipients who had satisfied such conditions pursuant to the relevant provisions of the 2021 Restricted Stock Ownership Incentive Plan. The independent directors of the Company approved of the proposal, and the board of supervisors issued its supervisory opinions about the proposal.

Specifically, the number of the incentive recipients who had satisfied the conditions for lifting restrictions on transfer for the second lock-up period of the restricted shares initially granted under the Restricted Stock Ownership Incentive Plan was 4,681, and the number of such restricted shares in respect of which the restrictions on transfer could be lifted was 39,317,550, and said second lock-up period expired on July 1, 2023; and the number of the incentive recipients who had satisfied the conditions for lifting restrictions on transfer for the first lock-up period of the reserved restricted shares granted under the Restricted Stock Ownership Incentive Plan was 780, and the number of such restricted shares in respect of which the restrictions on transfer could be lifted was 4,763,000, and said first lock-up period expired on July 5, 2023. As reviewed and confirmed by the China Securities Depository and Clearing Corporation Limited Shenzhen Branch, the restricted shares in respect of which the restrictions on transfer were lifted this time could be listed for trading on July 6, 2023.

The number of incentive recipients who had satisfied the conditions for lifting of the restrictions on transfer for the 2nd lock-up period of the restricted shares the grant of which was deferred was 1, namely, HE Benliu, the chairman of the Company; the number of such restricted shares in respect of which the restrictions on transfer could be lifted was 840,000; and said 2nd lock-period would expire on September 23, 2023. The Company would later cause the restrictions on transfer of said restricted shares to be lifted.

(XIX) At the 7th Meeting of the 8th Board of Directors and 7th Meeting of the 8th Board of Supervisors on October 18, 2023, the *Proposal on Repurchase and Cancellation of Certain Restricted Shares* and the *Proposal on Amendment to the Articles of Association of the Company* were reviewed and approved, stating that now that of the restricted stock incentive recipients initially granted restricted shares under the stock ownership incentive plan, in addition to 1 recipient who is no longer eligible restricted stock incentive recipient due to change of his job position after he caused damages to the interests of the Company by violating the code of professional ethics and committing dereliction of duty, 54 recipients resigned, and 2 recipients dide, and thus, all those recipients are no longer eligible restricted stock incentive recipients, 831,000 restricted shares that have been granted to them and in respect of which the conditions for lifting of the restrictions on transfer have not been satisfied should be repurchased and cancelled by the Company pursuant to its Restricted Stock Incentive Plan (Revised Draft), and that now that of the restricted stock incentive recipients to whom reserved restricted shares were granted, 27 recipients resigned and thus are no longer eligible restricted stock recipients, 212,500 restricted shares that have been granted to them and in respect of which the conditions for lifting of the restrictions on transfer have not been satisfied. All the aforementioned restricted stocks, 1,043,500 in total, that have been granted and in respect of which the conditions for lifting of the restrictions on transfer have not been satisfied should be repurchased and cancelled

by the Company pursuant to its Restricted Stock Incentive Plan (Revised Draft). The proposal for repurchase and cancellation of restricted shares this time had to be presented for consideration at the 7th extraordinary general meeting of shareholders of the Company in 2023. The independent directors of the Company expressed concurred independent opinions on the aforesaid issues.

At the 7th extraordinary general meeting of shareholders in 2023 of the Company on October 30, 2023, the *Proposal on Amendment to the Articles of Association of the Company* was reviewed and approved, and an *Announcement on Reduction of Registered Capital* was published on October 31, 2023. The Company is currently working on the formalities required to be completed in connection with said repurchase and cancellation of shares.

Stock ownership incentives for directors and officers of the Company

☑ Applicable □ Not applicable

Unit: Share

Name	Position	Number of stock options held at the beginning of the year	Number of new stock options granted during the reporting period	Number of exercisable shares during the reporting period	Number of exercised shares during the reporting period	Exercise price of exercised shares during the reporting period (RMB/share)	Number of stock options held at the end of reporting period	Market price at the end of the reporting period (RMB/share)	Number of restricted stocks held at the beginning of period	Number of shares unlocked during the period	Number of restricted stocks newly granted during the reporting period	Granting price of restricted stocks (RMB/share)	Number of restricted stocks held at the end of period
HE Benliu	Chairman of the Board								1,680,000	840,000	0	15.64	840,000
XU Ran	Vice Chairman of the Board								0	0	0		0
WU Pengsen	Director, President								1,200,000	600,000	0	15.64	600,000
SHEN Qingfei	Director, Financial Manager								1,680,000	840,000	0	15.64	840,000
CHEN Jianli	Director, R&D Vice President								1,200,000	600,000	0	15.64	600,000
WANG Xudong	Directors, Vice Presidents and Board Secretary								0	0	0		0
QIU Guanzhou	Independent Director								0	0	0		0
LIANG Lijuan	Independent Director								0	0	0		0
LI Li	Independent Director								0	0	0		0
XU Gang	Chairman (resigned)								0	0	0		0
TAN Ruiqing	Vice Chairman of the Board (resigned)								0	0	0		0
CHANG Yili	Director (resigned)								1,800,000	900,000		15.64	900,000

YANG Minle	Director (resigned)								3,360,000	1,680,000		15.64	1,680,000
ZHANG Qibin	Director (resigned)								0	0	0		0
ZHOU Xiaokui	Director (resigned)								0	0	0		0
YU Xiaohong	Independent director (resigned)								0	0	0		0
WU Pengsen	Executive Vice President and Compliance Manager (resigned)								0	0	0		0
ZHANG Haitao	Secretary of the Board, Vice President and HR & Admin Director (resigned)								1,200,000	0	0		0
LIN Suyue	Independent director (resigned)								0	0	0		0
Total	--	0	0	0	0	--	0	--	12,120,000	5,460,000	0	--	5,460,000
Remarks (if any)	At the fourth extraordinary general meeting of shareholders in 2023, Mr. ZHANG Haitao was elected as chairman of the eight board of supervisors, and as a result, Mr. ZHANG was no longer eligible incentive recipient, and the Company had repurchased and cancelled 1,200,000 restricted shares previously granted to him in respect of which the restrictions on transfer had not been lifted. Following adjustment of the division of responsibilities, Mr. YANG Minle and Mr. CHANG Yili still holds other offices in the Company.												

Evaluation mechanism of and incentives for officers

Officers are evaluated and motivated by the Remuneration and Assessment Committee under the Board of Directors under *the Articles of Association of the Company* and the *Management Measures for Remuneration of the Chairman, the Chairman of the Board of Supervisors and the Officers* approved by the Board of Directors and the General Meeting of Shareholders. The Company performs basic annual salary and performance review for officers and conducts year-end reviews and rewards based on the Company's business conditions and individual performance. The Company has assessed and evaluated its officers as per its performance indicators during the reporting period on their ability to work, duty performance and target fulfillment, and their remuneration is closely tied to the business performance of the Company.

2. Implementation of Employee Stock Ownership Plan

☑ Applicable □ Not applicable

The entire employee stock ownership plan in effect during the reporting period

Scope of employees	Number of employees	Total number of shares held	Changes	Proportion in total share capital of the listed company	Source of funds to implement the plan
Employees who get paid by and sign labor contracts with the Company and/or its subsidiaries and meet the Company's performance goals.	2,704	22,116,117	No change occurring during this reporting period	0.93%	Employees' legal remuneration, self-financing and other means permitted by law.

Directors, supervisors and officers' shareholdings in the employee stock ownership plan during the reporting period

Name	Position	Number of shares held at the beginning of the reporting period	Number of shares held at the end of the reporting period	Proportion in total share capital of the listed company
HE Benliu	Chairman of the Board	152,525	152,525	0.01%
XU Ran	Vice Chairman of the Board	0	0	0.00%
WU Pengsen	Director, President	152,525	152,525	0.01%
SHEN Qingfei	Director, Financial Manager	152,525	152,525	0.01%
CHEN Jianli	Director, R&D Vice President	95,328	95,328	0.00%
WANG Xudong	Directors, Vice Presidents and Board Secretary	0	0	0.00%
QIU Guanzhou	Independent Director	0	0	0.00%
LIANG Lijuan	Independent Director	0	0	0.00%
LI Li	Independent Director	0	0	0.00%
ZHANG Haitao	Chairman of the Board of Supervisors	114,394	114,394	0.00%
DU Weili	Director	22,879	22,879	0.00%
LIN Ping	Director	11,439	11,439	0.00%
XU Gang	Chairman (resigned)	0	0	0.00%
TAN Ruiqing	Vice Chairman of the Board (resigned)	0	0	0.00%
CHANG Yili	Director (resigned)	152,525	152,525	0.01%
YANG Minle	Director (resigned)	152,525	152,525	0.01%
ZHANG Qibin	Director (resigned)	0	0	0.00%
ZHOU Xiaokui	Director (resigned)	114,394	114,394	0.00%
YU Xiaohong	Independent director (resigned)	0	0	0.00%
LIN Suyue	Independent director (resigned)	0	0	0.00%
ZHANG Gang	Chairman of the Board of Supervisors (resigned)	0	0	0.00%
JIN Xinlu	Supervisor (resigned)	0	0	0.00%

Changes of asset management organization during the reporting period

□ Applicable ☑ Not applicable

Changes in equity during the reporting period due to the disposal of shares by holders

□ Applicable ☑ Not applicable

The exercise of shareholders' rights during the reporting period

During the reporting period, shareholders, under the Phase II ESOP, exercised such rights as to receive dividends as per their share of shares, appointed shareholders' proxies to attend general meetings and exercise the corresponding voting rights.

Facts and explanations about ESOP during the reporting period

☑ Applicable □ Not applicable

(1) From September 4, 2018 to January 25, 2019, the Company repurchased a total of 56,936,308 shares via centralized price bidding in the secondary market, accounting for 2.80% of the Company's total share capital, in which repurchase, the highest transaction price was RMB13.86 per share, the lowest transaction price was RMB12.20 per share and the total amount paid was RMB750,108,799.73 (excluding transaction costs). For details, please refer to the *Announcement on Completion of Share Repurchase* published in *China Securities Journal*, *Securities Times* and on www.cninfo.com.cn on January 29, 2019.

(2) On April 8, 2019, the 15th meeting of the 6th Board of Directors reviewed and approved the Proposal on Determining the Purpose of Share Repurchase and determined that all the shares repurchased would be used for the Company's second ESOP. For details, please refer to the *Announcement on Determining the Purpose of Share Repurchase* published in *China Securities Journal*, *Securities Times* and www.cninfo.com.cn on April 9, 2019.

(3) On April 19, 2019, the 16th meeting of the 6th Board of Directors reviewed and approved the *Proposal on the Company's Second ESOP (Draft) and Its Summary* and the *Proposal on the Plan Management Measures for the Company's Second ESOP*. On May. 14, 2019, the proposal concerning the Company's second ESOP was reviewed and approved at the Company's general meeting in 2018. On Jun. 10, 2019, the Company received the *Confirmation of Securities Transfer Registration* from China Securities Depository and Clearing Corporation Limited Shenzhen Branch. The Company's shares held in its repurchase special securities account were transferred on Jun. 6, 2019 in a non-trading manner to "Lomon Billions Group Co., Ltd.- the Second ESOP", with the transfer price of RMB10.01 per share and 56,936,308 shares transferred. For details, please refer to related announcements published in *China Securities Journal* and *Securities Times* and on www.cninfo.com.cn.

(4) The Company's Second Employee Stock Ownership Plan was unlocked as of June 6, 2020 from which the shares held under the Plan may be reduced as appropriate. No more than 50% of the total stocks held under the second Employee Stock Ownership Plan shall be reduced within 1 month to 12 months after expiry of the lock-up period, and all the remaining stocks may be reduced within 13 months to 24 months after expiry of the lock-up period without subject to any unlocking conditions. For details, please refer to the *Announcement on Expiry of the Lock-up Period of the Second*

Employee Stock Ownership Plan published by the Company on *China Securities Journal*, *Securities Times* and http://www.cninfo.com.cn on May 29, 2020.

(5) The Company will decide whether to sell its shares prior to the expiration of its second ESOP on May 30, 2022, depending on the arrangement of the ESOP and market conditions. The ESOP of the Company will strictly conform to market trading rules and the regulations of CSRC and Shenzhen Stock Exchange that prohibit trading in company stock during periods of information sensitivity. For details, please refer to the *Reminder Announcement on Expiry of the Second Employee Stock Ownership Plan* published by the Company on *China Securities Journal*, *Securities Times* and http://www.cninfo.com.cn on November 26, 2021.

(6) At the meeting of the holders of the shares issued under the Second Employee Stock Ownership Plan and the 36th meeting of the 7th board of directors on May 17, 2022, the *Proposal for Extension of the Second Employee Stock Ownership Plan* was reviewed and approved, authorizing the extension of the term of the second ESOP by 12 months, i.e. to May 30, 2023. For details, please refer to the *Announcement on Extension of the Term of the Second Employee Stock Ownership Plan* published by the Company on *China Securities Journal*, *Securities Times* and http://www.cninfo.com.cn on May 18, 2022.

(7) The Company will decide whether to sell its shares prior to the expiration of its second ESOP on May 30, 2023, depending on the arrangement of the ESOP and market conditions. The ESOP of the Company will strictly conform to market trading rules and the regulations of CSRC and Shenzhen Stock Exchange that prohibit trading in company stock during periods of information sensitivity. For details, please refer to the *Reminder Announcement on Expiry of the Second Employee Stock Ownership Plan* published by the Company on *China Securities Journal*, *Securities Times* and http://www.cninfo.com.cn on November 29, 2022.

(8) At the meeting of the holders of the shares issued under the Second Employee Stock Ownership Plan and the 3rd meeting of the 8th board of directors on June 5, 2023, the *Proposal for Extension of the Second Employee Stock Ownership Plan* was reviewed and approved, authorizing the extension of the term of the second ESOP by 12 months, i.e. to May 30, 2024. For details, please refer to the *Announcement on Extension of the Term of the Second Employee Stock Ownership Plan* published by the Company on *China Securities Journal*, *Securities Times* and http://www.cninfo.com.cn on June 6, 2023.

(9) The Company will decide whether to sell its shares prior to the expiration of its second ESOP on May 30, 2024, depending on the arrangement of the ESOP and market conditions. The ESOP of the Company will strictly conform to market trading rules and the regulations of CSRC and Shenzhen Stock Exchange that prohibit trading in company stock

during periods of information sensitivity. For details, please refer to the *Reminder Announcement on Expiry of the Second Employee Stock Ownership Plan* published by the Company on *China Securities Journal*, *Securities Times* and http://www.cninfo.com.cn on November 29, 2023.

(10) As at December 31, 2023, the number of the shares granted under the second ESOP has been reduced by 34,820,191 cumulatively, representing 61.16% of the total number of shares granted thereunder; and the number of the shares held under the second ESOP is 22,116,117, accounting for 0.93% of the total share capital of the Company.

Changes in members of ESOP Management Committee

□ Applicable ☑ Not applicable

Financial impact of ESOP on the listed company in the reporting period and related accounting treatment

☑ Applicable □ Not applicable

(I) ESOP's stock was derived from accounting treatment of the Company's stock repurchases

Pursuant to the guideline for the *Accounting Standards for Business Enterprises No. 11: Share-based Payment*, a company rewards its employees with share-based payments in the form of share repurchases. Accordingly, the Company performs the following accounting treatment:

1. Repurchase of shares

The Company should be treated and registered as treasury shares for the full cost of stock repurchases.

2. Share repurchase by the transferee company under the ESOP

The Company sells the cost of treasury shares and adjusts the capital reserve (equity premium) for the difference upon receipt of the payment for share repurchase from the ESOP recipient.

3. Recognition of costs and expenses

The Company pays the portion of the stock repurchased by the Company under the ESOP at a price below the fair value at the grant date as a share-based payment, apportions it to the cost expense during the waiting period and recognizes capital reserves (other capital reserves).

4. ESOP exercise

The Company sells the accumulated amount of capital reserves (other capital reserve) in the waiting period and adjusts the capital reserve (equity premium) when the ESOP lock-in expires.

(2) Financial impact on the listed company in the reporting period

No impact.

Termination of ESOP during the reporting period

□ Applicable ☑ Not applicable

Other descriptions:

None

3. Other Employee Incentives

□ Applicable ☑ Not applicable

XII. Development and Implementation of the Internal Control System during the Reporting Period

1. Development and Implementation of the Internal Control System

The Company has been constantly developing and optimizing its internal control system pursuant to the *Basic Internal Control Regulations for Enterprises*, its supporting guidelines and other internal control regulatory requirements, taking into account the actual circumstances of its management and the principle of risk orientation. It has developed a series of internal control rules and regulations that run through all levels of operation and management and all respects of business, involving financial management, HR management, procurement management, engineering project management, market R&D management and sales management. In the reporting period, the Company has formulated or revised the Group's rules and regulations (mainly including the *Articles of Association of the Company*, the *Working Rules for Independent Directors*, and the *Specific Rules for Meetings of Independent Directors*) pursuant to the relevant laws and regulations issued by CSRC and SSE to further perfect its systems concerning internal control and compliant operation, etc. Meanwhile, the Company has further advanced the building of its integrated risk management and internal control system, constantly performed self-evaluation and self-improvement of its internal control, strengthened the training and education on internal control and enhanced the awareness of compliant operation to improve the level of compliant operation in and promote the sound and sustainable development of the Company. The internal control rules and regulations adopted in the Company have been effectively performed, and no critical defect exists in the internal control. The Company has accomplished the expected objectives of its internal control, through which the interests of the Company and its shareholders are properly protected.

2. Specific particulars of critical internal control defects discovered during the reporting period

□ Yes ☑ No

XIII. Management and Control of Subsidiaries during the Reporting Period

Company name	Integration plan	Integration progress	Problems encountered during the integration	Measures taken to resolve problems	Progress made	Plans for future solutions
Gansu Bilions Chemical Co., Ltd.	It planned to accept the transfer of 100% of the shares held by Longbai Sichuan in Billions Chemical. Thereafter, Billions Chemical would become a Tier I wholly-owned subsidiary of the Company	Completed	Not applicable	Not applicable	Completed	Not applicable
Panzhihua Zhenxing Mining Co. Ltd.	Longbai Mining and Metallurgy, one of the Company's wholly-owned subsidiaries, intended to accept the transfer of 99.9565% of the shares in Zhenxing Mining, as held by Vanadium and Titanium Resources Equity Investment Center in Zhenxing Mining, after which Zhenxing Mining would become one of its direct holding subsidiaries.	Completed	The Company and this subsidiary need to be constantly reconciled in the process of integration because of their different development histories, management philosophies and business cultures.	In alignment with its own business development strategy and business management model, the Company would procure that Zhenxing Mining and its subsidiaries are integrated with the Company's system in all aspects as soon as possible, including personnel management, financial management standards, resource management, business expansion, as well as corporate culture, etc., so as to create complementary advantages and synergistic effect between them.	Completed	In the future, Zhenxing Mining and its subsidiaries would be included into the Company's procurement platform so as to reduce the costs of procurement; Longbai Intelligent Equipment Manufacturing Co., Ltd., one of the Company's subsidiaries, would provide equipment support for Zhenxing Mining and its subsidiaries; Longbai Mining and Metallurgy and Longbai Mineral Products, both of which are subsidiaries of the Company, would manufacturing, sale, technology and management support for Zhenxing Mining and its subsidiaries; and the Company might also provide strong funding support for Zhenxing Mining and its subsidiaries.
Jiaozuo Zhongzhou Carbon CO., Ltd.	ZCarbon New Material, one of the Company's subsidiaries, intended to purchase 100% of the shares in Zhongzhou Carbon in cash and thereafter, to consolidate the financial statements of Zhongzhou Carbon with those of the Company.	Completed	The Company and this subsidiary need to be constantly reconciled in the process of integration because of their different development histories, management philosophies and business cultures.	In alignment with its own business development strategy and business management model, the Company would procure that Zhongzhou Carbon is integrated with the Company's system in all aspects as soon as possible, including personnel management, financial management standards, resource management, business expansion, as well as corporate culture, etc., so as to create complementary advantages and synergistic effect between them.	Completed	In the future, Zhongzhou Carbon would be included into the Company's procurement platform so as to reduce the costs of procurement; Longbai Intelligent Equipment Manufacturing Co., Ltd., one of the Company's subsidiaries, would provide equipment support for Zhongzhou Carbon; and the Company might also provide strong funding support for Zhongzhou Carbon.

XIV. Internal Control Evaluation Report and Internal Control Audit Report

1. Internal Control Evaluation Report

Date of disclosure of full text of internal control evaluation report	April 24, 2024	
Index of disclosure of full text of internal control evaluation report	For details, please refer to *2023 Internal Control Self-evaluation Report* published by the Company on www.cninfo.com.cn on April 24, 2024.	
Proportion of total unit assets included in the evaluation scope to total assets in the Company's consolidated financial statements	100.00%	
Proportion of unit operating income included in the evaluation scope to operating income in the Company's consolidated financial statements	100.00%	
Defect identification standard		
Type	Financial report	Non-financial report
Qualitative standards	The qualitative standards for evaluation of internal control defects in financial reporting determined by the Company are as follows: Defects with the following characteristics are identified as critical defects: ① any directors, supervisors and senior executives of the Company commit fraudulent practices, causing significant losses and adverse effect; ② gross violations of laws and regulations and liability accidents with respect to financial accounting, assets management, capital operation, information disclosure, product quality, safety production, environmental protection and other aspects occur, causing significant losses to and adverse effect on the Company or causing the Company to be subject to major administrative regulatory penalties; ③ the Audit Committee and Internal Audit Team fail to play an effective supervisory function, causing significant losses to the Company; ④ with respect to the Company's financial statements, certified public accountants have issued or are likely to issue any negative opinions, or have refused or are likely to refuse to give any opinions. If the consequences caused by the circumstances set out in the above-mentioned paragraphs ①, ② and ③ are not significant but important, relevant defects are considered to be major defects. If the consequences caused by the circumstances set out in the above-	The qualitative standards for evaluation of internal control defects in non-financial reporting determined by the Company are as follows: Defects with the following characteristics and significant impact are recognized as critical defects: ① where national laws, administrative regulations and normative documents are violated; ② where matters concerning "decision-making on major issues, appointment and dismissal of key cadres, investment decisions for major projects, application of large-amount funds" are not decided through the collective decision-making process; ③ where there is a loss of management personnel holding key posts and technicians; ④ where important business involving the Company's production and operation lacks institutional control or any such institutional system fails; ⑤ where internal control of information disclosure fails, causing the Company to be publicly condemned by regulatory authorities; ⑥ where any defects found in internal control evaluation, critical defects or major defects in particular, are not rectified. The above defects which are not significant but important are considered to be major defects. The above defects which are not significant and not important are considered to be

	mentioned paragraphs ①, ② and ③ are not significant and not important, relevant defects are considered to be common defects.	common defects.
Quantitative standards	The quantitative standards for evaluation of internal control defects in financial reporting determined by the Company are as follows: Based on the data in the 2023 consolidated financial statements, the quantitative standards for determining the degree of criticality of misstatements (including omissions) in the Company's consolidated financial statements are as follows: critical defects: misstated profits ≥ 5% of pre-tax profits; major defects: 1% of pre-tax profit ≤ misstated profits < 5% of pre-tax profits; general defects: misstated profits <1% of pre-tax profits.	The quantitative standards for evaluation of internal control defects in non-financial reporting determined by the Company are as follows: By reference to the quantitative standards for evaluation of internal control defects in financial reporting, the quantitative standards for determining the degree of criticality of internal control defects in the Company's non-financial reports are as follows: critical defects: misstated profits ≥ 5% of pre-tax profits; major defects: 1% of pre-tax profit ≤ misstated profits < 5% of pre-tax profits; general defects: misstated profits <1% of pre-tax profits.
Number of major defects in financial reports	0	
Number of major defects in non-financial reports	0	
Number of important defects in financial reports	0	
Number of important defects in non-financial reports	0	

2. Internal Control Audit Report

☑ Applicable □ Not applicable

Deliberations in internal control audit report	
We believe that LB Group maintained effective internal control over financial reporting in all material respects on December 31, 2023 in accordance with the *Basic Internal Control Norms for Enterprises* and applicable regulations.	
Disclosure of internal control audit report	Disclosed
Date of disclosure of full text of internal control audit report	April 24, 2024
Index of disclosure of full text of internal control audit report	For details, please refer to *2023 Internal Control Audit Report* published on www.cninfo.com.cn on April 24, 2024.
Type of opinions on the internal control audit report	Standard and unqualified opinions
Whether there are major defects in non-financial reports	No

Whether an internal control audit report with non-standard opinions was issued by accounting firm

□ Yes ☑ No

Whether the internal control audit report issued by the accounting firm is consistent with the self-evaluation report of the Board of Directors

☑ Yes □ No

XV. Self-examination and Correction for Governance of the Listed Company

Not applicable

Section V Environment and Social Responsibility

I. Major Environmental Problems

Whether the Listed Company and its subsidiaries are key pollutant discharge units announced by environmental protection department

☑ Yes □ No

Policies and Industry Standards Concerning Environment Protection

In its daily business operations, the Company strictly complies with the following laws and regulations: the *Environment Protection Law of the People's Republic of China*, the *Environment Impact Assessment Law of the People's Republic of China*, the *Regulations on Environment Protection in Construction Projects*, the *Air Pollution Prevention and Control Law of the People's Republic of China*, the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Noise Pollution Prevention and Control Law of the People's Republic of China*, the *Solid Waste Pollution Prevention and Control Law of the People's Republic of China*, the *Soil Pollution Prevention and Control Law of the People's Republic of China*, the *Radioactive Pollution Prevention and Control Law of the People's Republic of China*, the *Law of the People's Republic of China on Promotion of Cleaner Production*, the *Water Law of the People's Republic of China*, the *Law on Mineral Resources of the People's Republic of China*, the *National List of Hazardous Wastes*, the *Administrative Measures for Handling of Hazardous Wastes*, the *Administrative Measures for Post-Completion Environment Impact Assessment against Construction Projects (for trial implementation) (Former Ministry of Environment Protection Order No. 37)*, the *Administrative Measures for Filing of Construction Project Environment Impact Record Forms (Former Ministry of Environment Protection Order No. 41)*, the *Measures for Public Participation in Environment Impact Assessment (Ministry of Ecological Environment Order No. 4)*, the *Measures for Supervision and Administration of Compilation of Construction Project Environment Impact Reports (Forms) (Ministry of Ecological Environment Order No. 9)*, the *Catalogue for Classification-based Administration of Construction Project Environment Impact Assessment (Revision 2021) (Ministry of Ecological Environment Order No. 16)*, the *Plan for Implementation of Comprehensive Treatment of Air Pollution from Industrial Furnaces in Xiangyang*, the *Measures for Automated Monitoring and Control of Sources of Pollution in Hubei*, the *Technical Guidance on Automated Monitoring and Control of Sources of Pollution in Hubei*, etc.; and strictly implements the following industry standards: the *Standards on Discharge and Emission of Pollutants in Magnesium and Titanium Industries*, the *Standards on Emission of Air Pollutants from Industrial Furnaces*, the *Comprehensive Standards on Emission of Air Pollutants*, the *Standards on Discharge and*

Emission of Pollutants in Caustic Soda and PVC Industries, the *Standards on Discharge and Emission of Pollutants in Sulfuric Acid Industry*, the *Standards on Emission of Air Pollutants from Thermal Power Plants*, the *Standards on Discharge and Emission of Pollutants in Inorganic Chemistry Industry*, the *Standards on Emission of Air Pollutants from Furnaces*, the *Henan Provincial Standards on Indirect Discharge of Water Pollutants in Chemical Industry*, the *Henan Provincial Standards on Emission of Air Pollutants from Industrial Furnaces*, the *Sichuan Provincial Standards on Discharge of Water Pollutants within Min River and Tuo River Areas*, the *Hubei Provincial Comprehensive Standards on Discharge of Wastewater within the Middle and Lower Reaches of Han River*, etc.

Environment Related Administrative Permits

1. LB Group Co., Ltd.

Resources comprehensive utilization project for rutile titanium dioxide: The project obtained environmental assessment approval after review by Henan Environmental Protection Bureau (Y. H. S. (2008) No. 59) in March 2008, and passed the environmental protection acceptance in April 2014 (Y. H. S. (2014) No. 152).

The 2x300,000 t/a sulfur-producing acid project of Jiaozuo Gaotai Fine Chemical Co., Ltd.: the project was reviewed and approved by the Bureau of Ecology and Environment of Henan Province with an EIA Reply (Y. H. S. (2007) No.22) in January 2007, and was verified for Environmental Protection Acceptance, respectively, (Y. H. B. Y. (2008) No.6) of Phase I Project in March 2008 and (Y. H. S. (2014) No.153) of Phase II Project in April 2014.

The green manufacturing project with an annual output of 300,000 tons of sulfur-chlorine coupled titanium materials: Obtained environmental assessment approval (J. H. S. [2020] No. 6) after review by Jiaozuo Ecological Environment Bureau in June 2020 and successfully completed the Company's independent inspection and acceptance conducted according to its own environment protection standards in May 2023.

Phase I of the natural gas distributed energy project in Jiaozuo Western Industrial Cluster Area: Obtained environmental assessment approval (Z. Q. H. B. [2020] No. 11) after review by Jiaozuo Ecological Environment Bureau Zhongzhan Branch in July 2020 and successfully completed the Company's independent inspection and acceptance conducted according to its own environment protection standards in October 2023.

High-grade rutile titanium dioxide production line technical improvement project with a capacity of 200,000 tons/year: Obtained an environmental assessment approval from Jiaozuo City Environmental Protection Bureau (J. H. S. (2021) No. 2) in February 2021 and successfully completed the Company's independent inspection and acceptance conducted according to its own environment protection standards in November 2021.

High-grade rutile titanium dioxide calcining kiln technical improvement project: Obtained environmental assessment approval (J. H. S. [2022] No. 10) after review by Jiaozuo Ecological Environment Bureau in April 2022 and successfully

completed the Company's independent inspection and acceptance conducted according to its own environment protection standards in September 2022.

2. Longbai Sichuan Titanium Industry Co., Ltd.

Phased technical transformation project for rutile titanium dioxide: From October 2001 to April 2015, the phased technical transformation project for titanium dioxide obtained environmental assessment approval after review by Sichuan Provincial Department of Environmental Protection, and passed the environmental protection acceptance.

Ferrous comprehensive utilization project with a capacity of 250,000 tons/year: On Apr. 13, 2016, the project obtained the approval of Mianzhu Environmental Protection Bureau for the project environmental impact assessment report (Z. H. J. G. H. [2016] No. 31). And on Sep. 9, 2018, the company organized Mianzhu Environmental Protection Bureau, Mianzhu City Environmental Monitoring Station, Mianzhu City Safety Supervision Bureau and Sichuan Yuyuan Jieding Environmental Protection Engineering Co., Ltd. to carry out environmental protection completion acceptance, and the project passed the acceptance.

The upgrading project of the Sewage Treatment Plant: the project was approved by Mianzhu Environmental Protection Bureau with an EIA Reply (Z. H. J. G. H. [2018] No. 67) on Dec. 25, 2018. The main works of the project has been completed, and was verified for environmental protection acceptance on Dec. 25, 2019.

Three-stage sulfuric acid concentrator project: Obtained an environmental assessment approval (D. H. S. P. [2021] No. 74) from Deyang Ecological and Environmental Bureau on February 25, 2021, and successfully completed autonomous project acceptance in October 2022.

Demonstration project for integrated treatment of exhaust gas: The subsidiary completed and filed the environmental impact registration form of the project on March 10, 2021. Registration number: 202151068300000031. Successfully completed autonomous project acceptance in February 2023.

Wastewater biochemical treatment project: The subsidiary completed a supplemental environmental impact report for the wastewater treatment plant upgrade project in August 2021 and filed it with Deyang Ecological and Environmental Bureau.

Technical improvement project at Sewage Treatment Plant No. 2 in Mianzhu Xinshi Industrial Park: In October 2023, the project passed completion acceptance in terms of level of environment protection.

3. Longbai Xiangyang Titanium Industry Co., Ltd.

Rutile titanium dioxide project with an annual output of 100,000 tons: The project obtained environmental assessment approval after review by Hubei Provincial Department of Environmental Protection (E. H. H. (2011) No. 406) in May 2011, and passed the inspection and acceptance of environmental protection in Apr. 2016 (X. S. P. H. Y. (2016) No. 10).

Technical improvement and production capacity expansion project for increasing the rutile titanium dioxide production capacity from 100,000 tons per year to 150,000 tons per year: On February 16, 2022, an official reply on the environment impact assessment report prepared for the project was received (X. H. S. P. (2022) No. 4). On August 8, 2022, replacement of pollutant discharge permit was completed for the project. On November 5, 2022, the environment protection facilities in the project passed completion acceptance (X. T. Q. Z. [2022] No. 27).

Post-titanium dioxide processing project with an annual output of 200,000 tons: On May 26, 2023, an official reply on the environment impact assessment report prepared for the project was received (X. H. S. P. (2023) No. 10).

4. Henan Billions New Material Co., Ltd.

Chlorinated titanium dioxide project with a capacity of 60,000 tons/year: Obtained an environmental assessment approval from the Department of Ecology and Environment of Henan Province (Y. H. S. (2010) No. 310) on December 3, 2010, and completed filing for environmental protection with Jiaozuo City Environmental Protection Bureau on December 15, 2016 (see the third batch of filing announcements).

Chlorinated titanium dioxide project with a capacity of 200,000 tons/year: Obtained an environmental assessment approval from Jiaozuo City Environmental Protection Bureau (J. H. S. (2018) No. 16) on June 15, 2018 and completed autonomous project acceptance in April 2021.

Titanium-rich material project (Phase I) with a capacity of 2×150,000 tons/year: Obtained an environmental assessment approval from the Department of Ecology and Environment of Henan Province (Y. H. S. (2015) No. 180) on May 21, 2015 and completed autonomous project acceptance on September 26, 2019.

High-salinity wastewater advanced treatment project with an annual output of 1 million tons: Obtained an environmental assessment approval from Jiaozuo City Environmental Protection Bureau (J. H. S. (2020) No. 15) on August 12, 2020 and completed autonomous project acceptance in April 2021.

Reduced titanium manufacturing project with an annual output of 300,000 tons: Obtained environmental assessment approval (J. H. S. [2022] No. 23) after review by Jiaozuo Ecological Environment Bureau on July 5, 2022 and successfully completed autonomous project acceptance in July 2023.

Chlorinated titanium dioxide production capacity expansion project with a capacity of 100,000 tons/year: Obtained an environmental assessment approval from Jiaozuo City Environmental Protection Bureau (J. H. S. (2022) No. 26) on July 26, 2022 and completed autonomous project acceptance in July 2023.

Industrial discharge standards, as well as details about the discharge of pollutants in production and operations

Name of company or its subsidiaries	Classification of major pollutants and particular pollutants	Name of major pollutants and characteristic pollutants	Discharge method	Number of discharge outlets	Distribution of discharge outlets	Emission concentration	Pollutant discharge standards implemented	Total emissions (t)	Approved total emissions (t)	Excessive emissions
LB Group Co., Ltd.	Wastewater	COD	Continuous	1	Total number of discharge outlets for waste water	59.31mg/L	300mg/L	581.965	1105.3	0
		Ammonia nitrogen	Continuous			16.30mg/L	30mg/L	159.988	237	0
Longbai Sichuan Titanium Industry Co., Ltd.	Wastewater	COD	Continuous	1	general discharge outlet at sewage station	26.17mg/L	40mg/L	378.1	432	0
		Ammonia nitrogen	Continuous			0.337mg/L	3mg/L	3.91	32.4	0
	Waste gas	SO2	Continuous	6	Thermoelectric boiler	1.41mg/m³	50mg/m³	1.892	1627.32	0
			Continuous		200,000 sulfonic acid	11.72mg/m³	200mg/m³	4.98		0
			Continuous		300,000 arenaceous acid	5.28mg/m³	200mg/m³	5.121		0
			Continuous		Acidolysis	27.39mg/m³	550mg/m³	31.544		0
			Continuous		Calcining	197.43mg/m³	850mg/m³	109.515		0
			Continuous		Scientific research calcining	35.73mg/m³	850mg/m³	2.242		0
		NOX	Continuous	4	Thermoelectric boiler	10.67mg/m³	100mg/m³	15.513	402.66	0
			Continuous		Acidolysis	9.14mg/m³	240mg/m³	10.673		
			Continuous		Calcining	150.78mg/m³	240mg/m³	83.118		
			Continuous		Scientific research calcining	111.47mg/m³	240mg/m³	7.094		
			Continuous	/	Ferrous sulfate dryer 2 Flash dryer 6	Converted based on natural gas consumption	/	57.544		
Longbai Xiangyang Titanium Industry Co., Ltd.	Wastewater	COD	Continuous	1	Master sewage outlet (DW001)	13.5mg/L	50mg/L	147.5	369.966	0
		Ammonia nitrogen	Continuous		Master sewage outlet (DW001)	1.4mg/L	5mg/L	15.3	39.931	0
	Waste gas	SO2	Continuous	5	Calcining off-gas discharge outlet (DA001)	12.8mg/m3	200mg/m3	7.2	566.81	0
			Continuous		Acidolysis off-gas discharge outlet (DA008)	22.5mg/m3	550mg/m3	3.7		0
			Continuous		Calcining off-gas discharge outlet (DA010)	20.33mg/m3	200mg/m3	23		0
			Continuous		Sulfuric acid off-gas discharge outlet 01 (DA012)	20.2mg/m3	200mg/m3	16.8		0
			Continuous		Sulfuric acid off-gas discharge outlet 02 (DA013)	8.3mg/m3	200mg/m3	4.9		0

		NOX	Continuous	2	Calcining off-gas discharge outlet (DA001)	57.4mg/m3	200mg/m3	30.5	314.609	0
			Continuous		Calcining off-gas discharge outlet (DA010)	128.5mg/m3	300mg/m3	148.5		0
		Particulates	Continuous	2	Calcining off-gas discharge outlet (DA010)	8.47mg/m3	30mg/m3	9.8	149.276	0
			Continuous		Calcining off-gas discharge outlet (DA001)	2.8mg/m3	30mg/m3	1.7		0
Henan Billions New Material Co., Ltd.	Waste gas	SO2	Continuous	14	Off-gas outlet of pre-reduction kiln	4.05mg/m3	100mg/m3	2.332	60.97	0
			Continuous		Rotary kiln off-gas discharge outlet 07	29.03mg/m3	100mg/m3	3.261		0
			Continuous		Off-gas outlet of chlorination furnace	3.79mg/m3	200mg/m3	0.82		0
			Continuous		Off-gas outlet of oxygen preheater	13.78mg/m3	200mg/m3	1.172		0
			Continuous		Off-gas outlet of titanium tetrachloride preheater	13.72mg/m3	200mg/m3	1.85		0
		NOX	Continuous	14	Off-gas outlet of pre-reduction kiln	46.77mg/m3	100mg/m3	25.837	102.95	0
			Continuous		Rotary kiln off-gas discharge outlet 07	12.73mg/m3	100mg/m3	2.12		0
			Continuous		Off-gas outlet of chlorination furnace	19.34mg/m3	300mg/m3	3.65		0
			Continuous		Off-gas outlet of oxygen preheater	33.66mg/m3	300mg/m3	3.39		0
			Continuous		Off-gas outlet of titanium tetrachloride preheater	32.39mg/m3	300mg/m3	5.3		0
		Particulates	Continuous	14	Off-gas outlet of pre-reduction kiln	1.54mg/m3	10mg/m3	0.818	17.56	0
			Continuous		Rotary kiln off-gas discharge outlet 07	2.42mg/m3	10mg/m3	0.201		0
			Continuous		Off-gas outlet of chlorination furnace	5.63mg/m3	30mg/m3	1.12		0

Treatment of Pollutants

1. LB Group Co., Ltd.

Off-gas treatment: For treatment of the off-gas generated from calcining, acidolysis, as well as preparation of acid using sulfur, etc., the Company has acquired various environment protection facilities, including cooling tower, electric demister, plasma, air blower and catalytic absorber, etc., which function properly at all times to ensure that the treated off-gas is discharged while meeting the applicable discharge standards.

Wastewater treatment: Built a sewage treatment system matched with the Company's production line, and adopted mature and advanced processes related to "Multi-stage Neutralization + Multi-stage Precipitation + Pressure Filter Separation" with a treatment capacity of 48,000m^3/d, ensuring stable production and operation while ensuring pollutants discharge meeting relevant standards.

2. Longbai Sichuan Titanium Industry Co., Ltd.

Off-gas treatment: Longbai Sichuan makes integrated recycling and improvement of the off-gas generated from calcining in rotary kiln. Specifically, it replaces part of secondary air used in calcining with the off-gas with low oxygen content generated from calcining to lower the oxynitride content in the off-gas from calcining, and with the use of the recycled off-gas of high heating value, the consumption of natural gas in calcining also can be reduced. The project acceptance was completed in October 2023, and the project creates annual economic return of approximately RMB 11.68 million.

Waste water treatment: In October 2023, the technical improvement project at Sewage Treatment Plant No. 2 in Mianzhu Xinshi Industrial Park passed completion acceptance in terms of level of environment protection. After in-depth biological and chemical treatment, the water pollutants discharged from the plant realizes a stable concentration meeting the threshold requirements set out in the *Sichuan Provincial Standards on Discharge of Water Pollutants within Min River and Tuo River Basins* for centralized sewage treatment plants in industrial parks.

Slag disposal: Comprehensive utilization is made of titanic gypsum to resolve the requirement for storage of titanic gypsum. At the end of February 2023, the titanic gypsum reclamation project in Qixiang Village, Guangji Town was completed, through which comprehensive utilization was made of more than 500,000 tons of titanic gypsum. Following completion of the project, radish, romaine, lettuce, Chinese cabbage and other vegetables, as well as pennisetum sinese (i.e. forage grass) and economic turf are planted at the project site, and those vegetables are determined to meet the national food safety standards upon sampling test. In October 2023, Hanzhu New Materials Co., Ltd. commenced a project named "Ecological restoration and improvement at abandoned bunker" in Huoshaonian Community, Guangji Town, and it is expected that comprehensive utilization can be made of more than 850,000 tons of titanic gypsum through the project. In addition, it is expected that comprehensive utilization can be made of approximately 30,000 tons of titanic gypsum through the titanic gypsum based land reclamation continuity project in Qixiang Village, Guangji Town.

3. Longbai Xiangyang Titanium Industry Co., Ltd.

Off-gas treatment: In 2023, Longbai Xiangyang invested RMB 8.64 million in the implementation of the technological improvement project for off-gas dust removal from calcining kiln. In the project, 3 additional sets of alkali spray towers and 2 additional sets of Level II wet electric demisters were set up, and the whole off-gas treatment process has been

upgraded and improved to “cyclone dust removal + acid sprayer + water sprayer + alkali sprayer + water sprayer + Level I electric demister + Level II wet glass reinforced plastic electric demister” to further lower the concentration of pollutants discharged. In September 2023, the Company invested RMB 2 million in acquiring 1 additional set of wet desulphurization project for treatment of the off-gas generated from electric boilers, in order to ensure that the desulfurizers can meet the desulphurization requirements while the 2 sets of boilers are functioning and that the boilers function at normal load and pollutants are discharged in compliance with the specified environment protection indicators.

Waste water treatment: In April 2023, Longbai Xiangyang completed the construction of its waste water treatment and environment protection upgrading project, in which it invested approximately RMB 21.89 million. In addition to the existing sewage treatment system, a facility designed to enable environment protection upgrading by making in-depth defluorination of outer drainage was set up in the project. A chemical precipitation method--in-depth calcium fluorophosphates defluorination process and technology is applied for defluorination in the project. As at August 2023, the construction of the project had been completed, and the waste water flows to the sewage treatment plant in the south of the city. Currently, the fluoride and suspended solids discharged through the outer drainage meet the discharge standards set out in *Hubei Provincial Integrated Standards on Discharge of Waste Water within the Middle and Lower Reaches of Han River* (DB42 1318-2017).

4. Henan Billions New Material Co., Ltd.

Off-gas treatment: off-gas treatment improvement continues to be carried out. In 2023, LB Group invested more than RMB 4 million in environment protection projects, including those involving non-organized emission, VOC treatment, etc. Following completion of the project, the concentration of pollutants discharged would be further reduced.

Waste water treatment: LB Group has been active in exploiting new methods of waste water recycling to improve the utilization of recycled water resources. In 2023, the concentrated water generated in public auxiliary plants used for production of titanium dioxide with the chlorination process had been fully recycled and then used in production of desalted water, as a result of which the volume of waste water discharged has been reduced by more than 120,000 tons.

Emergency plans for sudden environmental incidents

1. LB Group Co., Ltd.

An emergency plan for sudden environmental incidents has been worked out, reviewed by experts, and filed with Zhongzhan Branch of Jiaozuo City Ecological Environment Bureau (Filing No.: 410803-2023-006-H).

2. Longbai Sichuan Titanium Industry Co., Ltd.

Longbai Sichuan revised its environmental emergency response plan in 2022 and after an expert review, filed the revised plan with and received approval from Mianzhu City Environmental Protection Bureau on January 16, 2023 (Filing No. 510-683-2023-003-H).

3. Longbai Xiangyang Titanium Industry Co., Ltd.

Longbai Xiangyang revised its environmental emergency response plan in 2023 and after an expert review, filed the revised plan with and received approval from Nanzhang Branch of Xiangyang Municipal Ecological Environment Bureau on November 20, 2023 (Filing No. 420624-2023-021H).

4. Henan Billions New Material Co., Ltd.

An emergency plan for sudden environmental incidents has been worked out, reviewed by experts on December 18, 2022, and filed with Zhongzhan Branch of Jiaozuo City Ecological Environment Bureau on January 10, 2023 (Filing No.: 410803-2023-004-H).

Environmental self-monitoring plans

Environmental self-monitoring plans have been developed and regular inspections have been carried out in strict accordance with the requirements of the plans.

Details about the Investment in Pollution Improvement and Environment Protection and the Payment of Environment Taxes

1. LB Group Co., Ltd.

(1) Pollution Improvement and Environment Protection

Technological improvement project for treatment of off-gas generated from preparation of acid using sulfur: In 2023, LB Group invested RMB 28.57 million in developing a novel catalytic absorption desulfurization technology for recycling of dilute sulphuric acid generated from treatment of off-gas from generated from preparation of acid using sulfur. In this project, the previous desulfurization process using sodium and alkaline is replaced by said novel technology to enable realization of zero discharge of waste water from desulfurization operations, and the novel desulfurization technology also has a better effect of desulfurization than the previous desulfurization process, enabling ultra-low discharge of pollutants. With this project, LB Group has achieved a better balance between economic return and environment protection.

(2) Environment Taxes

Environment taxes levied in respect of all off-gas discharge outlets in operation and covered by the respective pollutants discharge permits have been fully paid. In 2023, LB Group has paid environment taxes of RMB 766,600.00 with respect to its off-gas emissions. Waste water treatment fees charged with respect to all waste water discharge outlets also have been fully paid. In 2023, LB Group has paid waste water treatment fees of RMB 10,863,600.00.

2. Longbai Sichuan Titanium Industry Co., Ltd.

(1) Pollution Improvement and Environment Protection

In the technological improvement project for energy saving in crystallization and concentration of titanium dioxide produced with the sulfuric acid process, RMB 50,250,000.00 has been invested in total. In this project, the previous steam injection vacuum ferrous crystallization process is replaced by VCE continuous vacuum crystallization process (with a capacity of 140,000 tons individually); and the previous titanium liquid concentration process using steam is replaced by a titanium liquid concentration process using MVR evaporation (with a capacity of 120,000 tons individually), in which process electric energy is used instead of steam energy to reduce the consumption of coal-fired steam, the overall energy consumption in the crystallization and concentration, as well as carbon emissions, and to improve the environment.

In Phase III of the waste acid concentration project, RMB 45 million has been invested in total. In this project, dilute sulfuric acid generated from the production of titanium dioxide is concentrated and then reused. Following the completion of the project, 24% sulfuric acid generated from the production of titanium dioxide would be concentrated to 55% sulfuric acid and then reused. It enables recycling of resources, reduction in production costs, as well as reduction in the amount of waste acid and calcium sulphate generated from waste water treatment and in the amount of slags.

(2) Environment Taxes

The total amount of environment taxes paid with respect to waste water and off-gas in 2023 is RMB 1.8317 million.

3. Longbai Xiangyang Titanium Industry Co., Ltd.

The total amount of environment taxes paid with respect to waste water and off-gas in 2023 is RMB 714,200.00.

4. Henan Billions New Material Co., Ltd.

Environment taxes paid for emission of off-gas: The amount of environment taxes paid with respect to emission of off-gas in 2023 is RMB 506,400.00.

Waste water treatment fees: The amount of waste water treatment fees paid in 2023 is RMB 9.96 million.

Measures taken to cut its carbon emissions during the reporting period and the results

☑ Applicable □ Not applicable

1. LB Group Co., Ltd.

By optimization and modification of its MVR crystallizers and improvement of the utilization of waste heat from steamed titanium dioxide, the Company saves the consumption of standard coals by 8,350 tons and reduces the emission of greenhouse gas by 24,400 tons each year; and by recycling concentrated water generated as a result of reverse osmosis operations, optimizing boiler detergents and implementing other water-saving measures, the Company saves the consumption of primary water by approximately 600,000 tons, reduces the consumption of standard coals by 154 tons, and reduces the emission of greenhouse gas by 315 tons each year.

2. Longbai Sichuan Titanium Industry Co., Ltd.

(1) Electric boilers are modified by setting up 2 natural gas burners on two sides of the boiler furnaces to allow the blending combustion of natural gas and coals. In this way, the consumption of coals would be reduced, and it is estimated that each year, this project would create the economic benefits of RMB 3 million and help reduce the consumption of coals by 15,058.9 tons.

(2) Off-peak power consumption in grinder system is optimized. Intermediate hopper is used to increase the capacity of grinded mineral powder so as to realize off-peak power consumption. In this way, the consumption of electricity would be reduced by 1.24 million kW and the consumption of coals be reduced by 707.2 tons each year.

(3) Air blowers set up for the off-gas generated from acidolysis are optimized through optimizing the air blowers and related pipelines to reduce energy consumption. It is estimated that each year, this project would help reduce the consumption of electricity by 2.76 million kW and the consumption of coals by 1,574 tons each year.

3. Longbai Xiangyang Titanium Industry Co., Ltd.

(1) Energy-saving motor modification project: In 2023, Longbai Xiangyang continued to push forward its energy-saving motor modification project, in which 99 motors with a power of 75KW or more have been modified to switched reluctance motors. This project would help reduce the consumption of electricity by 5,451,600KWh and the emission of carbon dioxide by 3326 tons each year.

(2) Washing water equilibrium in primary and secondary washing: 7 pressure filters used in primary washing have been modified to change the filtering area from 380m2 to 540m2. This project would help reduce the consumption of steam by 24,079 tons, the consumption of standard coals by 2,752 tons and the emission of carbon dioxide by 5,343 tons.

(3) Project enabling use of natural gas instead of coal gas in post-processing operations with a capacity of 200,000 tons (Phase I): In this new project, natural gas is used to provide source of heat in place of coal gas, in order to reduce the emission of carbon from combustion of fossil fuels. This project would help reduce the consumption of standard coals by 6758 tons and the emission of carbon dioxide by 13,118 tons each year.

(4) Project for recycling of waste heat from flash drying in post-processing operations with a capacity of 200,000 tons (Phase I): In this project, waste heat from flash drying in post-processing operations is recycled through modifying 4 sets of flash dryers in Phase I. Specifically, devices intended for recycling of off-gas generated from flash drying operations are set up behind air blowers used for flash drying of off-gas, and phase-changing heat exchangers are used for heat exchange, with cold air generated after heat exchange to be used as combustion air with blowers to reduce the consumption of natural gas caused by temperature rise attributable to combustion support in flash drying operations. This project would reduce the consumption of natural gas by 737,500m^3 and the emission of 1,738 tons each year.

4. Henan Billions New Material Co., Ltd.

Recycling of waste heat: Thermal units are set up on the off-gas pipelines set up for flash distillation in post-processing operations, as well as connected with oxygen preheaters and titanium tetrachloride preheaters to transform the heat energy in off-gas into electric energy or lead off-gas into combustors to reduce the consumption of natural gas and electricity. This project would help reduce the consumption of natural gas by 5.11 million m^3 and of electricity by 30.36 million kWh and the emission of carbon dioxide by 27,000 tons.

Administrative penalties for environmental issues during the reporting period

Name of company or its subsidiaries	Reason for penalties	Violations	Penalty result	Impact of administrative penalties on operations of the listed company	Corrective measures of the Company
None	Not applicable	None	None	None	Not applicable

Other environmental information that shall be disclosed

Basic information of pollutant discharge units, production and discharge links, pollution prevention facilities, detection concentration of pollutants, and operation status of automatic online equipment have been fully disclosed in national pollutants discharge permit information disclosure system.

Clean Production Audit: In 2023, Henan Billions New Material Co., Ltd. conducted clean production audit within the company and accepted the clean production review carried out by Jiaozuo Bureau of Ecological Environment. On August

1, 2023, Billion New Materials obtained a certificate of clean production (Jiaozuo Clean Production Certificate No. 24 of 2023).

Other environmental protection related information

Measures taken by the Company to cut its carbon emissions during the reporting period and the results were detailed in the *Corporate Social Responsibility (CSR) Report for 2023* published by the Company on www.cninfo.com.cn on April 24, 2024.

The Company must comply with the disclosure rules set forth in the *Guidelines No. 3 of the Shenzhen Stock Exchange on Self-regulation of Listed Companies - Industry Information Disclosure*

Information on environment incidents occurring with the listed company

Not applicable

II. Overview of Social Responsibility

The Company's CSR performance during the reporting period was detailed in the *CSR Report for 2023* published by the Company on www.cninfo.com.cn on April 24, 2024.

The Company must comply with the disclosure rules set forth in the *Guidelines No. 3 of the Shenzhen Stock Exchange on Self-regulation of Listed Companies - Industry Information Disclosure*

In 2023, in light of its actual circumstances, the Group has revised the *Measures for Implementation of Safety Production Admonition System* so as to regulate the safety production management process and increase the overall level of safety production management within the Company. Regarding safety production as a prerequisite and foundation for the development of the Company, the subsidiaries reduce the possibility of incidents by taking various measures, including elimination of potential safety hazards from the source, enhancement of safety management, improvement of the employees' awareness of safety, etc.

(I) Safe Production Technologies

Neither processes nor technologies applied by the Company nor the Company's products and production capacity are obsolete. The safety measures and emergency responses adopted by the Company for the highly-regulated hazardous chemicals meet the requirements. The Group and each of its subsidiaries maintain a safe production management unit, define the responsibilities of the safe production management staff at all levels, maintain well-established safe production management systems and operating procedures, and regularly conduct safety inspection in all aspects of their production operations to timely identify and remediate all potential safety hazards.

(II) Investment for funding occupational health and safety expenses

In order to strengthen the management of safe production costs, establish a long-term mechanism for investment in safe production, and protect the interests of the enterprise itself, the employees and the general social public, and pursuant to the *Management Measures for Set-aside and Application of Safe Production Expenses in Business Enterprises*, the Company maintains a well-established system for management of safe production costs and sets aside funds specifically used for improving the safe production in the organization or its projects. In the Company, the safe production expenses are managed in pursuance of the principles "compliant funding, documented expenses, organized management, and effective supervision".

In the Company, the safe production expenses are mainly used for the following purposes: acquisition of facilities and equipment designed for safety protection and emergency refuge; safe production informatization development; acquisition of safety protective articles and emergency rescue equipment; building of emergency rescue team; publicity, education and training on safe production; payment of incentives to employees reporting potential safety incidents; purchase of safe production liability insurance; purchase of carrier liability insurance; safe production audit and inspection, evaluation, review and consulting; safe production standardization; revision of emergency response plan; emergency drills, etc. In 2023, the members of LB Group invested RMB 213,431,900.00 in safe production in total.

In order to solidify and deepen the accomplishments made in prevention and control of occupational diseases, vigorously progress the prevention and control of occupational diseases during the middle part of the Fourteen Five-Year Plan, and effectively protect the health of the employees, the members of the Group carried out special corrective and preventive actions within those workplaces within which noises, dusts, toxic chemicals and other potential risks of occupation diseases existed in 2023. Within a total investment of approximately RMB 16 million in completion of 126 corrective and preventive actions, the working environment in those workplaces have been significantly improved, which lays a solid foundation for further protection of the health of the employees in the workplaces.

The Company put the health and safety of its employees in the first place at all times. In order to effectively prevent and timely identify occupational hazards and ensure the physical and psychological health of all employees, the Company invested RMB 1.87 million cumulatively in offering occupational health examination to the employees and detecting potential occupational hazards in 2023 to protect the health and safety of the employees in all aspects and lay a solid foundation for the sustainable development of the Company.

(III) Education and training for safety production

At the beginning of 2023, the Company developed the Group's safety training plan, which states the scope of annual training and re-education of all Company's leaders and employees at all levels, so as to ensure that safety trainings are offered throughout the Company. In 2023, the Group organized various forms of training in which the specialists in audit from its subsidiaries were invited to provide training, and specifically, using video conferencing, it offered training themed "Localized Management", "Inspection and Correction of Potential Hazards", "Civilized Construction of Engineering Projects", "Tools and Instruments Management", "Isolation of Energy", "Training Management", "Inspection of Operating Procedures and Working Cycles", "Contractor Management", etc. In total, 49,638 persons took part in 2,661 training sessions centered on the laws and regulations, standards and policies concerning safe production in China, expertise in safe production, management of critical sources of danger, incident prevention and emergency response, hierarchical risk management and control, inspection and correction of potential hazards, safe production standardization, safe production management experience, analysis of typical incidents and emergency rescue cases, safety management system, rules & regulations and operating procedures, contractor and site safety management, individual protection and independent and mutual rescue, etc.

Since the online learning platform "LB Learn" was put into use, an online + offline learning model has gradually been developed in LB Group, ensuring the offering of teaching according to specific circumstances and aptitude. Firstly, the scope of training is expanded. With regard to training courses, LB Group offers 2899 excellent training courses in total, covering comprehensive quality, safety management, production management, equipment management, technology management, project management, environment management, etc. The training program of the Group has gone beyond geographic restrictions and enables the sharing, management and dissemination of knowledge within the Group. Secondly, supporting measures continue to be perfected. With regard to hardware, offline training space and examination center are built. With regard to software, through pushing forward the construction of the training space project, an online learning platform "LB Learn" has been successfully developed, allowing the employees at production line to make full use of fragmented time to complete their goals in learning and training. Thirdly, the learning model is changed in a smooth and steady manner. In reliance upon the advantage of the online learning platform "LB Learn", the Group has assigned 9 learning tasks to the management staff at the level of shift leader or above at the manufacturing sites, specifically including "PSM Process Safety Management", "Linear Responsibility for Local Management", "Energy Isolation Locking and Tagging", "Project Handover Management", etc., in which 5,460 trainees have participated. This has improved the awareness of safety and ability in safety management of the employees at all levels at the manufacturing sites of the Group

from multiple perspectives and in a wide range of dimensions and expanded the safety management thinking and approaches, thus ensuring the steady change of the safety concept from “I have to be safe” to “I want to be safe”. With the use of the online learning platform “LB Learn”, an all-round learning model has been developed to effectively link online and offline training so as to improve the overall training efficiency, staff quality and competitiveness of the Group.

(IV) Safety inspection

In 2023, the safety management departments of the group companies have carried out 67 safety inspections in total, including comprehensive safety inspection, holiday safety inspection, special safety inspection, patrol safety inspection, daily safety inspection, contractor-specific inspection, etc., in which 3,247 potential safety hazards have been identified and rectified, with an on time rectification rate of 100%.

In order to strengthen the safety supervision and enhance the level of safety management within its group companies, in 2023, LB Group invited external senior experts in “process, electrical, equipment and instrumentation” from China Chemical Safety Association and Henan Chemical & Pharmaceutical Safety Production Association to carry out 2 safety inspections towards 19 companies among its manufacturing sites and associated entities in Jiaozuo Industrial Park. These safety inspections focus on accomplishment of the goals specified in contracts applying economic responsibility system in the year, development of systems and procedures, incident management, daily safety management, occupational health management, dual prevention mechanism, contractor management, production site safety, fire protection management, management of major sources of danger, emergency management, safety management enhancement, management of tailing ponds and titanium gypsum storage yards, etc. Through those inspections, 2,167 potential hazards were identified and rectified, with a rectification completion rate of 100%. Through safety inspection and verification, LB Group remedies deficiencies and improve weaknesses found in safety concept, safety responsibilities, safety planning, rule of law in safety operations, safety standards, safety technology, safety engineering, safety quality, etc.; and makes push for dynamic elimination of potential hazards that would give rise to major incidents and overall cut-down on general potential hazards that are recurring, continuously improves the overall ability in pre-control of production safety issues, and resolutely and effectively prevents and curbs the occurrence of various incidents.

Pushing forward the digitalization of dual prevention mechanisms to solidify the line of defence against production safety issues. In 2023, LB Group has gradually carried out a digitalization program within the Group, with Jiaozuo Manufacturing Site and Billions New Materials being selected as pilot sites for the program. In accordance with the requirements set out in the *Operational Guidance on Digitalization of Dual Prevention Mechanisms in Hazardous Chemicals Enterprises*, an Integrated Industrial Internet Digitalization Enhancement System for Hazardous Chemicals

Enterprises has been constructed, which comprises information on monitoring of major sources of hazards, information on combustible and toxic gas detection and alarm, dual prevention mechanisms, personnel positioning, intelligent patrol inspection, intelligent video monitoring, information on special operation permit and operation process management, information on management of all elements of safety production, etc., to comprehensively improve the level of safety production management within the Group. Meanwhile, LB Group continues to promote the progress of its dual prevention project from the system construction to the putting into operation of the mechanisms, ensures the effective integration between the dual prevention mechanisms and the daily safety management system, keeps realistic and pragmatic, applies the mechanisms while constructing the same, gives full play to the monitoring and early warning role of the digital system in safety risk management and control and remediation of potential safety hazards, and promotes the further development and effectiveness of the dual prevention, in order to ensure the stability and sound development of the safety situation within the Company.

(V) Safety Production Standardization

The Group is vigorously promoting safety production standardization within its subsidiaries. Amongst others, Jiaozuo Manufacturing Site, Billions New Materials, Deyang Manufacturing Site, Xiangyang Manufacturing Site, Panzhihua Manufacturing Site and Fengyuan Mining have obtained certificate of Level II safe production standardization; Xinli, Yunnan National Titanium and Chaoyang Oriental Zirconium have obtained certificate of Level III safe production standardization; and in 2023, the Company has caused Panzhihua Manufacturing Site to file an application for extension in replacement of certificate of safe production standardization, which application has been granted.

III. Consolidation and Advancing Efforts in Poverty Alleviation and Rural Revitalization

In order to carry out the spirit of the important speech President Jinping Xi delivered on the topic “Consolidating and extending the effective link between the results of poverty alleviation and the rural revitalization” deeply, in 2023, LB Group has consciously practiced the mission of “creating a better life with titanium technology and being a respected enterprise”, and in particular, while making business development and increasing its business size and strength, has actively fulfilled its social responsibility by practically carrying out various work, including promotion of the construction of a harmonious community, charitable donation and social assistance and consolation, etc. It has cumulatively invested more than RMB 6 million to continuously consolidate the results of poverty alleviation and make contribution to rural revitalization, which manifests that LB Group has duly fulfilled its corporate social responsibility by providing humanistic care outside the organization.

(I) Promoting the close relationship between the enterprises and local communities through their joint development to jointly develop a new landscape of rural revitalization

It is a concrete practice in LB Group in fulfilling its corporate social responsibility and seeking for sustainable development to promote the construction of the local public community and realize a win-win situation between the enterprise and the local community in a harmonious way. In order to promote the development of the industrial projects in Jiaozuo Industrial Park, in 2023, the Group promoted the implementation of the joint village-enterprise development project and in particular, invested RMB 3.7099 million in supporting the local rural tourism development and ecological environment projection in the surrounding towns, including Longdong Town, Zhongzhan District. Longbai Sichuan invested more than RMB 1,290,000 in carrying out joint village-enterprise development activities jointly with the Xinshi Town People's Government, as well as Baimiao Village, Dayuyuan Village, Hongdou Village, Zhenjiang Village and other villages within the town. In particular, it had supported the construction of a cultural square and supporting recreational facilities, the improvement of the living environment of the local residents, and the addition, modification and expansion of ditches and culverts to effectively address the problems with which the villagers are encountered in arable land irrigation, as well as flood control in flood season, thus effectively consolidating the results of the poverty alleviation in Deyang, Sichuan. In September, Longbai Mining and Metallurgy donated RMB500,000 to Yanbian Charity Society for the development of Yanbian County's education, science, culture, sanitation, rural revitalization, etc. Longbai Xiangyang donated RMB260,000 to Huangya Village of Xiangnanzhang County, Chejiadian Village and Xiangshi Village of Limiao Town for joint development of rural areas and business enterprises. Yunnan National Titanium donated RMB 70,000 for the road hardening work at the kindergarten in Qinfeng Town, Chuxiong Autonomous Prefecture, and donated RMB 100,000 to the medical center in Qinfeng Town, Chuxiong Autonomous Prefecture to improve the local medical services. Fengyuan Mining invested more than RMB 130,000 to carry out community service and Spring Festival lighting activities in conjunction with Donghua Street, East District to create a good Chinese New Year atmosphere.

(II) Care for the growth of teenagers and contribution to the development of rural education

The Group continues to implement the "Children & Teenagers Care Project" and carries out various forms of activities to provide care for the growth of children, especially care for the physical and psychological health of those left-behind children. In July 2023, LB Group donated RMB 10,000 to Henan Jiaozuo Teenager Growth Foundation for purchase of psychological health services for rural teenagers. Longbai Mining & Metallurgy contributed RMB 12,000 to support Xinjiu Town Central School in improving its sports facilities in June 2023, with a view to contributing to the development of sports education in rural schools; contributed RMB 100,000 to the Ninth Panzhihua Games to support the development

of the sports undertakings in Panzhihua in September, which demonstrates the fulfillment of its responsibility as a large enterprise; and donated RMB 200,000 to Panzhihua Foundation of Carr for the Next Generation to support the development of the public welfare undertaking of care for the next generation in December. During the International Children's Day, Longbai Sichuan offered consolation to the children studying in Guanyu Primary School and donated school supplies valued at RMB 5,000 to the school. Fengyuan Mining donated RMB 12,000 to Panzhihua No. 25 Primary & Middle School for their purchase of office computers. Longbai Xiangyang carried out safety propaganda in Muyu Central Primary School and donated books and school supplies valued at RMB 7,600 to the school in June, and donated a "Charitable Children Growth Package" to the local county party committee and distributed school supplies valued at RMB 10,000 to the children in the county in July.

(III) Offering social assistance to increase the happiness of the local needy residents

The Group persists in providing precise social assistance and support for those local needy villagers. Its subsidiaries, including Longbai Sichuan Mining and Metallurgy Co., Ltd., Longbai Sichuan Titanium Industry Co., Ltd., etc., continue to provide consolation for those local needy residents and provide assistance and support for poverty alleviation in the designated poor villages in the surrounding communities. In particular, Longbai Mining & Metallurgy spent RMB 15,800,000 in purchasing consolatory rice, flour, grains, oil, mutton and other articles to be distributed as among 28 needy families in five surrounding villages, including Pinggu, Jiuchang, and Anning, etc.; and Longbai Sichuan distributed the consolation money of RMB 58,000 among 147 households in Baimiao Village, Taoyuan Village, Huoshi Village and Hongdou Village. Throughout 2023, the Group has cumulatively invested more than RMB 200,000 in providing assistance and support for those local needy residents. The provision of practical and caring consolidation and assistance, as well as the efforts put in the joint development of a harmonious community do not only demonstrate convincingly that LB Group has been diligently fulfilling its corporate social responsibility as a listed company, but also effectively increase the happiness of the local residents.

Section VI Important Particulars

I. Fulfillment of Commitments

1. Commitments that are fulfilled during the reporting period and not fulfilled at the end of the reporting period by actual controllers, shareholders, affiliates or acquirers of the Company, the Company and other relevant parties

☑ Applicable □ Not applicable

Cause of commitment	Committed by	Type of commitment	Content of commitment	Date of commitment	Period of commitment	Description of fulfillment
Commitments made during initial public offering or refinancing	LB Group	Commitment as to divestiture of the business of pseudo-banking	In the course of non-public offering of shares in 2020, the Company was committed to divestiture of the business of pseudo-banking by the end of 2022, including but not limited to by transferring such business to non-affiliated third parties, or deregistering such business, etc.	November 25, 2020	From November 25, 2020 to December 31, 2022	Share transfer agreement already executed, and corporate change registration yet to be completed.
Other commitments made to the Company's minority shareholders	XU Gang, HE Benliu, CHANG Yili, SHEN Qingfei, ZHANG Gang, WU Pengsen, ZHANG Haitao, CHEN Jianli	Commitments not to acquire more shares in the Company for a certain period of time	1. Based on their confidence on the future development of the Company, and in order to support the long-term sound development of the Company, said persons intended to increase their shareholding in the Company by at least RMB 94,000,000.00 and at a price no higher than RMB 30.00 per share by way of collective bidding in the period from October 27, 2022 through April 26, 2023. 2. The additional shares acquired this time would be subject to lock-up for 6 months following completion of the shareholding increase plan.	October 26, 2022	From October 27, 2022 to October 27, 2023	Fully completed in strict accordance with the plan
	YANG Minle	Commitments not to acquire more shares in the Company for a certain period of time	1. Based on their confidence on the future development of the Company, and in order to support the long-term sound development of the Company, said persons intended to increase their shareholding in the Company by at least RMB 94,000,000.00 and at a price no higher than RMB 30.00 per share by way of collective bidding in the period from October 27, 2022 through April 26, 2023. 2. The additional shares acquired this time would be subject to lock-up for 6 months following completion of the shareholding increase plan.	October 26, 2022	From October 27, 2022 to June 27, 2024	1. The shareholding increase plan had been fully completed. 2. The additional shares acquired pursuant to the shareholding increase plan is being subject to lock-up strictly.

	XU Gang	Commitments not to sell the Company's stock for a certain period of time	Based on my confidence in the future development of the Company, and in order to support the long-term sound development thereof, I undertake not to sell the restricted shares the restrictions on whose transfer are proposed to be lifted this time in the form of collective bidding and block trading within 6 months upon the lifting of the restrictions on transfer of the 2020 non-publically offered shares and from the date when those shares are listed for trading (i.e. between September 5, 2022 and March 4, 2023), including without limitation additional shares arising from issuance of bonus shares, capitalization of reserves, and other distributions taking place during the commitment period.	September 1, 2022	September 5, 2022 to March 4, 2023	Fully completed in strict accordance with the plan
	HE Benliu	Commitments not to sell the Company's stock for a certain period of time	Based on my confidence in the future development of the Company, and in order to support the long-term sound development thereof, I undertake not to sell the restricted shares the restrictions on whose transfer are proposed to be lifted this time in the form of collective bidding and block trading within 6 months from the date of listing for trading of those deferred restricted shares granted under the 2021 restricted stock incentive plan in respect of which the restrictions on transfer have been lifted upon expiration of the first lock-up period, including without limitation additional shares arising from issuance of bonus shares, capitalization of reserves, and other distributions taking place during the commitment period.	September 26, 2022	From September 26, 2022 to March 25, 2023	Fully completed in strict accordance with the plan
Whether the commitment has been fulfilled on time	No					
If the commitment fails to be completed upon expiration of the specified period, the specific reason for failure to complete the commitment, as	1. In the course of non-public offering of shares in 2020, the Company was committed to divestiture of the business of pseudo-banking by the end of 2022. At the meeting of the board of directors on August 26, 2022, the proposal for transfer and sale of 54.40% of the shares in Yili Micro-financing was considered. The corporate change registration required to be completed in connection with the share transfer made pursuant to the proposal had been completed in September 2022, and following completion of the share transfer, the Company holds 30.00% of the shares in Yili Micro-financing and has removed Yili Micro-financing from the list of its consolidated subsidiaries. At the meeting of the board of directors on December 29, 2022, the proposal for sale of the remaining shares in the business of pseudo-banking, i.e. the proposal for sale of 30.00% of the shares in Yili Micro-financing as held by the Company and sale of 98.50% of the shares in Billions Financing Lease as held by the Company and its wholly-owned subsidiary in Hong Kong, was considered. With regard to said proposed share sale, share transfer agreements had been executed with the counterparties. The corporate change registration required to be completed in connection with the sale of 30.00% of the shares in Yili Micro-financing had been					

well as the next course of action should be explained in detail	completed in October 2023, and as of the date of this report, the corporate change registration required to be completed in connection with the sale of 98.50% of the shares in Billions Finance Lease has not been completed yet. With regard to said transfer of shares in Billions Financing Lease, approval is being obtained from the competent local financial regulatory authority, and the Company will also maintain active communication and coordination with the stakeholders concerned in the share transfer, with a view to procuring that the corporate change registration required to be completed in connection therewith will be completed as soon as reasonably practical. 2. On October 27, 2022, the Company published an *Announcement on the Plan to Increase Shareholding in the Company by Its Controlling Shareholder and Certain Directors, Supervisors and Officers*. According to the plan, Mr. YANG Minle, a member of the 7th board of directors of the Company, intended to increase his shareholding in the Company by at least RMB 10,000,000.00 in the period from October 27, 2022 to April 26, 2023. In the course of implementation of the shareholding increase plan, Mr. YANG had been active in increasing his shareholding in the Company, but due to the restriction that Mr. YANG, as member of the 7th board of directors of the Company, should not trade in the shares of the Company in a sensitive period surrounding the periodic reporting by the Company, Mr. YANG failed to fully complete the shareholding increase plan and had actually increased his shareholding in the Company by RMB 8,730,200.00. Mr. YANG Minle extended a sincere apology to the investors of the Company for his failure to complete the shareholding increase plan on schedule. In December 2023, Mr. YANG Minle received a *Decision to Issue an Order for Correction against YANG Minle* (Administrative and Regulatory Action Decision No. 74 of 2023) from Henan Branch of China Securities Regulatory Commission, requiring that Mr. YANG Minle practically take effective measures to complete his commitment to increase his shareholding in the Company in strict compliance with the relevant laws and regulations. As at December 28, 2023, Mr. YANG Minle had fully completed the shareholding increase plan and increased his shareholding in the Company by RMB 10,008,500.00 cumulatively.

2. Forecasts on profit of assets or projects of the Company are made and the reporting period falls in the period when the profit forecasts apply; and an explanation is made by the Company on satisfying the original profit forecasts by assets or projects as well as on corresponding reasons

□ Applicable ☑ Not applicable

II. Non-business Capital Occupying in the Listed Company by Controlling Shareholder and Affiliates

□ Applicable ☑ Not applicable

No non-business capital was occupied by the controlling shareholder and affiliates to the Company during the reporting period hereunder.

III. External Guarantees Provided in Violation of Rules

□ Applicable ☑ Not applicable

IV. Notes of the Board of Directors' on the Most Recent "Non-standard Audit Report"

□ Applicable ☑ Not applicable

V. Explanation of the Board of Directors, the Board of Supervisors and Independent Directors (if any) on the "Non-standard Audit Report" Issued by the Accounting Firm for the Reporting Period

□ Applicable ☑ Not applicable

VI. Notes on Accounting Policies, Changes in Accounting Estimates or Corrections of Material Accounting Errors as Compared to the Previous Year's Financial Report

☑ Applicable □ Not applicable

For changes in current accounting policies, please refer to "V. Significant Accounting Policies and Accounting Estimates in Section X" of this Report for details. There were no change in accounting estimate or major accounting error corrections that need to be retrospectively restated during the reporting period of the Company.

VII. Description of Changes in the Scope of Consolidated Statements Compared with the Previous Year's Financial Report

☑ Applicable □ Not applicable

Please refer to "IX. Changes in the Scope of Consolidation" and "X. Interests in Other Entities" in Section X of the Report for details of the scope and changes of the consolidated financial statements in the current period.

VIII. Appointment and Dismissal of Accounting Firm

Current accounting firm

Name of domestic accounting firm	BDO CHINA SHU LUN PAN CERTIFIED PUBLIC ACCOUNTANTS LLP
Compensation of domestic accounting firm (RMB ten thousand)	250 (including expenses for annual audit and internal control audit)
Continuous years of auditing services of domestic accounting firm	11
Name of certified public accountant of domestic accounting firm	ZHAO Bin, YU Jianguo
国内会计师事务所注册会计师提供审计服务的连续年限	ZHAO Bin: 2 years, YU Jianguo: 2 years

Whether the accounting firm is replaced in the current period

□ Yes ☑ No

Appointment of accounting firm, financial advisor or sponsor for internal control and auditing

☑ Applicable □ Not applicable

The Company hired BDO China Shu Lun Pan Certified Public Accountants LLP (Special General Partnership) this year to audit its internal controls for 2023 at a cost of RMB500,000.

IX. Delisting After Disclosure of the Annual Report

□ Applicable ☑ Not applicable

X. Matters Concerning Bankruptcy and Reorganization

□ Applicable ☑ Not applicable

No bankruptcy or reorganization related issues arose during the reporting period of the Company.

XI. Major Lawsuits and Arbitrations

□ Applicable ☑ Not applicable

The Company had no major litigation or arbitration during the reporting period.

XII. Penalty and Rectification

□ Applicable ☑ Not applicable

No punishment or rectification arose during the reporting period of the Company.

XIII. Integrity of the Company and Its Controlling Shareholder and Actual Controller

☑ Applicable □ Not applicable

The Company and its controlling shareholders and actual controllers are in good standing and are not involved in any failure to perform the obligations set out in any effective court judgment rendered against them, failure to repay any large-amount debts due and payable, etc.

XIV. Major Related Party Transactions

1. Related party transactions related to daily operations

□ Applicable ☑ Not applicable

No related transactions in connection with daily operations occurred to the Company during the reporting period.

2. Related party transactions arising from acquisition and sale of assets or equity

□ Applicable ☑ Not applicable

No transaction related to acquisition or sale of assets or equity occurred to the Company during the reporting period.

3. Related party transactions involving joint foreign investment

□ Applicable ☑ Not applicable

No transaction related to joint foreign investment occurred to the Company during the reporting period.

4. Related creditor’s rights and debts

□ Applicable ☑ Not applicable

There were no related creditor’s rights and debts during the reporting period of the Company.

5. Dealings with affiliated finance firms

□ Applicable ☑ Not applicable

There are no deposits, loans, credit lines or other financial transactions between the Company and affiliated finance firms and other related parties.

6. Dealings between the finance company controlled by the Company and related parties

□ Applicable ☑ Not applicable

There are no deposits, loans, credit lines or any other financial transaction between the finance company controlled by the Company and related parties.

7. Other major related party transactions

□ Applicable ☑ Not applicable

There were no other major related party transactions during the reporting period of the Company.

XV. Major Contracts and Their Performance

1. Description of Trusteeship, Contracting and Lease

(1) Trusteeship

□ Applicable ☑ Not applicable

The company was not involved in any trusteeship during the reporting period.

(2) Contracting

□ Applicable ☑ Not applicable

No contracting occurred to the Company during the reporting period.

(3) Lease

□ Applicable ☑ Not applicable

The Company was not involved in any lease during the reporting period.

2. Major guarantees

☑ Applicable □ Not applicable

Unit: RMB ten thousand

<table>
<tr><td colspan="11">External guarantees of the Company and its subsidiaries (excluding guarantees provided to subsidiaries)</td></tr>
<tr><td>Name of guarantee object</td><td>Disclosure date of announcement related to guarantee amount</td><td>Guarantee amount</td><td>Actual date of occurrence</td><td>Actual guarantee amount</td><td>Type of guarantee</td><td>Collateral (if any)</td><td>Counter guarantee (if any)</td><td>Period of guarantee</td><td>Whether the guarantee is fully performed</td><td>Whether the guarantee is a guarantee of related parties</td></tr>
<tr><td>Distributors and customers recommended by the Company and its subsidiaries</td><td>December 30, 2022</td><td>15,000</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>No</td></tr>
<tr><td colspan="2">Total amount of external guarantees approved during the reporting period (A1)</td><td colspan="2">15,000</td><td colspan="2">Total actual amount of external guarantees during the reporting period (A2)</td><td colspan="4">0</td></tr>
<tr><td colspan="2">Total amount of external guarantees approved at the end of the reporting period (A3)</td><td colspan="2">15,000</td><td colspan="2">Total actual balance of external guarantees at the end of the reporting period (A4)</td><td colspan="4">0</td></tr>
<tr><td colspan="11">Guarantees provided by the Company to its subsidiaries</td></tr>
</table>

Name of guarantee object	Disclosure date of announcement related to guarantee amount	Guarantee amount	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Period of guarantee	Whether the guarantee is fully performed	Whether the guarantee is a guarantee of related parties
Billions (Hong Kong) Co., Ltd.	December 7, 2022	350,000	June 1, 2022	8,883.68	Joint liability guarantee			2022.06.01-2023.04.28	Yes	No
Billions (Hong Kong) Co., Ltd.	December 7, 2022	350,000	July 26, 2022	195,096.6	Joint liability guarantee			2022.07.26-2025.07.26	Yes	No
Billions (Hong Kong) Co., Ltd.	December 7, 2022	350,000	October 27, 2023	184,858.47	Joint liability guarantee			2023.10.27-2024.04.26	No	No
Billions (Hong Kong) Co., Ltd.	December 7, 2022	350,000	October 27, 2023	12,273.99	Joint liability guarantee			2023.10.27-2024.04.26	No	No
Chaoyang Oriental Zirconium New Materials Co., Ltd.	December 7, 2022	10,000	March 24, 2023	2.62	Joint liability guarantee			2023.03.24-2023.09.24	Yes	No
Chaoyang Oriental Zirconium New Materials Co., Ltd.	December 7, 2022	10,000	March 24, 2023	27.48	Joint liability guarantee			2023.03.24-2023.09.24	Yes	No
Chaoyang Oriental Zirconium New Materials Co., Ltd.	December 7, 2022	10,000	February 11, 2023	6.47	Joint liability guarantee			2023.02.11-2023.08.11	Yes	No
Chaoyang Oriental Zirconium New Materials Co., Ltd.	December 7, 2022	10,000	February 11, 2023	5.44	Joint liability guarantee			2023.02.11-2023.08.11	Yes	No
Chaoyang Oriental Zirconium New Materials Co., Ltd.	December 7, 2022	10,000	February 17, 2023	2.21	Joint liability guarantee			2023.02.17-2023.08.17	Yes	No
Chaoyang Oriental Zirconium New Materials Co., Ltd.	December 7, 2022	10,000	March 28, 2023	4.16	Joint liability guarantee			2023.03.28-2023.09.28	Yes	No
Chaoyang Oriental Zirconium New Materials Co., Ltd.	December 7, 2022	10,000	March 28, 2023	1.93	Joint liability guarantee			2023.03.28-2023.09.28	Yes	No
Chaoyang Oriental Zirconium New Materials Co.,	December 7, 2022	10,000	March 28, 2023	0.78	Joint liability guarantee			2023.03.28-2023.09.28	Yes	No

Ltd.										
Chaoyang Oriental Zirconium New Materials Co., Ltd.	December 7, 2022	10,000	April 23, 2023	14.33	Joint liability guarantee			2023.04.23-2023.10.23	Yes	No
Chaoyang Oriental Zirconium New Materials Co., Ltd.	December 7, 2022	10,000	January 17, 2023	1.82	Joint liability guarantee			2023.01.17-2023.07.17	Yes	No
Chaoyang Oriental Zirconium New Materials Co., Ltd.	December 7, 2022	10,000	January 17, 2023	3.89	Joint liability guarantee			2023.01.17-2023.07.17	Yes	No
Chaoyang Oriental Zirconium New Materials Co., Ltd.	December 7, 2022	10,000	January 17, 2023	11.29	Joint liability guarantee			2023.01.17-2023.07.17	Yes	No
Chaoyang Oriental Zirconium New Materials Co., Ltd.	December 7, 2022	10,000	January 17, 2023	1.97	Joint liability guarantee			2023.01.17-2023.07.17	Yes	No
Chaoyang Oriental Zirconium New Materials Co., Ltd.	December 7, 2022	10,000	September 21, 2023	10.95	Joint liability guarantee			2023.09.21-2024.03.21	No	No
Chaoyang Oriental Zirconium New Materials Co., Ltd.	December 7, 2022	10,000	September 21, 2023	16.13	Joint liability guarantee			2023.09.21-2024.03.21	No	No
Chaoyang Oriental Zirconium New Materials Co., Ltd.	December 7, 2022	10,000	September 21, 2023	2.15	Joint liability guarantee			2023.09.21-2024.03.21	No	No
Chaoyang Oriental Zirconium New Materials Co., Ltd.	December 7, 2022	10,000	September 21, 2023	5.87	Joint liability guarantee			2023.10.23-2024.04.23	No	No
Chaoyang Oriental Zirconium New Materials Co., Ltd.	December 7, 2022	10,000	October 23, 2023	5.55	Joint liability guarantee			2023.10.23-2024.04.23	No	No
Chaoyang Oriental Zirconium New Materials Co., Ltd.	December 7, 2022	10,000	October 23, 2023	3.77	Joint liability guarantee			2023.11.20-2024.05.20	No	No

Chaoyang Oriental Zirconium New Materials Co., Ltd.	December 7, 2022	10,000	November 20, 2023	0.59	Joint liability guarantee			2023.11.20-2024.05.20	No	No
Chaoyang Oriental Zirconium New Materials Co., Ltd.	December 7, 2022	10,000	November 20, 2023	0.09	Joint liability guarantee			2023.11.20-2024.05.20	No	No
Chaoyang Oriental Zirconium New Materials Co., Ltd.	December 7, 2022	10,000	November 20, 2023	1.25	Joint liability guarantee			2023.11.20-2024.05.20	No	No
Gansu Bilions Chemical Co., Ltd.	December 7, 2022	120,000	November 20, 2023	16,433	Mortgage			2022.12.15-2030.12.14	No	No
Gansu Bilions Chemical Co., Ltd.	December 7, 2022	120,000	December 15, 2022	16,433	Mortgage			2022.12.15-2030.12.14	No	No
Gansu Bilions Chemical Co., Ltd.	December 7, 2022	120,000	December 16, 2022	1,936	Mortgage			2022.12.16-2030.12.15	No	No
Gansu Bilions Chemical Co., Ltd.	December 7, 2022	120,000	December 23, 2022	19,334	Mortgage			2022.12.23-2030.12.13	No	No
Gansu Bilions Chemical Co., Ltd.	December 7, 2022	120,000	December 23, 2022	13,532	Mortgage			2022.12.23-2030.12.13	No	No
Gansu Bilions Chemical Co., Ltd.	December 7, 2022	120,000	December 26, 2022	483.77	Mortgage			2022.12.27-2030.12.26	No	No
Gansu Bilions Chemical Co., Ltd.	December 7, 2022	120,000	December 27, 2022	14,499	Mortgage			2022.12.27-2030.12.26	No	No
Gansu Bilions Chemical Co., Ltd.	December 7, 2022	120,000	January 1, 2023	33,349.23	Joint liability guarantee			2023.01.01-2030.12.27	No	No
Gansu Bilions Chemical Co., Ltd.	December 7, 2022	120,000	March 30, 2023	313.6	Joint liability guarantee			2023.03.30-2023.09.30	Yes	No
Gansu Bilions Chemical Co., Ltd.	December 7, 2022	120,000	February 22, 2023	1,684.11	Joint liability guarantee			2023.02.22-2023.08.22	Yes	No
Gansu Bilions Chemical Co., Ltd.	December 7, 2022	120,000	April 26, 2023	2,216.2	Joint liability guarantee			2023.04.26-2023.10.26	Yes	No
Gansu Bilions Chemical Co., Ltd.	April 27, 2023	50,000	May 25, 2023	6,114.5	Joint liability guarantee			2023.05.25-2023.11.25	Yes	No
Gansu Bilions Chemical Co., Ltd.	December 7, 2022	120,000	March 31, 2023	2,254.7	Joint liability guarantee			2023.03.31-2023.09.30	Yes	No
Gansu Bilions Chemical Co., Ltd.	December 7, 2022	120,000	April 24, 2023	953.4	Joint liability guarantee			2023.04.24-2023.10.24	Yes	No

Gansu Bilions Chemical Co., Ltd.	April 27, 2023	50,000	August 18, 2023	9,000	Joint liability guarantee			2023.08.18-2024.08.17	No	No
Gansu Bilions Chemical Co., Ltd.	April 27, 2023	50,000	September 8, 2023	490.29	Joint liability guarantee			2023.09.08-2024.09.07	No	No
Gansu Bilions Chemical Co., Ltd.	April 27, 2023	50,000	October 30, 2023	3,200	Joint liability guarantee			2023.10.30-2024.04.30	No	No
Gansu Bilions Chemical Co., Ltd.	April 27, 2023	50,000	December 6, 2023	5,000	Joint liability guarantee			2023.12.06-2024.12.05	No	No
Gansu Bilions Chemical Co., Ltd.	April 27, 2023	50,000	July 6, 2023	800	Joint liability guarantee			2023.07.06-2024.01.06	No	No
Gansu Bilions Chemical Co., Ltd.	April 27, 2023	50,000	July 27, 2023	880	Joint liability guarantee			2023.07.27-2024.01.27	No	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	February 17, 2023	82.29	Joint liability guarantee			2023.02.17-2023.08.17	Yes	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	April 28, 2022	19,500	Joint liability guarantee			2022.04.28-2024.04.28	Yes	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	July 12, 2022	150.83	Joint liability guarantee			2022.07.12-2023.07.12	Yes	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	July 12, 2022	5.94	Joint liability guarantee			2022.07.12-2023.01.12	Yes	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	July 29, 2022	49.88	Joint liability guarantee			2022.07.29-2023.01.29	Yes	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	July 29, 2022	224.34	Joint liability guarantee			2022.07.29-2023.07.29	Yes	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	August 19, 2022	64.24	Joint liability guarantee			2022.08.19-2023.08.19	Yes	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	August 30, 2022	22.92	Joint liability guarantee			2022.08.30-2023.08.30	Yes	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	August 30, 2022	64.26	Joint liability guarantee			2022.08.30-2023.02.28	Yes	No
Gansu Detong National Titanium Metal	December 7, 2022	120,000	August 30, 2022	5.94	Joint liability guarantee			2022.08.30-2023.02.28	Yes	No

Co., Ltd.										
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	September 8, 2022	157.5	Joint liability guarantee			2022.09.08-2023.09.08	Yes	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	September 8, 2022	6.35	Joint liability guarantee			2022.09.08-2023.03.08	Yes	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	September 29, 2022	92.17	Joint liability guarantee			2022.09.29-2023.03.29	Yes	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	September 29, 2022	41.69	Joint liability guarantee			2022.09.29-2023.09.29	Yes	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	October 12, 2022	20.75	Joint liability guarantee			2022.10.12-2023.04.12	Yes	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	October 12, 2022	1.66	Joint liability guarantee			2022.10.12-2023.10.12	Yes	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	October 26, 2022	11.26	Joint liability guarantee			2022.10.26-2023.04.26	Yes	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	October 26, 2022	53.28	Joint liability guarantee			2022.10.26-2023.04.26	Yes	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	October 26, 2022	278.52	Joint liability guarantee			2022.10.26-2023.10.26	Yes	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	November 11, 2022	222.76	Joint liability guarantee			2022.11.11-2023.11.11	Yes	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	November 25, 2022	172.22	Joint liability guarantee			2022.11.25-2023.05.25	Yes	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	November 25, 2022	274.91	Joint liability guarantee			2022.11.25-2023.11.25	Yes	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	December 22, 2022	124.51	Joint liability guarantee			2022.12.22-2023.06.22	Yes	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	December 22, 2022	251.49	Joint liability guarantee			2022.12.22-2023.12.22	Yes	No

Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	January 5, 2023	40.02	Joint liability guarantee			2023.01.05-2023.07.05	Yes	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	January 5, 2023	1,000	Joint liability guarantee			2023.01.05-2023.07.05	Yes	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	January 11, 2023	246.3	Joint liability guarantee			2023.01.11-2023.07.11	Yes	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	January 13, 2023	425.93	Joint liability guarantee			2023.01.13-2023.07.13	Yes	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	January 18, 2023	687.57	Joint liability guarantee			2023.01.18-2023.07.18	Yes	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	February 10, 2023	94.76	Joint liability guarantee			2023.02.10-2023.08.10	Yes	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	February 24, 2023	2,000	Joint liability guarantee			2023.02.24-2024.02.24	No	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	February 27, 2023	444.15	Joint liability guarantee			2023.02.27-2023.08.27	Yes	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	March 13, 2023	104.4	Joint liability guarantee			2023.03.13-2023.09.13	Yes	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	March 20, 2023	15,502.16	Joint liability guarantee			2023.03.20-2032.03.20	No	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	March 22, 2023	380.01	Joint liability guarantee			2023.03.22-2023.09.21	Yes	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	March 23, 2023	10,525.9	Joint liability guarantee			2023.03.23-2032.03.23	No	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	March 23, 2023	10,525.9	Joint liability guarantee			2023.03.23-2032.03.23	Yes	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	March 27, 2023	20,203.58	Joint liability guarantee			2023.03.27-2032.03.27	No	No
Gansu Detong	December 7,	120,000	March 30,	58.48	Joint			2023.03.30-	Yes	No

National Titanium Metal Co., Ltd.	2022		2023		liability guarantee			2023.09.30		
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	March 31, 2023	3,289.36	Joint liability guarantee			2023.03.31-2032.03.31	No	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	April 4, 2023	389.85	Joint liability guarantee			2023.04.04-2032.04.04	Yes	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	April 24, 2023	153.94	Joint liability guarantee			2023.04.24-2023.10.24	Yes	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	April 26, 2023	482	Joint liability guarantee			2023.04.26-2031.12.31	Yes	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	May 31, 2023	87.84	Joint liability guarantee			2023.05.31-2023.11.30	Yes	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	June 15, 2023	119.25	Joint liability guarantee			2023.06.15-2023.12.15	Yes	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	June 21, 2023	60	Joint liability guarantee			2023.06.21-2023.12.21	Yes	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	June 21, 2023	81.07	Joint liability guarantee			2023.06.21-2023.12.21	Yes	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	August 12, 2023	72.5	Joint liability guarantee			2023.08.12-2024.02.12	No	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	August 16, 2023	48.68	Joint liability guarantee			2023.08.16-2024.02.16	No	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	August 30, 2023	103.82	Joint liability guarantee			2023.08.30-2024.02.29	No	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	August 31, 2023	1,049.72	Joint liability guarantee			2023.08.31-202402.29	No	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	September 8, 2023	80	Joint liability guarantee			2023.09.08-2024.03.08	No	No
Gansu Detong National	December 7, 2022	120,000	September 8, 2023	114.92	Joint liability			2023.09.08-2024.03.08	No	No

Titanium Metal Co., Ltd.					guarantee					
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	September 8, 2023	761.36	Joint liability guarantee			2023.09.08-2024.03.08	No	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	September 15, 2023	2,146.11	Joint liability guarantee			2023.09.15-2024.03.15	No	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	September 16, 2023	223.23	Joint liability guarantee			2023.09.16-2024.03.16	No	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	September 22, 2023	84.21	Joint liability guarantee			2023.09.22-2024.03.22	No	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	September 26, 2023	288.09	Joint liability guarantee			2023.09.26-2024.03.26	No	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	September 27, 2023	57.01	Joint liability guarantee			2023.09.27-2024.03.27	No	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	October 9, 2023	497.85	Joint liability guarantee			2023.10.09-2024.04.09	No	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	October 10, 2023	27.97	Joint liability guarantee			2023.10.10-2024.04.10	No	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	October 25, 2023	1,537.83	Joint liability guarantee			2023.10.25-2024.04.25	No	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	November 2, 2023	16.74	Joint liability guarantee			2023.11.02-2024.05.02	No	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	November 3, 2023	299.81	Joint liability guarantee			2023.11.03-2024.05.03	No	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	November 10, 2023	4.88	Joint liability guarantee			2023.11.10-2024.05.10	No	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	November 21, 2023	11.6	Joint liability guarantee			2023.11.21-2024.05.21	No	No
Gansu Detong National Titanium Metal	December 7, 2022	120,000	November 22, 2023	6,369.47	Joint liability guarantee			2023.11.22-2024.05.22	No	No

Co., Ltd.										
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	November 22, 2023	7.5	Joint liability guarantee			2023.11.22-2024.05.22	No	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	November 28, 2023	69.24	Joint liability guarantee			2023.11.28-2024.05.28	No	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	November 28, 2023	1,258.7	Joint liability guarantee			2023.11.28-2024.05.28	No	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	November 29, 2023	1,064.49	Joint liability guarantee			2023.11.29-2024.05.29	No	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	November 30, 2023	678.05	Joint liability guarantee			2023.11.30-2024.05.30	No	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	November 30, 2023	18.19	Joint liability guarantee			2023.11.30-2024.05.30	No	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	December 6, 2023	26.82	Joint liability guarantee			2023.12.06-2024.06.06	No	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	July 5, 2023	65.43	Joint liability guarantee			2023.07.05-2024.01.05	No	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	July 5, 2023	120	Joint liability guarantee			2023.07.05-2024.01.05	No	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	July 13, 2023	42.05	Joint liability guarantee			2023.07.13-2024.01.13	No	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	July 17, 2023	27	Joint liability guarantee			2023.07.17-2024.01.17	No	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	July 26, 2023	38.32	Joint liability guarantee			2023.07.26-2024.01.26	No	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	July 28, 2023	3,200	Joint liability guarantee			2023.07.28-2024.01.28	No	No
Gansu Detong National Titanium Metal Co., Ltd.	December 7, 2022	120,000	July 28, 2023	1,600	Joint liability guarantee			2023.07.28-2024.01.28	No	No

Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	June 16, 2020	13,600	Joint liability guarantee			2020.06.16-2023.06.15	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	December 14, 2020	4,250	Joint liability guarantee			2020.12.14-2023.12.13	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	August 30, 2021	4,000	Joint liability guarantee			2021.08.30-2024.08.30	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	January 7, 2022	5,000	Joint liability guarantee			2022.01.07-2023.01.06	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	January 12, 2022	5,000	Joint liability guarantee			2022.01.12-2023.01.12	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	January 21, 2022	10,000	Joint liability guarantee			2022.01.21-2023.01.19	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	January 25, 2022	4,980	Joint liability guarantee			2022.01.25-2024.11.20	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	January 26, 2022	4,000	Joint liability guarantee			2022.01.26-2023.01.26	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	January 29, 2022	5,750	Joint liability guarantee			2022.01.29-2025.01.29	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	January 30, 2022	1,000	Joint liability guarantee			2022.01.30-2023.01.28	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	February 1, 2022	4,000	Joint liability guarantee			2022.02.01-2023.01.28	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	February 25, 2022	15,000	Joint liability guarantee			2022.02.25-2023.02.25	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	March 2, 2022	5,000	Joint liability guarantee			2022.03.02-2023.03.02	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	March 2, 2022	2,700	Joint liability guarantee			2022.03.02-2023.03.02	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	March 3, 2022	5,000	Joint liability guarantee			2022.03.03-2023.03.03	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	March 7, 2022	62.37	Joint liability guarantee			2022.03.07-2023.03.07	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	March 25, 2022	5,000	Joint liability guarantee			2022.03.25-2023.03.25	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	March 28, 2022	20,000	Joint liability guarantee			2022.03.28-2025.03.19	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	April 20, 2022	1,000	Joint liability guarantee			2022.04.20-2023.04.20	Yes	No

Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	April 28, 2022	8,000	Joint liability guarantee			2022.04.28-2023.04.28	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	April 29, 2022	7,500	Joint liability guarantee			2022.04.29-2023.04.14	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	May 17, 2022	10,000	Joint liability guarantee			2022.05.17-2023.05.13	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	May 24, 2022	10,000	Joint liability guarantee			2022.05.24-2023.05.24	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	July 4, 2022	847.9	Joint liability guarantee			2022.07.04-2023.01.04	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	July 4, 2022	619.88	Joint liability guarantee			2022.07.04-2023.01.04	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	July 7, 2022	4,000	Joint liability guarantee			2022.07.07-2023.01.07	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	July 12, 2022	5,000	Joint liability guarantee			2022.07.12-2023.07.07	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	July 15, 2022	5,900	Joint liability guarantee			2022.07.15-2025.07.14	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	July 18, 2022	3.44	Joint liability guarantee			2022.07.18-2023.01.18	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	July 18, 2022	68.69	Joint liability guarantee			2022.07.18-2023.01.18	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	July 20, 2022	219.02	Joint liability guarantee			2022.07.20-2023.01.20	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	July 20, 2022	278.46	Joint liability guarantee			2022.07.20-2023.01.20	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	July 22, 2022	376.65	Joint liability guarantee			2022.07.22-2023.01.20	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	July 25, 2022	11.52	Joint liability guarantee			2022.07.25-2023.01.20	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	July 27, 2022	29.23	Joint liability guarantee			2022.07.27-2023.01.20	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	July 28, 2022	390	Joint liability guarantee			2022.07.28-2023.01.30	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	July 29, 2022	74	Joint liability guarantee			2022.07.29-2023.01.20	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	August 4, 2022	6.48	Joint liability guarantee			2022.08.04-2023.02.03	Yes	No

Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	August 4, 2022	44.05	Joint liability guarantee			2022.08.04-2023.02.03	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	August 8, 2022	615.4	Joint liability guarantee			2022.08.08-2023.02.08	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	August 8, 2022	82.68	Joint liability guarantee			2022.08.08-2023.02.08	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	August 9, 2022	1.99	Joint liability guarantee			2022.08.09-2023.02.09	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	August 16, 2022	173.57	Joint liability guarantee			2022.08.16-2023.02.16	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	August 16, 2022	1,175.71	Joint liability guarantee			2022.08.16-2023.02.16	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	August 22, 2022	600	Joint liability guarantee			2022.08.22-2023.02.22	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	August 23, 2022	292.71	Joint liability guarantee			2022.08.23-2023.02.23	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	August 23, 2022	529.89	Joint liability guarantee			2022.08.23-2023.02.23	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	August 26, 2022	8.87	Joint liability guarantee			2022.08.26-2023.02.24	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	August 30, 2022	4,900	Joint liability guarantee			2022.08.30-2024.08.28	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	August 31, 2022	10,000	Joint liability guarantee			2022.08.31-2023.08.30	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	September 30, 2022	6,337.79	Joint liability guarantee			2022.09.30-2023.01.31	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	September 30, 2022	10,000	Joint liability guarantee			2022.09.30-2023.09.30	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	October 12, 2022	292.21	Joint liability guarantee			2022.10.12-2023.04.12	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	October 18, 2022	23	Joint liability guarantee			2022.10.18-2023.04.18	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	October 18, 2022	445.09	Joint liability guarantee			2022.10.18-2023.04.18	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	October 19, 2022	460.01	Joint liability guarantee			2022.10.19-2023.04.19	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	October 19, 2022	32	Joint liability guarantee			2022.10.19-2023.04.19	Yes	No

Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	October 20, 2022	558.37	Joint liability guarantee			2022.10.20-2023.04.20	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	October 21, 2022	21.51	Joint liability guarantee			2022.10.21-2023.04.21	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	October 25, 2022	14.24	Joint liability guarantee			2022.10.25-2023.04.25	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	November 8, 2022	24.09	Joint liability guarantee			2022.11.08-2023.05.08	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	November 9, 2022	6,274.41	Joint liability guarantee			2022.11.09-2023.01.16	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	November 9, 2022	530	Joint liability guarantee			2022.11.09-2023.05.09	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	November 10, 2022	2,959.96	Joint liability guarantee			2022.11.10-2023.03.06	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	November 10, 2022	32.35	Joint liability guarantee			2022.11.10-2023.05.10	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	November 10, 2022	249.3	Joint liability guarantee			2022.11.10-2023.05.10	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	November 15, 2022	123.8	Joint liability guarantee			2022.11.15-2023.05.15	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	November 15, 2022	200	Joint liability guarantee			2022.11.15-2023.05.15	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	November 16, 2022	500	Joint liability guarantee			2022.11.16-2023.05.16	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	November 21, 2022	26	Joint liability guarantee			2022.11.21-2023.05.19	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	November 22, 2022	242.69	Joint liability guarantee			2022.11.22-2023.05.22	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	November 22, 2022	6,000	Joint liability guarantee			2022.11.22-2023.05.22	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	November 22, 2022	9,960	Joint liability guarantee			2022.11.22-2023.11.22	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	November 23, 2022	77	Joint liability guarantee			2022.11.23-2023.05.23	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	November 24, 2022	17,529.9	Joint liability guarantee			2022.11.24-2023.02.28	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	November 24, 2022	136.46	Joint liability guarantee			2022.11.24-2023.05.24	Yes	No

Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	November 24, 2022	3	Joint liability guarantee			2022.11.24-2023.05.24	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	November 24, 2022	5	Joint liability guarantee			2022.11.24-2023.05.24	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	November 25, 2022	9,800	Joint liability guarantee			2022.11.25-2024.11.25	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	November 28, 2022	3	Joint liability guarantee			2022.11.28-2023.05.26	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	December 6, 2022	211.4	Joint liability guarantee			2022.12.06-2023.06.06	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	December 6, 2022	172.37	Joint liability guarantee			2022.12.06-2023.06.06	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	December 7, 2022	41.25	Joint liability guarantee			2022.12.07-2023.06.07	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	December 13, 2022	312	Joint liability guarantee			2022.12.13-2023.06.13	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	December 13, 2022	58.02	Joint liability guarantee			2022.12.13-2023.06.13	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	December 16, 2022	10,000	Joint liability guarantee			2022.12.16-2023.12.16	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	December 19, 2022	10,000	Joint liability guarantee			2022.12.19-2023.12.19	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	December 20, 2022	78.45	Joint liability guarantee			2022.12.20-2023.06.20	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	December 20, 2022	232.5	Joint liability guarantee			2022.12.20-2023.06.20	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	December 21, 2022	31.55	Joint liability guarantee			2022.12.21-2023.06.21	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	December 21, 2022	8,000	Joint liability guarantee			2022.12.21-2023.12.18	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	December 21, 2022	9,200	Joint liability guarantee			2022.12.21-2023.12.21	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	December 23, 2022	10,000	Joint liability guarantee			2022.12.23-2023.6.23	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	December 26, 2022	232.33	Joint liability guarantee			2022.12.26-2023.06.26	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	December 26, 2022	276.99	Joint liability guarantee			2022.12.26-2023.06.26	Yes	No

Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	December 27, 2022	213	Joint liability guarantee			2022.12.27-2023.06.27	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	December 28, 2022	400	Joint liability guarantee			2022.12.28-2023.06.26	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	December 28, 2022	7	Joint liability guarantee			2022.12.28-2023.06.28	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	December 29, 2022	4,500	Joint liability guarantee			2022.12.29-2025.12.29	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	December 30, 2022	12	Joint liability guarantee			2022.12.30-2023.06.30	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	July 7, 2022	7,000	Joint liability guarantee			2022.07.07-2023.01.06	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	January 12, 2023	10,000	Joint liability guarantee			2023.01.12-2023.07.11	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	January 12, 2023	650.52	Joint liability guarantee			2023.01.12-2023.07.12	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	January 12, 2023	132.29	Joint liability guarantee			2023.01.12-2023.07.12	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	January 13, 2023	10,000	Joint liability guarantee			2023.01.13-2023.07.13	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	January 16, 2023	443.48	Joint liability guarantee			2023.01.16-2023.07.14	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	January 17, 2023	603.09	Joint liability guarantee			2023.01.17-2023.07.17	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	January 19, 2023	10,000	Joint liability guarantee			2023.01.19-2024.01.18	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	January 19, 2023	92	Joint liability guarantee			2023.01.19-2023.07.19	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	January 20, 2023	4,900	Joint liability guarantee			2023.01.20-2026.01.17	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	January 20, 2023	600	Joint liability guarantee			2023.01.20-2023.07.20	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	February 13, 2023	30,000	Joint liability guarantee			2023.02.13-2024.02.07	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	February 15, 2023	500	Joint liability guarantee			2023.02.15-2023.08.15	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	February 17, 2023	10,000	Joint liability guarantee			2023.02.17-2023.08.17	Yes	No

Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	February 17, 2023	10,000	Joint liability guarantee			2023.02.17-2023.08.15	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	February 21, 2023	81.5	Joint liability guarantee			2023.02.21-2023.08.21	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	February 21, 2023	210.5	Joint liability guarantee			2023.02.21-2023.08.21	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	February 27, 2023	15,000	Joint liability guarantee			2023.02.27-2024.02.27	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	February 27, 2023	135.58	Joint liability guarantee			2023.02.27-2023.08.25	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	February 27, 2023	75.33	Joint liability guarantee			2023.02.27-2023.08.25	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	February 27, 2023	50	Joint liability guarantee			2023.02.27-2023.08.25	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	February 27, 2023	15,000	Joint liability guarantee			2023.02.27-2024.02.27	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	March 6, 2023	179.4	Joint liability guarantee			2023.03.06-2023.09.06	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	March 6, 2023	112.03	Joint liability guarantee			2023.03.06-2023.09.06	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	March 6, 2023	55.56	Joint liability guarantee			2023.03.06-2023.09.06	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	March 14, 2023	99.66	Joint liability guarantee			2023.03.14-2023.09.14	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	March 14, 2023	621.14	Joint liability guarantee			2023.03.14-2023.09.14	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	March 14, 2023	53.52	Joint liability guarantee			2023.03.14-2023.09.14	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	March 15, 2023	600	Joint liability guarantee			2023.03.15-2023.09.15	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	March 16, 2023	5,000	Joint liability guarantee			2023.03.16-2024.03.16	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	March 16, 2023	300	Joint liability guarantee			2023.03.16-2023.09.15	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	March 16, 2023	100	Joint liability guarantee			2023.03.16-2023.09.15	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	March 16, 2023	70.34	Joint liability guarantee			2023.03.16-2023.09.15	Yes	No

Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	March 16, 2023	5,000	Joint liability guarantee			2023.03.16-2024.03.16	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	March 20, 2023	24.45	Joint liability guarantee			2023.03.20-2023.09.20	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	March 20, 2023	42.28	Joint liability guarantee			2023.03.20-2023.09.20	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	March 22, 2023	10	Joint liability guarantee			2023.03.22-2023.09.22	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	March 22, 2023	77.5	Joint liability guarantee			2023.03.22-2023.09.22	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	March 25, 2023	13,400	Joint liability guarantee			2023.03.25-2026.03.24	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	March 27, 2023	89.88	Joint liability guarantee			2023.03.27-2023.09.27	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	March 27, 2023	14.6	Joint liability guarantee			2023.03.27-2023.09.27	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	March 30, 2023	9,000	Joint liability guarantee			2023.03.30-2024.04.28	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	April 12, 2023	115.98	Joint liability guarantee			2023.04.12-2023.10.12	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	April 18, 2023	7,500	Joint liability guarantee			2023.04.18-2023.10.18	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	April 18, 2023	40	Joint liability guarantee			2023.04.18-2023.10.18	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	April 18, 2023	202.85	Joint liability guarantee			2023.04.18-2023.10.18	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	April 20, 2023	231.19	Joint liability guarantee			2023.04.20-2023.10.20	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	April 20, 2023	246	Joint liability guarantee			2023.04.20-2023.10.20	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	April 24, 2023	103.87	Joint liability guarantee			2023.04.24-2023.10.24	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	April 24, 2023	4.95	Joint liability guarantee			2023.04.24-2023.10.24	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	April 25, 2023	4	Joint liability guarantee			2023.04.25-2023.10.25	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	April 28, 2023	10,000	Joint liability guarantee			2023.04.28-2025.04.27	No	No

Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	May 5, 2023	470	Joint liability guarantee			2023.05.05-2023.11.02	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	May 8, 2023	25	Joint liability guarantee			2023.05.08-2023.11.08	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	May 9, 2023	90	Joint liability guarantee			2023.05.09-2023.11.09	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	May 15, 2023	608.59	Joint liability guarantee			2023.05.15-2023.11.15	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	May 15, 2023	594.48	Joint liability guarantee			2023.05.15-2023.11.15	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	May 16, 2023	10.6	Joint liability guarantee			2023.05.16-2023.11.16	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	May 18, 2023	55	Joint liability guarantee			2023.05.18-2023.11.17	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	May 23, 2023	560.4	Joint liability guarantee			2023.05.23-2023.11.23	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	May 23, 2023	200.18	Joint liability guarantee			2023.05.23-2023.11.23	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	May 24, 2023	700	Joint liability guarantee			2023.05.24-2023.11.23	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	May 26, 2023	146.85	Joint liability guarantee			2023.05.26-2023.11.24	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	June 19, 2023	482.2	Joint liability guarantee			2023.06.19-2023.12.19	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	June 19, 2023	685	Joint liability guarantee			2023.06.19-2023.12.19	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	June 19, 2023	6,865.42	Joint liability guarantee			2023.06.19-2023.10.10	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	June 20, 2023	95	Joint liability guarantee			2023.06.20-2023.12.20	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	June 25, 2023	8,000	Joint liability guarantee			2023.06.25-2023.12.25	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	June 26, 2023	637.14	Joint liability guarantee			2023.06.26-2023.12.26	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	June 26, 2023	143.32	Joint liability guarantee			2023.06.26-2023.12.26	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	June 27, 2023	720	Joint liability guarantee			2023.06.27-2023.12.27	Yes	No

Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	June 30, 2023	3,093.35	Joint liability guarantee			2023.06.30-2023.08.29	Yes	No
Henan Billions New Material Co., Ltd.	December 6, 2023	450,000	December 25, 2022	10,000	Joint liability guarantee			2023.12.25-2024.12.25	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	October 18, 2023	10,000	Joint liability guarantee			2023.10.18-2024.10.18	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	October 18, 2023	20,000	Joint liability guarantee			2023.10.18-2024.10.18	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	July 20, 2023	10,000	Joint liability guarantee			2023.07.20-2026.07.19	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	July 21, 2023	10,000	Joint liability guarantee			2023.07.21-2024.07.18	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	July 12, 2023	10,000	Joint liability guarantee			2023.07.12-2024.07.12	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	July 26, 2023	10,000	Joint liability guarantee			2023.07.26-2024.07.26	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	October 31, 2023	5,000	Joint liability guarantee			2023.10.31-2024.08.30	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	October 31, 2023	5,000	Joint liability guarantee			2023.10.31-2024.08.30	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	August 8, 2023	10,000	Joint liability guarantee			2023.08.08-2024.08.02	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	August 2, 2023	10,000	Joint liability guarantee			2023.08.02-2024.08.02	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	November 6, 2023	5,000	Joint liability guarantee			2023.11.06-2024.05.06	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	September 14, 2023	2,500	Joint liability guarantee			2023.09.14-2024.03.14	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	December 11, 2023	4,900	Joint liability guarantee			2023.12.11-2024.03.11	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	July 14, 2023	10,000	Joint liability guarantee			2023.07.14-2024.01.12	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	October 25, 2023	10,000	Joint liability guarantee			2023.10.25-2024.04.25	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	October 26, 2023	57.79	Joint liability guarantee			2023.10.26-2024.04.26	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	October 26, 2023	13.93	Joint liability guarantee			2023.10.26-2024.04.26	No	No

Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	October 19, 2023	100	Joint liability guarantee			2023.10.19-2024.04.19	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	October 18, 2023	90	Joint liability guarantee			2023.10.18-2024.04.18	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	October 8, 2023	19.27	Joint liability guarantee			2023.10.08-2024.04.08	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	October 13, 2023	100	Joint liability guarantee			2023.10.13-2024.04.13	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	October 16, 2023	87	Joint liability guarantee			2023.10.16-2024.04.16	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	October 19, 2023	529.24	Joint liability guarantee			2023.10.19-2024.04.19	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	October 8, 2023	11.19	Joint liability guarantee			2023.10.08-2024.04.08	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	October 16, 2023	84	Joint liability guarantee			2023.10.16-2024.04.16	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	October 19, 2023	239.55	Joint liability guarantee			2023.10.19-2024.04.19	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	July 10, 2023	4.74	Joint liability guarantee			2023.07.10-2024.01.10	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	July 18, 2023	420.85	Joint liability guarantee			2023.07.18-2024.01.18	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	July 18, 2023	200	Joint liability guarantee			2023.07.18-2024.01.18	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	July 18, 2023	154	Joint liability guarantee			2023.07.18-2024.01.18	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	July 10, 2023	167.64	Joint liability guarantee			2023.07.10-2024.01.10	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	July 25, 2023	278.93	Joint liability guarantee			2023.07.25-2024.01.25	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	July 25, 2023	717.66	Joint liability guarantee			2023.07.25-2024.01.25	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	July 27, 2023	60	Joint liability guarantee			2023.07.27-2024.01.26	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	July 30, 2023	381.17	Joint liability guarantee			2023.07.30-2025.07.30	Yes	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	August 24, 2023	4.32	Joint liability guarantee			2023.08.24-2024.02.23	No	No

Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	August 28, 2023	696.13	Joint liability guarantee			2023.08.28-2024.02.27	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	August 28, 2023	540	Joint liability guarantee			2023.08.28-2024.02.27	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	August 28, 2023	294.86	Joint liability guarantee			2023.08.28-2024.02.27	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	September 6, 2023	135.04	Joint liability guarantee			2023.09.06-2024.03.06	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	September 6, 2023	110.77	Joint liability guarantee			2023.09.06-2024.03.06	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	September 13, 2023	563.29	Joint liability guarantee			2023.09.13-2024.03.13	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	September 13, 2023	243.34	Joint liability guarantee			2023.09.13-2024.03.13	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	September 20, 2023	300	Joint liability guarantee			2023.09.20-2024.03.20	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	September 20, 2023	366.61	Joint liability guarantee			2023.09.20-2024.03.20	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	September 20, 2023	417.15	Joint liability guarantee			2023.09.20-2024.03.20	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	September 25, 2023	92.79	Joint liability guarantee			2023.09.25-2024.03.25	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	November 9, 2023	6	Joint liability guarantee			2023.11.09-2024.05.09	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	November 7, 2023	149.44	Joint liability guarantee			2023.11.07-2024.08.31	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	November 25, 2023	104.26	Joint liability guarantee			2023.11.25-2024.05.24	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	November 15, 2023	240	Joint liability guarantee			2023.11.15-2024.05.15	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	November 25, 2023	113	Joint liability guarantee			2023.11.25-2024.05.24	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	November 25, 2023	380	Joint liability guarantee			2023.11.25-2024.05.24	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	November 24, 2023	640	Joint liability guarantee			2023.11.24-2024.05.24	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	November 27, 2023	153.03	Joint liability guarantee			2023.11.27-2024.05.27	No	No

Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	November 28, 2023	22.69	Joint liability guarantee			2023.11.28-2024.05.28	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	November 25, 2023	250	Joint liability guarantee			2023.11.25-2024.05.24	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	November 28, 2023	7,861.8	Joint liability guarantee			2023.11.22-2024.01.24	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	November 28, 2023	22.63	Joint liability guarantee			2023.11.28-2024.04.09	No	No
Henan Billions New Material Co., Ltd.	December 7, 2022	450,000	December 5, 2023	85	Joint liability guarantee			2023.12.05-2024.06.05	No	No
Henan Billions New Material Co., Ltd.	December 6, 2023	450,000	December 8, 2023	76.77	Joint liability guarantee			2023.12.08-2024.06.07	No	No
Henan Billions New Material Co., Ltd.	December 6, 2023	450,000	December 11, 2023	16.87	Joint liability guarantee			2023.12.11-2024.06.11	No	No
Henan Billions New Material Co., Ltd.	December 6, 2023	450,000	December 19, 2023	839.07	Joint liability guarantee			2023.12.19-2024.06.19	No	No
Henan Billions New Material Co., Ltd.	December 6, 2023	450,000	December 20, 2023	45	Joint liability guarantee			2023.12.20-2024.06.19	No	No
Henan Billions New Material Co., Ltd.	December 6, 2023	450,000	December 20, 2023	186.82	Joint liability guarantee			2023.12.20-2024.06.20	No	No
Henan Billions New Material Co., Ltd.	December 6, 2023	450,000	December 21, 2023	7,185.58	Joint liability guarantee			2023.12.21-2024.03.25	No	No
Henan Billions New Material Co., Ltd.	December 6, 2023	450,000	December 21, 2023	13,177.73	Joint liability guarantee			2023.12.21-2024.03.26	No	No
Henan Billions New Material Co., Ltd.	December 6, 2023	450,000	December 23, 2023	136.42	Joint liability guarantee			2023.12.23-2024.06.21	No	No
Henan Billions New Material Co., Ltd.	December 6, 2023	450,000	December 23, 2023	399.73	Joint liability guarantee			2023.12.23-2024.06.21	No	No
Henan Billions New Material Co., Ltd.	December 6, 2023	450,000	December 25, 2023	82.16	Joint liability guarantee			2023.12.25-2024.06.25	No	No
Henan Billions New Material Co., Ltd.	December 6, 2023	450,000	December 27, 2023	50	Joint liability guarantee			2023.12.27-2024.06.27	No	No
Henan Billions New Material Co., Ltd.	December 6, 2023	450,000	December 27, 2023	9,500	Joint liability guarantee			2023.10.18-2026.10.17	No	No
Henan Billions New Material Co., Ltd.	December 6, 2023	450,000	July 30, 2023	381.17	Joint liability guarantee			2023.07.30-2025.07.30	No	No
Henan Billions New Energy Materials Co.,	December 7, 2022	70,000	November 23, 2022	674.06	Joint liability guarantee			2022.11.23-2023.05.21	Yes	No

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Henan Billions New Energy Materials Co., Ltd.	December 7, 2022	70,000	April 11, 2023	1,250	Joint liability guarantee			2023.04.11-2023.10.11	Yes	No
Henan Billions New Energy Materials Co., Ltd.	December 7, 2022	70,000	July 24, 2023	3,260.99	Joint liability guarantee			2023.07.24-2024.01.24	No	No
Henan Billions New Energy Materials Co., Ltd.	December 6, 2023	70,000	December 22, 2023	1,737.63	Joint liability guarantee			2023.12.22-2024.06.22	No	No
Henan Longbai New Material Technology Co., Ltd.	December 7, 2022	80,000	March 9, 2022	1,900	Joint liability guarantee			2022.03.09-2023.03.08	Yes	No
Henan Longbai New Material Technology Co., Ltd.	December 7, 2022	80,000	October 26, 2022	5,000	Joint liability guarantee			2022.10.26-2023.10.25	Yes	No
Henan Longbai New Material Technology Co., Ltd.	December 7, 2022	80,000	February 2, 2023	4,700	Joint liability guarantee			2023.02.02-2024.02.02	No	No
Henan Longbai New Material Technology Co., Ltd.	December 7, 2022	80,000	March 27, 2023	1,000	Joint liability guarantee			2023.03.27-2023.09.22	Yes	No
Henan Longbai New Material Technology Co., Ltd.	December 7, 2022	80,000	October 26, 2022	5,000	Joint liability guarantee			2022.10.26-2023.10.25	Yes	No
Henan Longbai New Material Technology Co., Ltd.	December 7, 2022	80,000	September 28, 2023	1,000	Joint liability guarantee			2023.09.28-2024.09.23	No	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	December 7, 2022	20,000	May 18, 2023	369.83	Joint liability guarantee			2023.05.18-2023.11.18	Yes	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	December 7, 2022	20,000	January 13, 2023	1,248.77	Joint liability guarantee			2023.01.13-2023.07.13	Yes	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	December 7, 2022	20,000	March 3, 2023	116.45	Joint liability guarantee			2023.03.03-2023.09.03	Yes	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	December 7, 2022	20,000	June 21, 2023	893.67	Joint liability guarantee			2023.06.21-2023.12.21	Yes	No

Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	December 7, 2022	20,000	March 1, 2023	600	Joint liability guarantee			2023.03.01-2024.02.28	No	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	December 7, 2022	20,000	April 3, 2023	1,100	Joint liability guarantee			2023.04.03-2024.03.22	No	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	December 7, 2022	20,000	March 28, 2023	40	Joint liability guarantee			2023.03.28-2023.09.27	Yes	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	December 7, 2022	20,000	January 22, 2022	600	Joint liability guarantee			2022.01.22-2023.01.21	Yes	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	December 7, 2022	20,000	December 30, 2022	1,210.26	Joint liability guarantee			2022.12.30-2023.06.30	Yes	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	December 7, 2022	20,000	June 24, 2022	1,000	Joint liability guarantee			2022.06.24-2023.06.22	Yes	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	December 7, 2022	20,000	July 26, 2022	633.74	Joint liability guarantee			2022.07.26-2023.01.26	Yes	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	December 7, 2022	20,000	July 27, 2022	7.44	Joint liability guarantee			2022.07.27-2023.01.27	Yes	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	December 7, 2022	20,000	December 22, 2022	1,029.2	Joint liability guarantee			2022.12.22-2023.06.21	Yes	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	December 7, 2022	20,000	December 30, 2022	1,000	Joint liability guarantee			2022.12.30-2023.06.29	Yes	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	December 7, 2022	20,000	July 14, 2023	401.59	Joint liability guarantee			2023.07.14-2024.01.14	No	No
Henan Longbai Intelligent	December 7, 2022	20,000	July 19, 2023	141.97	Joint liability			2023.07.19-2024.01.19	No	No

Equipment Manufacturing Co., Ltd.					guarantee					
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	December 7, 2022	20,000	July 24, 2023	228.25	Joint liability guarantee			2023.07.24-2024.01.24	No	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	December 7, 2022	20,000	July 28, 2023	152.11	Joint liability guarantee			2023.07.28-2024.01.28	No	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	December 7, 2022	20,000	July 27, 2023	100.28	Joint liability guarantee			2023.07.27-2024.01.25	No	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	December 7, 2022	20,000	July 28, 2023	159.01	Joint liability guarantee			2023.07.28-2024.01.25	No	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	December 7, 2022	20,000	July 24, 2023	165.74	Joint liability guarantee			2023.07.24-2024.01.17	No	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	December 7, 2022	20,000	July 26, 2023	200	Joint liability guarantee			2023.07.26-2024.01.25	No	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	December 7, 2022	20,000	July 31, 2023	382	Joint liability guarantee			2023.07.31-2024.01.25	No	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	December 7, 2022	20,000	July 31, 2023	157.2	Joint liability guarantee			2023.07.31-2024.01.31	No	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	December 7, 2022	20,000	August 9, 2023	200	Joint liability guarantee			2023.08.09-2024.02.06	No	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	December 7, 2022	20,000	August 18, 2023	555.47	Joint liability guarantee			2023.08.18-2024.02.18	No	No
Henan Longbai Intelligent Equipment Manufacturing	December 7, 2022	20,000	August 24, 2023	345.45	Joint liability guarantee			2023.08.24-2024.02.24	No	No

Co., Ltd.										
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	December 7, 2022	20,000	August 25, 2023	300	Joint liability guarantee			2023.08.25-2024.02.23	No	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	December 7, 2022	20,000	August 29, 2023	210.53	Joint liability guarantee			2023.08.29-2024.02.28	No	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	December 7, 2022	20,000	August 29, 2023	193.48	Joint liability guarantee			2023.08.29-2024.02.28	No	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	December 7, 2022	20,000	August 30, 2023	602.35	Joint liability guarantee			2023.08.30-2024.02.29	No	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	December 7, 2022	20,000	September 5, 2023	112.19	Joint liability guarantee			2023.09.05-2024.08.29	No	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	December 7, 2022	20,000	September 15, 2023	300	Joint liability guarantee			2023.09.15-2024.03.07	No	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	December 7, 2022	20,000	October 23, 2023	209.83	Joint liability guarantee			2023.10.23-2024.04.22	No	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	December 7, 2022	20,000	October 25, 2023	300	Joint liability guarantee			2023.10.25-2024.04.24	No	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	December 7, 2022	20,000	October 25, 2023	73.79	Joint liability guarantee			2023.10.25-2024.04.23	No	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	December 7, 2022	20,000	November 1, 2023	230.92	Joint liability guarantee			2023.11.01-2024.05.01	No	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	December 7, 2022	20,000	November 3, 2023	400	Joint liability guarantee			2023.11.03-2024.04.30	No	No

Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	December 7, 2022	20,000	December 1, 2023	335.68	Joint liability guarantee			2023.12.01-2024.06.01	No	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	December 6, 2023	20,000	December 15, 2023	203.18	Joint liability guarantee			2023.12.15-2024.06.14	No	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	December 6, 2023	20,000	December 27, 2023	180	Joint liability guarantee			2023.12.27-2024.06.27	No	No
Henan Zhongtan New Material Technology Co., Ltd.	December 7, 2022	50,000	January 25, 2022	401.55	Joint liability guarantee			2022.01.25-2023.01.24	Yes	No
Henan Zhongtan New Material Technology Co., Ltd.	December 7, 2022	50,000	June 27, 2022	115	Joint liability guarantee			2022.06.27-2023.06.26	Yes	No
Henan Zhongtan New Material Technology Co., Ltd.	December 7, 2022	50,000	September 29, 2022	1,000	Joint liability guarantee			2022.09.29-2023.03.29	Yes	No
Henan Zhongtan New Material Technology Co., Ltd.	December 7, 2022	50,000	September 30, 2022	10,000	Joint liability guarantee			2022.09.30-2023.09.30	Yes	No
Henan Zhongtan New Material Technology Co., Ltd.	December 7, 2022	50,000	January 13, 2023	1,000	Joint liability guarantee			2023.01.13-2023.07.13	Yes	No
Henan Zhongtan New Material Technology Co., Ltd.	December 7, 2022	50,000	January 16, 2023	483	Joint liability guarantee			2023.01.16-2024.01.15	No	No
Henan Zhongtan New Material Technology Co., Ltd.	December 7, 2022	50,000	February 10, 2023	402	Joint liability guarantee			2023.02.10-2024.02.10	No	No
Henan Zhongtan New Material Technology Co., Ltd.	December 7, 2022	50,000	February 14, 2023	1,000	Joint liability guarantee			2023.02.14-2023.08.14	Yes	No
Henan Zhongtan New Material Technology Co., Ltd.	December 7, 2022	50,000	March 30, 2023	1,000	Joint liability guarantee			2023.03.30-2023.09.30	Yes	No
Henan Zhongtan New Material Technology Co., Ltd.	April 27, 2023	30,000	May 31, 2023	43,361.92	Joint liability guarantee			2023.05.31-2030.05.31	No	No
Henan Zhongtan New Material	April 27, 2023	30,000	July 19, 2023	1,740	Joint liability			2023.07.19-2030.07.19	No	No

Technology Co., Ltd.					guarantee					
Henan Zhongtan New Material Technology Co., Ltd.	April 27, 2023	30,000	July 24, 2023	1,000	Joint liability guarantee			2023.07.24-2024.01.24	No	No
Henan Zhongtan New Material Technology Co., Ltd.	April 27, 2023	30,000	August 4, 2023	3,114.89	Joint liability guarantee			2023.08.04-2030.08.04	No	No
Henan Zhongtan New Material Technology Co., Ltd.	April 27, 2023	30,000	September 28, 2023	510	Joint liability guarantee			2023.09.28-2024.03.28	No	No
Henan Zhongtan New Material Technology Co., Ltd.	April 27, 2023	30,000	September 28, 2023	490	Joint liability guarantee			2023.09.28-2024.03.28	No	No
Hunan Oriental Scandium Industry Co., Ltd.	December 7, 2022	7,000	April 18, 2022	3.42	Joint liability guarantee			2022.04.18-2023.04.18	Yes	No
Hunan Oriental Scandium Industry Co., Ltd.	December 7, 2022	7,000	June 21, 2022	4.56	Joint liability guarantee			2022.06.21-2023.06.21	Yes	No
Hunan Oriental Scandium Industry Co., Ltd.	December 7, 2022	7,000	July 18, 2022	356.58	Joint liability guarantee			2022.07.18-2023.01.18	Yes	No
Hunan Oriental Scandium Industry Co., Ltd.	December 7, 2022	7,000	August 19, 2022	256.31	Joint liability guarantee			2022.08.19-2023.02.19	Yes	No
Hunan Oriental Scandium Industry Co., Ltd.	December 7, 2022	7,000	September 21, 2022	17.09	Joint liability guarantee			2022.09.21-2023.03.21	Yes	No
Hunan Oriental Scandium Industry Co., Ltd.	December 7, 2022	7,000	September 23, 2022	185.62	Joint liability guarantee			2022.09.23-2023.03.23	Yes	No
Hunan Oriental Scandium Industry Co., Ltd.	December 7, 2022	7,000	September 28, 2022	30.83	Joint liability guarantee			2022.09.28-2023.03.28	Yes	No
Hunan Oriental Scandium Industry Co., Ltd.	December 7, 2022	7,000	October 19, 2022	260.22	Joint liability guarantee			2022.10.19-2023.04.19	Yes	No
Hunan Oriental Scandium Industry Co., Ltd.	December 7, 2022	7,000	November 10, 2022	4.01	Joint liability guarantee			2022.11.10-2023.05.10	Yes	No
Hunan Oriental Scandium Industry Co.,	December 7, 2022	7,000	November 15, 2022	223.72	Joint liability guarantee			2022.11.15-2023.05.15	Yes	No

Ltd.										
Hunan Oriental Scandium Industry Co., Ltd.	December 7, 2022	7,000	November 21, 2022	24.36	Joint liability guarantee			2022.11.21-2023.05.21	Yes	No
Hunan Oriental Scandium Industry Co., Ltd.	December 7, 2022	7,000	December 12, 2022	7.72	Joint liability guarantee			2022.12.12-2023.06.12	Yes	No
Hunan Oriental Scandium Industry Co., Ltd.	December 7, 2022	7,000	December 15, 2022	360.93	Joint liability guarantee			2022.12.15-2023.06.15	Yes	No
Hunan Oriental Scandium Industry Co., Ltd.	December 7, 2022	7,000	January 17, 2023	183.85	Joint liability guarantee			2023.01.17-2023.07.17	Yes	No
Hunan Oriental Scandium Industry Co., Ltd.	December 7, 2022	7,000	February 15, 2023	337.12	Joint liability guarantee			2023.02.15-2023.08.15	Yes	No
Hunan Oriental Scandium Industry Co., Ltd.	December 7, 2022	7,000	March 8, 2023	73.79	Joint liability guarantee			2023.03.08-2028.03.02	No	No
Hunan Oriental Scandium Industry Co., Ltd.	December 7, 2022	7,000	March 16, 2023	217.5	Joint liability guarantee			2023.03.16-2023.09.16	Yes	No
Hunan Oriental Scandium Industry Co., Ltd.	December 7, 2022	7,000	March 24, 2023	140.1	Joint liability guarantee			2023.03.24-2028.03.02	No	No
Hunan Oriental Scandium Industry Co., Ltd.	December 7, 2022	7,000	April 4, 2023	3.98	Joint liability guarantee			2023.04.04-2023.10.04	Yes	No
Hunan Oriental Scandium Industry Co., Ltd.	December 7, 2022	7,000	April 14, 2023	67.29	Joint liability guarantee			2023.04.14-2028.03.02	No	No
Hunan Oriental Scandium Industry Co., Ltd.	December 7, 2022	7,000	April 23, 2023	9.89	Joint liability guarantee			2023.04.23-2028.03.02	No	No
Hunan Oriental Scandium Industry Co., Ltd.	December 7, 2022	7,000	May 8, 2023	1.84	Joint liability guarantee			2023.05.08-2023.11.08	Yes	No
Hunan Oriental Scandium Industry Co., Ltd.	December 7, 2022	7,000	May 11, 2023	72.21	Joint liability guarantee			2023.05.11-2028.03.02	No	No
Hunan Oriental Scandium Industry Co., Ltd.	December 7, 2022	7,000	May 15, 2023	29.49	Joint liability guarantee			2023.05.15-2023.11.15	Yes	No

Hunan Oriental Scandium Industry Co., Ltd.	December 7, 2022	7,000	May 18, 2023	27.1	Joint liability guarantee			2023.05.18-2028.03.02	No	No
Hunan Oriental Scandium Industry Co., Ltd.	December 7, 2022	7,000	May 26, 2023	37.38	Joint liability guarantee			2023.05.26-2028.03.02	No	No
Hunan Oriental Scandium Industry Co., Ltd.	December 7, 2022	7,000	June 15, 2023	104.13	Joint liability guarantee			2023.06.15-2023.12.15	Yes	No
Hunan Oriental Scandium Industry Co., Ltd.	December 7, 2022	7,000	June 20, 2023	185.26	Joint liability guarantee			2023.06.20-2028.03.02	No	No
Hunan Oriental Scandium Industry Co., Ltd.	December 7, 2022	7,000	June 28, 2023	86.19	Joint liability guarantee			2023.06.28-2023.12.28	Yes	No
Hunan Oriental Scandium Industry Co., Ltd.	December 7, 2022	7,000	July 7, 2023	10.37	Joint liability guarantee			2023.07.07-2028.03.02	No	No
Hunan Oriental Scandium Industry Co., Ltd.	December 7, 2022	7,000	July 20, 2023	296.95	Joint liability guarantee			2023.07.20-2024.01.20	No	No
Hunan Oriental Scandium Industry Co., Ltd.	December 7, 2022	7,000	July 21, 2023	34.14	Joint liability guarantee			2023.07.21-2028.03.02	No	No
Hunan Oriental Scandium Industry Co., Ltd.	December 7, 2022	7,000	August 11, 2023	26.83	Joint liability guarantee			2023.08.11-2024.02.11	No	No
Hunan Oriental Scandium Industry Co., Ltd.	December 7, 2022	7,000	August 18, 2023	2.29	Joint liability guarantee			2023.08.18-2028.03.02	No	No
Hunan Oriental Scandium Industry Co., Ltd.	December 7, 2022	7,000	September 18, 2023	2.98	Joint liability guarantee			2023.09.18-2024.03.18	No	No
Hunan Oriental Scandium Industry Co., Ltd.	December 7, 2022	7,000	October 19, 2023	35.83	Joint liability guarantee			2023.10.19-2024.04.19	No	No
Hunan Oriental Scandium Industry Co., Ltd.	December 7, 2022	7,000	October 19, 2023	261.8	Joint liability guarantee			2023.10.19-2024.04.19	No	No
Hunan Oriental Scandium Industry Co., Ltd.	December 7, 2022	7,000	November 6, 2023	2.04	Joint liability guarantee			2023.11.06-2028.03.02	No	No
Hunan Oriental	December 7,	7,000	November 8,	17.53	Joint			2023.11.08-	No	No

Scandium Industry Co., Ltd.	2022		2023		liability guarantee			2024.05.08		
Hunan Oriental Scandium Industry Co., Ltd.	December 6, 2023	7,000	December 6, 2023	7.04	Joint liability guarantee			2023.12.06-2024.06.06	No	No
Hunan Oriental Scandium Industry Co., Ltd.	December 6, 2023	7,000	December 8, 2023	30.03	Joint liability guarantee			2023.12.08-2024.06.08	No	No
Hunan Oriental Scandium Industry Co., Ltd.	December 6, 2023	7,000	December 21, 2023	313.31	Joint liability guarantee			2023.12.21-2024.06.21	No	No
Hunan Oriental Scandium Industry Co., Ltd.	December 7, 2022	7,000	October 19, 2023	16.68	Joint liability guarantee			2023.11.28-2028.03.02	No	No
Longbai Lufeng Titanium Industry Co., Ltd.	December 7, 2022	70,000	January 13, 2022	981	Joint liability guarantee			2022.01.13-2023.01.13	Yes	No
Longbai Lufeng Titanium Industry Co., Ltd.	December 7, 2022	70,000	February 15, 2022	900	Joint liability guarantee			2022.02.15-2023.02.15	Yes	No
Longbai Lufeng Titanium Industry Co., Ltd.	December 7, 2022	70,000	July 6, 2022	28	Joint liability guarantee			2022.07.06-2023.01.06	Yes	No
Longbai Lufeng Titanium Industry Co., Ltd.	December 7, 2022	70,000	July 19, 2022	2,199	Joint liability guarantee			2022.07.19-2023.01.19	Yes	No
Longbai Lufeng Titanium Industry Co., Ltd.	December 7, 2022	70,000	July 21, 2022	35	Joint liability guarantee			2022.07.21-2023.01.23	Yes	No
Longbai Lufeng Titanium Industry Co., Ltd.	December 7, 2022	70,000	July 29, 2022	80	Joint liability guarantee			2022.07.29-2023.01.29	Yes	No
Longbai Lufeng Titanium Industry Co., Ltd.	December 7, 2022	70,000	July 30, 2022	100	Joint liability guarantee			2022.07.30-2023.01.30	Yes	No
Longbai Lufeng Titanium Industry Co., Ltd.	December 7, 2022	70,000	August 22, 2022	272.76	Joint liability guarantee			2022.08.22-2023.02.22	Yes	No
Longbai Lufeng Titanium Industry Co., Ltd.	December 7, 2022	70,000	October 31, 2022	13	Joint liability guarantee			2022.10.31-2023.05.01	Yes	No
Longbai Lufeng Titanium	December 7, 2022	70,000	October 31, 2022	5.95	Joint liability			2022.10.31-2023.05.01	Yes	No

Industry Co., Ltd.					guarantee					
Longbai Lufeng Titanium Industry Co., Ltd.	December 7, 2022	70,000	November 28, 2022	352.86	Joint liability guarantee			2022.11.28-2023.05.28	Yes	No
Longbai Lufeng Titanium Industry Co., Ltd.	December 7, 2022	70,000	November 28, 2022	94.03	Joint liability guarantee			2022.11.28-2023.05.28	Yes	No
Longbai Lufeng Titanium Industry Co., Ltd.	December 7, 2022	70,000	November 28, 2022	39.87	Joint liability guarantee			2022.11.28-2023.11.28	Yes	No
Longbai Lufeng Titanium Industry Co., Ltd.	December 7, 2022	70,000	December 13, 2022	1,000	Joint liability guarantee			2022.12.13-2023.12.13	Yes	No
Longbai Lufeng Titanium Industry Co., Ltd.	December 7, 2022	70,000	December 28, 2022	1,918.8	Joint liability guarantee			2022.12.28-2023.06.30	Yes	No
Longbai Lufeng Titanium Industry Co., Ltd.	December 7, 2022	70,000	December 30, 2022	139.17	Joint liability guarantee			2022.12.30-2023.06.30	Yes	No
Longbai Lufeng Titanium Industry Co., Ltd.	December 7, 2022	70,000	December 30, 2022	6.6	Joint liability guarantee			2022.12.30-2023.07.01	Yes	No
Longbai Lufeng Titanium Industry Co., Ltd.	December 7, 2022	70,000	December 30, 2022	64.05	Joint liability guarantee			2023.01.30-2023.07.30	Yes	No
Longbai Lufeng Titanium Industry Co., Ltd.	December 7, 2022	70,000	February 21, 2023	153.14	Joint liability guarantee			2023.02.21-2023.08.21	Yes	No
Longbai Lufeng Titanium Industry Co., Ltd.	December 7, 2022	70,000	February 21, 2023	100	Joint liability guarantee			2023.02.21-2023.08.21	Yes	No
Longbai Lufeng Titanium Industry Co., Ltd.	December 7, 2022	70,000	February 24, 2023	30.01	Joint liability guarantee			2023.02.24-2023.08.24	Yes	No
Longbai Lufeng Titanium Industry Co., Ltd.	December 7, 2022	70,000	February 27, 2023	1,800	Joint liability guarantee			2023.02.27-2023.08.27	Yes	No
Longbai Lufeng Titanium Industry Co., Ltd.	December 7, 2022	70,000	March 21, 2023	318.24	Joint liability guarantee			2023.03.21-2023.09.21	Yes	No
Longbai Lufeng Titanium Industry Co.,	May 19, 2023	121,600	March 24, 2023	121,600	Joint liability guarantee			2023.03.24-2027.06.30	No	No

Ltd.										
Longbai Lufeng Titanium Industry Co., Ltd.	December 7, 2022	70,000	March 27, 2023	1,200	Joint liability guarantee			2023-03-27-2023-09-27	Yes	No
Longbai Lufeng Titanium Industry Co., Ltd.	December 7, 2022	70,000	March 30, 2023	30	Joint liability guarantee			2023.03.30-2023.09.30	Yes	No
Longbai Lufeng Titanium Industry Co., Ltd.	December 7, 2022	70,000	March 30, 2023	258.97	Joint liability guarantee			2023.03.30-2023.09.30	Yes	No
Longbai Lufeng Titanium Industry Co., Ltd.	December 7, 2022	70,000	April 27, 2023	43	Joint liability guarantee			2023.04.27-2023.10.27	Yes	No
Longbai Lufeng Titanium Industry Co., Ltd.	December 7, 2022	70,000	May 29, 2023	291.05	Joint liability guarantee			2023.05.29-2023.11.29	Yes	No
Longbai Lufeng Titanium Industry Co., Ltd.	December 7, 2022	70,000	May 30, 2023	1,078.8	Joint liability guarantee			2023.05.30-2023.11.29	Yes	No
Longbai Lufeng Titanium Industry Co., Ltd.	December 7, 2022	70,000	June 8, 2023	1,627.25	Joint liability guarantee			2023.06.08-2023.09.08	Yes	No
Longbai Lufeng Titanium Industry Co., Ltd.	December 7, 2022	70,000	June 29, 2023	88.13	Joint liability guarantee			2023.06.29-2023.12.29	Yes	No
Longbai Lufeng Titanium Industry Co., Ltd.	December 7, 2022	70,000	July 28, 2023	33.6	Joint liability guarantee			2023.07.28-2024.01.28	No	No
Longbai Lufeng Titanium Industry Co., Ltd.	December 7, 2022	70,000	July 28, 2023	10.1	Joint liability guarantee			2023.07.28-2024.01.28	No	No
Longbai Lufeng Titanium Industry Co., Ltd.	December 7, 2022	70,000	July 28, 2023	90	Joint liability guarantee			2023.07.28-2024.01.28	No	No
Longbai Lufeng Titanium Industry Co., Ltd.	December 7, 2022	70,000	July 28, 2023	9	Joint liability guarantee			2023.07.28-2024.01.28	No	No
Longbai Lufeng Titanium Industry Co., Ltd.	December 7, 2022	70,000	October 12, 2023	3,671.52	Joint liability guarantee			2023.10.12-2024.04.12	No	No
Longbai Lufeng Titanium Industry Co., Ltd.	December 7, 2022	70,000	October 27, 2023	787.96	Joint liability guarantee			2023.10.27-2024.04.24	No	No

Longbai Lufeng Titanium Industry Co., Ltd.	December 7, 2022	70,000	October 30, 2023	268.83	Joint liability guarantee			2023.10.30-2024.04.30	No	No
Longbai Lufeng Titanium Industry Co., Ltd.	December 7, 2022	70,000	October 30, 2023	1,255.84	Joint liability guarantee			2023.10.30-2024.04.27	No	No
Longbai Lufeng Titanium Industry Co., Ltd.	December 7, 2022	70,000	August 28, 2023	290.17	Joint liability guarantee			2023.08.28-2024.02.28	No	No
Longbai Lufeng Titanium Industry Co., Ltd.	December 7, 2022	70,000	November 29, 2023	2,353.65	Joint liability guarantee			2023.11.29-2024.05.29	No	No
Longbai Lufeng Titanium Industry Co., Ltd.	December 6, 2023	68,400	December 13, 2023	18.44	Joint liability guarantee			2023.12.13-2024.06.13	No	No
Longbai Lufeng Titanium Industry Co., Ltd.	December 6, 2023	68,400	December 13, 2023	420.58	Joint liability guarantee			2023.12.13-2024.06.13	No	No
Longbai Lufeng Titanium Industry Co., Ltd.	December 6, 2023	68,400	December 28, 2023	930.05	Joint liability guarantee			2023.12.28-2024.06.28	No	No
Longbai Lufeng Titanium Industry Co., Ltd.	December 6, 2023	68,400	December 27, 2023	1,168.38	Joint liability guarantee			2023.12.27-2024.06.25	No	No
Longbai Lufeng Titanium Industry Co., Ltd.	December 7, 2022	70,000	October 31, 2023	1,223.86	Joint liability guarantee			2023.10.31-2024.04.28	No	No
Longbai Lufeng Titanium Industry Co., Ltd.	December 7, 2022	70,000	November 10, 2023	218.86	Joint liability guarantee			2023.11.10-2024.05.08	No	No
Longbai Lufeng Titanium Industry Co., Ltd.	December 7, 2022	70,000	November 16, 2023	1,159.64	Joint liability guarantee			2023.11.16-2024.05.16	No	No
Longbai Lufeng Titanium Industry Co., Ltd.	December 7, 2022	70,000	November 15, 2023	23.37	Joint liability guarantee			2023.11.15-2024.01.17	No	No
Longbai Sichuan Mining and Metallurgy Co., Ltd.	December 7, 2022	230,000	January 1, 2023	29,000	Joint liability guarantee			2023.01.01-2023.12.31	Yes	No
Longbai Sichuan Mining and Metallurgy Co., Ltd.	December 7, 2022	230,000	January 20, 2023	2,000	Joint liability guarantee			2023.01.20-2024.01.19	No	No
Longbai	December 7,	230,000	January 13,	20,000	Joint			2023.01.13-	No	No

Sichuan Mining and Metallurgy Co., Ltd.	2022		2023		liability guarantee			2024.01.11		
Longbai Sichuan Mining and Metallurgy Co., Ltd.	December 7, 2022	230,000	January 10, 2023	20,000	Joint liability guarantee			2023.01.10-2024.01.02	Yes	No
Longbai Sichuan Mining and Metallurgy Co., Ltd.	December 6, 2023	300,000	December 11, 2023	6,000	Joint liability guarantee			2023.12.11-2024.11.22	No	No
Longbai Sichuan Mining and Metallurgy Co., Ltd.	December 6, 2023	300,000	December 11, 2023	29,000	Joint liability guarantee			2023.12.11-2024.12.10	No	No
Longbai Sichuan Mining and Metallurgy Co., Ltd.	April 27, 2023	70,000	November 28, 2023	20,000	Joint liability guarantee			2023.11.28-2024.11.27	No	No
Longbai Sichuan Mining and Metallurgy Co., Ltd.	April 27, 2023	70,000	November 9, 2023	7,110	Joint liability guarantee			2023.11.09-2024.10.25	No	No
Longbai Sichuan Mining and Metallurgy Co., Ltd.	April 27, 2023	70,000	November 9, 2023	12,890	Joint liability guarantee			2023.11.09-2024.08.22	No	No
Longbai Sichuan Titanium Industry Co., Ltd.	December 7, 2022	180,000	March 10, 2021	2,500	Joint liability guarantee			2021.03.10-2023.03.09	Yes	No
Longbai Sichuan Titanium Industry Co., Ltd.	December 7, 2022	180,000	April 20, 2021	30,000	Joint liability guarantee			2021.04.20-2023.04.20	Yes	No
Longbai Sichuan Titanium Industry Co., Ltd.	December 7, 2022	180,000	March 30, 2022	7,661.06	Joint liability guarantee			2022.03.30-2023.03.29	Yes	No
Longbai Sichuan Titanium Industry Co., Ltd.	December 7, 2022	180,000	April 1, 2022	6,964.6	Joint liability guarantee			2022.04.01-2023.03.28	Yes	No
Longbai Sichuan Titanium Industry Co., Ltd.	December 7, 2022	180,000	May 30, 2022	7,000	Joint liability guarantee			2022.05.30-2023.05.19	Yes	No
Longbai Sichuan Mining and Metallurgy Co., Ltd.	December 7, 2022	230,000	May 30, 2022	10,000	Joint liability guarantee			2022.05.30-2023.05.29	Yes	No
Longbai	December 7,	180,000	June 1, 2022	5,800	Joint			2022.06.01-	Yes	No

Sichuan Titanium Industry Co., Ltd.	2022				liability guarantee			2023.06.01		
Longbai Sichuan Titanium Industry Co., Ltd.	December 7, 2022	180,000	June 2, 2022	10,000	Joint liability guarantee			2022.06.02-2023.06.01	Yes	No
Longbai Sichuan Titanium Industry Co., Ltd.	December 7, 2022	180,000	July 12, 2022	5,000	Joint liability guarantee			2022.07.12-2024.01.12	No	No
Longbai Sichuan Titanium Industry Co., Ltd.	December 7, 2022	180,000	July 18, 2022	6,900	Joint liability guarantee			2022.07.18-2023.01.18	Yes	No
Longbai Sichuan Titanium Industry Co., Ltd.	December 7, 2022	180,000	July 28, 2022	100	Joint liability guarantee			2022.07.28-2023.01.28	Yes	No
Longbai Sichuan Titanium Industry Co., Ltd.	December 7, 2022	180,000	July 29, 2022	2,000	Joint liability guarantee			2022.07.29-2023.07.24	Yes	No
Longbai Sichuan Titanium Industry Co., Ltd.	December 7, 2022	180,000	August 9, 2022	2,000	Joint liability guarantee			2022.08.09-2023.02.09	Yes	No
Longbai Sichuan Titanium Industry Co., Ltd.	December 7, 2022	180,000	August 19, 2022	18,000	Joint liability guarantee			2022.08.19-2023.08.17	Yes	No
Longbai Sichuan Titanium Industry Co., Ltd.	December 7, 2022	180,000	January 1, 2023	20,000	Joint liability guarantee			2023.01.01-2023.12.28	Yes	No
Longbai Sichuan Titanium Industry Co., Ltd.	December 7, 2022	180,000	February 9, 2023	19,900	Joint liability guarantee			2023.02.09-2025.01.25	No	No
Longbai Sichuan Titanium Industry Co., Ltd.	December 7, 2022	180,000	February 20, 2023	9,000	Joint liability guarantee			2023.02.20-2024.02.19	No	No
Longbai Sichuan Titanium	December 7, 2022	180,000	February 20, 2023	9,000	Joint liability guarantee			2023.02.20-2024.02.19	No	No

Industry Co., Ltd.										
Longbai Sichuan Titanium Industry Co., Ltd.	December 7, 2022	180,000	February 24, 2023	850	Joint liability guarantee			2023.02.24-2023.08.24	Yes	No
Longbai Sichuan Titanium Industry Co., Ltd.	December 7, 2022	180,000	February 24, 2023	6,000	Joint liability guarantee			2023.02.24-2024.02.24	No	No
Longbai Sichuan Titanium Industry Co., Ltd.	December 7, 2022	180,000	March 3, 2023	510	Joint liability guarantee			2023.03.03-2023.09.03	Yes	No
Longbai Sichuan Titanium Industry Co., Ltd.	December 7, 2022	180,000	March 17, 2023	3,000	Joint liability guarantee			2023.03.17-2024.03.17	No	No
Longbai Sichuan Titanium Industry Co., Ltd.	December 7, 2022	180,000	March 21, 2023	1,685	Joint liability guarantee			2023.03.21-2023.09.21	Yes	No
Longbai Sichuan Titanium Industry Co., Ltd.	December 7, 2022	180,000	March 22, 2023	725	Joint liability guarantee			2023.03.22-2023.09.22	Yes	No
Longbai Sichuan Titanium Industry Co., Ltd.	December 7, 2022	180,000	March 24, 2023	230	Joint liability guarantee			2023.03.24-2023.09.24	Yes	No
Longbai Sichuan Titanium Industry Co., Ltd.	December 7, 2022	180,000	April 12, 2023	29,900	Joint liability guarantee			2023.04.12-2025.04.07	No	No
Longbai Sichuan Titanium Industry Co., Ltd.	December 7, 2022	180,000	June 2, 2023	7,000	Joint liability guarantee			2023.06.02-2024.05.30	No	No
Longbai Sichuan Titanium Industry Co., Ltd.	December 7, 2022	180,000	June 15, 2023	6,000	Joint liability guarantee			2023.06.15-2023.12.15	Yes	No
Longbai Sichuan Titanium Industry Co., Ltd.	July 10, 2023	20,000	August 15, 2023	28,000	Joint liability guarantee			2023.08.15-2025.08.14	No	No

Longbai Sichuan Titanium Industry Co., Ltd.	July 10, 2023	20,000	August 31, 2023	18,000	Joint liability guarantee			2023.08.31-2024.08.28	No	No
Longbai Sichuan Titanium Industry Co., Ltd.	July 10, 2023	20,000	September 28, 2023	100	Joint liability guarantee			2023.09.28-2024.03.28	No	No
Longbai Sichuan Titanium Industry Co., Ltd.	July 10, 2023	20,000	December 2, 2023	20,000	Joint liability guarantee			2023.12.02-2024.11.29	No	No
Longbai Sichuan Titanium Industry Co., Ltd.	December 6, 2023	200,000	December 29, 2023	200	Joint liability guarantee			2023.12.29-2025.12.28	No	No
Longbai Xiangyang Titanium Industry Co., Ltd.	December 7, 2022	200,000	December 14, 2021	6,800	Joint liability guarantee			2021.12.14-2024.12.14	Yes	No
Longbai Xiangyang Titanium Industry Co., Ltd.	December 7, 2022	200,000	December 31, 2021	7,800	Joint liability guarantee			2021.12.31-2024.12.28	No	No
Longbai Xiangyang Titanium Industry Co., Ltd.	December 7, 2022	200,000	March 11, 2022	4,000	Joint liability guarantee			2022.03.11-2023.03.10	Yes	No
Longbai Xiangyang Titanium Industry Co., Ltd.	December 7, 2022	200,000	March 24, 2022	4,900	Joint liability guarantee			2022.03.24-2023.03.23	Yes	No
Longbai Xiangyang Titanium Industry Co., Ltd.	December 7, 2022	200,000	March 31, 2022	1,800	Joint liability guarantee			2022.03.31-2025.03.25	No	No
Longbai Xiangyang Titanium Industry Co., Ltd.	December 7, 2022	200,000	April 1, 2022	7,200	Joint liability guarantee			2022.04.01-2025.03.25	No	No
Longbai Xiangyang Titanium Industry Co., Ltd.	December 7, 2022	200,000	May 7, 2022	7,000	Joint liability guarantee			2022.05.07-2023.05.07	Yes	No
Longbai Xiangyang	December 7, 2022	200,000	July 5, 2022	18,000	Joint liability			2022.07.05-2025.06.30	No	No

Titanium Industry Co., Ltd.					guarantee					
Longbai Xiangyang Titanium Industry Co., Ltd.	December 7, 2022	200,000	July 7, 2022	1,180	Joint liability guarantee			2022.07.07-2023.01.07	Yes	No
Longbai Xiangyang Titanium Industry Co., Ltd.	December 7, 2022	200,000	July 11, 2022	472.93	Joint liability guarantee			2022.07.11-2023.01.11	Yes	No
Longbai Xiangyang Titanium Industry Co., Ltd.	December 7, 2022	200,000	July 25, 2022	335.75	Joint liability guarantee			2022.07.25-2023.01.25	Yes	No
Longbai Xiangyang Titanium Industry Co., Ltd.	December 7, 2022	200,000	July 27, 2022	55.89	Joint liability guarantee			2022.07.27-2023.01.27	Yes	No
Longbai Xiangyang Titanium Industry Co., Ltd.	December 7, 2022	200,000	August 15, 2022	14,000	Joint liability guarantee			2022.08.15-2023.08.15	Yes	No
Longbai Xiangyang Titanium Industry Co., Ltd.	December 7, 2022	200,000	August 29, 2022	379.52	Joint liability guarantee			2022.08.29-2023.03.02	Yes	No
Longbai Xiangyang Titanium Industry Co., Ltd.	December 7, 2022	200,000	October 18, 2022	109.67	Joint liability guarantee			2022.10.18-2023.04.18	Yes	No
Longbai Xiangyang Titanium Industry Co., Ltd.	December 7, 2022	200,000	October 25, 2022	73.06	Joint liability guarantee			2022.10.25-2023.04.25	Yes	No
Longbai Xiangyang Titanium Industry Co., Ltd.	December 7, 2022	200,000	October 28, 2022	7,700	Joint liability guarantee			2022.10.28-2025.10.23	No	No
Longbai Xiangyang Titanium Industry Co., Ltd.	December 7, 2022	200,000	November 28, 2022	80	Joint liability guarantee			2022.11.28-2023.05.29	Yes	No
Longbai Xiangyang Titanium Industry Co.,	December 7, 2022	200,000	November 28, 2022	1,400	Joint liability guarantee			2022.11.28-2023.05.29	Yes	No

Ltd.										
Longbai Xiangyang Titanium Industry Co., Ltd.	December 7, 2022	200,000	December 13, 2022	7,000	Joint liability guarantee			2022.12.13-2023.12.13	Yes	No
Longbai Xiangyang Titanium Industry Co., Ltd.	December 7, 2022	200,000	December 16, 2022	2,100	Joint liability guarantee			2022.12.16-2023.11.28	Yes	No
Longbai Xiangyang Titanium Industry Co., Ltd.	December 7, 2022	200,000	December 16, 2022	4,900	Joint liability guarantee			2022.12.16-2023.12.16	Yes	No
Longbai Xiangyang Titanium Industry Co., Ltd.	December 7, 2022	200,000	December 20, 2022	650	Joint liability guarantee			2022.12.20-2023.06.20	Yes	No
Longbai Xiangyang Titanium Industry Co., Ltd.	December 7, 2022	200,000	December 28, 2022	90	Joint liability guarantee			2022.12.28-2023.06.28	Yes	No
Longbai Xiangyang Titanium Industry Co., Ltd.	December 7, 2022	200,000	January 18, 2023	226.31	Joint liability guarantee			2023.01.18-2023.07.18	Yes	No
Longbai Xiangyang Titanium Industry Co., Ltd.	December 7, 2022	200,000	February 28, 2023	6,160	Joint liability guarantee			2023.02.28-2023.08.28	Yes	No
Longbai Xiangyang Titanium Industry Co., Ltd.	December 7, 2022	200,000	March 24, 2023	760	Joint liability guarantee			2023.03.24-2023.09.22	Yes	No
Longbai Xiangyang Titanium Industry Co., Ltd.	December 7, 2022	200,000	March 27, 2023	205	Joint liability guarantee			2023.03.27-2023.09.27	Yes	No
Longbai Xiangyang Titanium Industry Co., Ltd.	December 7, 2022	200,000	April 26, 2023	254.11	Joint liability guarantee			2023.04.26-2023.10.26	Yes	No
Longbai Xiangyang Titanium Industry Co., Ltd.	December 7, 2022	200,000	May 25, 2023	4,106.2	Joint liability guarantee			2023.05.25-2023.11.23	Yes	No

Longbai Xiangyang Titanium Industry Co., Ltd.	December 7, 2022	200,000	June 8, 2023	5,000	Joint liability guarantee			2023.06.08-2026.06.08	No	No
Longbai Xiangyang Titanium Industry Co., Ltd.	December 7, 2022	200,000	June 26, 2023	4,718	Joint liability guarantee			2023.06.26-2023.12.26	Yes	No
Longbai Xiangyang Titanium Industry Co., Ltd.	December 7, 2022	200,000	June 28, 2023	82.81	Joint liability guarantee			2023.06.28-2023.12.26	Yes	No
Longbai Xiangyang Titanium Industry Co., Ltd.	December 7, 2022	200,000	June 30, 2023	220	Joint liability guarantee			2023.06.30-2023.12.28	Yes	No
Longbai Xiangyang Titanium Industry Co., Ltd.	December 7, 2022	200,000	June 30, 2023	200	Joint liability guarantee			2023.06.30-2023.12.29	Yes	No
Longbai Xiangyang Titanium Industry Co., Ltd.	December 7, 2022	200,000	July 28, 2023	360	Joint liability guarantee			2023.07.28-2024.01.29	No	No
Longbai Xiangyang Titanium Industry Co., Ltd.	December 7, 2022	200,000	July 28, 2023	37.02	Joint liability guarantee			2023.07.28-2024.01.26	No	No
Longbai Xiangyang Titanium Industry Co., Ltd.	December 7, 2022	200,000	August 24, 2023	420	Joint liability guarantee			2023.08.24-2024.02.23	No	No
Longbai Xiangyang Titanium Industry Co., Ltd.	December 7, 2022	200,000	August 31, 2023	230	Joint liability guarantee			2023.08.31-2024.03.01	No	No
Longbai Xiangyang Titanium Industry Co., Ltd.	December 7, 2022	200,000	August 28, 2023	44.88	Joint liability guarantee			2023.08.28-2024.02.28	No	No
Longbai Xiangyang Titanium Industry Co., Ltd.	December 7, 2022	200,000	September 25, 2023	280	Joint liability guarantee			2023.09.25-2024.03.25	No	No
Longbai Xiangyang	December 7, 2022	200,000	September 26, 2023	50.85	Joint liability			2023.09.26-2024.03.26	No	No

Titanium Industry Co., Ltd.					guarantee					
Longbai Xiangyang Titanium Industry Co., Ltd.	December 7, 2022	200,000	October 27, 2023	22.96	Joint liability guarantee			2023.10.27-2024.04.26	No	No
Longbai Xiangyang Titanium Industry Co., Ltd.	December 7, 2022	200,000	October 27, 2023	970	Joint liability guarantee			2023.10.27-2024.04.26	No	No
Longbai Xiangyang Titanium Industry Co., Ltd.	December 7, 2022	200,000	November 27, 2023	43.53	Joint liability guarantee			2023.11.27-2024.05.27	No	No
Longbai Xiangyang Titanium Industry Co., Ltd.	December 7, 2022	200,000	November 27, 2023	600	Joint liability guarantee			2023.11.27-2024.05.27	No	No
Longbai Xiangyang Titanium Industry Co., Ltd.	December 7, 2022	200,000	November 24, 2023	3,500	Joint liability guarantee			2023.11.24-2024.05.24	No	No
Longbai Xiangyang Titanium Industry Co., Ltd.	December 7, 2022	200,000	November 29, 2023	3,000	Joint liability guarantee			2023.11.29-2024.05.29	No	No
Longbai Xiangyang Titanium Industry Co., Ltd.	December 6, 2023	200,000	December 14, 2023	420	Joint liability guarantee			2023.12.14-2024.06.14	No	No
Longbai Xiangyang Titanium Industry Co., Ltd.	December 6, 2023	200,000	December 27, 2023	26	Joint liability guarantee			2023.12.27-2024.06.27	No	No
Longbai Xiangyang Titanium Industry Co., Ltd.	December 6, 2023	200,000	December 27, 2023	540	Joint liability guarantee			2023.12.27-2024.06.27	No	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	January 14, 2022	30.14	Joint liability guarantee			2022.01.14-2023.01.14	Yes	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	January 27, 2022	393.45	Joint liability guarantee			2022.01.27-2023.01.27	Yes	No
Yunnan	December 7,	190,000	February 17,	650	Joint			2022.02.17-	Yes	No

National Titanium Metal Co., Ltd.	2022		2022		liability guarantee			2023.02.17		
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	March 18, 2022	1,400	Joint liability guarantee			2022.03.18-2023.03.17	Yes	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	March 31, 2022	1,600	Joint liability guarantee			2022.03.31-2023.03.30	Yes	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	May 27, 2022	27,500	Joint liability guarantee			2022.05.27-2032.05.26	No	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	June 22, 2022	455	Joint liability guarantee			2022.06.22-2023.06.22	Yes	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	June 24, 2022	7,200	Joint liability guarantee			2022.06.24-2032.05.26	No	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	July 15, 2022	14,000	Joint liability guarantee			2022.07.15-2023.06.19	Yes	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	July 22, 2022	135.74	Joint liability guarantee			2022.07.22-2023.01.22	Yes	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	July 29, 2022	63.26	Joint liability guarantee			2022.07.29-2023.01.29	Yes	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	August 15, 2022	6,200	Joint liability guarantee			2022.08.15-2032.05.26	No	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	August 22, 2022	149.42	Joint liability guarantee			2022.08.22-2023.02.22	Yes	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	September 23, 2022	1,000	Joint liability guarantee			2022.09.23-2032.05.26	No	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	October 21, 2022	61.2	Joint liability guarantee			2022.10.21-2023.04.21	Yes	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	October 21, 2022	13,510	Joint liability guarantee			2022.10.21-2032.05.26	No	No
Yunnan National	December 7, 2022	190,000	October 24, 2022	5,790	Joint liability			2022.10.24-2032.05.26	No	No

Titanium Metal Co., Ltd.					guarantee					
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	October 31, 2022	30.44	Joint liability guarantee			2022.10.31-2023.04.30	Yes	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	October 31, 2022	1,000	Joint liability guarantee			2022.10.31-2023.10.23	Yes	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	October 31, 2022	51.06	Joint liability guarantee			2022.10.31-2023.10.31	Yes	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	November 23, 2022	4,025	Joint liability guarantee			2022.11.23-2032.05.26	No	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	November 30, 2022	66.22	Joint liability guarantee			2022.11.30-2023.05.30	Yes	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	December 15, 2022	5.53	Joint liability guarantee			2022.12.15-2023.06.15	Yes	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	December 16, 2022	1,500	Joint liability guarantee			2022.12.16-2023.06.15	Yes	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	December 30, 2022	95.09	Joint liability guarantee			2022.12.30-2023.06.30	Yes	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	January 11, 2023	1,522.5	Joint liability guarantee			2023.01.11-2032.05.26	No	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	January 12, 2023	2,377.5	Joint liability guarantee			2023.01.12-2032.05.26	No	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	January 16, 2023	1,735.86	Joint liability guarantee			2023.01.16-2023.07.16	Yes	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	January 17, 2023	664.14	Joint liability guarantee			2023.01.17-2023.07.17	Yes	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	January 18, 2023	1,200	Joint liability guarantee			2023.01.18-2023.07.18	Yes	No
Yunnan National Titanium Metal	December 7, 2022	190,000	January 29, 2023	122.22	Joint liability guarantee			2023.01.29-2023.07.29	Yes	No

Co., Ltd.										
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	February 23, 2023	2,000	Joint liability guarantee			2023.02.23-2024.02.15	Yes	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	February 24, 2023	91.69	Joint liability guarantee			2023.02.24-2023.08.24	Yes	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	March 10, 2023	2,000	Joint liability guarantee			2023.03.10-2024.02.15	Yes	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	March 13, 2023	6,500	Joint liability guarantee			2023.03.13-2032.05.26	No	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	March 16, 2023	173.42	Joint liability guarantee			2023.03.16-2023.09.16	Yes	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	March 20, 2023	2,000	Joint liability guarantee			2023.03.20-2024.03.20	No	No
Yunnan National Titanium Metal Co., Ltd.	May 19, 2023	105,600	March 24, 2023	105,600	Joint liability guarantee			2023.03.24-2027.06.30	No	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	April 10, 2023	2,400	Joint liability guarantee			2023.04.10-2024.04.03	No	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	April 14, 2023	6,000	Joint liability guarantee			2023.04.14-2032.05.26	No	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	April 20, 2023	1,600	Joint liability guarantee			2023.04.20-2024.04.03	No	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	April 27, 2023	106.57	Joint liability guarantee			2023.04.27-2023.10.27	Yes	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	May 26, 2023	526.88	Joint liability guarantee			2023.05.26-2023.11.26	Yes	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	May 31, 2023	266.75	Joint liability guarantee			2023.05.31-2023.11.30	Yes	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	June 8, 2023	3,000	Joint liability guarantee			2023.06.08-2024.06.08	No	No

Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	June 15, 2023	324.72	Joint liability guarantee			2023.06.15-2023.12.15	Yes	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	June 26, 2023	176.67	Joint liability guarantee			2023.06.26-2023.12.26	Yes	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	July 12, 2023	94.38	Joint liability guarantee			2023.07.12-2024.01.12	No	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	July 20, 2023	286.94	Joint liability guarantee			2023.07.20-2024.01.20	No	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	July 25, 2023	1,240.6	Joint liability guarantee			2023.07.25-2024.01.25	No	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	July 26, 2023	49.7	Joint liability guarantee			2023.07.26-2024.01.26	No	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	July 28, 2023	236.21	Joint liability guarantee			2023.07.28-2024.01.28	No	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	July 19, 2023	3,800	Joint liability guarantee			2023.07.19-2024.01.19	No	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	July 18, 2023	2,000	Joint liability guarantee			2023.07.18-2024.01.18	No	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	August 1, 2023	691.17	Joint liability guarantee			2023.08.01-2024.02.01	No	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	August 8, 2023	232.31	Joint liability guarantee			2023.08.08-2024.02.08	No	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	August 16, 2023	2,960.23	Joint liability guarantee			2023.08.16-2024.02.16	No	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	August 21, 2023	766.58	Joint liability guarantee			2023.08.21-2024.02.21	No	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	August 24, 2023	578.57	Joint liability guarantee			2023.08.24-2024.02.24	No	No
Yunnan	December 7,	190,000	August 30,	2,420	Joint			2023.08.30-	No	No

National Titanium Metal Co., Ltd.	2022		2023		liability guarantee			2024.02.29		
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	August 28, 2023	5,000	Joint liability guarantee			2023.08.28-2024.02.28	No	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	September 19, 2023	559.62	Joint liability guarantee			2023.09.19-2024.03.19	No	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	September 26, 2023	191.9	Joint liability guarantee			2023.09.26-2024.03.26	No	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	September 22, 2023	80	Joint liability guarantee			2023.09.22-2024.03.22	No	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	September 28, 2023	143.74	Joint liability guarantee			2023.09.28-2024.03.28	No	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	October 12, 2023	39.8	Joint liability guarantee			2023.10.12-2024.04.12	No	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	October 16, 2023	187.75	Joint liability guarantee			2023.10.16-2024.04.16	No	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	October 19, 2023	16.18	Joint liability guarantee			2023.10.19-2024.04.19	No	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	October 28, 2023	51.83	Joint liability guarantee			2023.10.28-2024.04.28	No	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	November 10, 2023	267.77	Joint liability guarantee			2023.11.10-2024.05.10	No	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	November 24, 2023	133.99	Joint liability guarantee			2023.11.24-2024.05.24	No	No
Yunnan National Titanium Metal Co., Ltd.	December 7, 2022	190,000	November 30, 2023	420.92	Joint liability guarantee			2023.11.30-2024.05.30	No	No
Jiaozuo Zhongzhou Carbon CO., Ltd.	July 11, 2023	60,000	August 31, 2023	3,000	Joint liability guarantee			2023.08.31-2024.08.30	No	No
Jiaozuo Zhongzhou	July 11, 2023	60,000	August 29, 2023	5,000	Joint liability			2023.08.29-2024.02.29	No	No

Carbon CO., Ltd.					guarantee					
Jiaozuo Zhongzhou Carbon CO., Ltd.	July 11, 2023	60,000	October 20, 2023	5,000	Joint liability guarantee			2023.10.20-2024.04.20	No	No
Jiaozuo Zhongzhou Carbon CO., Ltd.	July 11, 2023	60,000	November 29, 2023	8,000	Joint liability guarantee			2023.11.29-2024.11.29	No	No
Wuding National Titanium Metal Co., Ltd.	December 7, 2023	70,000	October 28, 2023	91	Joint liability guarantee			2023.10.28-2024.04.28	No	No
Total amount of guarantees for subsidiaries approved during the reporting period (B1)		2,620,000		Total actual amount of guarantees for subsidiaries during the reporting period (B2)		1,512,846.36				
Total amount of guarantees for subsidiaries approved at the end of the reporting period (B3)		2,620,000		Total actual balance of guarantees for subsidiaries at the end of the reporting period (B4)		1,507,294.52				
Guarantees between subsidiaries										
Name of guarantee object	Disclosure date of announcement related to guarantee amount	Guarantee amount	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Period of guarantee	Whether the guarantee is fully performed	Whether the guarantee is a guarantee of related parties
Total amount of guarantees for subsidiaries approved during the reporting period (C1)		0		Total actual amount of guarantees for subsidiaries during the reporting period (C2)		0				
Total amount of guarantees for subsidiaries approved at the end of the reporting period (C3)		0		Total actual balance of guarantees for subsidiaries at the end of the reporting period (C4)		0				
Total guarantee amount of the Company (namely the sum of the three items above)										
Total amount of guarantees approved during the reporting period (A1+B1+C1)		2,635,000		Total actual amount of guarantees during the reporting period (A2+B2+C2)		1,512,846.36				
Total amount of guarantees approved at the end of the reporting period (A3+B3+C3)		2,635,000		Total actual balance of guarantee amount at the end of the reporting period (A4+B4+C4)		1,507,294.52				
Proportion of total actual amount of guarantees (i.e. A4+B4+C4) in the Company's net assets		67.04%								

Including:	
Balance of guarantees provided to shareholders, actual controller and their related parties (D)	0
Balance of debt guarantees directly or indirectly provided to guarantee objects with an asset-liability ratio of more than 70% (E)	250,861.59
Amount of guarantees with total guarantee amount exceeding 50% of net assets (F)	371,261.53
Total amount of the above three guarantees (D+E+F)	622,123.12
Note of the circumstance (if any) in which the Company has incurred a guarantee liability during the reporting period or where there is evidence of the possibility of joint and several settlement liability on outstanding guarantee contracts	
Description of external guarantees provided in violation of the prescribed procedures (if any)	

Particulars of composite guarantee

None

3. Cash asset management by means of trusteeship by others

(1) Entrusted wealth management

□ Applicable ☑ Not applicable

The Company was not involved in entrusted finance management during the reporting period.

(2) Entrusted loan

□ Applicable ☑ Not applicable

The Company was not involved in entrusted loan during the reporting period.

4. Other major contracts

□ Applicable ☑ Not applicable

The Company was not involved in other significant contracts during the reporting period.

XVI. Description of Other Major Matters

☑ Applicable □ Not applicable

1. Acquisition, Capital Increase, and Adjustment of Ownership Structures of Subsidiaries

At the 48th meeting of the 7th board of directors and the 49th meeting of the 7th board of supervisors held by the Company on March 10, 2023, the *Proposal for Additional Capital Contribution to Subsidiaries* was reviewed and approved. In alignment with its development strategy and operational needs, and in order to further improve the financial strength and operating capacity of its subsidiaries, the Company intended to make additional capital contribution in the amount of RMB 600,000,000.00 to Longbai Sichuan Titanium Industry Co., Ltd. ("Longbai Sichuan"), one of its subsidiaires, with its own funds at the price of RMB 1.00 per share. Upon completion of this capital increase, the registered capital of Longbai Sichuan would be changed from RMB 800,000,000.00 to RMB 1,400,000,000.00. For details, please refer to the *Announcement on Additional Capital Contribution to Subsidiaries* published by the Company in *China Securities Journal*, *Securities Times* and www.cninfo.com.cn on March 11, 2023.

At the 48th meeting of the 7th board of directors and the 49th meeting of the 7th board of supervisors on March 10, 2023, the *Proposal for Adjustment of Ownership Structures of Subsidiaries* was reviewed and approved. Based on its business development needs, and in order to further implement its development strategy, optimize its organization management system and improve its operation efficiency, the Company intends to accept the transfer of 100% of the shares held by Longbai Sichuan Titanium Industry Co., Ltd. ("Longbai Sichuan Titanium"), one of its subsidiaries, in Gansu Bilions Chemical Co., Ltd. ("Gansu Billions"), and Longbai Sichuan Mining and Metallurgy Co., Ltd. ("Longbai Mining & Metallurgy"), one of the Company's wholly-owned subsidiaries, intends to accept the transfer of 99.9565% of the shares in Panzhihua Revitalization Vanadium and Titanium Resources Equity Investment Center (Limited Partnership) ("Zhenxing Mining"), as held by Panzhihua Vanadium and Titanium Resources Equity Investment Center (Limited Partnership) ("Vanadium and Titanium Resources Equity Investment Center") in Zhenxing Mining. Upon consummation of said share transfers, Billions Chemicals would become a Tier I wholly-owned subsidiary of the Company, and Zhenxing Mining would become one of the direct holding subsidiaries of Longbai Mining & Metallurgy. For details, please refer to the *Announcement on Adjustment of Ownership Structures of Subsidiaries* published by the Company in *China Securities Journal*, *Securities Times* and on www.cninfo.com.cn on March 11, 2023.

At the 2nd meeting of the 8th board of directors and the 2nd meeting of the 8th board of supervisors on April 26, 2023, the *Proposal for Purchase of 100% of the Sharesin Jiaozuo Zhongzhou Carbon Co., Ltd.* was reviewed and approved. For the purpose of guaranteeing the Company's supply of calcined-coke, cathode materials consumables, graphite anode materials consumables, graphite electrode and other carbon materials and further improving the Company's vertically

integrated capacity and comprehensive strength in the supply of anode and cathode materials in new energy area, Henan Zhongtan New Material Technology Co., Ltd. ("Zhongtan New Material"), one of the Company's subsidiaries, intends to purchase 100% of the shares in Jiaozuo Zhongzhou Carbon Co., Ltd. ("Zhongzhou Carbon") at the price of RMB 806,000,000.00 and in cash. Specifically, Zhongtan New Material would purchase 73.92% of the shares in Zhongzhou Carbon from Guangzhou Deyuan VC Investment Partnership (L.P.) ("Guangzhou Deyuan") at the price of RMB 595,794,500.00; purchase 14.90% of the shares in Zhongzhou Carbon from Guangzhou Dexin VC Investment Partnership (L.P.) ("Guangzhou Dexin") at the price of RMB 120,117,400.00; purchase 6.44% of the shares in Zhongzhou Carbon from Henan Lianjian Commerce & Trading Co., Ltd. ("Lianjian Commerce & Trading") at the price of RMB 51,914,800.00; purchase 3.73% of the shares in Zhongzhou Carbon from Ms. SHANG Yufang at the price of RMB 30,029,400.00; and purchase 1.01% of the shares in Zhongzhou Carbon from Mr. SUN Hongtao at the price of RMB 8,144,000.00. The other shareholders of Zhongzhou Carbon waived their right of first refusal to accept the transfer of the shares to be transferred this time. For details, please refer to the *Announcement on Purchase of 100% of the Shares in Jiaozuo Zhongzhou Carbon Co., Ltd.* published by the Company in *China Securities Journal*, *Securities Times* and on www.cninfo.com.cn on April 27, 2023.

At the 5th meeting of the 8th board of directors and the 5th meeting of the 8th board of supervisors on August 24, 2023, the *Proposal for Additional Capital Contribution to Subsidiaries* was reviewed and approved. In alignment with its development strategy and operational needs, and in order to further improve the financial strength and operating capacity of its subsidiaries, Longbai Sichuan Mining and Metallurgy Co., Ltd. ("Longbai Mining and Metallurgy"), one of the Company's wholly-owned subsidiaries, intended to make additional capital contribution in the amount of RMB 900,000,000.00 to Panzhihua Zhenxing Mining Industry Co., Ltd. ("Zhenxing Mining"), one of its wholly-owned subsidiaires, with its own funds at the price of RMB 1.00 per share. Zhenxing Mining, one of the Company's subsidiaries, intended to make additional capital contribution in the amount of RMB 900,002,400.00 to Panzhihua Fengyuan Mining Industry Co., Ltd. ("Fengyuan Mining"), one of its wholly-owned subsidiaries, with its own funds at the price of RMB 1.00 per share. Upon completion of this capital increase, the registered capital of Zhenxing Mining would be changed from RMB 2,301,000,000.00 to RMB 3,201,000,000.00; and the registered capital of Fengyuan Mining would be changed from RMB 211,997,600.00 to RMB 1,112,000,000.00. For details, please refer to the *Announcement on Additional Capital Contribution to Subsidiaries* published by the Company in *China Securities Journal*, *Securities Times* and www.cninfo.com.cn on August 26, 2023.

2. Introduction of Strategic Investors

At the 49th meeting of the 7th board of directors on March 24, 2023, the *Proposal for Introduction of Strategic Investors in Subsidiaries* was reviewed and approved. In order to further improve its comprehensive strength, optimize its corporate governance and enhance its market competitiveness, promote its titanium sponge business, and facilitate its business development, Yunnan National Titanium Metal Co., Ltd. ("Yunnan National Titanium"), one of the Company's subsidiaries, intended to introduce strategic investors into its company. The perspective strategic investors intended to purchase up to 330,000,000 newly issued shares in Yunnan National Titanium in cash (the "Capital Increase") and accept the transfer by Longbai Lufeng Titanium Industry Co., Ltd. ("Lufeng Titanium"), one of Yunnan National Titanium's subsidiaries, of up to 380,000,000 shares in Yunnan National Titanium (the "Share Transfer"), in each case at the price of RMB 3.20 per share. Up to 50 strategic investors were proposed to be introduced to Yunnan National Titanium, including industry investment funds supported and funded by national-level large funds, state-owned investment companies, assets management companies and other investors. In May 2023, the Company, Lufeng Titanium Industry and Yunnan National Titanium, upon authorization by the general meeting of shareholders and the board of directors of the Company, entered into an *Investment Contract in Relation to Yunnan National Titanium Metal Co., Ltd.* and a *Supplement to Investment Contract in Relation to Yunnan National Titanium Metal Co., Ltd.* with 19 strategic investors. As at May 11, 2023, the Company, Lufeng Titanium Industry and Yunnan National Titanium, upon authorization by the general meeting of shareholders and the board of directors of the Company, had entered into related agreements with 19 strategic investors, and Yunnan National Titanium had received the capital contribution made pursuant to the Capital Increase, i.e. RMB 1.056 billion, and Lufeng Titanium had received the price paid for the Share Transfer, i.e. RMB 1.216 billion. For details, please refer to the relevant announcements published by the Company in *China Securities Journal*, *Securities Times* and www.cninfo.com.cn on March 25, 2023, May 11, 2023 and May 19, 2023.

3. Profit Distribution in 2023

The profit distribution plan for the first quarter of 2023 of the Company had been reviewed and approved at the annual general meeting of shareholders 2022 held on May 18, 2023. Pursuant to the profit distribution plan for the first quarter of 2023 of the Company, RMB 6.00 per 10 shares (inclusive of taxes) would be paid to each shareholder in cash based on the total share capital of 2,389,266,956.00 of the Company, totaling RMB 1,433,560,173.6 (tax-inclusive). The profit distribution plan was completely implemented on May 29, 2023.

The profit distribution plan for the third quarter of 2023 of the Company had been reviewed and approved at the 7th extraordinary general meeting of shareholders held on October 31, 2023. Pursuant to the profit distribution plan for the third quarter of 2023 of the Company, RMB 3.00 per 10 shares (tax-inclusive) would be paid to each shareholder in cash

based on the total share capital of 2,386,293,256.00 of the Company, totaling RMB 715,887,976.80 (tax-inclusive). The profit distribution plan was completely implemented on November 8, 2023.

4. Change of Registered Capital of the Company

At the 50th meeting of the 7th board of directors on March 30, 2023 and the 4th extraordinary general meeting of shareholders on April 17, 2023, the *Proposal on Amendment to the Articles of Association of the Company* was reviewed and approved. stating that of the restricted stock incentive recipients initially granted restricted shares under the restricted stock incentive plan 2021, 30 recipients resigned, and the job positions of 2 recipients were changed, and thus, all those recipients are no longer eligible restricted stock incentive recipients, and the number of restricted shares that have been granted to them and in respect of which the conditions for lifting of the restrictions on transfer have not been satisfied is 2,828,700; and that of the restricted stock incentive recipients to whom reserved restricted shares were granted under the restricted stock incentive plan 2021, 19 recipients resigned and thus are no longer eligible restricted stock recipients, and the number of restricted shares that have been granted to them and in respect of which the conditions for lifting of the restrictions on transfer have not been satisfied is 145,000. To sum up, 2,973,700 restricted shares that have been granted and in respect of which the conditions for lifting of the restrictions on transfer have not been satisfied should be repurchased and cancelled by the Company pursuant to its 2021 Restricted Stock Incentive Plan (Revised Draft) this time. Upon completion of the repurchase and cancellation, the registered capital of the Company would be reduced from RMB2,389,266,956 to RMB2,386,293,256. For details, please refer to the *Announcement on Amendment to the Articles of Association* and the *Announcement on the Resolution of the 4th Extraordinary General Meeting in 2023* published by the Company in *China Securities Journal* and *Securities Times* and on www.cninfo.com.cn. on March 31, 2023 and April 18, 2023 respectively.

At the 3rd meeting of the 8th board of directors on June 5, 2023, the Proposal for *Repurchase and Cancellation of Certain Restricted Shares* was reviewed and approved. Now that of the restricted stock incentive recipients initially granted restricted shares under the stock ownership incentive plan, in addition to 1 recipient against whom a determination that part of the restricted shares then held by him/her should be repurchased and cancelled though he/she was “qualified” in the annual performance evaluation 2022, 13 recipients resigned, and 4 recipients died, and thus, all those recipients are no longer eligible restricted stock incentive recipients, the board of directors resolved that 521,100 restricted shares that have been granted to them and in respect of which the conditions for lifting of the restrictions on transfer have not been satisfied should be repurchased and cancelled, accounting for 0.0218% of the total share capital of the Company, i.e. 2,389,266,956 shares. Upon completion of said cancellation, the number of restricted shares initially granted under the stock ownership incentive plan in respect of which the conditions for lifting of the restrictions on transfer have not been

satisfied would be adjusted from 80,859,000 to 80,337,900, and the number of restricted stock incentive recipients initially granted restricted shares under the stock ownership incentive plan would be adjusted from 4,699 to 4,682. Now that of the restricted stock incentive recipients to whom reserved restricted shares were granted under the stock ownership incentive plan, in addition to 1 recipient against whom a determination that part of the restricted shares then held by him/her should be repurchased and cancelled though he/she was "qualified" in the annual performance evaluation 2022, and 1 recipient against whom a determination that all of the restricted shares then held by him/her should be repurchased and cancelled for he/she was "disqualified" in the annual performance evaluation 2022, 12 recipients resigned, and thus, all those recipients are no longer eligible restricted stock incentive recipients, the board of directors resolved that 70,750 restricted shares that have been granted to them and in respect of which the conditions for lifting of the restrictions on transfer have not been satisfied should be repurchased and cancelled, accounting for 0.0030% of the total share capital of the Company, i.e. 2,389,266,956 shares. Upon completion of said cancellation, the number of reserved restricted shares under the stock ownership incentive plan in respect of which the conditions for lifting of the restrictions on transfer have not been satisfied would be adjusted from 9,600,000 to 9,529,250, and the number of restricted stock incentive recipients granted reserved restricted shares under the stock ownership incentive plan would be adjusted from 793 to 781. This repurchase and cancellation of restricted shares involves 29 incentive recipients (including 3 incentive recipients to whom restricted shares were initially granted and reserved restricted shares were also granted under the restricted stock incentive plan) and 591,850 restricted shares. Upon completion of said cancellation, the total share capital of the Company would be reduced from 2,386,293,256 to 2,385,701,406. For details, please refer to the *Announcement on Repurchase and Cancellation of Certain Restricted Shares* and the *Announcement on the Resolution of the 5th Extraordinary General Meeting in 2023*, published by the Company in *China Securities Journal* and *Securities Times* and on www.cninfo.com.cn. on June 7, 2023 and July 11, 2023 respectively. The Company is currently working on the formalities required to be completed in connection with said repurchase and cancellation of shares.

At the 7th Meeting of the 8th Board of Directors and 7th Meeting of the 8th Board of Supervisors on October 18, 2023, the *Proposal on Repurchase and Cancellation of Certain Restricted Shares* was reviewed and approved, stating that now that of the restricted stock incentive recipients initially granted restricted shares under the stock ownership incentive plan, in addition to 1 recipient who is no longer eligible restricted stock incentive recipient due to change of his job position after he caused damages to the interests of the Company by violating the code of professional ethics and committing dereliction of duty, 54 recipients resigned, and 2 recipients died, and thus, all those recipients are no longer eligible restricted stock incentive recipients, the board of directors resolves that 831,000 restricted shares (accounting for 0.0348% of the total share capital of the Company, i.e. 2,386,293,256) that have been granted to them and in respect of which the conditions

for lifting of the restrictions on transfer have not been satisfied should be repurchased and cancelled by the Company. Upon completion of said cancellation, the number of restricted shares initially granted under the stock ownership incentive plan in respect of which the conditions for lifting of the restrictions on transfer have not been satisfied would be adjusted from 80,337,900 to 79,506,900, and the number of restricted stock incentive recipients initially granted restricted shares under the stock ownership incentive plan would be adjusted from 4,682 to 4,625. The said proposal also states that now that of the restricted stock incentive recipients to whom reserved restricted shares were granted under the restricted stock incentive plan, 27 recipients resigned and thus are no longer eligible restricted stock recipients, the board of directors resolves that 212,500 restricted shares (accounting for 0.00891% of the total share capital of the Company, i.e. 2,386,293,256) that have been granted to them and in respect of which the conditions for lifting of the restrictions on transfer have not been satisfied should be repurchased and cancelled by the Company. Upon completion of said cancellation, the number of reserved restricted shares granted under the stock ownership incentive plan in respect of which the conditions for lifting of the restrictions on transfer have not been satisfied would be adjusted from 9,529,250 to 9,316,750, and the number of restricted stock incentive recipients to whom reserved restricted shares were granted under the stock ownership incentive plan would be adjusted from 781 to 754. This repurchase and cancellation of restricted shares involves 84 incentive recipients and 1,043,500 restricted shares. Upon completion of said cancellation, the total share capital of the Company would be reduced from 2,385,701,406 to 2,384,657,906. For details, please refer to the *Announcement on Repurchase and Cancellation of Certain Restricted Shares* and the *Announcement on the Resolution of the 7th Extraordinary General Meeting in 2023*, published by the Company in *China Securities Journal* and *Securities Times* and on www.cninfo.com.cn. on October 19, 2023 and October 31, 2023 respectively. The Company is currently working on the formalities required to be completed in connection with said repurchase and cancellation of shares.

5. Increase in Shareholding in the Company by Its Controlling Shareholder and Certain Directors, Supervisors and Officers

Based on their confidence on the future development of the Company, and in order to support the long-term sound development of the Company, the controlling shareholder and some directors, supervisors and officers of the Company intended to increase their shareholding in the Company by at least RMB 94,000,000.00 and at a price no higher than RMB 20.00 per share by way of collective bidding in the period from October 27, 2022 through April 26, 2023. For details, please refer to the *Announcement on the Plan to Increase Shareholding in the Company by Its Controlling Shareholder and Certain Directors, Supervisors and Officers* published by the Company in *China Securities Journal, Securities Times* and on www.cninfo.com.cn on October 27, 2022.

Up to January 29, 2023, half of the time specified for completion of the plan to increase shareholding in the Company had passed. The controlling shareholder and certain directors, supervisors and officers of the Company had increased their shareholding in the Company by 742,200 shares in the aggregate by way of collective bidding, representing 0.03% of the total share capital of the Company, i.e. 2,390,145,256, and had paid additional capital contribution in the aggregate amount of RMB 12,285,400.00 to the Company in exchange for such increased shareholding, accounting for 13.07% of the committed additional capital contribution under the shareholding increase plan. For details, please refer to the *Announcement on Completion of Half of the Time Specified for Completion of the Plan to Increase Shareholding in the Company by Its Controlling Shareholder and Certain Directors, Supervisors and Officers* published by the Company in *China Securities Journal*, *Securities Times* and on www.cninfo.com.cn on January 30, 2023.

At the 47th meeting of the 7th board of directors and the 48th meeting of the 7th board of supervisors on January 29, 2023, the *Proposal for Adjustment of the Plan to Increase Shareholding in the Company by Its Controlling Shareholder and Certain Directors, Supervisors and Officers* was reviewed and approved, stating that due to the fact that the average stock price of the shares of the Company currently prevailing in the market is higher than the maximum price specified for the shareholding increase plan, as well as due to various objective factors, including existence of quiet period surrounding periodic reporting, as well as market close during public holidays, etc., the participants in the shareholding increase plan might be unable to increase their shareholding in the Company as originally planned. In order to enable the continuance of the shareholding increase plan, and based on their recognition of the long-term value of the Company, the participants voluntarily agreed that the original maximum price for acquisition of additional shares in the Company, i.e. RMB 20 per share, should be changed to RMB 30 per share. Except for said price change, all terms of the shareholding increase plan remained unchanged. For details, please refer to the *Announcement on the Plan to Increase Shareholding in the Company by Its Controlling Shareholder and Certain Directors, Supervisors and Officers* and the *Announcement on the Resolutions of the 2nd Extraordinary General Meeting of Shareholders in 2023* published by the Company in China Securities Journal, Securities Times and on www.cninfo.com.cn on January 30, 2023 and February 15, 2023 respectively.

As at April 26, 2023, the time specified for completion of the shareholding increase plan had expired, and the participants had increased their shareholding in the Company by RMB 93,059,500.00 in the aggregate. The time specified for completion of the shareholding increase plan had expired, and Mr. XU Gang, Mr. HE Benliu, Mr. CHANG Yili, Mr. SHEN Qingfei, Mr. ZHANG Gang, Mr. WU Pengsen, Mr. ZHANG Haitao and Mr. CHEN Jianli had fully completed the shareholding increase plan. In the course of implementation of the shareholding increase plan, Mr. YANG Minle had been active in increasing his shareholding in the Company, but due to the restriction that Mr. YANG, as member of the 7th board of directors of the Company, should not trade in the shares of the Company in a sensitive period surrounding the

periodic reporting by the Company, Mr. YANG failed to fully complete the shareholding increase plan. For details, please refer to the *Announcement on Expiration of the Time Specified for Completion of the Plan to Increase Shareholding in the Company by Its Controlling Shareholder and Certain Directors, Supervisors and Officers* published by the Company in *China Securities Journal*, *Securities Times* and on www.cninfo.com.cn on April 28, 2023.

Mr. YANG Minle received a Decision to Issue an Order for Correction against YANG Minle (Administrative and Regulatory Action Decision No. 74 of 2023) from Henan Branch of China Securities Regulatory Commission. As at December 28, 2023, Mr. YANG Minle had increased his shareholding in the Company by RMB 10,008,500.00 in pursuance of his commitment and in accordance with the requirements set forth in said decision and had submitted a written report on his correction of the failure to complete the shareholding increase plan to Henan Branch of China Securities Regulatory Commission within the specified time. Mr. YANG had fully completed the shareholding increase plan. For details, please refer to the *Announcement on Full Completion by Former Director Mr. YANG Minle of the Plan to Increase Shareholding in the Company* published by the Company in C*hina Securities Journal*, *Securities Times* and on www.cninfo.com.cn on December 29, 2023.

6. Establishment of Additional Subsidiaries

At the 7th meeting of the 8th board of directors and the 7th meeting of the 8th board of supervisors on October 18, 2023, the *Proposal for Establishment of Additional Subsidiaries* was reviewed and approved. In alignment with the requirements of the Company's business operations and strategic development, and for the purposes of further enhancing the Company's ability in the supply of raw materials and implementing the strategy "innovation-driven green development", Wuding National Titanium Metal Co., Ltd. ("Wuding National Titanium"), one of the Company's subsidiaries, intended to establish and make capital contribution in the amount of RMB 270,000,000.00 to a wholly-owned subsidiary named "Yunnan National Titanium Resource Development Co., Ltd." (subject to approval by the competent administration for market regulation) ("National Titanium Resource"). It was proposed that National Titanium Resource and Wuding Kuangtou Mineral Resource Development Co., Ltd. ("Wuding Kuangtou") jointly establish a company named "Wuding National Titanium Minerals Co., Ltd." (subject to approval by the competent administration for market regulation) ("Wuding Minerals") and make capital contribution in the aggregate amount of RMB 300,000,000.00 to the company, including RMB 270,000,000.00 to be paid by National Titanium Resource and RMB 30,000,000.00 to be paid by Wuding Kuangtou. For details, please refer to the *Announcement on Establishment of Additional Subsidiaries* published by the Company in *China Securities Journal*, *Securities Times* and on www.cninfo.com.cn on October 19, 2023.

At the 9th meeting of the 8th board of directors, the 9th meeting of the 8th board of supervisors and the 8th extraordinary general meeting of shareholders in 2023 respectively on November 21, 2023 and December 7, 2023, the

Announcement on Establishment of a Joint Venture in the Form of Industry Investment Partnership was reviewed and approved, pursuant to which the Company and its wholly-owned subsidiaries Longbai Sichuan and Longbai Mining and Metallurgy and Henan Yunke Enterprise Management Consulting Co., Ltd. and Henan Zhuoyi Industry Investment Co., Ltd., a newly established wholly-owned subsidiary of Jiaozuo Tongcai Venture Capital Investment Co., Ltd., intended to jointly establish and make capital contribution to a joint venture named "Henan Caiyuan Yifeng Industry Investment Partnership (Limited Partnership)". The total capital contribution to the proposed industry investment partnership was RMB 3.5 billion. Specifically, Henan Yunke Enterprise Management Consulting Co., Ltd. was the general partner and executive partner and manager of and subscribed for the capital in the amount of RMB 70,000,000.00 in the proposed partnership, accounting for 2% of the registered capital of the proposed partnership; Henan Zhuoyi Industry Investment Co., Ltd. was a limited partner of and subscribed for the capital in the amount of RMB 1.715 billion in the proposed partnership, accounting for 49% of the registered capital of the proposed partnership; the Company was a limited partner of and subscribed for the capital in the amount of RMB 770,000,000.00 in the proposed partnership, accounting for 22% of the registered capital of the proposed partnership; Longbai Sichuan was a limited partner of and subscribed for the capital in the amount of RMB 525,000,000.00 in the proposed partnership, accounting for 15% of the registered capital of the proposed partnership; and Longbai Mining and Metallurgy was a limited partner of and subscribed for the capital in the amount of RMB 420,000,000.00 in the proposed partnership, accounting for 12% of the registered capital of the proposed partnership. For details, please refer to the relevant announcement(s) published by the Company on the designated information disclosure media, namely, *China Securities Journal*, *Securities Times* and www.cninfo.com.cn, on November 22, 2023 and December 8, 2023.

7. Spin-off of Subsidiary for Listing

At the ninth meeting of the eighth board of directors and the ninth meeting of the eighth board of supervisors on November 21, 2023 and the eighth extraordinary general meeting of shareholders in 2023 on December 7, 2023, the *Proposal for Initial Public Offering of Shares and Listing of Yunnan National Titanium Metal Co., Ltd. on the Main Board Market of Shenzhen Stock Exchange* was reviewed and approved. It was proposed that Yunnan National Titanium be spun off for listing on the Main Board Market of Shenzhen Stock Exchange. Upon consummation of the proposed spin-off, and through its separate listing, Yunnan National Titanium could increase its financial strength and obtain access to more financing channels and would extend its industrial distribution to those downstream industries directly associated with its business at the right timing while continuing to strengthen and develop its titanium sponge business and further increasing its market competitiveness. Proposed Stock Exchange: SSE Main Board Market. Proposed Class of Shares: Ordinary shares (i.e. Class A shares) denominated in RMB to be listed in China. Proposed Nominal Value per Share: RMB 1.00.

Prospective Investors: Eligible book-building participants, as well as individual, corporate and other institutional investors maintaining Class A securities accounts with SSE (other than those persons prohibited by the laws, regulations, rules and normative documents prevailing in China). Proposed Timing of Initial Public Offering: The initial public offering would be conducted at a right timing within 12 months from the date when approval has been obtained from SSE and registration has been made with CSRC, and after approval has been obtained from SSE and registration has been made with CSRC, the board of directors of Yunnan National Titanium, upon authorization by the general meeting of shareholders of the company, would determine the specific date when the initial public offering should commence. For details, please refer to the relevant announcement(s) published by the Company on the designated information disclosure media, namely, *China Securities Journal*, *Securities Times* and www.cninfo.com.cn, on November 22, 2023 and December 8, 2023.

XVII. Major Events of Subsidiaries of the Company

☑ Applicable □ Not applicable

1. Shanghai Lomon Billions Technical Service Co., Ltd.

Shanghai Lomon Billions Technical Service Co., Ltd., one of the Company's subsidiaries, received the *High-tech Enterprise Certificate* issued by Shanghai Municipal Commission of Science and Technology, Shanghai Municipal Finance Bureau and Shanghai Municipal Tax Service, State Taxation Administration on March 7, 2023.

3. Longbai Mining and Metallurgy Co., Ltd.

At the first shareholders' meeting of Longbai Sichuan Mining and Metallurgy, one of the Company's holding subsidiaries, in 2023 held on March 24, 2023, it was resolved that pursuant to its profit distribution plan, and based on the total share capital of 520,000,000 as at December 31, 2022, Longbai Sichuan Mining and Metallurgy would pay RMB 30.76923 per 10 shares (tax-inclusive) to each shareholder in cash and out of its undistributed profits, totaling RMB 1.6 billion (tax-inclusive); and at the fourth shareholders' meeting of Longbai Sichuan Mining and Metallurgy, one of the Company's holding subsidiaries, in 2023 held on September 22, 2023, it was resolved that pursuant to its profit distribution plan, and based on the total share capital of 520,000,000 as at June 30, 2023, Longbai Sichuan Mining and Metallurgy would pay RMB 7.6923 per 10 shares (tax-inclusive) to each shareholder in cash and out of its undistributed profits, totaling RMB 400,000,000.00 (tax-inclusive).

3. Hunan Oriental Scandium Industry Co., Ltd.

At the Annual General Meeting 2022 of Hunan Oriental Scandium, one of the Company's holding subsidiaries, held on March 19, 2023, the *Profit Distribution Plan 2022* was reviewed and approved, planning to distribute cash dividends of

RMB2 (tax-inclusive) for every 10 shares to all shareholders based on its total share capital of 127,600,000 shares as at December 31, 2022, totaling RMB 25,520,000 (tax-inclusive).

4. Guangdong Orient Zirconic Industry Co.,Ltd.

At the first extraordinary general meeting of shareholders in 2023 on January 13, 2023 and the first meeting of the eighth board of directors and the first meeting of the eighth board of supervisors on January 16, 2023, Guangdong Orient Zirconic Industry Co., Ltd. completed the reelection and appointment of the members of its board of directors and board of supervisors, as well as its officers, principals of internal audit and securities representative.

Following the satisfaction of the conditions for lifting restrictions on transfer for the second lock-up period of the restricted shares initially granted and for the first lock-up period of the reserved restricted shares granted under 2021 Restricted Stock Ownership Incentive Plan, on April 17, 2023, Guangdong Orient Zirconic Industry Co.,Ltd. lifted the restrictions on transfer of 21,412,500 restricted shares, which had been listed for trading on April 26, 2023.

5. Longbai Sichuan Titanium Industry Co., Ltd.

On September 25, 2023, Longbai Sichuan Titanium Industry Co., Ltd., one of the Company’s holding subsidiaries, distributed its profits remaining undistributed as at June 30, 2023, in which based on its total share capital of 1,400,000,000 shares as at June 30, 2023, RMB 2.8571 per 10 shares (tax-inclusive) was paid to each shareholder in cash and out of its undistributed profits, totaling RMB 400,000,000.00 (tax-inclusive).

6. Billions Finance Lease (Guangzhou) Co., Ltd.

On July 30, 2023, Billions Finance Lease (Guangzhou) Co., Ltd., one of the Company’s holding subsidiaries, distributed its profits remaining undistributed as at June 30, 2023, in which based on its total share capital of 274,500,000 shares as at June 30, 2023, RMB 2.00 per 10 shares (tax-inclusive) was paid to each shareholder in cash and out of its undistributed profits, totaling RMB 54,900,000.00 (tax-inclusive).

Section VII Changes in Shares and Profile of Shareholders

I. Changes in Shares

1. Changes in shares

Unit: Share

	Before this change		Increase and decrease (+, -) in this change					After this change	
	Number of shares	Percentage	Newly issued shares	Shares donated	Shares converted from provident fund	Other	Subtotal	Number of shares	Percentage
I. Restricted shares	731,401,926	30.60%				-667,617,181	-667,617,181	63,784,745	2.67%
1. Shares held by state									
2. Shares held by state-owned legal person									
3. Shares held by other domestic entities	731,041,926	30.59%				-667,437,181	-667,437,181	63,604,745	2.67%
Including: Shares held by legal person at home									
Shares held by domestic natural person	731,041,926	30.59%				-667,437,181	-667,437,181	63,604,745	2.67%
4. Shares held by foreign entities	360,000	0.02%				-180,000	-180,000	180,000	0.01%
Including: Shares held by overseas legal person									
Shares held by overseas legal person	360,000	0.02%				-180,000	-180,000	180,000	0.01%
II. Shares without restrictions on sales	1,658,743,330	69.40%				663,765,181	663,765,181	2,322,508,511	97.33%
1. Common shares in RMB	1,658,743,330	69.40%				663,765,181	663,765,181	2,322,508,511	97.33%
2. Domestically listed foreign shares									
3. Foreign shares listed overseas									
4. Other									
III. Total shares	2,390,145,256	100.00%				-3,852,000	-3,852,000	2,386,293,256	100.00%

Reasons leading to changes in shares

☑ Applicable □ Not applicable

1. On April 19, 2023, the Company completed the formalities required to be completed in connection with its repurchase and cancellation of certain restricted shares granted under the restricted stock incentive plan 2021. 86 incentive recipients are no longer eligible incentive recipients, and the number of restricted shares granted to them in respect of which the

restrictions on transfer have not been lifted is 878,300, and the total share capital of the Company would be reduced from 2,390,145,256 to 2,389,266,956.

2. On September 12, 2023, the Company completed the formalities required to be completed in connection with its repurchase and cancellation of certain restricted shares granted under the restricted stock incentive plan 2021. 49 incentive recipients are no longer eligible incentive recipients, and the number of restricted shares granted to them in respect of which the restrictions on transfer have not been lifted is 2,973,700, and the total share capital of the Company would be reduced from 2,389,266,956 to 2,386,293,256.

3. The number of the incentive recipients who had satisfied the conditions for lifting restrictions on transfer for the second lock-up period of the restricted shares initially granted under 2021 Restricted Stock Ownership Incentive Plan was 4,681, and the number of such restricted shares in respect of which the restrictions on transfer could be lifted was 39,317,550; and the number of the incentive recipients who had satisfied the conditions for lifting restrictions on transfer for the first lock-up period of the reserved restricted shares granted under 2021 Restricted Stock Ownership Incentive Plan was 780, and the number of such restricted shares in respect of which the restrictions on transfer could be lifted was 4,763,000. As confirmed by the China Securities Depository and Clearing Corporation Limited Shenzhen Branch, the restricted shares in respect of which the restrictions on transfer were lifted this time could be listed for trading on July 6, 2023.

4. The number of the incentive recipients who had satisfied the conditions for lifting restrictions on transfer for the second lock-up period of the deferred restricted shares granted under 2021 Restricted Stock Ownership Incentive Plan was 1, and the number of such restricted shares in respect of which the restrictions on transfer could be lifted was 840,000. As confirmed by the China Securities Depository and Clearing Corporation Limited Shenzhen Branch, the restricted shares in respect of which the restrictions on transfer were lifted this time could be listed for trading on September 25, 2023.

5. In April 2023, the Company completed reelection of its directors, supervisors and officers and elected and appointed the eighth team of directors, supervisors and officers. Mr. XU Gang, Mr. TAN Ruiqing, Mr. CHANG Yili, Mr. YANG Minle and Mr. ZHANG Gang were no longer directors or supervisors of the Company, and Mr. YAN Ming and Mr. ZHU Quanfang had also resigned from the offices of executive. Upon expiration of half year following their resignation, all the locked shares held by them as senior executives had become unrestricted shares, and as a result, the total number of locked shares held by senior executives had been reduced by 618,844,631.

To sum up, the total number of locked shares held by senior executives is reduced by 618,844,631, the total number of restricted shares granted as stock ownership incentives is reduced by 44,920,550 after the lifting the restrictions on transfer of those restricted shares, the total number of restricted shares granted as stock ownership incentives is reduced by 3,852,000 after the repurchase and cancellation of those restricted shares. As a result, the total number of restricted shares

is reduced by 667,617,181, the total number of unrestricted shares is increased by 663,765,181, and the total number of shares is reduced by 3,852,000.

Approval on changes in shares

☑ Applicable □ Not applicable

1. At the 45th Meeting of the 7th Board of Directors and 46th meeting of the 7th Board of Supervisors on December 6, 2022, the *Proposal on Repurchase and Cancellation of Certain Restricted Shares* and the *Proposal on Amendment to the Articles of Association of the Company* were reviewed and approved, stating that now that of the restricted stock incentive recipients initially granted restricted shares under the stock ownership incentive plan, in addition to 1 recipient who is no longer eligible restricted stock incentive recipients for some other reason, 55 recipients resigned, 7 recipients retired, 5 recipients died of illness, and thus, all those recipients are no longer eligible restricted stock incentive recipients, 648,300 restricted shares that have been granted to them and in respect of which the conditions for lifting of the restrictions on transfer have not been satisfied should be repurchased and cancelled by the Company pursuant to its Restricted Stock Incentive Plan (Revised Draft); and that now that of the restricted stock incentive recipients to whom reserved restricted shares were granted, 21 recipients resigned and thus are no longer eligible restricted stock recipients, 230,000 restricted shares that have been granted to them and in respect of which the conditions for lifting of the restrictions on transfer have not been satisfied should be repurchased and cancelled by the Company pursuant to its Restricted Stock Incentive Plan (Revised Draft). To sum up, 878,300 restricted shares that have been granted and in respect of which the conditions for lifting of the restrictions on transfer have not been satisfied should be repurchased and cancelled by the Company pursuant to its Restricted Stock Incentive Plan (Revised Draft) this time. The independent directors of the Company expressed concurred independent opinions on the aforesaid issues.

At the 7th extraordinary general meeting of shareholders of the Company on December 22, 2022, the *Proposal on Amendment to the Articles of Association of the Company* was reviewed and approved, and an *Announcement on Reduction of Registered Capital* was published on December 23, 2022. In April 2023, the Company completed the corporate change registration formalities required to be completed in connection with the reduction of its registered capital. As reviewed and confirmed by the China Securities Depository and Clearing Corporation Limited Shenzhen Branch, the Company completed said repurchase and cancellation of restricted shares on April 19, 2023.

2. At the 50th Meeting of the 7th Board of Directors and 51st meeting of the 7th Board of Supervisors on March 30, 2023, the *Proposal on Repurchase and Cancellation of Certain Restricted Shares* and the *Proposal on Amendment to the Articles of Association of the Company* were reviewed and approved, stating that now that of the restricted stock incentive recipients initially granted restricted shares under the stock ownership incentive plan, 30 recipients resigned, and the job

positions of 2 recipients were changed, and thus, all those recipients are no longer eligible restricted stock incentive recipients, 2,828,700 restricted shares that have been granted to them and in respect of which the conditions for lifting of the restrictions on transfer have not been satisfied should be repurchased and cancelled by the Company pursuant to its Restricted Stock Incentive Plan (Revised Draft); and that now that of the restricted stock incentive recipients to whom reserved restricted shares were granted, 19 recipients resigned and thus are no longer eligible restricted stock recipients, 145,000 restricted shares that have been granted to them and in respect of which the conditions for lifting of the restrictions on transfer have not been satisfied should be repurchased and cancelled by the Company pursuant to its Restricted Stock Incentive Plan (Revised Draft). To sum up, 2,973,700 restricted shares that have been granted and in respect of which the conditions for lifting of the restrictions on transfer have not been satisfied should be repurchased and cancelled by the Company pursuant to its Restricted Stock Incentive Plan (Revised Draft) this time. The independent directors of the Company expressed concurred independent opinions on the aforesaid issues.

At the 4th extraordinary general meeting of shareholders of the Company on April 17, 2023, the *Proposal on Amendment to the Articles of Association of the Company* was reviewed and approved, and an *Announcement on Reduction of Registered Capital* was published on April 18, 2023. As reviewed and confirmed by the China Securities Depository and Clearing Corporation Limited Shenzhen Branch, the Company completed said repurchase and cancellation of restricted shares on September 12, 2023.

3. At the 3rd meeting of the 8th board of directors and the 3rd meeting of the 8th board of supervisors on June 5, 2023, the *Proposal Concerning the Satisfaction of the Conditions for Lifting Restrictions on Transfer for the 2nd Lock-up Period of the Restricted Shares Initially Granted and the 1st Lock-up Period of Reserved Restricted Shares Granted under 2021 Restricted Stock Ownership Incentive Plan* was reviewed and approved, authorizing the Company to deal with the matters concerning the lifting of the restrictions on transfer of restricted shares in favor of those incentive recipients who had satisfied such conditions pursuant to the relevant provisions of the 2021 Restricted Stock Ownership Incentive Plan. The independent directors of the Company approved of the proposal, and the board of supervisors issued its supervisory opinions about the proposal.

Specifically, the number of the incentive recipients who had satisfied the conditions for lifting restrictions on transfer for the second lock-up period of the restricted shares initially granted under the Restricted Stock Ownership Incentive Plan was 4,681, and the number of such restricted shares in respect of which the restrictions on transfer could be lifted was 39,317,550, and said second lock-up period expired on July 1, 2023; and the number of the incentive recipients who had satisfied the conditions for lifting restrictions on transfer for the first lock-up period of the reserved restricted shares granted under the Restricted Stock Ownership Incentive Plan was 780, and the number of such restricted shares in respect

of which the restrictions on transfer could be lifted was 4,763,000, and said first lock-up period expired on July 5, 2023. As reviewed and confirmed by the China Securities Depository and Clearing Corporation Limited Shenzhen Branch, the restricted shares in respect of which the restrictions on transfer were lifted this time could be listed for trading on July 6, 2023.

The number of incentive recipients who had satisfied the conditions for lifting of the restrictions on transfer for the 2nd lock-up period of the restricted shares the grant of which was deferred was 1, namely, HE Benliu, the chairman of the Company; the number of such restricted shares in respect of which the restrictions on transfer could be lifted was 840,000; and said 2 nd lock-period would expire on September 23, 2023. As reviewed and confirmed by the China Securities Depository and Clearing Corporation Limited Shenzhen Branch, the restricted shares in respect of which the restrictions on transfer were lifted this time could be listed for trading on September 25, 2023.

Transfer related to changes in shares

□ Applicable ☑ Not applicable

Impact of changes in shares on such financial indicators as basic earnings per share and diluted earnings per share for the most recent year and the most recent period, and net assets per share attributable to common shareholders of the Company

☑ Applicable □ Not applicable

In this reporting period, the share capital of the Company has been reduced due to the repurchase and cancellation of certain restricted shares, which in turn results in its basic earnings per share, diluted earnings per share, net asset value per share attributable to common shareholders and other financial indicators in the most recent period varying to some extent in comparison to the previous period.

Other content that the Company deems necessary or required by the securities regulator

□ Applicable ☑ Not applicable

2. Changes in restricted shares

☑ Applicable □ Not applicable

Unit: Share

Name of shareholder	Number of restricted shares at the beginning of the period	Number of restricted shares added in current period	Number of restricted shares released in current period	Number of restricted shares at the end of the period	Reason for restriction on sales	Date of restriction release
XU Gang	468,173,827		468,173,827	0	Not applicable	Not applicable
TAN Ruiqing	148,038,529		148,038,529	0	Not applicable	Not applicable
YANG Minle	5,493,094		3,813,094	1,680,000	Restricted shares granted as stock ownership incentives.	The restrictions on transfer of restricted shares granted as stock ownership incentives are to be lifted in batches pursuant to the relevant provisions of the *2021 Restricted Stock Incentive Plan (Revised Draft)*.
CHANG Yili	3,618,750		2,718,750	900,000	Restricted shares granted as stock ownership incentives.	The restrictions on transfer of restricted shares granted as stock ownership incentives are to be lifted in batches pursuant to the relevant provisions of the *2021 Restricted Stock Incentive Plan (Revised Draft)*.
ZHANG Gang	6,900		6,900	0	Not applicable	Not applicable
FENG Jun	1,086,150		1,086,150	0	Not applicable	Not applicable
YAN Ming	1,125,000		675,000	450,000	Restricted shares granted as stock ownership incentives.	The restrictions on transfer of restricted shares granted as stock ownership incentives are to be lifted in batches pursuant to the relevant provisions of the *2021 Restricted Stock Incentive Plan (Revised Draft)*.
ZHU Quanfang	305,306		305,306	0	Not applicable	Not applicable
LIN Ping	24,000		16,800	7,200	Locked shares held by senior executives.	Such shares were disposed of according to relevant rules locked shares held by senior executives.
HE Benliu	14,825,583		0	14,825,583	Locked shares held by senior executives: 13,985,583 shares; Restricted shares granted as stock ownership incentives: 840,000 shares.	The locked shares held by senior executives are to be treated pursuant to the relevant regulations; and the restrictions on transfer of restricted shares granted as stock ownership incentives are to be lifted in batches pursuant to the relevant provisions of the *2021 Restricted Stock Incentive Plan (Revised Draft)*, and any such restricted shares in respect of which the restrictions on transfer have been lifted are treated pursuant to the regulations applicable to locked shares held by senior executives.
WU Pengsen	1,548,750		0	1,548,750	Locked shares held by senior executives: 948,750 shares; Restricted shares granted as stock ownership incentives: 600,000 shares.	The locked shares held by senior executives are to be treated pursuant to the relevant regulations; and the restrictions on transfer of restricted shares granted as stock ownership incentives are to be lifted in batches pursuant to the relevant provisions of

						the *2021 Restricted Stock Incentive Plan (Revised Draft)*, and any such restricted shares in respect of which the restrictions on transfer have been lifted are treated pursuant to the regulations applicable to locked shares held by senior executives.
SHEN Qingfei	2,615,212	21,075		2,636,287	Locked shares held by senior executives: 1,796,287 shares; Restricted shares granted as stock ownership incentives: 840,000 shares.	The locked shares held by senior executives are to be treated pursuant to the relevant regulations; and the restrictions on transfer of restricted shares granted as stock ownership incentives are to be lifted in batches pursuant to the relevant provisions of the *2021 Restricted Stock Incentive Plan (Revised Draft)*, and any such restricted shares in respect of which the restrictions on transfer have been lifted are treated pursuant to the regulations applicable to locked shares held by senior executives.
CHEN Jianli	1,762,500	20,250		1,782,750	Locked shares held by senior executives: 1,182,750 shares; Restricted shares granted as stock ownership incentives: 600,000 shares.	The locked shares held by senior executives are to be treated pursuant to the relevant regulations; and the restrictions on transfer of restricted shares granted as stock ownership incentives are to be lifted in batches pursuant to the relevant provisions of the *2021 Restricted Stock Incentive Plan (Revised Draft)*, and any such restricted shares in respect of which the restrictions on transfer have been lifted are treated pursuant to the regulations applicable to locked shares held by senior executives.
ZHANG Haitao	1,503,600		1,185,600	318,000	Locked shares held by senior executives.	Such shares were disposed of according to relevant rules locked shares held by senior executives.
DU Weili	7,725		0	7,725	Locked shares held by senior executives.	Such shares were disposed of according to relevant rules locked shares held by senior executives.
Non-directors, non-supervisors and non-officers are holding restricted-sale shares	81,267,000		41,638,550	39,628,450	Restricted shares granted as stock ownership incentives.	The restrictions on transfer of restricted shares granted as stock ownership incentives are to be lifted in batches pursuant to the relevant provisions of the *2021 Restricted Stock Incentive Plan (Revised Draft)*.
Total	731,401,926	41,325	667,658,506	63,784,745	--	--

II. Issuance and Listing of Securities

1. Issuance of securities (excluding preferred shares) during the reporting period

□ Applicable ☑ Not applicable

2. Description of changes in the Company's total shares and shareholder structure, as well as changes in the Company's assets and liabilities structure

☑ Applicable □ Not applicable

Please refer to "Section VII Changes in Shares and Profile of Shareholders" and "Section X Financial Report" hereunder.

3. Existing internal employee shares

□ Applicable ☑ Not applicable

III. Shareholders and Actual Controller

1. Number and shareholding of the Company's shareholders

Unit: Share

Total number of common shareholders at the end of the reporting period	110,428	Total number of common shareholders at the end of the previous month before disclosure of annual report	99,804	Total number of preferred shareholders with voting rights restored at the end of the reporting period (if any) (see Note 8)	0	Total number of preferred shareholders whose voting rights were restored at the end of previous month before disclosure of annual report (if any) (see Note 8)	0

Information on shareholding by the shareholders individually holding 5% or more of the shares in the Company or the top 10 shareholders (excluding shares lent through refinancing)

Name of shareholder	Nature of shareholder	Shareholding ratio	Number of shares held at the end of the reporting period	Increase and decrease of shares during the reporting period	Number of restricted shares held	Number of unrestricted shares held	Pledging, marking or freezing shares	
							Status of shares	Number of shares
XU Gang	Domestic natural person	26.25%	626,515,969	2,284,200	0	626,515,969	Pledge	275,800,000
TAN Ruiqing	Domestic natural person	8.27%	197,384,705	0	0	197,384,705	Pledge	82,050,000
LI Ling	Domestic natural person	4.98%	118,828,380	0	0	118,828,380	Not applicable	0
Shanghai Perseverance Asset Management (Limited Partnership) - Perseverance Lingshan No. 1	Other	3.02%	72,000,000	49,000,000	0	72,000,000	Not applicable	0

Yuanwang Fund								
FAN Xianguo	Domestic natural person	2.80%	66,918,965	-500,000	0	66,918,965	Not applicable	0
Henan Yintai Investment Co., Ltd.	Non-state-owned legal person at home	2.56%	61,000,072	0	0	61,000,072	Pledge	28,900,000
Hong Kong Securities Clearing Company Limited	Overseas legal person	2.47%	59,039,505	-52,520,852	0	59,039,505	Not applicable	0
China Life Insurance Co., Ltd. – Traditional – General Insurance Products – 005L – CT001 Hu	Other	2.04%	48,718,057	48,456,465	0	48,718,057	Not applicable	0
CHEN Kaiqiong	Domestic natural person	1.30%	31,047,900	-200,000	0	31,047,900	Not applicable	0
LB Group Co., Ltd. - Second Employee Stock Ownership Plan	Other	0.93%	22,116,117	0	0	22,116,117	Not applicable	0

Strategic investors or general legal persons becoming the top 10 shareholders as a result of placement of new shares (if any) (see Note 3)	Not applicable
Description of association between or concerted actions of the above-mentioned shareholders	Among the top ten shareholders of the Company,TAN Ruiqing and XU Gang, Actual Controller and Chairman of Henan Yintai Investment Co., Ltd. respectively signed the *Concerted Action Agreement* on Mar. 3, 2010 which expired and was terminated on Jul. 15, 2014. Except for the above, the Company is not aware of whether there is any relationship between other shareholders or whether it is a person acting in concert as stipulated in the *Management Measures for Disclosure of Shareholder Equity Changes of Listed Companies*.
Note of the foregoing shareholders regarding proxy or fiduciary voting rights and waiver of voting rights	Not applicable
Special note (if any) for the buyback account among top 10 shareholders (See Note 10)	Not applicable

Shareholding of top 10 unrestricted shareholders			
Name of shareholder	Number of unrestricted shares held at the end of the reporting period	Class of share	
		Class of share	Number of shares
XU Gang	626,515,969	Common shares in RMB	626,515,969
TAN Ruiqing	197,384,705	Common shares in RMB	197,384,705
LI Ling	118,828,380	Common shares in RMB	118,828,380
Shanghai Perseverance Asset Management (Limited Partnership) - Perseverance Lingshan No. 1 Yuanwang Fund	72,000,000	Common shares in RMB	72,000,000
FAN Xianguo	66,918,965	Common shares in RMB	66,918,965

Henan Yintai Investment Co., Ltd.	61,000,072	Common shares in RMB	61,000,072
Hong Kong Securities Clearing Company Limited	59,039,505	Common shares in RMB	59,039,505
China Life Insurance Co., Ltd. – Traditional – General Insurance Products – 005L – CT001 Hu	48,718,057	Common shares in RMB	48,718,057
CHEN Kaiqiong	31,047,900	Common shares in RMB	31,047,900
LB Group Co., Ltd. - Second Employee Stock Ownership Plan	22,116,117	Common shares in RMB	22,116,117
Description of the relationship or concerted action between the top 10 shareholders of unrestricted tradable shares and between the top 10 shareholders of unrestricted tradable shares and the top 10 shareholders	Among the top ten shareholders of the Company,TAN Ruiqing and XU Gang, Actual Controller and Chairman of Henan Yintai Investment Co., Ltd. respectively signed the *Concerted Action Agreement* on Mar. 3, 2010 which expired and was terminated on Jul. 15, 2014. Except for the above, the Company is not aware of whether there is any relationship between other shareholders or whether it is a person acting in concert as stipulated in the *Management Measures for Disclosure of Shareholder Equity Changes of Listed Companies*.		
Description of participation by the top 10 common shareholders in securities margin trading business (if any) (see Note 4)	Not applicable		

Information on share lending by the top ten shareholders through refinancing

□ Applicable ☑ Not applicable

Change in top ten shareholders in comparison to the previous reporting period

☑ Applicable □ Not applicable

Unit: Share

Change in top ten shareholders in comparison to the end of the previous reporting period					
Full Name of Shareholder	Additional/Withdrawing Shareholder in this Reporting Period	Number of shares lent through refinancing and not returned yet as of the end of the period		Number of shares held through general accounts and credit accounts under the names of shareholders and lent through refinancing and not returned yet as of the end of the period	
		Total	Proportion in total share capital	Total	Proportion in total share capital
Shanghai Perseverance Asset Management (Limited Partnership) - Perseverance Lingshan No. 1 Yuanwang Fund	Newly added	0	0.00%	72,000,000.00	3.02%
China Life Insurance Co., Ltd. – Traditional – General Insurance Products – 005L – CT001 Hu	Newly added	0	0.00%	48,718,057.00	2.04%
LB Group Co., Ltd. - Second Employee Stock Ownership Plan	Newly added	0	0.00%	22,116,117.00	0.93%
WANG Zelong	Retreated	0	0.00%	-	-
China Construction Bank Corporation - Hybrid Securities Investment Fund of GF Fund Management	Retreated	0	0.00%	-	-
Shanghai Pudong Development Bank Co. Ltd. - Small-cap Growth Hybrid Securities Investment Fund (LOF) of GF Fund Management	Retreated	0	0.00%	-	-

Whether the top 10 common shareholders and the top 10 common shareholders subject to no restrictions on sales have conducted agreed repurchase transactions in the reporting period

□ Yes ☑ No

The top 10 common shareholders and the top 10 common shareholders subject to no restrictions on sales conducted no agreed repurchase transactions in the reporting period.

2. Controlling shareholder of the Company

Nature of controlling shareholder: controlled by natural person

Type of controlling shareholder: natural person

Name of controlling shareholder	Nationality	Whether the right of residence in other countries or regions is obtained
XU Gang	Chinese	No
Main occupation and position	Mr. XU served as chairman of the Company from January 1, 2023 to April 17, 2023 and has been serving as honorary chairman of the Company since April 17, 2023	
Shareholding of other dominant and share-holding domestic and overseas listed companies during the reporting period	None	

Changes of controlling shareholder in the reporting period

□ Applicable ☑ Not applicable

There was no change of controlling shareholder in the reporting period.

3. The Company's actual controller and its concerted actor

Nature of actual controller: Domestic natural person

Type of actual controller: Natural person

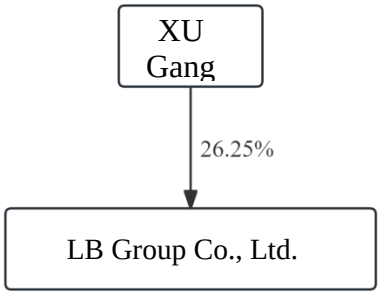
Name of actual controller	Relationship with actual controller	Nationality	Whether the right of residence in other countries or regions is obtained
XU Gang	In person	Chinese	No
Main occupation and position	Mr. XU served as chairman of the Company from January 1, 2023 to April 17, 2023 and has been serving as honorary chairman of the Company since April 17, 2023		
Domestic and foreign listed companies as controlling shareholders of the Company in the past 10 years	Such three natural persons as XU Gang, TAN Ruiqing and DU Xinchang signed a *Concerted Action Agreement* on March 3, 2010, and acted as the Company's actual controller by holding and controlling 36,247,833 shares in total of the Company, accounting for 51.78% of the Company's total shares. The agreement expired on July 15, 2014.		

Change of actual controllers in the reporting period

□ Applicable ☑ Not applicable

There was no change of actual controllers in the reporting period.

Block diagram of property rights and control relationship between the Company and its actual controllers



Actual controller controls the Company through trust or other asset management methods

□ Applicable ☑ Not applicable

4. The Company's controlling shareholder or largest shareholder and its acting partners have collectively pledged 80% of the Company's shares

□ Applicable ☑ Not applicable

5. Other corporate shareholders holding more than 10% of the shares

□ Applicable ☑ Not applicable

6. Share restrictions and shareholding reductions of the controlling shareholder, actual controller, restructuring parties and other subjects making commitments

□ Applicable ☑ Not applicable

IV. Actual Share Buyback in the Reporting Period

Progress in implementing share repurchase

☑ Applicable □ Not applicable

Time for plan disclosure	Number of shares proposed to be repurchased	Proportion in total share capital	Proposed repurchase amount (RMB ten thousand)	Period for shares to be repurchased	Repurchase purpose	Number of shares repurchased (shares)	Proportion of the number of shares repurchased in the underlying shares covered by the stock ownership incentive plan (if any)
December 7, 2022	878,300	0.04%	1,229.68		Buyback and write-off	878,300	0.58%
March 31, 2023	2,973,700	0.12%	4,560.10		Buyback and write-off	2,973,700	1.96%
June 7, 2023	591,850	0.02%	881.36		Buyback and write-off	0	0.00%
October 19, 2023	1,043,500	0.04%	1,499.01		Buyback and write-off	0	0.00%

Progress in implementation of reduction in shareholding by means of collective bidding

□ Applicable ☑ Not applicable

Section VIII Relevant Information Concerning Preferred Shares

□ Applicable ☑ Not applicable

There were no preferred shares in the Company during the reporting period.

Section IX Relevant Information Concerning Corporate Bonds

□ Applicable ☑ Not applicable

Section X Financial Report

I. Audit Report

Type of audit opinions	Standard and unqualified opinions
Signing date of audit report	April 22, 2024
Name of audit office	BDO CHINA SHU LUN PAN CERTIFIED PUBLIC ACCOUNTANTS LLP
Audit report No.	X. K. S. B. Z. [2024] No. ZE10262
Name of certified public accountants	ZHAO Bin; YU Jianguo

Text of Audit Report

To all shareholders of LB Group Co., Ltd.:

I. Auditor's Opinions

We have audited the financial statements of LB Group Co., Ltd. (hereinafter referred to as "LB Group"), including the Consolidated Balance Sheet and Parent Company's Balance Sheet as of December 31, 2023, Consolidated Income Statement and Parent Company's Income Statement, Consolidated Cash Flow Statement and Parent Company's Cash Flow Statement, Consolidated Statement of Change in Owners' Equity and Statement of Changes in Owner's Equity of Parent Company for the year of 2023 and relevant Notes to Financial Statements.In our opinion, the accompanying financial statements are prepared in all major aspects in accordance with the Accounting Standards for Business Enterprises and give a true and fair view of consolidated and parent company financial position of LB Group as of December 31, 2023 as well as consolidated and parent company business performance and cash flows for the year of 2023.

II. Basis for the Formation of Auditor's Opinions

We conducted our audit in accordance with Auditing Standards for the Chinese Certified Public Accountants. The "CPA's Responsibility in Auditing the Financial Statements" section in the Audit Report further describes our responsibilities under these Standards. In accordance with the China Code of Ethics for Certified Public Accountants, we are independent of LB Group and have performed other responsibilities required by the professional ethics. We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinions.

III. Key Audit Items

The key audit items are the items we think based on our professional judgement as the most critical to the current financial statements. These items should be based on the overall audit of the financial statements and the formation of audit opinions. We do not comment on these items separately.

Key audit matters identified in our audit are summarized as follows:

(I) Recognition of income

(II) Goodwill impairment

Key matters for audit	How the matters is dealt with in auditing
(I) Recognition of income	
For the accounting policy for revenue recognition, please refer to Note III (26); for revenue classification and disclosure of revenue amount incurred this year, please refer to Note V (47). In 2023, LB Group's consolidated main business income reached RMB25.889 billion, an increase of RMB2.722 billion than the previous year's main business income of RMB23.167 billion. The income mainly came from domestic and foreign sales of titanium dioxide, zirconium products, titanium sponge and titanium tetrachloride, iron products, new energy, etc. In general, LB Group recognizes revenues when it has fulfilled its performance obligations under contracts, i.e. when customers have acquired the control over related goods or services. Specific principles of LB Group's revenue recognition: (1) for revenue from domestic sales, the Group recognizes revenue according to the order and outbound delivery order (ODO) and after the customer confirms receipt of the goods; (2) for revenue from export sales, the Group recognizes revenue according to the order and outbound delivery order and after handling export customs declaration and shipping the goods. Since revenue is deemed as a key performance indicator, there is inherent risk that the management might manipulate revenue to achieve specific goals or expectations. Therefore, we consider revenue recognition as a key audit matter.	Our audit procedures for the recognition of income mainly include: 1. Learning about and evaluating the management's design and operation effectiveness of key internal control related to revenue recognition; 2. Selecting sample sales contract, interviewing with the management, conducting "five-step" contract analysis, determining the time-points for constitution of obligation performance and for transfer of control, and evaluating whether LB Group's revenue recognition policy and recognition schedule meet the new revenue recognition criteria; 3. Implementing analytical procedures for income and costs, including procedures concerning analyzing income, cost and gross profit margin fluctuations of each month of the current period and analyzing income, cost and gross profit margin of major products during the period by comparing with the previous period, and checking accuracy of the confirmed income; 4. Follow the accounts receivable confirmation procedures and select samples of revenue transactions recorded in the current year to verify the current sales revenue from major customers; For revenue from domestic sales, checking the supporting documents related to revenue recognition by sampling, including checking invoices, sales contracts, ODOs, acceptance forms and other documents; for revenue from export sales, checking the supporting documents such as the sales contracts, export declaration forms and shipping bills of lading by sampling to verify the authenticity of sales income; 5. Checking business information of important customers, asking relevant personnel and comparing sales volume and amount of important customers in the same period to confirm whether there is any abnormal transaction; 6. Selecting samples, checking out outbound delivery orders and other supporting documents for the income transactions recorded before and after balance sheet date to assess whether the income is recorded in the appropriate accounting period.
(II) Goodwill impairment	
For accounting policies on goodwill, please refer to Note III (5)/(20); for disclosure of goodwill, please refer to Note V (20). As of December 31, 2023, original book value of goodwill in the consolidated financial statements of LB Group was RMB6.159 billion with RMB47,000,000 accrued as provision for impairment of goodwill. The residual book value of goodwill was RMB6.120 billion. The above	Our main audit procedures for the impairment test of goodwill are: 1. Learning about control procedures of the goodwill impairment test of LB Group, including the asset groups divided by LB Group and its judgment on the value of the asset groups; 2. Evaluating competency, professionalism and objectivity of

goodwill was mainly formed as a result of LB Group's acquisition of Longbai Sichuan Titanium Industry Co., Ltd. in 2016, Panzhihua Ruierxin Industry and Trade Co., Ltd. in 2017, Yunnan Metallurgical Xinli Titanium Co., Ltd. in 2019, Henan Zhongtan New Material Technology Co., Ltd. and Jiaozuo Weina Technology Co., Ltd. in 2021, as well as holding and combination of Guangdong Orient Zirconic Industry Science and Technology Co., Ltd. in 2020, and Jiaozuo Zhongzhou Carbon Co., Ltd. in 2023. The management of LB Group conducts impairment test on goodwill at the end of each year and adjusts book value of goodwill based on results of the impairment test. Impairment test is carried out based on recoverable amount of the asset group including goodwill which is determined by the higher of present value of the estimated future cash flows of the asset group and net amount of the fair value of the assets after deducting disposal expenses. Forecasting future cash flows involves key assumptions about forecasted revenue, growth rate and profit margin and determination of appropriate discount rate. Since these key assumptions are inherently uncertain and may be affected by bias of the management, we identify the impairment of goodwill in the consolidated financial statements as a key audit matter.	external valuation experts appointed by the management; 3. Assessing the appropriateness of parameters such as discount rate and growth rate in the cash flow model used by external experts. Such parameters include the estimated production, future sales price, growth rate, estimated gross profit margin and related expenses of the asset group, which may be compared with historical data and industry levels of relevant asset groups; 4. Evaluating whether the disclosure of goodwill impairment in the financial statements meets the requirements of the Accounting Standards for Business Enterprises.

IV. Other Information

The Management of LB Group (hereinafter referred to as "the Management") is responsible for other information. Other information includes the information contained in the 2023 annual report of LB Group, but excludes that in the financial statements and our Audit Report.

Our audit opinions on the financial statements do not contain other information, nor do we issue any form of authentication conclusion on other information.

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

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

V. Responsibility of the Management and the Governance Team for Financial Statements

The management shall prepare financial statements in accordance with the Accounting Standards for Business Enterprises to fairly reflect your financial position, and shall design, implement and maintain internal control relating to the preparation of financial statements so as to avoid any major misstatement caused by fraud or error.

In preparing financial statements, the management is responsible for assessing going-concern capability of LB Group, disclosing matters relating to going concern (if applicable) and applying assumptions of going concern, unless there is a plan to liquidate or terminate operations, or there are no other realistic options.

The governance shall be responsible for overseeing preparation of LB Group's financial reports.

VI. CPA's Responsibilities in Auditing the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Audit Report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As a part of an audit in accordance with the auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

(I) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(II) Have an understanding of internal control relevant to audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of your internal control.

(III) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

(IV) Draw a conclusion on the appropriateness of the management's use of the going-concern assumptions. At the same time, we draw a conclusion on whether there are significant uncertainties in the matters or circumstances possible to result in significant doubts about going-concern capability of LB Group based on the audit evidences obtained. If we conclude that a material uncertainty exists, we are required by the auditing standards to draw attention in our Audit Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to provide modified auditing opinions. Our conclusions are based on the audit evidence available as at

the date of our Audit Report. However, future events or circumstances may result in failure of LB Group to be going-concern.

(V) Evaluate the overall presentation (including disclosure), structure and content of the financial statements, and whether the financial statements fairly present the underlying transactions and events.

(VI) Obtain sufficient and appropriate audit evidence on financial information of entities in or business activities of LB Group to provide audit opinions on consolidated financial statements. We are responsible for guiding, supervising and implementing the audit of the Group, and undertake the full responsibility for our audit opinions.

We communicate with the Governance regarding, among other matters, the planned scope and schedule of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have also made a statement to the governance on our compliance with the professional ethics requirements related to independence, and communicate with the governance with regard to all relationships and other matters that may be reasonably considered to affect our independence, as well as related precautions (if applicable).

Among the matters that we have communicated with the governance, we decide which matters are most critical to the audit of the current financial statements and form key audit items. We describe these matters in the audit report, unless the laws and regulations prohibit the public disclosure of these matters, or in very few cases, the negative consequences of communication of a matter in the audit report are reasonably expected to exceed the benefits from the public interest, in which case, we should not communicate the matter in the audit report.

BDO China Shu Lun Pan Certified Public Accountants
(Special General Partnership)

Chinese Certified Public Accountant: ZHAO Bin
(Project Partner)

Chinese Certified Public Accountant: YU Jianguo

Shanghai • China

April 22, 2023

II. Financial Statements

Unit used in the statements mentioned in the financial notes is: RMB

1. Consolidated Balance Sheet

Prepared by: LB Group Co., Ltd.

Monetary Unit: RMB

Item	December 31, 2023	January 1, 2023
Current assets:		
Monetary capital	7,007,026,816.05	8,726,311,365.31
Provision of settlement fund		
Funds lent		
Financial assets held for trading		
Derivative financial assets		
Notes receivable	379,803,482.02	124,382,057.56
Accounts receivable	3,012,729,072.50	2,253,112,598.11
Accounts receivable financing	1,111,251,052.13	712,716,846.68
Advance payments	308,650,908.02	630,131,569.76
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserves receivable		
Other receivables	158,192,853.54	236,347,969.93
Including: Interest receivable	124,833.34	
Dividend receivable		
Buying back sales of financial assets		
Inventories	7,328,180,921.73	6,546,613,278.89
Contract assets	2,588,294.12	3,344,498.59
Assets held for sale		
Non-current assets due within one year	255,696,850.23	255,891,332.17
Other current assets	555,004,090.77	620,887,076.70
Total current assets	20,119,124,341.11	20,109,738,593.70
Non-current assets:		
Loans and advances		
Debt investment		
Other debt investments		
Long-term receivables	58,553,805.12	85,878,339.01

Long-term equity investment	860,134,072.53	336,950,393.42
Other equity instrument investments	32,279,402.38	3,589,588.74
Other non-current financial assets		
Investment real estate	108,686,705.97	94,363,616.39
Fixed assets	23,510,998,450.69	18,117,544,699.91
Construction in progress	4,763,656,877.81	5,795,856,054.74
Productive biological assets		
Oil and gas assets		
Right-of-use assets	30,516,468.44	57,000,038.83
Intangible assets	6,733,664,966.28	7,042,155,033.21
Development costs		
Goodwill	6,112,296,070.66	6,120,076,331.84
Long-term prepaid expenses	136,543,861.52	92,246,080.08
Deferred income tax assets	463,325,296.10	427,382,455.42
Other non-current assets	887,460,376.05	906,176,219.57
Total non-current assets	43,698,116,353.55	39,079,218,851.16
TOTAL ASSETS	63,817,240,694.66	59,188,957,444.86
Current liabilities:		
Short-term borrowings	8,198,171,863.19	5,616,899,941.15
Borrowings from central bank		
Deposit funds		
Financial liabilities held for trading	2,391,726,465.75	
Derivative financial liabilities		
Notes payable	4,350,076,434.61	9,254,068,437.44
Accounts payable	5,928,742,757.51	5,775,609,955.18
Advance receipts	2,733,080.91	2,430,897.75
Contractual liabilities	301,053,584.35	328,121,242.06
Financial assets sold for repurchase		
Deposits from customers and interbank		
Payment for trading securities by agency		
Payment for underwriting securities by agency		
Payroll payable	387,811,781.07	356,671,944.87
Taxes payable	437,833,145.07	389,266,942.88
Other payables	1,590,102,183.29	2,496,115,840.66

Including: Interest payable	264,896.50	264,896.50
Dividend payable	109,949,127.50	125,647,200.00
Service charges and commissions payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities due within one year	2,981,032,381.05	1,893,132,476.90
Other current liabilities	44,636,467.30	65,676,850.45
Total current liabilities	26,613,920,144.10	26,177,994,529.34
Non-current liabilities:		
Insurance contract reserves		
Long-term borrowings	10,757,275,726.08	8,405,430,000.00
Bonds payable		
Including: Preferred stocks		
Perpetual bonds		
Lease liabilities	3,315,069.88	11,196,547.74
Long-term payables	5,012,159.28	41,678,685.28
Long-term payroll payable		
Estimated liabilities	112,932,249.20	101,768,156.14
Deferred income	223,625,347.07	212,387,371.36
Deferred income tax liabilities	1,076,463,139.67	971,362,642.17
Other non-current liabilities		
Total non-current liabilities	12,178,623,691.18	9,743,823,402.69
Total liabilities	38,792,543,835.28	35,921,817,932.03
Owner’s equity:		
Capital stock	2,384,669,906.00	2,390,145,256.00
Other equity instruments		
Including: Preferred stocks		
Perpetual bonds		
Capital reserve	14,413,165,615.94	14,542,014,033.92
Less: Treasury shares	681,941,738.00	1,412,580,540.00
Other comprehensive income	-12,101,315.27	8,108,367.00
Special reserve	133,425,501.80	122,900,916.71
Surplus reserve	1,195,072,628.00	1,195,072,628.00
General risk reserve	4,201,757.39	4,201,757.39

Undistributed profits	5,045,589,238.55	3,968,600,407.14
Total owner's equity attributable to parent company	22,482,081,594.41	20,818,462,826.16
Minority equity	2,542,615,264.97	2,448,676,686.67
Total owners' equity	25,024,696,859.38	23,267,139,512.83
Total liabilities and owner's equity	63,817,240,694.66	59,188,957,444.86

Legal Representative: HE Benliu | Officer of Accounting Affairs: SHEN Qingfei | Head of Accounting Division: GUO Liangpo

2. Balance Sheet of Parent Company

Monetary Unit: RMB

Item	December 31, 2023	January 1, 2023
Current assets:		
Monetary capital	3,136,309,167.88	4,779,063,075.27
Financial assets held for trading		
Derivative financial assets		
Notes receivable	102,185,027.62	4,750,000.00
Accounts receivable	2,530,754,430.73	3,849,669,161.26
Accounts receivable financing	147,200,301.94	88,311,827.49
Advance payments	216,432,421.91	571,138,112.05
Other receivables	4,506,780,397.82	5,405,638,403.94
Including: Interest receivable		
Dividend receivable	22,100,000.00	
Inventories	589,208,652.80	414,079,832.27
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	11,982,686.92	5,886,380.24
Total current assets	11,240,853,087.62	15,118,536,792.52
Non-current assets:		
Debt investment		
Other debt investments		
Long-term receivables		
Long-term equity investment	18,487,278,106.94	18,009,211,584.19
Other equity instrument investments		
Other non-current financial assets		
Investment real estate	84,385,771.44	79,649,299.86

Fixed assets	2,535,258,077.84	2,526,344,043.25
Construction in progress	394,099,171.48	483,761,961.85
Productive biological assets		
Oil and gas assets		
Right-of-use assets	1,482,887.09	1,853,608.85
Intangible assets	181,651,705.49	190,403,916.06
Development costs		
Goodwill		
Long-term prepaid expenses	6,996,974.82	1,476,116.86
Deferred income tax assets	33,356,161.66	45,296,357.83
Other non-current assets	163,768,452.71	44,101,132.75
Total non-current assets	21,888,277,309.47	21,382,098,021.50
TOTAL ASSETS	33,129,130,397.09	36,500,634,814.02
Current liabilities:		
Short-term borrowings	1,246,093,591.68	2,100,100,000.00
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable	3,172,563,177.48	6,127,414,283.91
Accounts payable	1,021,964,560.77	2,591,396,309.92
Advance receipts		
Contractual liabilities	31,393,064.55	88,241,894.95
Payroll payable	35,018,435.80	42,746,099.59
Taxes payable	23,858,338.50	95,054,124.39
Other payables	3,415,479,720.41	4,132,051,080.52
Including: Interest payable		
Dividend payable		
Liabilities held for sale		
Non-current liabilities due within one year	1,958,027,148.00	1,107,127,148.00
Other current liabilities	4,105,209.50	17,926,613.86
Total current liabilities	10,908,503,246.69	16,302,057,555.14
Non-current liabilities:		
Long-term borrowings	4,143,300,000.00	3,500,600,000.00
Bonds payable		
Including: Preferred stocks		

Perpetual bonds		
Lease liabilities	1,160,119.41	1,512,092.60
Long-term payables		
Long-term payroll payable		
Estimated liabilities		
Deferred income	5,833,529.41	600,000.00
Deferred income tax liabilities	6,163,310.87	278,041.33
Other non-current liabilities		
Total non-current liabilities	4,156,456,959.69	3,502,990,133.93
Total liabilities	15,064,960,206.38	19,805,047,689.07
Owner’s equity:		
Capital stock	2,384,669,906.00	2,390,145,256.00
Other equity instruments		
Including: Preferred stocks		
Perpetual bonds		
Capital reserve	14,743,343,056.12	14,578,322,842.54
Less: Treasury shares	681,941,738.00	1,412,580,540.00
Other comprehensive income	453,270.16	453,270.16
Special reserve		1,838,891.12
Surplus reserve	1,195,072,628.00	1,195,072,628.00
Undistributed profits	422,573,068.43	-57,665,222.87
Total owners’ equity	18,064,170,190.71	16,695,587,124.95
Total liabilities and owner’s equity	33,129,130,397.09	36,500,634,814.02

3. Consolidated Income Statement

Monetary Unit: RMB

Item	2023	2022
I. Total operating revenue	26,793,893,967.85	24,155,149,016.54
Including: Operating income	26,764,876,739.31	24,112,968,453.50
Interest income	29,017,228.54	41,995,789.97
Earned premium		
Handling charges and commission income		184,773.07
II. Total operating costs	22,776,193,189.80	20,078,861,544.64
Including: Operating costs	19,617,025,072.28	16,834,114,032.61
Interest expenses		
Expenses of service charges and	13,320.12	27,213.87

commissions		
Refund of insurance premiums		
Net payments for insurance claims		
Net reserves accrued of insurance liability contracts		
Expenses of policy dividends		
Reinsurance expenses		
Taxes and surcharges	362,378,002.37	277,438,958.11
Selling expenses	546,012,548.98	427,564,584.57
Administrative expenses	999,218,784.62	1,424,011,779.11
R&D expenses	1,014,115,760.06	1,013,679,077.42
Financial expenses	237,429,701.37	102,025,898.95
Including: Interest expenses	556,172,948.13	424,465,296.84
Interest income	200,708,191.42	206,254,941.13
Add: Other income	223,893,507.55	131,760,115.75
Investment income (Fill in with “-” for loss)	-67,777,129.26	-90,692,092.90
Including: Income from investments in joint ventures and associates	-14,162,462.38	-19,283,870.45
Derecognized earnings of financial assets measured at amortized cost		
Exchange gain (minus: loss)		
Net exposure hedging revenue (Fill in with “-” for loss)		
Income from change in fair value (indicate loss with “-”)	0.00	1,548,947.23
Credit impairment loss (Fill in with “-” for loss)	-65,287,025.85	7,440,122.74
Asset impairment loss (Fill in with “-” for loss)	-183,158,155.51	-30,384,213.22
Income from disposal of assets (Fill in with “-” for loss)	-7,994,327.35	-10,357,653.33
III. Operating profit (minus: loss)	3,917,377,647.63	4,085,602,698.17
Add: Non-operating income	32,517,558.89	14,939,770.40
Less: Non-operating expense	32,769,939.58	27,839,735.68
IV. Total profit (minus: total loss)	3,917,125,266.94	4,072,702,732.89
Less: Income tax expenses	671,135,184.31	535,813,999.76
V. Net profit (minus: net loss)	3,245,990,082.63	3,536,888,733.13
(I) Classification by business continuity		
1. Net profit from continuing operations (Fill in with “-” for net loss)	3,245,990,082.63	3,536,888,733.13

2. Net profit from terminating operations (Fill in with "-" for net loss)		
(II) Classification by ownership		
1. Net profit attributable to shareholders of the Parent Company	3,226,436,981.81	3,419,356,844.63
2. Profit and loss of minority shareholders	19,553,100.82	117,531,888.50
VI. Net after-tax other comprehensive income	-20,118,122.61	36,643,424.25
Net of tax from other comprehensive income attributable to owners of the parent company	-20,209,682.27	34,511,817.49
(I) Other comprehensive income that can not be reclassified into profit or loss	706,104.36	-177,615.46
1. Changes in re-measurement of defined benefit plans		
2. Other comprehensive income that cannot be included in profit or loss through the equity method		
3. Changes in fair value of other equity instrument investments	706,104.36	-177,615.46
4. Changes in fair value of corporate credit risks		
5. Other		
(II) Other comprehensive income to be reclassified into profit or loss	-20,915,786.63	34,689,432.95
1. Other comprehensive income that can be included in profit or loss through the equity method		-44,612.46
2. Changes in fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Provision for credit impairment of other debt investments		
5. Cash flow hedging reserves		
6. Conversion difference of foreign currency financial statements	-20,915,786.63	34,734,045.41
7. Other		
Net after-tax other comprehensive income attributable to minority shareholders	91,559.66	2,131,606.76
VII. Total comprehensive income	3,225,871,960.02	3,573,532,157.38
Total comprehensive income attributable to owner of parent company	3,206,227,299.54	3,453,868,662.12
Total comprehensive income attributable to minority shareholders	19,644,660.48	119,663,495.26
VIII. Earnings per Share		
(I) Basic earnings per share	1.38	1.46
(II) Diluted earnings per share	1.35	1.44

In the current period of business combination under the same control, the net profit realized by the merged party before the merger is

RMB0.00, and the net profit realized by the merged party in the previous period is RMB0.00.

Legal Representative: HE Benliu Officer of Accounting Affairs: SHEN Qingfei Head of Accounting Division: GUO Liangpo

4. Income Statement of Parent Company

Monetary Unit: RMB

Item	2023	2022
I. Operating income	7,148,691,106.30	7,434,925,394.07
Less: Operating cost	6,312,401,030.95	6,465,566,100.11
Taxes and surcharges	38,131,370.72	42,987,918.11
Selling expenses	88,854,705.94	87,795,384.43
Administrative expenses	233,301,519.91	473,063,502.77
R&D expenses	273,892,026.54	282,034,235.78
Financial expenses	-34,727,878.11	-75,882,909.79
Including: Interest expenses	239,967,219.93	223,557,660.60
Interest income	267,685,154.75	276,623,141.16
Add: Other income	35,005,683.39	11,668,073.34
Investment income (Fill in with “-” for loss)	2,396,355,116.32	2,541,525,497.32
Including: Income from investments in joint ventures and associates	-3,587,047.40	1,552,647.69
Derecognized earnings of financial assets measured at amortized cost (Fill in with “-” for loss)		
Net exposure hedging revenue (Fill in with “-” for loss)		
Income from change in fair value (indicate loss with “-”)		
Credit impairment loss (Fill in with “-” for loss)	-6,101,140.58	-6,385,428.53
Asset impairment loss (Fill in with “-” for loss)		
Income from disposal of assets (Fill in with “-” for loss)	-5,009,084.02	-1,151,077.37
II. Operating profit (Fill in with “-” for loss)	2,657,088,905.46	2,705,018,227.42
Add: Non-operating income	3,598,036.05	1,335,186.83
Less: Non-operating expense	1,022,559.69	116,886.49
III. Total profits (Fill in with “-” for total loss)	2,659,664,381.82	2,706,236,527.76
Less: Income tax expenses	29,977,940.12	27,132,945.66
IV. Net profits (Fill in with “-” for net loss)	2,629,686,441.70	2,679,103,582.10

(I) Net profit from continuing operations (Fill in with "-" for net loss)	2,629,686,441.70	2,679,103,582.10
(II) Net profit from terminating operations (Fill in with "-" for net loss)		
V. Net after-tax other comprehensive income		
(I) Other comprehensive income that can not be reclassified into profit or loss		
1. Changes in re-measurement of defined benefit plans		
2. Other comprehensive income that cannot be included in profit or loss through the equity method		
3. Changes in fair value of other equity instrument investments		
4. Changes in fair value of corporate credit risks		
5. Other		
(II) Other comprehensive income to be reclassified into profit or loss		
1. Other comprehensive income that can be included in profit or loss through the equity method		
2. Changes in fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Provision for credit impairment of other debt investments		
5. Cash flow hedging reserves		
6. Conversion difference of foreign currency financial statements		
7. Other		
VI. Total comprehensive income	2,629,686,441.70	2,679,103,582.10
VII. Earnings per share		
(I) Basic earnings per share		
(II) Diluted earnings per share		

5. Consolidated Cash Flow Statement

Monetary Unit: RMB

Item	2023	2022
I. Cash flows from operating activities:		
Cash received from sales of goods or provision of labor services	19,754,040,163.61	19,628,861,780.80
Net increase in deposits from clients and other financial institutions		
Net increase in borrowings from central bank		

Net increase in placements from other financial institutions		
Cash premiums received on original insurance contracts		
Net cash received from reinsurance businesses		
Net increase in deposits and investments from insureds		
Cash received as interests, service charges and commissions	29,893,335.16	44,313,172.75
Net increase in loans from other financial institutions		
Net increase in repurchase business funds		
Net cash received from acting sales of securities		
Tax refund received	632,282,812.99	810,891,231.37
Cash received relating to other operating activities	1,826,686,019.56	1,061,307,861.67
Subtotal of cash inflows from operating activities	22,242,902,331.32	21,545,374,046.59
Cash paid for purchasing goods and receiving labor services	12,585,960,677.97	12,130,723,656.67
Net increase in customer loans and advances	-14,054,677.36	-55,639,040.42
Net increase in deposits with central bank and other financial institutions		
Cash paid for claims under original insurance contracts		
Net increase in funds lent		
Cash paid as interests, service charges and commissions	66,931.85	18,334.32
Cash paid as policy dividends		
Cash paid to and for employees	2,418,498,895.73	1,853,044,096.29
Taxes paid	2,110,804,070.79	2,068,526,404.17
Cash paid relating to other operating activities	1,737,268,676.26	2,351,794,294.58
Subtotal of cash outflows from operating activities	18,838,544,575.24	18,348,467,745.61
Net cash flows from operating activities	3,404,357,756.08	3,196,906,300.98
II. Cash flows from investment activities:		
Cash received from recovery of investments	1,316,000,000.00	75,511,656.30
Cash received from investment income	628,016.86	280,000.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	26,512,222.17	160,494,089.01
Net cash received from disposal of subsidiaries and other business units		174,342,189.53

Cash received relating to other investment activities	710,933,915.12	
Subtotal of cash inflows from investment activities	2,054,074,154.15	410,627,934.84
Cash paid to acquire fixed assets, intangible assets and other long-term assets	2,940,696,549.31	4,678,561,480.58
Cash paid for investments	1,243,723,000.00	272,731,127.89
Net increase in pledge loans		
Net cash paid to acquire subsidiaries and other business entities	781,114,218.14	182,718,156.65
Cash paid relating to other investment activities	65,130,000.00	865,000,000.00
Subtotal of cash outflows from investment activities	5,030,663,767.45	5,999,010,765.12
Net cash flows from investment activities	-2,976,589,613.30	-5,588,382,830.28
III. Cash flows from financing activities:		
Cash received by absorbing investments	1,057,000,000.00	541,043,780.00
Including: Cash received from investments by minority shareholders of subsidiaries		467,653,880.00
Cash received from borrowings	12,462,094,369.65	13,217,251,703.16
Cash received relating to other financing activities	8,984,072,447.50	8,669,690,618.51
Subtotal of cash inflows from financing activities	22,503,166,817.15	22,427,986,101.67
Cash paid for debt repayment	9,212,353,997.68	8,626,160,512.76
Cash paid for distribution of dividends, profits or interests repayment	2,790,326,660.25	3,174,136,336.81
Including: Dividends and profits paid to minority shareholders by subsidiaries	13,085,000.00	16,916,990.23
Cash paid relating to other financing activities	11,720,001,563.03	7,734,611,796.41
Subtotal of cash outflows from financing activities	23,722,682,220.96	19,534,908,645.98
Net cash flows from financing activities	-1,219,515,403.81	2,893,077,455.69
IV. Impacts of foreign exchange rate changes on cash and cash equivalents	-12,672,448.93	42,145,255.91
V. Net increase in cash and cash equivalents	-804,419,709.96	543,746,182.30
Add: Opening balance of cash and cash equivalents	2,405,599,854.72	1,861,853,672.42
VI. Closing balance of cash and cash equivalents	1,601,180,144.76	2,405,599,854.72

6. Cash Flow Statement of Parent Company

Monetary Unit: RMB

Item	2023	2022
I. Cash flows from operating activities:		
Cash received from sales of goods or provision of labor services	6,653,132,973.72	5,790,149,068.47

Tax refund received		
Cash received relating to other operating activities	743,594,901.75	675,469,064.52
Subtotal of cash inflows from operating activities	7,396,727,875.47	6,465,618,132.99
Cash paid for purchasing goods and receiving labor services	6,009,929,866.90	4,425,625,604.74
Cash paid to and for employees	415,728,195.55	292,802,401.20
Taxes paid	264,359,820.50	289,659,189.49
Cash paid relating to other operating activities	605,877,010.74	1,026,104,392.37
Subtotal of cash outflows from operating activities	7,295,894,893.69	6,034,191,587.80
Net cash flows from operating activities	100,832,981.78	431,426,545.19
II. Cash flows from investment activities:		
Cash received from recovery of investments	636,160,000.00	395,117,234.91
Cash received from investment income	2,425,100,000.00	2,464,140,000.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		5,602,076.19
Net cash received from disposal of subsidiaries and other business units		
Cash received relating to other investment activities		
Subtotal of cash inflows from investment activities	3,061,260,000.00	2,864,859,311.10
Cash paid to acquire fixed assets, intangible assets and other long-term assets	185,092,646.24	66,665,087.73
Cash paid for investments	1,118,938,658.05	466,000,000.00
Net cash paid to acquire subsidiaries and other business entities		
Cash paid relating to other investment activities		
Subtotal of cash outflows from investment activities	1,304,031,304.29	532,665,087.73
Net cash flows from investment activities	1,757,228,695.71	2,332,194,223.37
III. Cash flows from financing activities:		
Cash received by absorbing investments	60,868,429.05	73,389,900.00
Cash received from borrowings	4,506,000,000.00	5,295,100,000.00
Cash received relating to other financing activities	34,819,945,820.31	30,676,132,628.62
Subtotal of cash inflows from financing activities	39,386,814,249.36	36,044,622,528.62
Cash paid for debt repayment	3,868,500,000.00	4,087,796,492.00
Cash paid for distribution of dividends, profits or interests repayment	2,409,392,437.30	2,964,936,212.68
Cash paid relating to other financing activities	35,654,928,710.55	31,521,441,683.63

Subtotal of cash outflows from financing activities	41,932,821,147.85	38,574,174,388.31
Net cash flows from financing activities	-2,546,006,898.49	-2,529,551,859.69
IV. Impacts of foreign exchange rate changes on cash and cash equivalents	8,338,554.41	16,511,042.59
V. Net increase in cash and cash equivalents	-679,606,666.59	250,579,951.46
Add: Opening balance of cash and cash equivalents	1,129,551,617.29	878,971,665.83
VI. Closing balance of cash and cash equivalents	449,944,950.70	1,129,551,617.29

7. Consolidated Statement of Changes in Owners' Equity

Amount in this period

Monetary Unit: RMB

Item	2023														
	Owner's equity attributable to parent company													Minority equity	Total owners' equity
	Capital stock	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profits	Other	Subtotal		
		Preferred stocks	Perpetual bonds	Other											
I. Closing balance of the last year	2,390,145,256.00	0.00	0.00	0.00	14,542,014,033.92	1,412,580,540.00	8,108,367.00	122,900,916.71	1,195,072,628.00	4,201,757.39	3,968,600,407.14		20,818,462,826.16	2,448,676,686.67	23,267,139,512.83
Add: Accounting policy changes															
Correction of prior errors															
Other															
II. Opening balance of the current year	2,390,145,256.00	0.00	0.00	0.00	14,542,014,033.92	1,412,580,540.00	8,108,367.00	122,900,916.71	1,195,072,628.00	4,201,757.39	3,968,600,407.14		20,818,462,826.16	2,448,676,686.67	23,267,139,512.83
III. Increased and decreased amounts in this period (Fill in with "-" for decrease)	-5,475,350.00	0.00	0.00	0.00	-128,848,417.98	-730,638,802.00	-20,209,682.27	10,524,585.09	0.00	0.00	1,076,988,831.41		1,663,618,768.25	93,938,578.30	1,757,557,346.55
(I) Total comprehensive income							-20,209,682.27				3,226,436,981.81		3,206,227,299.54	19,644,660.48	3,225,871,960.02
(II) Capital paid in and reduced by owner	-5,475,350.00	0.00	0.00	0.00	-128,848,417.98	-730,638,802.00	0.00	0.00	0.00	0.00	0.00		596,315,034.02	72,565,973.87	668,881,007.89
1. Ordinary shares invested by owners															
2. Capital paid in by owners of other equity instruments															
3. Amount of share-based	-5,475,350.00				48,834,213.58	-730,638,802.00							773,997,665.58	65,777,905.00	839,775,570.58

payment credited into owners' equity															
4. Other					-177,682,631.56								-177,682,631.56	6,788,068.87	-170,894,562.69
(III) Distribution of profits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-2,149,448,150.40		-2,149,448,150.40	0.00	-2,149,448,150.40
1. Appropriation to surplus reserves															
2. Appropriations to general risk provisions															
3. Appropriation to owners (or shareholders)											-2,149,448,150.40		-2,149,448,150.40		-2,149,448,150.40
4. Other															
(IV) Internal carry-forward of owner's equity															
1. Capital reserve transferred to paid-in capital (or capital stock)															
2. Surplus reserve transferred to paid-in capital (or capital stock)															
3. Surplus reserves for making up losses															
4. Change in the defined benefit plan for carry-over retained earnings															
5. Other comprehensive income carried forward to retained earnings															
6. Others															
(V) Special reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,524,585.09	0.00	0.00	0.00		10,524,585.09	1,727,943.95	12,252,529.04
1. Appropriations in the current period								255,405,785.05					255,405,785.05	1,868,834.92	257,274,619.97

2. Use in the current period								244,881,199.96					244,881,199.96	140,890.97	245,022,090.93
(VI) Other															
IV. Closing balance of the current period	2,384,669,906.00	0.00	0.00	0.00	14,413,165,615.94	681,941,738.00	-12,101,315.27	133,425,501.80	1,195,072,628.00	4,201,757.39	5,045,589,238.55		22,482,081,594.41	2,542,615,264.97	25,024,696,859.38

Amount in last period

Monetary Unit: RMB

Item	2022														
	Owner's equity attributable to parent company													Minority equity	Total owners' equity
	Capital stock	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profits	**Other**	Subtotal		
		Preferred stocks	Perpetual bonds	Other											
I. Closing balance of the last year	2,381,470,256.00				14,083,755,409.03	2,218,690,400.00	-26,403,532.44	81,189,537.82	1,176,055,750.22	12,932,748.73	3,427,470,861.92		18,917,780,631.28	1,871,193,361.77	20,788,973,993.05
Add: Accounting policy changes							81.95				28,885.57		28,967.52	12,144.40	41,111.92
Correction of prior errors															
Other															
II. Opening balance of the current year	2,381,470,256.00				14,083,755,409.03	2,218,690,400.00	-26,403,450.49	81,189,537.82	1,176,055,750.22	12,932,748.73	3,427,499,747.49		18,917,809,598.80	1,871,205,506.17	20,789,015,104.97
III. Increased and decreased amounts in this period (Fill in with "-" for decrease)	8,675,000.00				458,258,624.89	-806,109,860.00	34,511,817.49	41,711,378.89	19,016,877.78	-8,730,991.34	541,100,659.65		1,900,653,227.36	577,471,180.50	2,478,124,407.86
(I) Total comprehensive income							34,511,817.49				3,419,356,844.63		3,453,868,662.12	119,663,495.26	3,573,532,157.38
(II) Capital paid in and reduced by owner	8,675,000.00				458,258,624.89	-806,109,860.00				-8,730,991.34			1,264,312,493.55	482,420,833.16	1,746,733,326.71
1. Ordinary shares invested by owners	9,975,000.00				83,590,500.00	93,565,500.00								382,636,586.27	382,636,586.27

2. Capital paid in by owners of other equity instruments															
3. Amount of share-based payment credited into owners' equity	-1,300,000.00				418,617,942.56	-899,675,360.00							1,316,993,302.56	55,834,511.17	1,372,827,813.73
4. Other					-43,949,817.67					-8,730,991.34			-52,680,809.01	43,949,735.72	-8,731,073.29
(III) Distribution of profits									19,016,877.78		-2,878,256,184.98		-2,859,239,307.20	-27,360,000.00	-2,886,599,307.20
1. Appropriation to surplus reserves									19,016,877.78		-19,016,877.78				
2. Appropriations to general risk provisions															
3. Appropriation to owners (or shareholders)											-2,859,239,307.20		-2,859,239,307.20	-27,360,000.00	-2,886,599,307.20
4. Other															
(IV) Internal carry-forward of owner's equity															
1. Capital reserve transferred to paid-in capital (or capital stock)															
2. Surplus reserve transferred to paid-in capital (or capital stock)															
3. Surplus reserves for making up losses															
4. Change in the defined benefit plan for carry-over retained earnings															
5. Other comprehensive income carried forward															

to retained earnings															
6. Others															
(V) Special reserves								41,711,378.89					41,711,378.89	2,746,852.08	44,458,230.97
1. Appropriations in the current period								152,288,534.85					152,288,534.85	3,204,883.11	155,493,417.96
2. Use in the current period								110,577,155.96					110,577,155.96	458,031.03	111,035,186.99
(VI) Other															
IV. Closing balance of the current period	2,390,145,256.00				14,542,014,033.92	1,412,580,540.00	8,108,367.00	122,900,916.71	1,195,072,628.00	4,201,757.39	3,968,600,407.14		20,818,462,826.16	2,448,676,686.67	23,267,139,512.83

8. Statement of Changes in Owner's Equity of Parent Company

Amount in this period

Monetary Unit: RMB

Item	2023											
	Capital stock	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Other	Total owners' equity
		Preferred stocks	Perpetual bonds	Other								
I. Closing balance of the last year	2,390,145,256.00	0.00	0.00	0.00	14,578,322,842.54	1,412,580,540.00	453,270.16	1,838,891.12	1,195,072,628.00	-57,665,222.87		16,695,587,124.95
Add: Accounting policy changes												
Correction of prior errors												
Other												
II. Opening balance of the current year	2,390,145,256.00	0.00	0.00	0.00	14,578,322,842.54	1,412,580,540.00	453,270.16	1,838,891.12	1,195,072,628.00	-57,665,222.87		16,695,587,124.95
III. Increased and decreased amounts in	-5,475,350.00	0.00	0.00	0.00	165,020,213.58	-730,638,802.00	0.00	-1,838,891.12	0.00	480,238,291.30		1,368,583,065.76

this period (Fill in with "-" for decrease)												
(I) Total comprehensive income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,629,686,441.70		2,629,686,441.70
(II) Capital paid in and reduced by owner	-5,475,350.00	0.00	0.00	0.00	165,020,213.58	-730,638,802.00	0.00	0.00	0.00	0.00		890,183,665.58
1. Ordinary shares invested by owners	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
2. Capital paid in by owners of other equity instruments												
3. Amount of share-based payment credited into owners' equity	-5,475,350.00	0.00	0.00	0.00	46,734,213.58	-730,638,802.00	0.00	0.00	0.00	0.00		771,897,665.58
4. Other	0.00	0.00	0.00	0.00	118,286,000.00	0.00	0.00	0.00	0.00	0.00		118,286,000.00
(III) Distribution of profits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-2,149,448,150.40		-2,149,448,150.40
1. Appropriation to surplus reserves												
2. Appropriations to owners (or shareholders)										-2,149,448,150.40		-2,149,448,150.40
3. Other												
(IV) Internal carry-forward of owner's equity												
1. Capital reserve transferred to paid-in capital (or capital stock)												
2. Surplus reserve transferred to paid-in capital (or capital stock)												
3. Surplus reserves for making up losses												

4. Change in the defined benefit plan for carry-over retained earnings												
5. Other comprehensive income carried forward to retained earnings												
6. Others												
(V) Special reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-1,838,891.12	0.00	0.00		-1,838,891.12
1. Appropriations in the current period	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23,010,571.57	0.00	0.00		23,010,571.57
2. Use in the current period	0.00	0.00	0.00	0.00	0.00	0.00	0.00	24,849,462.69	0.00	0.00		24,849,462.69
(VI) Other												0.00
IV. Closing balance of the current period	2,384,669,906.00	0.00	0.00	0.00	14,743,343,056.12	681,941,738.00	453,270.16	0.00	1,195,072,628.00	422,573,068.43		18,064,170,190.71

Amount in last period

Monetary Unit: RMB

Item	2022											
	Capital stock	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Other	Total owners' equity
		Preferred stocks	Perpetual bonds	Other								
I. Closing balance of the last year	2,381,470,256.00				14,084,140,413.81	2,218,690,400.00	453,270.16		1,176,055,750.22	141,469,224.67		15,564,898,514.86
Add: Accounting policy changes										18,155.34		18,155.34
Correction of prior errors												
Other												
II. Opening balance of the current year	2,381,470,256.00				14,084,140,413.81	2,218,690,400.00	453,270.16		1,176,055,750.22	141,487,380.01		15,564,916,670.20

III. Increased and decreased amounts in this period (Fill in with "-" for decrease)	8,675,000.00				494,182,428.73	-806,109,860.00		1,838,891.12	19,016,877.78	-199,152,602.88		1,130,670,454.75
(I) Total comprehensive income										2,679,103,582.10		2,679,103,582.10
(II) Capital paid in and reduced by owner	8,675,000.00				494,182,428.73	-806,109,860.00						1,308,967,288.73
1. Ordinary shares invested by owners	9,975,000.00				83,590,500.00	93,565,500.00						
2. Capital paid in by owners of other equity instruments												
3. Amount of share-based payment credited into owners' equity	-1,300,000.00				410,591,928.73	-899,675,360.00						1,308,967,288.73
4. Other												
(III) Distribution of profits									19,016,877.78	-2,878,256,184.98		-2,859,239,307.20
1. Appropriation to surplus reserves									19,016,877.78	-19,016,877.78		
2. Appropriations to owners (or shareholders)										-2,859,239,307.20		-2,859,239,307.20
3. Other												
(IV) Internal carry-forward of owner's equity												
1. Capital reserve transferred to paid-in capital (or capital stock)												
2. Surplus reserve transferred to paid-in capital (or capital stock)												

3. Surplus reserves for making up losses												
4. Change in the defined benefit plan for carry-over retained earnings												
5. Other comprehensive income carried forward to retained earnings												
6. Others												
(V) Special reserves								1,838,891.12				1,838,891.12
1. Appropriations in the current period								17,421,090.29				17,421,090.29
2. Use in the current period								15,582,199.17				15,582,199.17
(VI) Other												
IV. Closing balance of the current period	2,390,145,256.00				14,578,322,842.54	1,412,580,540.00	453,270.16	1,838,891.12	1,195,072,628.00	-57,665,222.87		16,695,587,124.95

III. Company Overview

LB Group Co., Ltd. (hereinafter referred to as "the Company") was formerly known as Jiaozuo Chemical General Factory. Jiaozuo Chemical General Factory, established in 1975, was restructured into a joint-stock cooperative enterprise by Union Committee of Jiaozuo Chemical General Factory, XU Gang and other 12 natural persons in 1998 upon approval by the *Notice on Approving Restructuring Joint-stock Cooperative System of Jiaozuo Chemical General Factory issued by Jiaozuo City Economic and Trade Commission* (J. J. M. Q. Z. (1998) No. 78); on Nov. 1, 2001, the board of shareholders of Jiaozuo Chemical General Factory reviewed and approved to restructure Jiaozuo Chemical General Factory into a limited liability company with a registered capital of RMB 18.5 million and changed its name to Jiaozuo Haoke Chemical Co., Ltd..

On Jul. 1, 2002, Jiaozuo Haoke Chemical Co., Ltd. changed its name registered with Henan Administration for Industry and Commerce to Henan Billions Chemicals Co., Ltd. with registered capital of RMB 52.1629 million according to the *Reply on Change in Establishment of Henan Billions Chemicals Co., Ltd.* (Y. G. P. Z. [2002] No. 07) issued by Henan Provincial People's Government. In 2007, two capital increases were made and registered capital was changed to RMB 70 million.

Upon review and approval of *Reply on Approval of Initial Public Offering of Henan Billions Chemicals Co., Ltd.* (Z. J. X. K. [2011] No. 1016) issued by China Securities Regulatory Commission, the Company was agreed to publicly issued 24 million RMB common share to the public. Registered capital after the change was RMB 94 million and the paid-up share capital was RMB 94 million. In 2012, the Company distributed 10 shares for every 10 shares to all shareholders in the form of capital reserve, as a result of which total share capital after such distribution increased to 188 million shares.

According to relevant provisions of the *Proposal on Relevant Matters Concerning the Grant of Restricted Stock Incentive Plan* reviewed and approved by the 21st meeting of the 4th board of directors on May 22, 2013, the Company issued 3.515 million restricted stocks to its incentive recipients, as a result of which its total share capital after the issuance increased to 191.515 million shares. According to relevant provisions of the *Proposal on Repurchasing and Cancelling Certain Restricted Shares* reviewed and approved at the 26th meeting of the 4th board of directors held on Feb. 28, 2014, the Company repurchased and cancelled some of the restricted stocks that were granted to incentive objects but not yet unlocked as the annual operating results in 2013 did not meet the unlocking conditions and did not meet the incentive conditions. After completion of the repurchase and cancellation on May 20, 2014, total share capital of the Company was changed from 191,155,000 shares to 190,402,400 shares.

According to relevant provisions of the *Proposal on Granting Reserved and Restricted Stocks to Incentive Objects* reviewed and approved at the 27th meeting of the 4th board of directors of the Company held on Mar. 19, 2014, the Company issued 390,000 restricted stocks to incentive objects, as a result of which total share capital after the issuance increased from 190,402,400 shares to 190,792,400 shares.

According to relevant provisions of the *Proposal on Granting Restricted Stocks to Incentive Objects* reviewed and approved at the 11th meeting of the 5th board of directors of the Company held on Apr. 24, 2015, the Company issued 15.005 million restricted stocks to its incentive objects, as a result of which its total share capital after the issuance increased from 190,792,400 shares to 205,797,400 shares.

According to relevant provisions of the *Proposal on Repurchasing and Cancelling Certain Restricted Shares* reviewed and approved at the 9th meeting of the 5th board of directors held on Mar. 13, 2015, the Company repurchased and cancelled 1,373,200 restricted stocks that were granted to incentive objects but not yet unlocked as the annual operating results in 2014 did not meet the unlocking conditions and did not meet the incentive conditions. After completion of the repurchase and cancellation on Jun. 19, 2015, total share capital of the Company was decreased from 205,797,400 shares to 204,424,200 shares.

According to relevant provisions of the *Proposal on Repurchasing and Cancelling Certain Restricted Shares* reviewed and approved at the 19th meeting of the 5th board of directors and the 18th meeting of the 5th board of supervisors on Feb. 25, 2016, the Company repurchased and cancelled 421,000 restricted stocks that were granted to incentive objects but not yet unlocked as the annual operating results in 2015 did not meet the unlocking conditions and did not meet the incentive conditions.

According to the *Proposal on Profit Distribution and Transfer of Capital Reserve into Share Capital in 2015* reviewed and approved at the 19th meeting of the 5th board of directors and the general meeting of 2015 held on Feb. 27, 2016 and Mar. 22, 2016 respectively, the Company allocated cash dividends of RMB3.50 (tax-inclusive) for every 10 shares to all shareholders based on the Company's total share capital of 204,424,200 shares at the end of 2015, and at the same time further allocated 25 shares for every 10 shares to all shareholders by means of transfer of capital reserve into share capital and based on the Company's total share capital of 204,424,200 shares at the end of 2015. The above-mentioned equity distribution plans were completely implemented on Apr. 27, 2016. After the implementation of this plan, the Company's total share capital increased from 204,424,200 shares to 715,484,700 shares.

As confirmed by China Securities Depository and Clearing Corporation Limited Shenzhen Branch, the restrictive

stocks granted to incentive objects but not yet unlocked in the third-phase restricted stocks for the first phase, reserved second-phase stocks and restricted stocks in 2015 were completely repurchased and cancelled on Jul. 28, 2016, and after the Company's implementation of 2015 Equity Distribution Plan, number of shares repurchased and cancelled was 4,973,500.00 shares and total share capital of the Company was changed from 715,484,700 shares to 710,511,200 shares.

As reviewed and approved by the *Reply on Approval of Non-public Issuance of Shares by Henan Billions Chemicals Co., Ltd.* (Z. J. X. K. [2016] No. 899) issued by China Securities Regulatory Commission, the Company non-publicly issued 1,321,653,539 RMB ordinary shares (A shares) to 9 subscribers with a par value of RMB1.00 per share and an issue price of RMB7.62 per share. As at Sep. 2, 2016, the Company non-publicly issued 1,321,653,539 RMB ordinary shares (A shares) to specific targets and raised a total of RMB10,070,999,967.18. After deducting underwriting and sponsorship expenses of RMB106,000,000.00, the Company actually raised RMB9,964,999,967.18. After deducting other issuance expenses totaling RMB4,962,165.35, net amount of the funds actually raised by the Company was RMB9,960,037,801.83. The above-mentioned funds were verified by BDO China Shu Lun Pan Certified Public Accountants (Special General Partnership) which issued the *Capital Verification Report* numbered X. K. S. B. Z. [2016] No. 711952. The Company's non-publicly issued shares were listed on Sep. 20, 2016, as a result of which the Company's total share capital changing from 710,511,200 shares to 2,032,164,739 shares.

The extraordinary general meeting held on Feb. 10, 2017 reviewed and approved to change company name and stock name of the Company by changing Chinese name of the Company from "Henan Billions Chemicals Co., Ltd.(河南佰利联化学股份有限公司)" to "Lomon Billions Group Co., Ltd.(龙蟒佰利联集团股份有限公司)", changing English name of the Company from "Henan Billions Chemicals Co., Ltd." to "Lomon Billions Group Co., Ltd.", changing Chinese abbreviation of the Company from "Billions" to "Lomon Billions" and changing stock abbreviation from "Billions (佰利联)" to "Lomon Billions (龙蟒佰利)". On Feb. 16, 2017, Upon review and approval by Jiaozuo Administration for Industry and Commerce, the Company completed the formalities for industrial and commercial alteration of company name, and obtained the Business License of Lomon Billions Group Co., Ltd. which was issued by Jiaozuo Administration for Industry and Commerce with Uniform Social Credit Code of 91410800173472241R.

As confirmed by China Securities Depository and Clearing Corporation Limited Shenzhen Branch, 69,300 second-phase restrictive stocks granted to incentive objects but not yet unlocked in the restricted stocks of 2015 were

completely repurchased and cancelled on Jun. 21, 2017, as a result of which total share capital of the Company was changed from 2,032,164,739 shares to 2,032,095,439 shares.

As confirmed by China Securities Depository and Clearing Corporation Limited Shenzhen Branch, 74,550 third-phase restrictive stocks granted to the third batch of incentive objects but not yet unlocked in the restricted stocks of 2015 were completely repurchased and cancelled on Jun. 22, 2018, as a result of which the Company's total share capital was changed from 2,032,095,439 shares to 2,032,020,889 shares.

On December 15, 2020, the Company received the *Approval for Private Placement of Shares by Lomon Billions Group Co., Ltd.* (Z. J. X. K. [2020] No. 3423) from China Securities Regulatory Commission which approved the Company to privately issue no more than 205,517,241 new shares. In the event of changes in total share capital due to conversion into share capital and other reasons, the number of shares to be issued as abovementioned might be adjusted accordingly. Because of the Company's implementation of equity distribution in the third quarter of 2020, issue price of non-public offering of shares was adjusted from RMB11.02 per share to RMB10.91 per share, offering number was adjusted from 205,517,241 shares to 207,589,367 shares, total amount of funds raised was RMB2,264,799,993.97, amount upon deduction of various offering expenses was RMB23,346,782.43 (excluding tax), and actual net amount of funds raised was RMB2,241,453,211.54, therein: newly increased share capital was RMB207,589,367.00; increased capital reserve was RMB2,033,863,844.54. BDO China Shu Lun Pan Certified Public Accountants LLP issued the *Capital Verification Report on the Non-public Offering of Shares of Lomon Billions Group Co., Ltd.* (X. K. S. B. Z. [2021] No. ZG10136) on February 9, 2021. Newly increased shares in this non-public offering were listed on the Shenzhen Stock Exchange on March 3, 2021. The Company's total share capital changed from 2,032,020,889 shares on December 31, 2020 to 2,239,610,256.00 shares.

At the Extraordinary General Meeting held on May 14, 2021, company name and stock name of the Company was approved to be changed: Chinese name of the Company changed from "龙蟒佰利联集团股份有限公司" to "龙佰集团股份有限公司", English name of the Company changed from "Lomon Billions Group Co., Ltd." to "LB Group Co., Ltd.", Chinese abbreviation of the Company changed from "龙蟒佰利 (Lomon Billions)" to "龙佰集团 (LB Group)" and stock abbreviation changed from "Lomon Billions (龙蟒佰利)" to "LB Group (龙佰集团)". On July 5, 2021, upon approval by Jiaozuo Administration for Industry and Commerce, the Company completed the registration formalities for industrial and commercial change of company name, and obtained Uniform Social Credit Code issued by Jiaozuo Administration for Industry and Commerce.

According to the *Proposal on Company's 2021 Restricted Stock Incentive Plan (Revised Draft) and its Summary*

and the *Proposal on Requesting the General Meeting of Shareholders to Authorize the Board of Directors to Handle Matters Concerning Stock Ownership Incentives* reviewed and approved at the Company's First Extraordinary General Meeting of 2021 held on May 17, 2021, as well as *Proposal on Adjusting the Price of the First Grant of Restricted Stock Incentive Plan in 2021* and *Proposal on First Grant of Restricted Stock to Part of Incentive Recipients* reviewed and approved at the 21st Meeting of the 7th Board of Directors and the 21st Meeting of the 7th Board of Supervisors held on May 28, 2021, the Company grants 139.20 million restricted shares to 5,001 stock ownership incentive plan participants at price of RMB15.64 per share on May 28, 2021 which was determined as the date of granting restricted shares. The restricted stock incentive plan actually granted 139,060,000.00 restricted shares to 4,859 incentive objects, increased the Company's registered capital and share capital by RMB139,060,000.00, and the Company's share capital changed from 2,239,610,256.00 shares to 2,378,670,256.00 shares. The above-mentioned funds were verified by BDO China Shu Lun Pan Certified Public Accountants LLP which issued the Capital Verification Report numbered X. K. S. B. Z. [2021] No. ZG11693.

In accordance with *Proposal on Granting Restricted Stock to Incentive Recipients Whose Grants Deferred* reviewed and approved at the Company's 27th Meeting of the 7th Board of Directors held on September 3, 2021, the Company granted 2,800,000 restricted shares to eligible incentive recipients with deferred grant – HE Benliu on September 3, 2021 which was determined as the date for granting restricted shares in the current incentive plan with deferred grant, and the Company's share capital changed from 2,378,670,256.00 shares to 2,381,470,256.00 shares. The above-mentioned funds were verified by BDO China Shu Lun Pan Certified Public Accountants LLP which issued the Capital Verification Report numbered X. K. S. B. Z. [2021] No. ZG10275.

At the 29th meeting of the 7th board of directors of the Company on November 29, 2021, the Proposal for *Repurchase and Cancellation of Certain Restricted Shares* was reviewed and approved, authorizing the repurchase of 260,000.00 restricted shares previously granted to those incentive recipients who are no longer eligible incentive recipients because of resignation, retirement or death caused by illness, in respect of which the restrictions on transfer have not been satisfied. With respect to the proposed repurchase of restricted shares, BDO China Shu Lun Pan Certified Public Accountants LLP issued a *Report on Capital Verification after Capital Reduction through Cancellation of Repurchased Restricted Shares of LB Group Co., Ltd.* (X. K. S. B. Z. [2022] No. ZG10219) dated March 15, 2022. Upon completion of said repurchase and cancellation, the total share capital of the Company would be reduced from 2,381,470,256.00 shares to 2,381,210,256.00 shares.

At the 35th meeting of the 7th board of directors of the Company on April 28, 2022, the *Proposal for Repurchase*

and Cancellation of Certain Restricted Shares was reviewed and approved, authorizing the repurchase of 930,000.00 previously granted restricted shares in respect of which the restrictions on transfer have not been satisfied. With respect to the proposed repurchase of restricted shares, Asia Pacific (Group) CPAs (Special General Partnership) issued a *Capital Verification Report for LB Group Co., Ltd.* (Y. K. Y. Z. [2022] No. 01220003) dated July 16, 2022. Upon completion of said repurchase and cancellation, the total share capital of the Company would be reduced from 2,391,185,256.00 shares to 2,390,255,256.00 shares.

At the 36th meeting of the 7th board of directors and the 36th meeting of the 7th board of supervisors on May 17, 2022, the *Proposal on Grant of Reserved Restricted Shares to Incentive Recipients* was reviewed and approved, authorizing the grant of 9,975,000 restricted shares to eligible incentive recipients on May 17, 2022, which was determined to be the grant date for the proposed grant of reserved restricted shares. Upon completion of the proposed grant, the share capital of the Company would be changed from 2,381,210,256.00 shares to 2,391,185,256.00 shares. With respect to the capital contribution in connection with said grant, Asia Pacific (Group) CPAs (Special General Partnership) issued a Capital Verification Report for LB Group Co., Ltd. (Y. K. Y. Z. [2022] No. 01220001).

At the 37th Meeting of the 7th Board of Directors and 38th Meeting of the 7th Board of Supervisors on June 13, 2022, the *Proposal on Repurchase and Cancellation of Certain Restricted Shares* was reviewed and approved, stating that now that of the restricted stock incentive recipients, 11 recipients are no longer eligible restricted stock incentive recipients, 110,000 restricted shares that have been granted to them and in respect of which the conditions for lifting of the restrictions on transfer have not been satisfied should be repurchased and cancelled by the Company pursuant to its Restricted Stock Incentive Plan (Revised Draft). Upon completion of said repurchase and cancellation, the share capital of the Company will be reduced from 2,390,255,256.00 shares to 2,390,145,256.00 shares. With respect to the proposed repurchase of restricted shares, Asia Pacific (Group) CPAs (Special General Partnership) issued a *Capital Verification Report for LB Group Co., Ltd.* (Y. K. Y. Z. [2022] No. 01220004).

At the 45th Meeting of the 7th Board of Directors and 46th Meeting of the 7th Board of Supervisors on December 6, 2022, the *Proposal on Repurchase and Cancellation of Certain Restricted Shares* was reviewed and approved, authorizing the repurchase and cancellation of 878,300.00 previously granted restricted shares in respect of which the restrictions on transfer had not been lifted, after which the share capital of the Company would be reduced from 2,390,145,256.00 shares to 2,389,266,956.00 shares. In April 2023, the Company completed the corporate change registration formalities required to be completed in connection with the reduction of its registered capital. As reviewed and confirmed by the China Securities Depository and Clearing Corporation Limited Shenzhen Branch,

the Company completed said repurchase and cancellation of restricted shares on April 19, 2023.

At the 50th Meeting of the 7th Board of Directors and 51st meeting of the 7th Board of Supervisors on March 30, 2023, the *Proposal on Repurchase and Cancellation of Certain Restricted Shares* was reviewed and approved, stating that now that of the restricted stock incentive recipients initially granted restricted shares under the stock ownership incentive plan, 30 recipients resigned, and the job positions of 2 recipients were changed, and thus, all those recipients are no longer eligible restricted stock incentive recipients, 2,828,700 restricted shares that have been granted to them and in respect of which the conditions for lifting of the restrictions on transfer have not been satisfied should be repurchased and cancelled by the Company pursuant to its Restricted Stock Incentive Plan (Revised Draft); and that now that of the restricted stock incentive recipients to whom reserved restricted shares were granted, 19 recipients resigned and thus are no longer eligible restricted stock recipients, 145,000 restricted shares that have been granted to them and in respect of which the conditions for lifting of the restrictions on transfer have not been satisfied should be repurchased and cancelled by the Company pursuant to its Restricted Stock Incentive Plan (Revised Draft). Following completion of the repurchase and cancellation of said 2,973,700 restricted shares in respect of which the conditions for lifting of the restrictions on transfer have not been satisfied pursuant to its Restricted Stock Incentive Plan (Revised Draft), the total share capital of the Company would be reduced from 2,389,266,956 shares to 2,386,293,256 shares. As reviewed and confirmed by the China Securities Depository and Clearing Corporation Limited Shenzhen Branch, the Company completed said repurchase and cancellation of restricted shares on June 7, 2023.

At the 5th extraordinary general meeting of shareholders of the Company on July 26, 2023, the *Proposal on Amendment to the Articles of Association* was reviewed and approved. Now that of the restricted stock incentive recipients initially granted restricted shares under the stock ownership incentive plan, in addition to 1 recipient against whom a determination that part of the restricted shares then held by him/her should be repurchased and cancelled though he/she was “qualified” in the annual performance evaluation 2022, 13 recipients resigned and 4 recipients died, and thus, all those recipients are no longer eligible restricted stock incentive recipients, 521,100 restricted shares that have been granted to them and in respect of which the conditions for lifting of the restrictions on transfer have not been satisfied should be repurchased and cancelled by the Company pursuant to its Restricted Stock Incentive Plan (Revised Draft); and that now that of the restricted stock incentive recipients to whom reserved restricted shares were granted, in addition to 1 recipient against whom a determination that part of the restricted shares then held by him/her should be repurchased and cancelled though he/she was “qualified” in the annual

performance evaluation 2022, and 1 recipient against whom a determination that all of the restricted shares then held by him/her should be repurchased and cancelled for he/she was "disqualified" in the annual performance evaluation 2022, 12 recipients resigned and thus are no longer eligible restricted stock recipients, 70,750 restricted shares that have been granted to them and in respect of which the conditions for lifting of the restrictions on transfer have not been satisfied should be repurchased and cancelled by the Company pursuant to its Restricted Stock Incentive Plan (Revised Draft). To sum up, 591,850 restricted shares that have been granted and in respect of which the conditions for lifting of the restrictions on transfer have not been satisfied should be repurchased and cancelled by the Company pursuant to its Restricted Stock Incentive Plan (Revised Draft) this time. Upon completion of the repurchase and cancellation, the registered capital of the Company would be reduced from RMB 2,386,293,256 to RMB 2,385,701,406.

At the 7th Meeting of the 8th Board of Directors and 7th Meeting of the 8th Board of Supervisors on October 18, 2023, the *Proposal on Repurchase and Cancellation of Certain Restricted Shares* was reviewed and approved, stating that now that of the restricted stock incentive recipients initially granted restricted shares under the stock ownership incentive plan, in addition to 1 recipient who is no longer eligible restricted stock incentive recipient due to change of his job position, 54 recipients resigned and 2 recipients died, and thus, all those recipients are no longer eligible restricted stock incentive recipients, the board of directors resolves that 831,000 restricted shares previously granted to them in respect of which the restrictions on transfer have not been lifted be repurchased and cancelled; and that now that of the restricted stock incentive recipients to whom reserved restricted shares were granted under the restricted stock incentive plan, 27 recipients resigned and thus are no longer eligible restricted stock recipients. The board of directors also resolves that 212,500 restricted shares previously granted to them in respect of which the restrictions on transfer have not been lifted be repurchased and cancelled. This repurchase and cancellation of restricted shares involves 84 incentive recipients and 1,043,500 restricted shares. Upon completion of said cancellation, the total share capital of the Company would be reduced from 2,385,701,406 to 2,384,657,906.

Legal representative of the Company: HE Benliu;

Registered capital: RMB two billion three hundred and eighty-four million six hundred and fifty-seven thousand nine hundred and six only;

Domicile of the Company: Fengfeng Office, Zhongzhan District, Jiaozuo City;

Business scope: Import and export of self-produced products and related technologies; production and sales of chemical products (excluding chemical dangerous goods and flammable and explosive materials); sales of iron and

fertilizer; production (with production capacity of 600,000 tons/year (production site: in Billions Park in Zhongzhan District)) and sales of sulfuric acid (only sales of own sulfuric acid products within the scope of the factory); production of antimony oxide; lease of equipment, real estate and land, except for the goods and technologies that are restricted by state for sale or prohibited by the state for import and export.

These financial statements were disclosed after being approved by the Company's board of directors on April 22, 2024.

As at December 31, 2023, the subsidiaries within the scope of the consolidated financial statements of the Company are as follows:

No.	Name of subsidiary
1	Jiaozuo Bailiyuan Reservoir Management Co., Ltd. (hereinafter referred to as "Bailiyuan Reservoir")
2	Billions (Hong Kong) Co., Ltd. (hereinafter referred to as "Billions (Hong Kong)")
3	Billions Europe Ltd. (hereinafter referred to as "Billions Europe")
4	BILLIONS AMERICA CORPORATION (hereinafter referred to as "BILLIONS America")
5	Henan Rongjia Scandium Vanadium Technology Co., Ltd. (hereinafter referred to as "Rongjia Scandium and Vanadium")
6	Henan Longxiangshan Tourism Development Co., Ltd. (hereinafter referred to as "Longxiangshan Tourism")
7	Henan Billions New Material Co., Ltd. (hereinafter referred to as "Billions New Material")
8	Longbai Sichuan Titanium Industry Co., Ltd. (hereinafter referred to as "Longbai Sichuan")
9	Longbai Sichuan Mining and Metallurgy Co., Ltd. (hereinafter referred to as "Longbai Mining and Metallurgy")
10	Longbai Panzhihua Minerals Co., Ltd. (hereinafter referred to as "Longbai Minerals")
11	Longbai Xiangyang Titanium Industry Co., Ltd. (hereinafter referred to as "Longbai Xiangyang")
12	Billions Finance Lease (Guangzhou) Co., Ltd. (hereinafter referred to as "Billions Finance Lease")
13	Panzhihua Ruierxin Industry and Trade Co., Ltd. (hereinafter referred to as "Ruierxin")
14	Henan Longbai Intelligent Equipment Manufacturing Co., Ltd. (hereinafter referred to as "Longbai Intelligent")
15	Yunnan Metallurgical Xinli Titanium Co., Ltd. (hereinafter referred to as "Xinli Titanium Industry")
16	Longbai Lufeng Titanium Industry Co., Ltd. (hereinafter referred to as "Lufeng Titanium Industry")
17	Longbai Wuding Titanium Industry Co., Ltd. (hereinafter referred to as "Wuding Titanium Industry")
18	Shanghai Lomon Billions Technical Service Co., Ltd. (hereinafter referred to as "Shanghai

	Lomon")
19	Hunan Oriental Scandium Industry Co., Ltd. (hereinafter referred to as "Hunan Oriental Scandium")
20	Gansu Xingbai Titanium Industry Co., Ltd. (hereinafter referred to as "Xingbai Titanium Industry")
21	Yunnan National Titanium Metal Co., Ltd. (hereinafter referred to as "Yunnan National Titanium")
22	Gansu Detong National Titanium Metal Co., Ltd. (hereinafter referred to as "Gansu National Titanium")
23	Guangdong Orient Zirconic Industry Science and Technology Co.,Ltd. (hereinafter referred to as "Orient Zirconic Industry")
24	Shandong Longbai Titanium Industry Science and Technology Co., Ltd. (hereinafter referred to as "Shandong Longbai")
25	Henan Longbai New Energy Material Technology Co., Ltd. (hereinafter referred to as "Longbai New Energy Technology")
26	Leiyang Donggao New Materials Co., Ltd. (hereinafter referred to as "Leiyang Donggao")
27	Chaoyang Donggao New Materials Co., Ltd. (hereinafter referred to as "Chaoyang Donggao")
28	Lechang Donggao New Materials Co., Ltd. (hereinafter referred to as "Lechang Donggao")
29	Australia Donggao Resources Co., Ltd. (hereinafter referred to as "Australia Donggao")
30	Mingrui Zirconium Industry Co., Ltd. (hereinafter referred to as "Mingrui Zirconium Industry")
31	Yunnan Donggao New Material Co., Ltd. (hereinafter referred to as "Donggao New Material")
32	Shantou Donggao Technical Service Co., Ltd. (hereinafter referred to as "Donggao Technical Service")
33	Jiaozuo Donggao New Materials Co., Ltd. (hereinafter referred to as "Jiaozuo Donggao")
34	Henan Billions New Energy Materials Co., Ltd. (hereinafter referred to as "Billions New Energy")
35	Henan Longbai New Material Technology Co., Ltd. (hereinafter referred to as "Longbai New Material")
36	Henan Zhongtan New Material Technology Co., Ltd. (hereinafter referred to as "Zhongtan New Material")
37	Jiaozuo Weina Technology Co., Ltd. (hereinafter referred to as "Weina Technology")
38	Gansu Billions Chemical Co., Ltd. (hereinafter referred to as "Billions Chemical")
39	Hubei Billions Wanrun New Energy Co., Ltd. (hereinafter referred to as "Hubei Wanrun")
40	Jiaozuo Zhongzhou Carbon Co., Ltd. (hereinafter referred to as "Zhongzhou Carbon")
41	Yunnan Oriental Scandium New Materials Co., Ltd. (hereinafter referred to as "Yunnan Oriental Scandium")
42	Yanbian Zhongtai Mining Industry Co., Ltd. (hereinafter referred to as "Yanbian Zhongtai")
43	Wuding National Titanium Metal Co., Ltd (hereinafter referred to as "Wuding National Titanium")

44	Panzhihua Zhongtai Mining Industry Co., Ltd. (hereinafter referred to as "Panzhihua Zhongtai")
45	Panzhihua Zhongqi Mining Industry Co., Ltd. (hereinafter referred to as "Panzhihua Zhongqi")
46	Panzhihua Zhenxing Mining Industry Co., Ltd. (hereinafter referred to as "Zhenxing Mining")
47	Panzhihua Xinrun Mining Industry Co., Ltd. (hereinafter referred to as "Xinrun Mining")
48	Panzhihua Runxin Mining Industry Co., Ltd. (hereinafter referred to as "Runxin Mining")
49	Zhongzhou Lufeng Carbon Materials Co., Ltd. (hereinafter referred to as "Zhongzhou Lufeng")
50	Panzhihua Mingjie Mining Industry Co., Ltd. (hereinafter referred to as "Mingjie Mining")
51	Shandong Oriental Zirconium New Materials Co., Ltd. (hereinafter referred to as "Shandong Oriental Zirconium")
52	Henan Zhenxing Low-carbon Vanadium and Titanium Development Private Equity Investment Fund Center (Limited Partnership)
53	Panzhihua Haoxuan Mining Industry Co., Ltd. (hereinafter referred to as "Haoxuan Mining")
54	Panzhihua Longbai Fengyuan Mining Industry Co., Ltd. (hereinafter referred to as "Fengyuan Mining")
55	Huili Miaozigou Mining Industry Co., Ltd. (hereinafter referred to as "Miaozigou Mining")
56	Huili Longrui Industry and Trading Co., Ltd. (hereinafter referred to as "Longrui Industry and Trading")
57	Sichuan National Titanium Metal Co., Ltd (hereinafter referred to as "Sichuan National Titanium")
58	Henan Longbai Lineng Mineral Resource Exploration Co., Ltd. (hereinafter referred to as "Longbai Lineng")
59	Yunnan National Titanium Resource Development and Management Co., Ltd (hereinafter referred to as "Yunnan Titanium Development")
60	Wuding National Titanium Minerals Co., Ltd (hereinafter referred to as "Wuding Titanium Minerals")

IV. Basis of Preparation for Financial Statements

1. Preparation basis

These financial statements are prepared in accordance with the *Enterprise Accounting Standards - Basic Standards* promulgated by the Ministry of Finance and various specific corporate accounting standards, application guidelines for business accounting standards, corporate accounting standards interpretation and other relevant provisions (hereinafter collectively referred to as "Accounting Standards for Business Enterprises") and related provisions set out in the *Preparation Rules for Information Disclosure by Companies Offering Securities to the Public No. 15 - General Provisions on Financial Reports* issued by China Securities Regulatory Commission.

2. Going concern

Besides, these financial statements are prepared by the Company on the basis of going concern.

V. Significant Accounting Policies and Accounting Estimates

Tips for specific accounting policies and accounting estimates:

1. Statement of compliance to Accounting Standards for Business Enterprises

These financial statements are in compliance with the requirements of the Accounting Standards for Business Enterprises enacted by the Ministry of Finance, and give a true and complete view of consolidated and parent company financial position of the Company as of December 31, 2023 as well as consolidated and parent company business performance and cash flows for the year of 2023.

2. Accounting period

Every fiscal year of the Company is from January 1 to December 31.

3. Operating cycle

The Company's operating cycle is 12 months.

4. Functional Currency

Renminbi (RMB) is adopted by the Company as its functional currency.

5. Accounting treatment method for business combination under the same control and not under the same control

Business combination under common control: The assets and liabilities acquired by the combined party in business combination shall be measured based on book value of the merged party's assets and liabilities (including goodwill formed by the ultimate controlling party's acquisition of the merged party) in the ultimate controlling party's consolidated financial statements on the date of combination. The difference between book value of the net assets acquired in combination and book value of the combination consideration paid (or total par value of the shares issued) shall be taken into account in adjusting equity premium in capital reserve; if the capital reserve is insufficient for offset, the retained earnings shall be adjusted.

Business combination not under common control: the combination cost is equivalent to fair value of the assets handed over, the liabilities incurred or assumed and the equity securities issued by the acquirer on the acquisition date to obtain control over the acquiree. The difference between merger cost and the share of fair value of the identifiable net assets of the acquiree acquired in the merger (if the former is higher than the latter) is recognized as goodwill; the difference between merger cost and fair value of the identifiable net assets of the acquiree obtained in the merger (if the former is lower than the latter) shall be included in the current profit and loss. The identifiable assets, liabilities and contingent liabilities acquired from the acquiree in the merger that meet the recognition conditions shall be measured at their fair values on the acquisition date.

Direct related expenses incurred for business combination are included in the current profit or loss when incurred; the transaction costs of issuing equity securities or debt securities for business combination are included in the initial recognition amount of equity securities or debt securities.

6. Judgment Criteria for Control and Method of Preparation of Consolidated Financial Statements

Judgment Criteria for Control

The consolidation scope of the consolidated financial statements shall be determined on the basis of control, which includes the Company and all of its subsidiaries. The term "control" means the Company's possession of the power in an investee to enjoy variable returns by getting involved in the investee's relevant activities, as well as the Company's possession of the ability to influence the investment return from the investee by exercising its power over the investee.

Consolidation procedures

The Company regards the entire group as an accounting entity and refers to the unified accounting policies when preparing the consolidated financial statements which reflect overall financial position, operating results and cash flow of the Company. The impacts of internal transactions between the Company and its subsidiaries and between the Company's subsidiaries shall be offset. If internal transactions show any impairment losses in relevant assets, such losses shall be fully recognized. If the accounting policy or accounting period adopted by subsidiaries is inconsistent with that adopted by the Company, necessary adjustments should be made according to the accounting policy or accounting period adopted by the Company when preparing consolidated financial statements.

Owners' equity, current net profit or loss and comprehensive income of the current period of subsidiaries shall be separately listed under the owners' equity item in consolidated balance sheet, under the net profit item in consolidated income statement and under the comprehensive income item. The current loss shared by minority shareholders of subsidiaries exceeds the balance of minority shareholders' share of owners' equity in subsidiaries at the beginning, which offsets minority shareholders' equity.

(1) Addition of subsidiaries or business

During the reporting period, if a subsidiary or business is added due to business combination under the same control, the operating results and cash flows of the subsidiary or business from the beginning of the combination period to the end of the reporting period shall be included in consolidated income statement, and the opening figures in consolidated financial statements and related items in comparative statement shall be adjusted, as a result of which the combined reporting entity shall be considered to remain existing from the time when the ultimate controlling

party begins to take control.

During the reporting period, if a subsidiary or business is added due to business combination not under the same control, the fair value of the identifiable assets, liabilities and contingent liabilities recognized on the acquisition date shall be included in the consolidated financial statements from the acquisition date.

(2) Disposal of subsidiaries

① General treatment method

If the control of the investee is lost due to disposal of part of the equity investment or other reasons, the Company shall re-measure the remaining equity investment after the disposal according to its fair value on the date of loss of control. The difference between the sum of the consideration obtained from equity disposal and fair value of remaining equity, and the sum of the share of net assets that shall be continuously calculated from the original subsidiary's acquisition date or combination date and goodwill calculated based on original shareholding ratio, shall be included in investment income of the current period when control is lost. Other comprehensive income that are related to original subsidiaries' equity investment and can be reclassified into profits and losses in the future, as well as other changes in owner's equity under the equity method shall be included in current investment income when control is lost.

② Disposal of subsidiaries by stages

If equity investment in a subsidiary is disposed of in stages through multiple transactions until loss of control, and the terms, conditions and economic impacts of each transaction in which equity investment in the subsidiary is disposed meet one or more of the following conditions, it is usually indicated that the multiple transactions shall be accounted for as a package transaction:

i. These transactions are concluded at the same time or by taking into consideration of each other's impacts;

ii. These transactions as a whole can achieve a complete business result;

iii. The occurrence of one of the transactions depends on the occurrence of at least one other transaction;

iv. One of the transactions is not economical on its own, but it is economical when considered together with other transactions.

If the transactions are deemed as a package deal, the Company shall treat each transaction as a transaction that disposes of the subsidiary and leads to loses control; however, the difference between each disposal price and the share in net assets of the subsidiary corresponding to the investment disposal before loss of control, shall be recognized as other comprehensive income in the consolidated financial statements, and shall also be included in

profit and loss of the current period when the control is lost.

If the transactions are not deemed as a package deal, relevant policies based on which equity investment in the subsidiary is partially disposed of without losing control shall be followed for accounting treatment before loss of control; in the event of loss of control, accounting treatment shall be carried out in accordance with general accounting treatment methods of the subsidiary subject to the investment disposal.

(3) Purchase of minority equity in subsidiaries

The difference between long-term equity investment newly acquired by the Company as a result of purchase of minority equity and the share of the net assets of subsidiaries that are continuously calculated from the date of purchase (or the combination date) in accordance with new shareholding ratio, shall be taken into account in adjusting equity premium of capital reserve in the consolidated balance sheet; if capital premium of capital reserve is insufficient for offset, the retained earnings shall be adjusted.

(4) Partial disposal of equity investments in subsidiaries without loss of control

The difference between disposal price and the share of the net assets of subsidiaries that are continuously calculated from the date of purchase or the combination date as a result of disposing of long-term equity investment, shall be taken into account in adjusting equity premium of capital reserve in the consolidated balance sheet; if capital premium of capital reserve is insufficient for offset, the retained earnings shall be adjusted.

7. Classification of joint arrangement and accounting treatment methods for joint operation

Joint arrangements are divided into joint operation and joint venture.

The term "joint operation" means a joint arrangement in which the joint ventures shall be entitled to the assets related to the arrangement and bear the liabilities related to the arrangement.

The Company recognizes the following items related to the share of interests in joint operation:

(1) Its assets, including its share of any assets held jointly;

(2) Its liabilities, including its share of any liabilities incurred jointly;

(3) Its revenue from the sale of its share of the output arising from the joint operation;

(4) Its share of the revenue from the sale of the output by the joint operation; and

(5) Its expenses, including its share of any expenses incurred under the joint operation.

The Company's investment in joint ventures is accounted for using the equity method. For details, please refer to "III. (XIII) Long-term equity investment" in this Note.

8. Determination standards for cash and cash equivalents

The term “cash” means cash on hand and deposits available for payment at any time of the Company. Cash equivalents refers to short-term and highly liquid investments held by the Company that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

9. Foreign currency transactions and translation of foreign currency financial statements

Foreign currency transactions

Foreign currency transactions shall be converted into amount in RMB for bookkeeping based on spot exchange rate on the transaction date.

On the balance sheet date, monetary items in foreign currencies shall be converted at spot exchange rate on the balance sheet date. The resulting exchange differences, except for exchange differences arising from special foreign currency borrowings related to acquisition and construction of assets eligible for capitalization shall be treated in accordance with the principle of capitalization of borrowing costs, shall be included in current loss and profit.

Translation of foreign currency financial statements

The asset and liability items in the balance sheets are translated at the spot exchange rate on the balance sheet date. Among the owners’ equity items, the items other than “undistributed profits” are translated at the spot exchange rates prevailing on the transaction dates. Revenue and expense items in the income statement shall be translated at the spot exchange rate on the date of transaction.

When an overseas operation is disposed of, the foreign currency financial statements related to the overseas operation shall be subject to conversion of difference and included in current profit and loss sine owner’s equity is transferred for disposal.

10. Financial instruments

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

Classification of financial instruments

In line with the Company's business mode for managing financial assets and the contract cash flow characteristics of financial assets, financial assets at initial recognition shall be classified into: (1) financial assets measured at amortized cost, (2) financial assets that are measured at fair value and whose changes are included in other comprehensive earnings, and (3) financial assets that are measured at fair value and whose changes are included in current profit or loss.

The Company shall classify the financial assets that meet the following conditions and that are not designated as financial assets measured at their fair value and with their changes included in the current profit and loss as financial assets measured at amortized cost:

- The business model applied is to collect contractual cash flows;

- Contractual cash flows are only payments of principal and interests based on the outstanding principal amount.

The Company shall classify the financial assets that meet the following conditions and that are not designated as financial assets measured at their fair value and with their changes included in the current profit and loss as financial assets (debt instruments) measured at their fair value and with their changes included in other comprehensive income:

- The business model applied is to collect contractual cash flows and sell those financial assets;

- Contractual cash flows are only payments of principal and interests based on the outstanding principal amount.

For the investments of non-trading equity instruments, the Company may determine, at initial recognition, to irrevocably designate those investments as financial assets (equity instruments) measured at fair value and whose changes are included in other comprehensive income. Such designation is made on the basis of a single investment, and related investment meets the definition of equity instrument from the issuer's perspective.

Except for the foregoing financial assets measured at amortized cost and at fair value and with their changes included in other comprehensive income, the Company shall classify all other financial assets as financial assets that are measured at fair value and whose changes are included in the current profit and loss. At initial recognition, the Company may irrevocably designate financial assets that should be classified as those are measured at amortized cost or measured at fair value and whose changes are included in other comprehensive income, as those measured at fair value with changes included in the current profit and loss, if accounting mismatch can be eliminated or significantly reduced.

Financial liabilities, at initial recognition, shall be classified into (1) financial liabilities that are measured at fair value and whose changes are included in current profit or loss, and (2) financial liabilities measured at amortized

cost.

Recognition basis and measurement method of financial instruments

(1) Financial assets measured at amortized cost

Financial assets measured at amortized cost, including, but not limited to, notes receivable, accounts receivable, other receivables, long-term receivables and debt investments, shall be initially measured at fair value, and relevant transaction costs shall be included in the initially recognized amount; receivables containing no significant financing components and receivables that the Company decides not to consider financing components for no more than one year shall be initially measured at the contract transaction price.

The interests calculated by the effective-interest method during the holding period shall be included in the current profit or loss.

The difference between the price obtained and the book value of the financial assets shall be included in the current profits or losses at recovery or disposal.

(2) Financial assets (debt instruments) that are measured at fair value and whose changes are included in other comprehensive earnings

Financial assets (debt instruments) that are measured at fair value and whose changes are included in other comprehensive earnings, including accounts receivable financing and other debt investments, shall be measured at fair value with relevant transaction fees incurred included in the amount initially recognized. The financial assets shall be subsequently measured at fair value, and have the changes in their fair value to be included in other comprehensive income except for interest, impairment loss or gain and exchange gain or loss calculated by the effective-interest method.

Upon derecognition, accumulated gains or losses previously included in other comprehensive income shall be transferred out from other comprehensive income and included in current profit and loss.

(3) Financial assets (equity instrument) measured at fair value and with its changes included in other comprehensive income

Financial assets (equity instrument) that measured at fair value with its changes included in other comprehensive income, including other equity instruments investments, shall be measured at fair value with relevant transaction fees incurred included in the amount initially recognized. Subsequent measurement of the financial asset shall be done based on fair value with changes in fair value included in other comprehensive income. Dividends gained shall be included in current profit and loss.

Upon derecognition, accumulated gains or losses previously included in other comprehensive income shall be transferred out from other comprehensive income and included in retained income.

(4) Financial assets measured at fair value with its changes included in current profit or loss

The initial measurement of financial assets that are measured at fair value with its changes included in current profit and loss, including financial assets held for trading, derivative financial assets and other non-current financial assets, shall be done at fair value with relevant transaction fees incurred included in current profit and loss. Subsequent measurement of the financial asset shall be done at fair value with changes in fair value included in current profit and loss.

(5) Financial liabilities measured at fair value and with their changes included in current profit or loss

The initial measurement of financial liabilities that are measured at fair value and whose changes are included in current profit and loss, including financial liabilities held for trading and derivative financial liabilities, shall be done at fair value with relevant transaction fees incurred included in current profit and loss. Subsequent measurement of the financial liabilities shall be done at fair value with changes in fair value included in current profit and loss.

Upon derecognition, the difference between book value and consideration paid shall be included in current profit and loss.

(6) Financial liabilities measured at amortized cost

The initial measurement of financial liabilities measured at amortized cost, including short-term borrowings, notes payable, accounts payable, other payable, long-term borrowings, bonds payable and long-term payables, shall be done at fair value with relevant transaction fees incurred included in the amount initially recognized.

The interests calculated by the effective-interest method during the holding period shall be included in the current profit or loss.

Upon derecognition, the difference between the consideration paid and the book value of financial liabilities shall be included in current profit and loss.

Derecognition of financial assets, and basis for recognition of and method of measurement of transferred financial assets

The Company derecognizes financial assets when one of the following conditions is met:

- Contractual right to collect the cash flow of such financial assets is terminated;

- The financial assets have been transferred, and almost all the risks and returns of the title of the financial assets

have been transferred to the transferee;

- The financial assets have been transferred, in which case the Company has retained no control over the financial assets even though it has neither transferred nor retained almost all the risks and returns of the title of the financial assets.

If the Company and its counterparty should amend or renegotiate their contract, which constitutes a material change of the contract, then the financial assets involved in the original contract shall be derecognized, and new recognition of financial assets shall be made according to the terms of the amended contract.

If almost all the risks and returns of the title of any financial assets are retained when the financial assets are transferred, the financial assets will not be derecognized.

Substance over form principle is adopted to determine whether the transfer of financial assets can satisfy the criteria described above for derecognition.

The Company should classify the transfer of financial assets into entire transfer and partial transfer. If the transfer of entire financial assets satisfies the criteria for derecognition, differences between the amounts of the following two items should be recognized in current profit or loss:

(1) Book value of the transferred financial assets;

(2) The sum of the consideration received for transfer and the accumulated amount of changes in fair value directly included into owner’s equity originally (financial assets related to transfer are the financial assets (debt instruments) measured at fair value with their changes included in other comprehensive income).

If the partial transfer of financial assets satisfies the criteria for derecognition, the book value of the entire financial assets transferred shall be split into the derecognized and recognized portions according to their respective fair values and differences between the amounts of the following two items are included in current profits or losses:

(1) Book value of the derecognized portions;

(2) The sum of the consideration subject to derecognition and the amount of the corresponding derecognition part in the cumulative amounts of changes in fair value directly included into owners’ equity originally (financial assets related to transfer are the financial assets (debt instruments) measured at fair value with their changes included in other comprehensive income).

If the transfer of financial assets does not satisfy requirements for derecognition, the financial assets shall continue to be recognized, and the consideration received will be recognized as financial liabilities.

Derecognition of financial liabilities

Financial liabilities shall be entirely or partially derecognized if the present obligations derived from them are entirely or partially discharged. Where the Company enters into an agreement with a creditor so as to substitute the current financial liabilities with new ones, and the contract clauses of which are substantially different from those of the current ones, it shall recognize the new financial liabilities in place of the current ones.

Where substantial revisions are made to some or all of the contract clauses of the current financial liabilities, the Company shall recognize the new financial liabilities after revision of the contract clauses in place of the current ones entirely or partially.

Upon entire or partial derecognition of financial liabilities, differences between the book values of the derecognized financial liabilities and the consideration paid (including non-monetary assets surrendered or new financial liabilities assumed) are included in the current profits or losses.

Where the Company redeems part of its financial liabilities, it shall allocate the book values of the entire financial liabilities between the relative fair values of the parts that continue to be recognized and the derecognized parts on the redemption date. Differences between the book values allocated to the derecognized parts and the consideration paid (including non-monetary assets surrendered and the new financial liabilities assumed) are included in the current profits or losses.

Measurement of fair values of financial assets and liabilities

Where there is an active market for financial instruments, the fair values are measured with direct reference to the quoted prices in the active market. If there is no active market for financial instruments, valuation techniques are used to determine the fair value. During valuation, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data and other information are available to measure fair value, selects inputs that are consistent with the characteristics of assets or liabilities considered by market participants in the trading of relevant assets or liabilities, and maximizes the use of relevant observable inputs. The Company minimizes the use of unobservable inputs only under the circumstances where such relevant observable inputs cannot be obtained or practicably obtained.

Testing method and accounting treatment method for the impairment of financial instruments

In the Company, the impairment of financial assets measured at amortized costs, as well as of financial assets (debt instruments) and financial guarantee contracts measured at fair value through other comprehensive income, etc., is accounted for on basis of the anticipated loss of credit.

The Company will calculate the probability-weighted prevent value amount of the difference between the cash flows receivable under contracts and the cash flows expected to be received under contracts, and recognize expected credit loss by considering reasonable and grounded information concerning past events, current conditions and forecasts of future financial situation and by taking the risk of default as the weight.

Regarding the accounts receivable and contract assets arising from the transactions subject to the *Accounting Standards for Business Enterprises No. 14 – Revenues*, whether any material financing is contained, the Company always measures its reserves for loss in accordance with the amount equivalent to anticipated credit loss throughout the whole existence.

Regarding the accounts receivable arising from lease transactions subject to the *Accounting Standards for Business Enterprises No. 21 – Leases*, the Company elects to always measure its reserves for losses at the amount equivalent to anticipated loss of credit throughout the whole existence.

For other financial instruments, the Company evaluates, on each balance sheet date, the changes in their credit risks occurring after initial recognition.

The Company will determine relative changes in the risk of default of financial instruments during the expected lifetime and determine whether the credit risk of financial instruments has significantly increased since the initial recognition by comparing the risk of default of such financial instruments on the balance sheet date with that on the initial recognition date. Generally, in the event of more than 30 days overdue, the Company deems that the credit risk of the financial instrument has increased significantly, unless there is conclusive evidence showing that the credit risk of that financial instrument has not increased significantly after initial recognition.

If the financial instrument shows a lower credit loss risk on the balance sheet date, the Company deems that the credit risk of that financial instrument has not increased significantly after initial recognition.

If the credit risk of the financial instrument has increased significantly after the initial recognition, the Company shall measure its loss reserve based on the amount equivalent to the expected credit loss of the financial instrument in its whole existence; if the credit risk of the financial instrument has experienced no significant increase after the initial recognition, the Company shall measure its loss reserve based on the amount equivalent to the expected credit loss of the financial instrument in the future 12 months. The increased or reversed amount of loss reserve resulted thereby shall be included in current profit and loss as impairment loss or gain. For the financial assets (debt instruments) measured at fair value through other comprehensive income, the Company recognizes the provisions for their losses in the other comprehensive income and include the impairment losses or gains in current profit and

loss without decreasing their book value presented on the balance sheet.

11. Contract assets

The Company's contract assets or contract liabilities shall be presented in its balance sheet based on the relationship between performance of contractual obligations and payment by customers. The Company's right to receive consideration for goods transferred to or services provided to customers (such right depends on factors other than the passage of time) shall be presented as a contract asset. Contract assets and contract liabilities under the same contract shall be presented in net amounts. The Company's unconditional right (only depending on the passage of time) to receive consideration from customers shall be presented as an individual receivable.

For the determination method and accounting treatment method of the expected credit loss of contract assets, please see "(11) 6. Test method and accounting treatment method for impairment of financial instruments" in this Note for details.

12. Inventory

Classification and costs of inventories

Inventories may be classified as in-transit materials, raw materials, turnover materials, inventory goods, unfinished products, goods shipped in transit, materials processed upon entrustment, etc..

Inventories are initially measured at cost. Inventory costs include procurement costs, processing costs and other expenses incurred to bring inventories to the current premises and to the current state.

Valuation method for inventories sent out

Inventories, at the time of send-out, are valued by the weighted average method.

Inventory system of inventories

Perpetual inventory system is adopted.

Amortization method for low-value consumables and packaging materials

(1) One-off write-off method shall be adopted for low-value consumables

(2) One-off write-off method shall be adopted for packaging materials

Standards on recognition of and method of accrual of provisions for inventory depreciation

On the balance sheet date, the inventories should be measured at their costs or net realizable values, whichever is lower. When inventory costs are higher than net realizable value of inventories, a depreciation provision for inventories shall be made. Net realizable value means the balance of estimated selling price of inventories in daily activities minus estimated costs, estimated selling expenses and relevant taxes and fees incurred at the time of

completion.

Net realizable value of finished goods, stock goods and materials directly used for sale shall be determined based on estimated selling price of the inventories minus estimated selling expenses and related taxes during normal business operation or production; net realizable value of the inventories of materials that need to be processed shall be determined based on estimated costs of finished products produced minus estimated costs, estimated sales expenses and relevant taxes and fees incurred at the time of completion during normal business operation or production. Net realizable value of the inventories held for execution of a sales contract or a labor contract shall be calculated on the basis of contract price. If the quantity of inventories held is greater than the quantity ordered by the sales contract, net realizable value of the excess inventories shall be calculated on the basis of general sales price.

After the provision for inventory depreciation is set aside, if the previous factors affecting the write-down of inventory value have disappeared, resulting in the net realizable value of the inventories higher than the book value, it will be reversed within the amount of provisions for decline in inventory previously set aside, and the reversed amount shall be included in the current profits and losses.

13. Long-term equity investment

Judgment criteria of joint control and significant impact

Joint control refers to the common control over certain arrangement exercised according to the relevant provisions; and activities related to such arrangement shall be determined with the consent of all parties sharing the control. If the Company and other joint venture parties jointly exercise joint control over the investee and have rights to net assets of the investee, the investee shall be regarded as a joint venture of the Company.

Significant impact means that the possession of the power to participate in making financial and operating decisions of the investee but can not control or jointly control the formulation of these policies with other parties. Where the Company is able to exert significant impacts on the investee, the investee shall be regarded as a joint venture of the Company.

Determination of initial investment cost

(1) Long-term equity investment formed by business combination

For long-term equity investment in a subsidiary formed through business combinations under common control, the initial investment cost of the long-term equity investment shall be determined on the combination date based on the book value of the owner’s equity acquired in the combined party that is presented in the ultimate controlling party’s consolidated financial statements. Equity premium in capital reserve shall be adjusted based on the difference

between the initial investment cost of long-term equity investments and the book value of consideration paid. If the equity premium in capital reserve is insufficient to cover the difference, retained earnings shall be adjusted accordingly. If it is likely to exercise control over investees under the same control as a result of additional investment and other reasons, capital premium shall be adjusted based on the difference between initial investment cost of long-term equity investment determined according to the aforementioned principle and the sum of book value of long-term equity investment before merger and book value of new consideration paid on the merger date; and if capital premium is insufficient to offset, the retained earnings shall be offset.

Long-term equity investments in subsidiaries formed by reason of business combinations not under common control shall be deemed as initial investment cost of long-term equity investment based on the combination cost determined on acquisition date. If it is possible to control the investee under the same control due to additional investment and other reasons, the sum of book value of original equity investment and new investment cost shall be deemed as initial investment cost.

(2) Long-term equity investments obtained by the means other than business combination

Long-term equity investments obtained by way of cash payment shall be measured by taking their actual purchase price as initial investment cost.

For the long-term equity investment obtained by issuing equity securities, fair value of the issued equity securities shall be taken as initial investment cost.

Subsequent measurement and profit and loss recognition method

(1) Long-term equity investment measured by cost method

The Company’s long-term equity investment in subsidiaries shall be accounted for by cost method, unless the investment meets the conditions for holding for sale. Except for actual payment made at the time of acquiring the investment or cash dividends or profits included in the consideration that have been announced but not yet paid, current investment income is recognized by the Company according to the cash dividends or profits declared to be distributed by the investee.

(2) Long-term equity investment measured by equity method

Long-term equity investments in associates and joint ventures shall be accounted for by equity method. In view of the difference between initial investment cost and fair value of identifiable net assets of the investee, initial investment cost of long-term equity investment is not adjusted; the difference between initial investment cost and fair value of identifiable net assets of the investee that shall be enjoyed at the time of investment is included in

current profit or loss, and at the same time the cost of long-term equity investment shall be adjusted.

The Company shall recognize investment income and other comprehensive income according to the share of net profit and loss and other comprehensive income realized by the investee that shall be enjoyed or shall be shared, and adjust book value of long-term equity investment; moreover, the Company shall calculate the portion to be enjoyed according to the profit or cash dividend declared by the investee, and reduce book value of long-term equity investment; for other changes in owner's equity other than net profit or loss, other comprehensive income and profit distribution of the investee (referred to as "Other Changes in Owners' Equity"), book value of long-term equity investment shall be adjusted and included in the owner's equity.

When confirming the share of net profit or loss, other comprehensive income and Other Changes in Owners' Equity of the investee that shall be enjoyed, the Company shall adjust and recognize net profit and other comprehensive income of the investee based on fair value of identifiable net assets of the investee at the time of investment and in accordance with accounting policies and accounting period of the Company.

Profits and losses of unrealized internal transactions between the Company and its associates and joint ventures shall be offset against the portion attributable to the Company in proportion to the proportions to be enjoyed, on the basis of which investment gains shall be recognized, except that the investment or sale of assets constitutes business. Unrealized internal transaction loss incurred involving investees, if deemed as an asset impairment loss, shall be fully recognized.

Net losses incurred by joint ventures or associates, for which the Company shall be under the obligation to bear additional losses, shall be written down to zero based on the book value of long-term equity investment and other long-term equity that actually constitutes the net investment in joint ventures or associates. If joint ventures or associates realize net profits in the future, the Company shall resume the recognition of the shared profits after the shared profits are used to cover the unrecognized shared losses.

(3) Disposal of long-term equity investments

When disposing of a long-term equity investment, the difference between its book value and its actual purchase price shall be included in the current profit and loss.

If the long-term equity investment accounted for by the equity method is partially disposed of, and the remaining equity is still accounted for by the equity method, other comprehensive income previously recognized by the equity method shall be carried forward on the same basis as investees directly disposing of related assets or liabilities, and other changes in owner's equity shall be carried forward to the current profit and loss on a pro rata basis.

If the joint control over or significant impact on investees is lost due to disposal of equity investment and other reasons, other comprehensive income of the originally held equity investment that is recognized by the equity method shall be accounted for on the same basis as that used when investees directly dispose of relevant assets or liabilities when the equity method is no longer applied, and all other changes in owner's equity shall be carried forward to the current profit and loss when the equity method is no longer applied.

If the control over investees is lost due to disposal of part of the equity investment and other reason, and if the remaining equity after the disposal can exert joint control over or significant influence on investees, when preparing individual financial statements, the remaining equity shall be accounted for using the equity method and the remaining equity shall be adjusted as if the equity is accounted for using the equity method since its acquisition; other comprehensive income recognized before obtaining control over investees shall be carried forward on the same basis as that used when investees directly dispose of related assets or liabilities; other changes in owners' equity recognized by the equity method shall be carried forward to the current profit and loss on a pro rata basis. If the remaining equity after disposal is unlikely to exercise control over or have significant impact on investees, such remaining equity shall be recognized as financial assets, and the difference between the fair value and the book value on the day when the control is lost shall be included in the current profit and loss. All other comprehensive income and other changes in owner's equity that are recognized before the control over investees is obtained shall be carried forward.

If a series of transactions conducted to dispose of equity investment in a subsidiary until loss of control are taken as a package transaction, the Company shall treat each transaction as a transaction that disposes of the equity investment in the subsidiary and leads to loses control, and the difference between each disposal price and the book value of long-term equity investment corresponding to the disposed equity before loss of control shall be recognized as other comprehensive income in the individual financial statements, and then be included in profit and loss of the current period when the control is lost. If those transactions are not taken as a packaging transaction, each transaction shall be accounted for separately.

14. Investment real estate

Measurement model of investment real estate

Measurement by cost method

Depreciation or amortization method

Cost method is adopted by the Company to measure its existing investment real estate. Investment real estate

measured by cost model - Buildings constructed for lease are subject to the same depreciation policies as fixed assets of the Company, and land use rights for lease and are subject to the same amortization policies as intangible assets.

15. Fixed assets

(1) Conditions for recognition

Fixed assets refer to tangible assets that are held for the purpose of producing goods, providing labor services, leasing or operating management, and that have a useful life of more than one fiscal year. Fixed assets are recognized when the following conditions are met:

(1) Financial benefits associated with the fixed assets are likely to flow into the Company; and

(2) Cost of the fixed assets can be reliably measured.

(2) Depreciation method

Type	Depreciation Method	Depreciation life (Year)	Residual rate (%)	Annual depreciation rate (%)
Houses and buildings	Straight-line depreciation	25-30	3-5	3.17-3.88
Machinery and equipment	Straight-line depreciation	2-18	3-5	5.28-47.50
Electronic and office equipment	Straight-line depreciation	5-8	3-5	11.88-19.40
Transportation equipment	Straight-line depreciation	10	3-5	9.50-9.70

Depreciation of fixed assets of Orient Zirconic Industry, a subsidiary of the Company, is accrued using the straight-line method, with depreciation method, depreciation period, residual rate and annual depreciation rate of fixed assets as follows:

Type	Depreciation Method	Depreciation life (Year)	Residual rate (%)	Annual depreciation rate (%)
Houses and buildings	Average service life method	15-50	3	1.94-6.47
Machinery and equipment	Average service life method	8-20	3	4.85-12.13
Transportation equipment	Average service life method	5-10	3	9.7-19.4
Electronic and office equipment	Average service life method	5-10	3	9.7-19.4

Depreciation of fixed assets of Longbai Mining & Metallurgy, a subsidiary of the Company, is accrued using the straight-line method and sum-of-the-years-digits method , with depreciation method, depreciation period, residual rate and annual depreciation rate of fixed assets as follows:

Type	Depreciation Method	Depreciation life (Year)	Residual rate (%)	Annual depreciation rate (%)

Houses and buildings	Average service life method	20	3-5	4.75-4.85
Machinery and equipment	Average service life method	5-10	3-5	9.50-19.40
Electronic and office equipment	Average service life method	3-5	3-5	19.00-32.33
Transportation equipment	Sum-of-the-years-digits method	5	3-5	19.00-19.40

The Company must comply with the disclosure rules set forth in the *Guidelines No. 3 of the Shenzhen Stock Exchange on Self-regulation of Listed Companies - Industry Information Disclosure*

16. Construction in progress

The Company must comply with the disclosure rules set forth in the *Guidelines No. 3 of the Shenzhen Stock Exchange on Self-regulation of Listed Companies - Industry Information Disclosure*

Construction in progress should be measured at the costs actually incurred. Actual costs include construction costs, installation costs, borrowing costs that meet the capitalization conditions, and other necessary expenditures incurred before the construction in progress reaches its intended use status. Construction in progress shall be included in fixed assets when it reaches its intended use status, and be subject to depreciation from the month immediately after it reaches its intended use status. The projects under construction of the Company are included in fixed assets according to the following standards and time points:

Type	Standards and time points for inclusion of projects under construction in fixed assets
Houses and buildings	When the project reaches the intended serviceable condition
Machinery and equipment	When the project reaches the intended serviceable condition
Electronic and office equipment	Included in fixed assets when put into use
Transportation equipment	Included in fixed assets when put into use

17. Borrowing costs

Recognition principles for capitalization of borrowing costs

Where the borrowing costs incurred to the Company can be directly attributable to the acquisition and construction or production of assets eligible for capitalization, it shall be capitalized and recorded into the costs of relevant assets. Other borrowing costs shall be recognized when incurred as expenses, and shall be recorded into the current profit and loss.

Assets that meet the conditions for capitalization are those fixed assets, investment real estate or inventories that

take substantial periods of time to get ready for their intended use or sale.

Capitalization period of borrowing costs

Capitalization period means the period from the beginning of capitalization to the end of capitalization, excluding the period when the capitalization of the borrowing costs is temporarily suspended.

Capitalization shall be made when borrowing costs meet the following conditions:

(1) Asset expenditures have occurred, including expenditures for acquisition, construction or production of assets eligible for capitalization to pay cash, transfer non-cash assets or assume interest-bearing debts;

(2) Borrowing costs have occurred;

(3) Acquisition, construction or production activities necessary to bring the assets to their intended usable or available-for-sale state have begun.

When the purchased, constructed or produced assets meeting the capitalization conditions have reached expected usable or available-for-sale condition, the capitalization of the borrowing costs shall be stopped.

Capitalization suspension period

If for the assets meeting capitalization conditions, the purchase and construction process or production process is interrupted abnormally and the interrupting period exceeds 3 months, the capitalization of borrowing costs shall be suspended; if the interruption is a procedure necessary for the purchased, constructed or produced assets meeting the capitalization condition are ready for their intended use or reach their available-for-sale state, the capitalization of the borrowing costs shall continue. The borrowing costs incurred during the period of interruption is recognized as the current profit and loss, and the capitalization of the borrowing costs shall not continue until the purchase and construction or the production of the assets is resumed.

Calculation method of capitalization rate and capitalization amount of borrowing costs

Where borrowing special borrowings for the acquisition, construction or production of assets meeting the capitalization conditions, capitalization amount of borrowing costs are determined according to the borrowing expenses actually incurred in the current special borrowings minus the interest income from the unused borrowing funds deposited in the bank or the investment income made through temporary investment.

Where a general borrowing is used for the acquisition and construction or production of qualifying assets, the Company shall calculate and determine the to-be-capitalized amount of borrowing costs on the general borrowing by multiplying the weighted average asset disbursement of the part of the accumulative asset disbursements minus the general borrowing by the capitalization rate of the general borrowing used. The capitalization rate should be

calculated and determined in light of the weighted average actual interest rate of the general borrowing.

During the capitalization period, all exchange differences arising from principal and interest of special foreign currency loans shall be capitalized and included in the cost of the assets that meet the capitalization conditions. All exchange differences arising from principal and interest of foreign currency loans other than special foreign currency loans shall be included in the current profit and loss.

18. Intangible assets

(1) Useful life and its determination basis, estimates, amortization method or review procedures

Valuation method of intangible assets

(1) Initial measurement shall be conducted based on cost when intangible assets are acquired by the Company;

Cost of purchased intangible assets includes purchase price, related taxes and fees, and other expenses directly attributable to making the assets reaching their intended use.

(2) Subsequent measurement

Useful life of intangible assets shall be analyzed and determined when such assets are acquired.

Intangible assets with a finite useful life shall be amortized over the period in which economic benefit is created for the Company; intangible assets that cannot predict whether they will bring economic benefits to the Company shall be regarded as intangible assets with uncertain useful life and shall not be amortized.

Estimated useful life of intangible assets with limited useful life

Item	Estimated useful life (year)	Basis for determination
Land use right	50 years	Period agreed upon in Land Use Certificate
Franchise right	25 years	Period expected in which economic benefits are created for the Company
Software	5-10 years	Period expected in which economic benefits are created for the Company
Mining right	20 years	Period agreed upon in Mining Right Certificate
Proprietary technology	5-10 years	Period expected in which economic benefits are created for the Company
Independently developed technology	5-20 years	Period expected in which economic benefits are created for the Company
Non-proprietary technology	5-10 years	Period expected in which economic benefits are created for the Company

Judgment basis for intangible assets with uncertain useful life and procedures for reviewing their useful life

As at the balance sheet date, the Company has no intangible assets with uncertain useful life.

(2) Scope and accounting treatment of R&D expenses

Scope of R&D expenses

The expenses incurred in connection with the research and development activities within the Company include the payrolls payable to those employees working on research and development, costs of consumables, related depreciation and amortization expenses, etc., and are specifically classified as follows:

Payrolls payable to those employees working on research and development mainly includes the employee compensation payable to those employees directly working on research and development, as well as those managers and servants who assume responsibilities and duties closely associated with research and development; costs of consumables, related depreciation and amortization expenses and other expenses include the expenses incurred in acquiring machinery and equipment, fuels and other items directly used in research and development.

Specific criteria for dividing research phase and development phase

Expenditures on internal research and development projects of the Company include expenditures in research phase and expenditures in development phase.

Research phase: refers to a phase during which original and planned investigation and research activities are conducted for acquiring and understanding new scientific or technical knowledge.

Development phase: refers to a phase during which research results or other knowledge are applied in a plan or design to produce new or substantially improved materials, devices, products, etc. prior to commercial production or use.

Specific conditions for capitalization of expenditures in the development phase

Expenditures incurred in the research phase shall be included in the current profit and loss when incurred. Expenditures incurred in the development phase shall be recognized as intangible assets if the following conditions are met, or be included in the current profit and loss if the following conditions are not met:

(1) It is technically feasible to complete the intangible asset to enable it to be used or sold;

(2) There is intent to complete the intangible assets and to use or sell the assets;

(3) There is a way in which the intangible assets are able to generate economic benefits, including that it is possible to prove that the product produced using the intangible assets is marketable or the intangible assets are marketable,

and that it is possible to prove usefulness of the intangible assets if the assets will be used internally;

(4) There are sufficient technical, financial and other resources to support development of the intangible assets and there is the ability to use or sell the intangible assets;

(5) Expenditures attributable to development phase of the intangible assets can be reliably measured.

If it is impossible to distinguish the expenditures incurred in the research phase from the expenditures incurred in the development phase, all R&D expenditures incurred shall be included in the current profit and loss.

19. Long-term asset impairment

If, on the balance sheet date, there are signs that impairment of long-term assets such as long-term equity investment, investment real estate measured by cost model, fixed assets, construction in progress, right-of-use assets, intangible assets with limited useful life, oil and gas assets, etc. occurs, impairment test shall be conducted. If the impairment test finds that recoverable amount of the asset is lower than their book value, impairment loss shall be accrued and included in impairment loss based on the difference between the recoverable amount and book value. The recoverable amount is determined based on the higher of the net amount of fair value of the assets after deducting disposal expenses, and present value of the estimated future cash flows of the assets. Assets impairment provision shall be calculated and recognized on the basis of individual assets. If it is difficult to estimate recoverable amount of any individual assets, recoverable amount of the assets group shall be determined by the asset groups to which the assets belong. An asset group is the smallest portfolio of assets that can generate cash inflows independently.

Goodwill formed as a result of business combination, intangible assets with uncertain useful life and intangible assets that have not yet reached the usable state shall be subject to an impairment test at least at the end of each year, regardless of whether there are signs of impairment.

The Company shall conduct goodwill impairment test. Book value of the goodwill formed as a result of business combination shall be apportioned to relevant assets group on a reasonable basis from the date of acquisition; the book value that is difficult to be apportioned to relevant assets group shall be apportioned to relevant asset group combination. A relevant assets group or assets group combination refers to an asset group or assets group combination that can benefit from synergies of business combination.

When performing an impairment test on a relevant assets group or an assets group combination containing goodwill, if there is any sign of impairment of the assets group or asset group combination related to goodwill, the assets group or assets group combination that does not contain goodwill shall be tested for impairment and the recoverable amount shall be calculated. The calculated recoverable amount shall be compared with relevant book value to

confirm the corresponding impairment loss. An impairment test shall then be conducted on the asset group or combination of asset groups that contains goodwill, and a comparison shall be made between book value of the asset group or combination of asset groups and the recoverable amount. If the recoverable amount is lower than the book value, after deducting book value of the goodwill allocated to the assets group or assets group combination, the amount of impairment loss shall then be used to deduct book value of other assets proportionally according to the proportion of book value of each asset other than goodwill in the assets group or assets group combination. The above asset impairment loss shall not be reversed in a subsequent accounting period once it is confirmed.

20. Long-term prepaid expenses

Long-term prepaid expenses mean the expenses that have been incurred but shall be covered by current and future periods with amortization period of more than one year.

The Company's long-term prepaid expenses mean the expenses that have already been paid with benefit period being more than one year (excluding one year), mainly including land compensation fees paid for the leased land, expenses of improvement of fixed assets, fit-out and decoration expenses, etc. Long-term prepaid expenses shall be amortized in installments based on benefit period of the expenses. If long-term deferred expenses cannot benefit the future accounting periods, amortized value of the item that has not been amortized shall be fully included in the current profit and loss.

21. Contractual liabilities

The Company's contract assets or contract liabilities shall be presented in its balance sheet based on the relationship between performance of contractual obligations and payment by customers. The Company's obligation to transfer goods or offer services to customers for the consideration received or receivable from customers is presented as contractual liabilities. Contract assets and contract liabilities under the same contract shall be presented in net amounts.

22. Payroll

(1) Accounting treatment method of short-term compensation

During the accounting period that the staff provides service, the Company determines the actual short-term benefits as liability which is counted into the current profits and losses or relevant asset cost.

For the social insurance premium and housing provident funds paid by the Company for its employees, as well as the labor union funds and employee education funds drawn according to applicable regulations, the corresponding payrolls shall be calculated and determined according to the prescribed accrual basis and proportion during the

accounting period in which employees provide services for the Company.

Employee welfare expenses incurred by the Company shall be included in the current profit and loss or related asset costs based on the actual amount when actually incurred. Non-monetary benefits shall be measured at fair value.

(2) Accounting treatment method of post-employment benefits

(1) Defined contribution plans

The Company shall pay premiums of basic endowment insurance and unemployment insurance for its employees according to relevant regulations of the local government, calculate the amount payable according to the local payment base and proportion during the accounting period in which employees provide services for the Company, and recognize the amount as a liability and include it in the current profit and loss or relevant assets costs. In addition, the Company has also participated in the corporate pension scheme/supplementary pension insurance fund scheme approved by related state departments. The Company shall make payments to the pension scheme/local social insurance institutions according to a certain percentage to total wages of employees, in which case the corresponding expenses shall be included in the current profit and loss or relevant assets costs.

(2) Defined benefit plans

The benefit obligations arising from the defined benefit plan are determined by the Company to be attributable to the period during which employees provide services according to the formula determined by the expected accumulated benefit unit method, and are included in the current profit and loss or related assets cost.

The deficit or surplus determined based on the difference between present value of the obligations under the defined benefit plan and fair value of the assets under the defined benefit plan is recognized as a net benefit or net asset of the defined benefit plan. If there is a surplus under the defined benefit plan, the Company shall measure the net assets under the benefit plan based on the surplus or the asset upper limit under the defined benefit plan (whichever is lower).

All obligations under the defined benefit plan, including the obligations to make payment as expected within twelve months after the end of the annual reporting period in which employees provide services, shall be discounted based on the market yield of the government bonds or high-quality corporate bonds in the active market that match the currency on the balance sheet date and during the period in which the obligations under the defined benefit plan exist.

The service cost generated by the defined benefit plan and the net interest of the net benefit or net assets under the defined benefit plan shall be included in the current profit and loss or related asset cost; changes in net liabilities or

net assets resulted from re-measurement of the defined benefit plan shall be included in other comprehensive income and shall not be transferred back to profit or loss in subsequent accounting periods. When the original defined benefit plan is terminated, part or all of the income originally included in other comprehensive income shall be carried forward to undistributed profit within the scope of equity.

When defining settlement of the benefit plan, settlement gain or loss shall be confirmed based on the difference between present value of the obligations under the defined benefit plan and settlement price determined on the settlement date.

(3) Accounting treatment method of termination benefits

Where the Company offers employees termination benefits, the liabilities of employee benefits arising from the termination benefits shall be identified at the earlier one between the following two dates and included in the profit or loss of the current period: (1) when the Company is unable to unilaterally withdraw termination benefits due to termination of labor relationship or proposed reductions; and (2) when the Company identifies the costs or expenses related to the reorganization involving payment for termination benefits.

23. Estimated liabilities

The Company shall recognize the obligations related to contingencies and satisfying the following conditions as estimated liabilities:

(1) The obligation is the current obligation assumed by the Company;

(2) Fulfilling the obligation is likely to cause economic benefits to flow out from the Company;

(3) Amount of the obligation can be reliably measured.

The Company shall make initial valuation on the estimated liabilities in accordance with the best estimates of the expenditure needed for fulfillment of relevant current obligation.

When determining the best estimates, the Company takes into account the factors pertaining to a contingency such as the risks, uncertainties and time value of money. Where there is a significant impact on the time value of money, the best estimate is determined by discounting the related future cash outflow.

If there is a continuous range of the required expenditures, and the likelihood of occurrence of various results within the range is the same, the best estimate shall be determined at the intermediate value of the range; in all other cases, the best estimate shall be determined pursuant to the following provisions:

• Where the contingency involves a single item, the best estimate is determined at the amount mostly likely to be incurred.

• Where the contingency involves multiple items, the best estimate is determined based on the possible results and their probabilities.

If all or parts of the expenses required by the Company to repay its estimated liabilities are expected to be compensated by the third party, the compensation amount shall be separately recognized as assets when it is basically determined to be recoverable, and the confirmed compensation amount shall not exceed book value of the estimated liabilities.

The Company shall recheck the book value of estimated liabilities on the balance sheet date. In case of any conclusive evidence that the book value fails to show the current best estimate, such book value shall be adjusted according to such best estimate.

24. Share-based payment

Share-based payment of the Company refers to a transaction in which the Company grants equity instruments or assumes liabilities determined on the basis of equity instruments in order to obtain services from its employees or other parties. Share-based payment of the Company can be divided into equity-settled share-based payment and cash-settled share-based payment.

Equity-settled share-based payment and equity instrument

In the case of an equity-settled share-based payment in exchange for service provided by an employee, it shall be measured at fair value of the equity instrument granted to the employee. Share-based payments that are vested immediately after granting shall be included in relevant costs or expenses based on the fair value of equity instruments on the grant date, and the capital reserve shall be increased accordingly. With respect to any share-based payment that is only exercisable when the services within the waiting period are completed or the required performance conditions are met after granting, on each balance sheet date during the waiting period, the Company shall include the services obtained in the current period in related costs or expenses and increase the capital reserve accordingly according to the best estimate of the number of exercisable equity instruments and based on the fair value on the grant date.

If the terms and conditions concerning the equity-settled share-based payment are modified, the service obtained shall be confirmed at least in accordance with the unmodified terms. In addition, any modification that increases fair value of the equity instruments granted, or changes that are beneficial to employees on the modification date, shall be recognized as the increase in the services obtained.

If any granted equity instrument is cancelled during the waiting period, the Company shall deem such cancellation

as accelerated exercise of the equity instrument, and immediately include the amount to be recognized during the remaining waiting period in the current profit and loss and recognize capital reserve. However, if a new equity instrument is granted and the new equity instrument granted on the grant date of the new equity instrument is used to replace the cancelled equity instrument, the alternative equity instrument granted shall be treated in the same manner as the original terms and conditions concerning modification of equity instrument.

Cash-settled share-based payment and equity instrument

Cash-settled share-based payment shall be measured in accordance with fair value of the liabilities determined by the Company on the basis of shares or other equity instruments. The Company shall include the share-based payments that are exercisable immediately after the grant in relevant costs or expenses at fair value of the liabilities borne on the grant date, and increase the liabilities accordingly. With respect to any share-based payment that is only exercisable when the services within the waiting period are completed or the required performance conditions are met after granting, on each balance sheet date during the waiting period, the Company shall include the services obtained in the current period in related costs or expenses and in the liabilities accordingly according to the best estimate on feasible rights and based on the fair value of liabilities borne by the Company. The Company shall re-measure fair value of liabilities on each balance sheet date and settlement date before settlement of relevant liabilities, and include corresponding changes in current profit and loss.

Where the Company amends the terms and conditions of a share-based payment agreement providing for settlement in cash to make the contemplated share-based payment become share-based payment to be settled with equities, on the date of such amendment (whether within or following a vesting period), the Company measures the share-based payment settled with equities at the fair value of the equity instruments so granted on that date, includes any services already acquired into capital reserves, and ceases to recognize any liabilities already recognized with respect to the share-based payment settled in cash on that date, with the resulting difference to be included in current profits or losses. If the vesting period is extended or shortened due to such amendment, the Company would perform accounting treatment according to the amended vesting period.

25. Income

Disclosure of accounting policy adopted to recognize and measure income by business type

Accounting policy adopted to recognize and measure revenue

The Company shall recognize revenues when it has fulfilled its performance obligations under contracts, i.e. when customers have acquired the control over related goods or services. Acquisition of the control over related goods or

services means the possession of the ability to direct the use of the goods or services and to obtain almost all the economic benefits therefrom.

If there are two or more performance obligations under a contract, the Company shall, on the effective date of the contract, allocate the transaction price to each individual performance obligation according to the relative proportion of the selling price of the goods or services contemplated under each individual performance obligation. The Company shall measure revenues based on the transaction price allocated to each individual performance obligation.

Transaction price means the amount of consideration expected to be received by the Company by reason of the provision of goods or services to customers, excluding payments received on behalf of third parties and payments expected to be returned to customers. The Company shall determine transaction price according to contractual terms, and shall take into account of the impacts of variable consideration, major financing elements contained in contract, non-cash consideration, consideration payable by customers and other factors when determining transaction price. The Company shall determine the transaction price that includes variable consideration at an amount at which the aggregate recognized revenues are unlikely to be significantly reversed when relevant uncertainties are eliminated. In the case of major financing elements in contract, the Company shall determine transaction price based on the amount payable in cash when the control over goods or services is acquired by customers, and shall amortize the difference between transaction price and contractual consideration during the contract period through the effective interest method.

Performance obligations shall be deemed to be fulfilled within a certain period of time if any one of the following conditions is satisfied, or be deemed to be fulfilled at a certain time-point if not satisfied:

• Customers obtain and consume the economic benefits brought by the Company's fulfillment of its performance obligations when the Company fulfills so.

• Customers take the control over the goods under construction when the Company fulfills its performance obligations.

• The goods produced during the Company's fulfillment of its performance obligations are irreplaceable, and the Company has the right to be paid for the performance obligations that have been fulfilled during the entire contract period.

For the performance obligations performed within a certain period of time, the Company shall recognize revenues based on the performance progress during the period of time, except that the performance progress cannot be reasonably determined. The Company shall determine the performance progress based on the nature of goods or

services and by using the output method or the input method. If the performance progress cannot be reasonably determined and the costs incurred are expected to be reimbursed, the Company shall recognize revenues based on the amount of costs that have occurred until the performance progress can be reasonably determined.

With regard to the performance obligations performed at a certain point in time, the Company shall recognize revenues at the point in time when customers acquire the control over related goods or services. When determining whether customers have acquired the control over goods or services, the Company shall take the following circumstances into consideration:

• The Company has the right to be promptly paid for the goods or services. That is to say, customers are under the obligation to promptly pay for the goods or services.

• The Company has transferred the legal title of the goods to customers, as a result of which customers have acquired the legal title of the goods.

• The Company has transferred the goods in kind to customers, as a result of which customers have taken possession of the goods in kind.

• The Company has transferred the main risks and interests attached to the title of the goods to customers, as a result of which customers have accepted the main risks and interests attached to the title of the goods.

• Customers have accepted the goods or services.

For a transaction involving transfer by the Company of goods or services to a customer, the Company determines whether it conducts the transaction in a capacity as principal or agent depending on whether it has the control over the transferred goods or services before their transfer to the customer. If the Company can control the goods or services before transferring the same to the customer, the Company is the principal and recognizes revenue at the aggregate amount of the consideration having been received or receivable; otherwise the Company is the agent and recognizes revenue at the amount of the commission or agency fee that it expects to become entitled to receive.

Disclosure of specific revenue recognition approach and measurement method by business type

The Company shall recognize revenues when it has fulfilled its performance obligations under contracts, i.e. when customers have acquired the control over related goods or services. Specific principles for revenue recognition:

(1) For revenue from domestic sales, the Company recognizes revenue according to the order and outbound delivery order (ODO) and after the customer confirms receipt of the goods.

(2) For revenue from export sales, the Company recognizes revenue according to the order and outbound delivery order and after handling export customs declaration and shipping the goods.

Use of different revenue recognition approaches and measurement methods for the same kind of business adopting different business models

The Company must comply with the disclosure rules set forth in the *Guidelines No. 3 of the Shenzhen Stock Exchange on Self-regulation of Listed Companies - Industry Information Disclosure*

26. Contract costs

Contract cost includes contract performance cost and contract acquisition cost.

Costs that are incurred by the Company in contract performance and do not fall within the scope of related standards and regulations applicable to inventory, fixed assets or intangible assets shall be deemed as contract performance costs and be recognized as an asset when the following conditions are met:

• The costs are directly related to a current or anticipated contract.

• The costs increase the resources to be used by the Company for fulfilling its performance obligations in the future.

• The costs are expected to be recovered.

The incremental costs that are incurred by the Company for obtaining a contract and are expected to be recovered shall be deemed as contract acquisition costs and be recognized as an asset.

Assets related to contract costs shall be amortized on the same basis as that used in recognizing the revenues from the goods or services related to the assets. However, if the amortization period of contract acquisition costs does not exceed one year, the Company shall include these assets in the current profit and loss when they occur.

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

1. Remaining consideration expected to be obtained as a result of the transfer of goods or services related to the assets;

2. Costs estimated to be incurred for the transfer of related goods or services.

If the depreciation factors in the previous period have changed, as a result of which the foregoing difference is higher than the book value of the assets, the Company shall reverse the provision for impairment previously made and include such provision in the current profit and loss, provided, however, that the book value of the assets after the reversal shall not exceed the book value of the assets on the date of reversal if no impairment provision is made.

27. Government grants

Type

Government grants mean the monetary or non-monetary assets obtained by the Company from the government, which are mainly classified into asset-related government grants and income-related government grants.

Asset-related government grants refer to government grants acquired by the Company for the purpose of purchasing or constructing or otherwise forming long-term assets. Income-related government grants refer to government grants other than asset-related government grants.

Confirmation timepoint

Government grants shall be recognized when the Company can meet the conditions attached to the subsidies and can receive the subsidies.

Accounting treatment

Asset-related government grants shall be used to offset book value of related assets or be recognized as deferred income. Government grants recognized as deferred income shall be recognised in profit or loss in the current period in a reasonable and systematic manner within the useful lives of relevant assets (Government grants related to daily activities of the Company shall be included in other income; and Government grants not related to daily activities of the Company shall be included in non-operating income);

Government grants that are related to income and are used to compensate for related costs or losses of the Company in the subsequent period, shall be recognized as deferred income and shall be included in the current profit or loss (Government grants related to daily activities of the Company shall be included in other income; and Government grants not related to daily activities of the Company shall be included in non-operating income) or offset related costs or losses in the period in which related costs or losses are recognised; Government grants used to compensate for related costs or losses incurred by the Company shall be directly recognized in the current profit or loss (Government grants related to daily activities of the Company shall be included in other income; and Government grants not related to daily activities of the Company shall be included in non-operating income) or offset related costs or losses.

The policy concessional loan discount acquired by the Company undergoes accounting treatment in either of the following ways:

(1) If financial department allocates the interest discount funds to loan bank and loan bank provides the loan to the Company at a policy-based preferential interest rate, the Company shall take the amount of the borrowed money

actually received as book value of the loan, and shall calculate relevant borrowing costs based on loan principal and the policy-based preferential interest rate.

(2) If financial department directly allocates interest discount funds to the Company, the Company shall use corresponding interest discount funds to offset related borrowing costs.

28. Deferred income tax asset/Deferred income tax liability

Income tax includes current income tax and deferred income tax. Except for income tax arising from business combination and from transactions or events directly included in owner's equity (including other comprehensive income), the Company shall include current income tax and deferred income tax in the current profit and loss.

Deferred income tax assets and deferred income tax liabilities shall be calculated and recognized based on the difference between tax basis and book value of assets and liabilities (temporary difference).

Recognition of deferred income tax assets for deductible temporary differences is limited to the amount of taxable income that is likely to be available in the future to offset the deductible temporary differences. Deferred income tax assets are only recognized for deductible losses and tax credits to the extent that it is probable that taxable profit will be available in the future against which the deductible losses and tax credits can be utilized.

Taxable temporary differences, except for special circumstances, shall be recognized as deferred income tax liabilities.

Special circumstances under which deferred income tax assets or deferred income tax liabilities are not recognized include:

- Initial recognition of goodwill;
- Transactions or matters, other than business combinations, which have no effect on accounting profits or taxable income (or deductible losses) upon occurrence thereof and in respect of which the initially recognized assets and liabilities do not lead to taxable temporary difference or deductible temporary difference of equal amount.

Regarding taxable temporary differences related to investments in subsidiaries, associates and joint ventures, deferred income tax liabilities shall be recognized, unless the Company can control the time when the temporary differences are reversed and the temporary differences are unlikely to be reversed in the foreseeable future. Regarding deductible temporary differences related to investments in subsidiaries, associates and joint ventures, deferred income tax assets shall be recognized when the temporary differences are likely to be reversed in the foreseeable future and it is likely to obtain taxable income that can be used to offset deductible temporary differences in the future.

On the balance sheet date, deferred income tax assets and deferred income tax liabilities shall be measured at the applicable tax rate during the period when related assets are expected to be recovered or related liabilities are expected to be paid off according to tax laws.

Book value of deferred income tax assets shall be reviewed by the Company on the balance sheet date. If it is probable that sufficient taxable income will not be available in the future to offset the benefits of Deferred income tax assets, book value of Deferred income tax assets shall be written down. When it is likely to obtain sufficient taxable income, the amount written down shall be reversed.

When there is a statutory right to settle on a net basis and the intention is to settle the net amount or acquire the assets and pay off the liabilities simultaneously, the current income tax assets and current income tax liabilities shall be reported based on the net amount after offset.

On the balance sheet date, deferred income tax assets and deferred income tax liabilities shall be presented as the net amount after offset when the following conditions are satisfied:

• The taxpayer has the legal right to settle the current income tax assets and liabilities using net amounts;

• Deferred income tax assets and deferred income tax liabilities are related to the income tax levied by the same tax collection authority on the same taxpayer or related to different taxpayers, however, in the future period in which each of the important deferred income tax assets and liabilities are reversed, the taxpayer involved intends to settle current income tax assets and liabilities on a net basis or acquire assets and liquidate liabilities at the same time.

29. Lease

(1) Accounting treatment of leases in which the Company is lessee

1) Right-of-use assets

The Company recognizes right-of-use assets for leases other than short-term leases and leases of low-value assets. Right-of-use assets are initially measured at the actual costs. Such costs include:

Initial measurement amount of lease liabilities;

Lease payments made on or before the commencement date of the lease, less any lease incentives;

Initial direct costs incurred by the Company; and

Costs expected to be incurred by the Company for dismantling and removing the leased assets, restoring the site where the leased assets are situated, or restoring the leased assets to the state agreed upon in the lease terms, but excluding costs incurred for production of inventories.

In the future, the Company uses the straight-line method to accrue depreciation for right-of-use assets. Where it is reasonable to determine that ownership of leased assets can be acquired at the expiration of lease term, depreciation shall be made by the Company within the remaining useful life of the leased asset; otherwise, depreciation shall be made over lease term and the remaining useful life of the leased assets (whichever is shorter).

The Company determines whether a right-of-use asset is impaired and has accounting treatment on the identified impairment according to the principles described in “III. (10) Financial instruments” in this note.

2) Lease liabilities

The Company recognizes lease liabilities for leases other than short-term leases and leases of low-value assets. Lease liabilities are initially measured at the present value of outstanding lease payments. Lease payments include:

Fixed payments (including in-substance fixed payments), less any lease incentives;

Variable lease payments that depend on an index or rate;

Payments expected to be made based on guaranteed residual value delivered by the Company;

Exercise price of the option to purchase, provided that the Company is reasonable to determine that the option will be exercised;

Payments for exercising an option to terminate the lease, provided that the lease term reflects that the Company will exercise the option to terminate the lease.

The Company uses the interest rate implicit in the lease as discount rate. If that rate cannot be reasonably determined, the Company’s incremental borrowing rate is used as the discount rate.

The Company calculates interest cost on lease liabilities accrued during the lease term based on the fixed periodic interest rate, and includes the results in the current profit and loss or applicable asset cost.

Variable lease payments that are not included in measurement of lease liabilities are included in the current profit and loss or applicable asset cost when they are actually incurred.

After the commencement date, the Company remeasures the lease liability in the following situations, and recognizes the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. However, if the book value of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the remeasurement in the current profit or loss:

Where there is a change in the evaluation results of the purchase option, lease renewal option or termination option, or actual exercise of the aforementioned options is inconsistent with the original evaluation results, the Company

remeasures the lease liabilities by discounting the revised lease payments using a revised discount rate;

Where there is a change in in-substance fixed payments, estimated payable amount of guaranteed residual value or an index or a rate used to determine lease payments, the Company remeasures the lease liabilities by discounting the revised lease payments using a former discount rate. However, where changes in lease payments result from changes in floating interest rates, a revised discount rate is used.

3) Short-term leases and low-value asset leases

If the Company chooses not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value asset, the relevant lease payments are included into the current profit and loss or applicable asset cost on a straight-line basis in each period of lease term. A short-term lease is a lease that does not contain an option to purchase and has a lease term of no longer than 12 months (as of commencement date). A lease of low-value asset is a lease where the underlying asset has a low value when new. Where the Company subleases or expects to sublease the leased assets, original lease is not a lease of low-value asset.

4) Change in leases

The Company conducts accounting treatment for a modification in a lease as a separate lease if the lease is modified and the following conditions are met:

The modification increases the scope of the lease by adding the right to use one or more underlying assets; and

The consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a modification in a lease that is not accounted for as a separate lease, the Company re-allocates the consideration of modified contract, re-determines the lease term, and remeasures the lease liabilities by discounting the revised lease payments using a revised discount rate, on the effective date of modification.

If the modification in a lease causes decrease in scope or lease term, the Company will reduce the book value of the right-of-use asset, and wholly or partially derecognizes any gains or losses on the lease in the current profit or loss. The Company revises the book value of a right-of-use asset to reflect other modifications in the lease that lead to remeasurement of lease liabilities.

(2) Accounting treatment of leases in which the Company is lessor

On the commencement date of lease, leases are classified into finance leases and operating leases by the Company. Finance leases mean leases that essentially transfers almost all the risks and returns in relation to the ownership of the leased asset, regardless of whether the ownership is ultimately transferred. Operating leases mean leases other

than finance leases. When the Company acts as a sublease lessor, sublease is classified based on the right-of-use asset arising from the original lease.

1) Accounting treatment of operating leases

Lease receipts from operating leases are recognized as rental income on a straight-line basis in each period of lease term. The initial direct expenses to be incurred by the Company and in relation to operating leases are capitalized, and are amortized and included in the current profit and loss on the same basis as rental income recognition during the lease term. Variable lease payments not included in lease collections are included in the current profit or loss when they are actually incurred. Where an operating lease is modified, the Company will conduct accounting treatment for it as a new lease from effective date of the modification, and lease collections collected in advance or receivable in relation to the lease before the modification will be considered as collections of the new lease.

2) Accounting treatment of finance leases

On the commencement date of lease, the Company recognizes the finance lease receivables for the finance lease and derecognizes the finance lease assets. Where the Company initially measures the finance lease receivables, the net lease investment is regarded as the entry value of the finance lease receivables. The net lease investment is the sum of the unguaranteed residual value and the present value of the lease collections not yet received on the commencement date of the lease term and discounted at the interest rate implicit in the lease.

Interest income in each period of the lease term is calculated and recognized by the Company according to the fixed periodic interest rate. Derecognition and impairment of finance lease receivables shall be accounted for in accordance with “III. (10) Financial instruments” in this note.

Variable lease payments not included in measurement of net lease investment are included in the current profit or loss when they are actually incurred.

The Company accounts for a modification to a finance lease as a separate lease if the finance lease is modified and the following conditions are met:

The modification expands the scope of the lease by adding the right to use one or more leased assets; the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

Where the modification to a finance lease is not accounted for as a separate lease, the Company shall conduct accounting treatment for the modified lease under the following circumstances:

Where the modification takes effect on the commencement date of the lease and the lease will be classified as an

operating lease, the Company will conduct accounting treatment for it as a new lease from the effective date of the lease modification and the net lease investment prior to the effective date of the lease modification shall be determined as book value of the leased asset;

Where the modification takes effect on the commencement date of the lease and the lease will be classified as a finance lease, the Company will conduct accounting treatment for it in accordance with the policy on revising or renegotiating contracts in "III. (10) Financial instruments" in this note.

30. Significant accounting policies and changes in accounting estimates

(1) Changes in accounting policies

☑ Applicable □ Not applicable

Monetary Unit: RMB

Content of and reasons for changes in accounting policies	Items subject to significant impact as presented in the financial statements	Amount impacted

(1) Applied the provisions for "accounting treatment of deferred income tax related to assets and liabilities arising from individual transactions when the exemption from initial recognition does not apply" in the *No.16 Interpretation of the Accounting Standards for Business Enterprises*.

On November 30, 2022, the Ministry of Finance issued the *Interpretation No. 16 of Accounting Standards for Business Enterprises* (C. K. [2022] No. 31) (the "Interpretation No. 16"), providing for the "accounting treatment of deferred income tax related to assets and liabilities arising from individual transactions when the exemption from initial recognition does not apply". Those provisions came into force as of January 1, 2023.

No.16 Interpretation of the Accounting Standards for Business Enterprises states that for individual transactions other than business combination that neither affect accounting profit nor taxable income (or deductible losses) when they occur, and which lead to equivalent taxable and deductible temporary differences due to the initial recognition of assets and liabilities (including lease transactions where lessees recognize lease liabilities and right-of-use assets at the commencement date of the lease, and transactions where estimated liabilities are recognized due to retirement obligations for fixed assets and included in the cost of related assets), the exemptions from initial recognition of Deferred income tax liabilities and Deferred income tax assets are not applicable, and upon the entry of such transactions, related deferred income tax liabilities and deferred income tax assets shall be recognized respectively pursuant to the *Accounting Standards for Business Enterprises No. 18* and other relevant regulations.

For those individual transactions entered into between the period from the beginning of the earliest period presented

in the financial statements for which said provisions are adopted for the first time through the effective date of those provisions and to which those provisions are applicable, and for those lease liabilities and right-of-use assets recognized due to individual transactions to which those provisions are applicable at the beginning of the earliest period presented in the financial statements, as well as estimated liabilities related to recognized retirement obligations and their corresponding assets, the business enterprise shall make adjustment pursuant to those provisions in the event of occurrence of taxable temporary difference or deductible temporary difference.

Those provisions began to be implemented within the Company from January 1, 2023, with the main effect resulting therefrom being detailed below:

Content of and reasons for changes in accounting policies	Items affected in financial statements	Amount of impact on the balance on January 1, 2022	
		Consolidation	Parent company
No.16 Interpretation of the Accounting Standards for Business Enterprises	Deferred income tax assets	3,674,383.86	816,459.96
	Deferred income tax liabilities	3,633,435.84	798,304.62
	Undistributed profits	28,885.57	18,155.34
	Other comprehensive income	81.95	
	Minority equity	12,144.40	

Content of and reasons for changes in accounting policies	Items affected in financial statements	Consolidation		Parent company	
		December 31, 2023 /2023	December 31, 2022 /2022	December 31, 2023 /2023	December 31, 2022 /2022
No.16 Interpretation of the Accounting Standards for Business Enterprises	Deferred income tax assets	1,036,373.01	2,970,848.70	238,090.11	290,886.09
	Deferred income tax liabilities	947,726.12	2,863,637.17	222,433.06	278,041.33
	Other comprehensive income	-3,230.15	801.65		
	Undistributed profits	57,047.06	42,762.15	15,657.05	12,844.76
	Minority equity	34,829.98	63,647.73		
	Income tax expenses	14,284.91	-65,131.98	-2,812.29	5,310.58
	Profits and losses of minority shareholders	-28,817.75	51,503.33		

(2) Changes in important accounting estimates

□ Applicable ☑ Not applicable

(3) Adjustments to the financial statements at the beginning of 2023 in which the New Accounting Standards was first implemented

□ Applicable ☑ Not applicable

VI. Taxes

1. Major taxes and tax rates

Tax type	Taxation basis	Tax rate
Value-added tax (VAT)	Output tax is calculated on the basis of the sold goods and taxable income from labor services calculated according to the tax law. After deducting the input tax amount that is allowed to be deducted in the current period, the difference is included in the value-added tax payable	13%, 9%, 6%, 5%, 3%
Consumption tax		
Urban maintenance and construction tax	Calculated and paid according to the value-added tax and consumption tax actually paid	7%, 5%, 1%
Corporate income tax	Calculated and paid based on taxable income	30%, 25%, 20%, 16.5%, 15%, 8.25%
Educational surcharges	Value-added tax and consumption tax are levied based on that actually paid	3%
Local education surcharges	Value-added tax and consumption tax are levied based on that actually paid	2%

If the taxpaying entities apply to different corporate income tax rates, details shall be disclosed

Name of taxpayer	Income tax rate
LB Group	15%
Rongjia Scandium Vanadium	15%
Billions New Material	15%
Sichuan Lomon Titanium	15%
Longbai Xiangyang	15%
Longbai Intelligent	15%
Lufeng Titanium	15%
Shanghai Lomon	15%
Hunan Oriental Scandium	15%
Gansu National Titanium	15%
Orient Zirconic Industry	15%
Weina Technology	15%
Lechang Donggao	15%

Wuding Titanium	15%
Chaoyang Donggao	15%
Zhongzhou Carbon	15%
Billions New Energy	15%
Bilions Chemical	15%
Longbai Mining and Metallurgy	15%
Longbai Minerals	15%
Yunnan National Titanium	15%
Yanbian Zhongtai	15%
Wuding National Titanium	15%
Zhenxing Mining	15%
Xinrun Mining	15%
Fengyuan Mining	15%
Miaozigou Mining	15%
Longrui Industry & Trading	15%
Sichuan National Titanium	15%
Zhongzhou Lufeng	15%
Billions (Hong Kong)	16.50%, 8.25%
Billions Europe	20%
BILLIONS America	20%
Wanrun, Hubei	20%
Runxin Mining	20%
Mingjie Mining	20%
Haoxuan Mining	20%
Hongfan Mining	20%
Australia Donggao	30%
Mingrui Zirconium Industry	30%

2. Tax incentives

1. According to the *High-tech Enterprise Certificate* (No.: GR202341003190) issued to the Company by Henan Provincial Department of Science and Technology, Henan Provincial Department of Finance and Henan Provincial Tax Service, State Taxation Administration on November 22, 2023. The Company passed the high-tech enterprise certification in 2023 and accordingly enjoys national preferential policies for high-tech enterprises for three consecutive years from 2023 to 2025, and paid corporate income tax at a tax rate of 15% in this year.

2. On October 28, 2021, A *High-tech Enterprise Certificate* (No.: GR202141001772) was received by Rongjia Scandium Vanadium from Henan Provincial Department of Science and Technology, Henan Provincial Department of Finance and Henan Provincial Tax Service, State Taxation Administration. Rongjia Scandium Vanadium passed the high-tech enterprise certification in 2021 and accordingly enjoys national preferential policies for high-tech enterprises for three consecutive years from 2021 to 2023, and paid corporate income tax at a tax rate of 15% in this year.

3. On October 28, 2021, a *High-tech Enterprise Certificate* (No.: GR202141001938) was received by Billions New Material from Henan Provincial Department of Science and Technology, Henan Provincial Department of Finance and Henan Provincial Tax Service, State Taxation Administration. The company passed the high-tech enterprise certification in 2021 and accordingly enjoys national preferential policies for high-tech enterprises for three consecutive years from 2021 to 2023, and paid corporate income tax at a tax rate of 15% in this year.

4. According to the *High-tech Enterprise Certificate* (No.: GR202251003542) issued to Longbai Sichuan by Science & Technology Department of Sichuan Province, Sichuan Provincial Finance Department and Sichuan Provincial Tax Service, State Taxation Administration on November 2, 2022. Longbai Sichuan passed the high-tech enterprise certification in 2022 and accordingly enjoys national preferential policies for high-tech enterprises for three consecutive years from 2022 to 2024, and paid corporate income tax at a tax rate of 15% in this year.

5. Longbai Xiangyang passed the re-authentication for high-tech enterprises on December 1, 2023, and obtained the high-tech enterprise certificate (No.GR202342000067) under which Longbai Xiangyang, within three years (from 2023 to 2025) since its acquisition of high-tech enterprise authentication, shall be entitled to relevant preferential policies issued by the state for high-tech enterprises, and paid corporate income tax at a tax rate of 15% in this year.

6. Longbai Intelligent obtained the High-tech Enterprise Certificate (No.: GR202141001205) jointly issued by Henan Provincial Science & Technology Department, Henan Provincial Department of Finance and Henan Provincial Tax Service, State Taxation Administration on October 28, 2021. Longbai Intelligent passed the high-tech enterprise certification in 2021 and accordingly enjoys national preferential policies for high-tech enterprises for three consecutive years from 2021 to 2023, and paid corporate income tax at a tax rate of 15% in this year.

7. Lufeng Titanium Industry obtained the *High-tech Enterprise Certificate* (No.: GR202153000129) jointly issued by Yunnan Province Science and Technology Department, Yunnan Provincial Department of Finance and Yunnan Provincial Tax Service, State Taxation Administration on December 3, 2021, under which the company, within three years (from 2021 to 2023) since its acquisition of high-tech enterprise authentication, shall be entitled to

relevant preferential policies issued by the state for high-tech enterprises, and paid corporate income tax at a tax rate of 15% in this year.

8. Shanghai Lomon obtained the *High-tech Enterprise Certificate* (No.: GR202231001833) jointly issued by Shanghai Municipal Science and Technology Commission, Shanghai Municipal Finance Bureau and Shanghai Municipal Tax Service, State Taxation Administration on November 15, 2022, under which the company, within three years (from 2022 to 2024) since its acquisition of high-tech enterprise authentication, shall be entitled to relevant preferential policies issued by the state for high-tech enterprises, and paid corporate income tax at a tax rate of 15% in this year.

9. On December 8, 2023, Hunan Oriental Scandium obtained the *High-tech Enterprise Certificate* (No. GR202343004381) with a valid term of 3 years issued by Hunan Provincial Science & Technology Department, Hunan Provincial Department of Finance, Hunan Provincial Tax Service, State Taxation Administration, and Hunan Provincial Local Taxation Bureau, under which the company, within three years (from 2023 to 2025) since its acquisition of high-tech enterprise authentication, shall be entitled to relevant preferential policies issued by the state for high-tech enterprises, and paid corporate income tax at a tax rate of 15% in this year.

10. On October 18, 2022, Gansu National Titanium obtained the *High-tech Enterprise Certificate* (No. GR202262000222) with a valid term of 3 years issued by Gansu Provincial Science & Technology Department, Gansu Provincial Department of Finance and Gansu Provincial Tax Service, State Taxation Administration, under which the company, within three years (from 2022 to 2024) since its acquisition of high-tech enterprise authentication, shall be entitled to relevant preferential policies issued by the state for high-tech enterprises, and paid corporate income tax at a tax rate of 15% in this year.

11. On December 28, 2023, Orient Zirconic Industry obtained the *High-tech Enterprise Certificate* (No. GR202344004570) with a valid term of 3 years issued by Guangdong Provincial Science & Technology Department, Guangdong Provincial Department of Finance and Guangdong Provincial Tax Service, State Taxation Administration, under which the company, within three years (from 2023 to 2026) since its acquisition of high-tech enterprise authentication, shall be entitled to relevant preferential policies issued by the state for high-tech enterprises, and paid corporate income tax at a tax rate of 15% in this year.

12. Weina Technology obtained the *High-tech Enterprise Certificate* (No.: GR202141001171) with a valid term of 3 years jointly issued by Henan Provincial Science & Technology Department, Henan Provincial Department of Finance and Henan Provincial Tax Service, State Taxation Administration on October 28, 2021, under which Weina

Technology shall be entitled to the preferential corporate income tax policies for high-tech enterprises prevailing in China, and paid corporate income tax at a preferential tax rate of 15%.

13. Lechang Oriental Zirconium obtained the *High-tech Enterprise Certificate* (No.: GR202144005743) with a valid term of 3 years jointly issued by Guangdong Provincial Science & Technology Department, Guangdong Provincial Department of Finance and Guangdong Provincial Tax Service, State Taxation Administration on December 20, 2021, under which the company shall be entitled to the preferential corporate income tax policies for high-tech enterprises prevailing in China, and paid corporate income tax at a preferential tax rate of 15%.

14. Wuding Titanium Industry obtained the *High-tech Enterprise Certificate* (No.: GR202153000374) with a valid term of 3 years jointly issued by Yunnan Provincial Science & Technology Department, Yunnan Provincial Department of Finance and Yunnan Provincial Tax Service, State Taxation Administration on December 3, 2021, and paid corporate income tax at a preferential tax rate of 15%.

15. On November 4, 2022, Zhaoyang Oriental Zirconium obtained the *High-tech Enterprise Certificate* (No. GR202221000028) issued by Liaoning Provincial Science & Technology Department, Liaoning Provincial Department of Finance and Liaoning Provincial Tax Service, State Taxation Administration, under which the company, within three years (from 2022 to 2024) since its acquisition of high-tech enterprise authentication, shall be entitled to relevant preferential policies issued by the state for high-tech enterprises, and paid corporate income tax at a tax rate of 15% in this year.

16. According to the *High-tech Enterprise Certificate* (No.: GR202241000834) issued to Zhongzhou Carbon by Henan Provincial Department of Science and Technology, Henan Provincial Department of Finance and Henan Provincial Tax Service, State Taxation Administration on December 1, 2022. Zhongzhou Carbon passed the high-tech enterprise certification in 2022 and accordingly enjoys national preferential policies for high-tech enterprises for three consecutive years from 2022 to 2024, and paid corporate income tax at a tax rate of 15% in this year.

17. According to the *High-tech Enterprise Certificate* (No.: GR202341001930) issued to Billions New Energy by Henan Provincial Department of Science and Technology, Henan Provincial Department of Finance and Henan Provincial Tax Service, State Taxation Administration on November 22, 2023; the company passed the high-tech enterprise certification in 2023 and accordingly enjoys national preferential policies for high-tech enterprises for three consecutive years from 2023 to 2026, and paid corporate income tax at a tax rate of 15% in this year.

18. According to the *High-tech Enterprise Certificate* (No.: GR202362000125) issued to Billions Chemicals by Gansu Provincial Science & Technology Department, Gansu Provincial Department of Finance and Gansu

Provincial Tax Service, State Taxation Administration on October 16, 2023; the company passed the high-tech enterprise certification in 2023 and accordingly enjoys national preferential policies for high-tech enterprises for three consecutive years from 2023 to 2026, and paid corporate income tax at a tax rate of 15% in this year.

19. In accordance with the Announcement on Continuation of Existing Corporate Income Tax Policies for China Western Development (MOF Announcement No.23 of 2020) issued by the Ministry of Finance, State Taxation Administration and National Development and Reform Commission, corporate income tax should be levied at a reduced rate of 15% on encouraged industrial enterprises in the western region from January 1, 2021 to December 31, 2030. Longbai Mining and Metallurgy, Longbai Minerals, Yunnan National Titanium, Yanbian Zhongtai, Wuding National Titanium, Zhenxing Mining, Xinrun Mining, Fengyuan Mining, Miaozigou Mining, Longruo Industry and Trade, Sichuan National Titanium and Zhongzhou Lufeng, all of which are the Company's subsidiaries, are mainly engaged in the business set out in the *List of Industries Encouraged in Western China* and thus pay corporate income tax at the rate of 15%.

20. Billions (Hong Kong) paid corporate income tax at a rate of 8.25% for its profits less than HKD 2 million and at a rate of 16.5% for its profits exceeding HKD 2 million according to the latest preferential tax policy promulgated in Hong Kong.

21. Billions Europe and BILLIONS America paid income tax at the statutory tax rate of 20% in the territory where they are located.

22. Pursuant to the *Notice of the Ministry of Finance and the State Administration of Taxation on the Income Tax Incentive Policy for Micro and Small-Sized Enterprises and Individually-owned Businesses* (MOF and SAT Notice No. 6 of 2023), 25% of the annual taxable income no more than RMB 1,000,000.00 of small enterprises with low profits is reckoned as taxable income, and such enterprises pay corporate income tax at the rate of 20%. The term of this Notice commences on January 1, 2023 and ends on December 31, 2024. Pursuant to the *Notice of the Ministry of Finance and the State Administration of Taxation on the Tax Incentive Policy Issued for Further Supporting the Development of Micro and Small-Sized Enterprises and Individually-owned Businesses* (MOF and SAT Notice No. 12 of 2023), 25% of the taxable income of small enterprises with low profits is reckoned as taxable income, and such enterprises pay corporate income tax at the rate of 20%, which policy will continue until December 31, 2027. Hubei Wanrun, Runxin Mining, Mingjie Mining, Haoxuan Mining and Hongfan Mining, all of which are the Company's subsidiaries, are micro and small-sized enterprises and thus pay corporate income tax at the rate of 20%.

3. Other

VII. Notes on Items of Consolidated Financial Statements

1. Monetary fund

Monetary Unit: RMB

Item	Closing balance	Opening balance
Cash on hand	89,409.93	158,413.20
Deposits in bank	1,601,090,442.94	2,405,441,441.52
Other monetary funds	5,405,846,963.18	6,320,711,510.59
Total	7,007,026,816.05	8,726,311,365.31
Including: Total cashes deposited overseas	308,419,487.75	353,746,511.92

2. Notes receivable

(1) Breakdown of notes receivable

Monetary Unit: RMB

Item	Closing balance	Opening balance
Commercial acceptance bill	379,803,482.02	124,382,057.56
Total	379,803,482.02	124,382,057.56

(2) Classification and disclosure according to accrual method of bad debt provisions

Monetary Unit: RMB

Type	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Percentage	Amount	Proportion of accrual		Amount	Percentage	Amount	Proportion of accrual	
Notes receivable with bad debt provision made on an individual case basis								0.00		0.00
Including:										
Notes receivable with bad debt provisions made on a portfolio basis	399,793,138.97	100.00%	19,989,656.95	5.00%	379,803,482.02	130,928,481.64	100.00%	6,546,424.08	5.00%	124,382,057.56

Including:										
Account age combination	399,793,138.97	100.00%	19,989,656.95	5.00%	379,803,482.02	130,928,481.64	100.00 %	6,546,424.08	5.00%	124,382,057.56
Total	399,793,138.97	100.00%	19,989,656.95	5.00%	379,803,482.02	130,928,481.64	100.00 %	6,546,424.08	5.00%	124,382,057.56

If bad debt provisions for notes receivable are made based on the general model of expected credit loss:

□ Applicable ☑ Not applicable

(3) Bad debt provisions accrued, recovered or reversed in the current period

Accrual of bad debt provision of the current period:

Monetary Unit: RMB

Type	Opening balance	Changes in amount of the current period				Closing balance
		Appropriation	Recovery or reversal	Write-off	Other	
Commercial acceptance bills	6,546,424.08	13,443,232.87				19,989,656.95
Total	6,546,424.08	13,443,232.87				19,989,656.95

Thereinto, the significant amount of bad debt provision that is recovered or reversed in the current period:

□ Applicable ☑ Not applicable

(4) Notes receivables endorsed or discounted by the Company but not yet due as of the balance sheet date

Monetary Unit: RMB

Item	Closing derecognized amount	Closing amount not derecognized
Commercial acceptance bill		12,890,000.00
Less: Bad debt provision		644,500.00
Total		12,245,500.00

3. Accounts receivable

(1) Disclosure by account age

Monetary Unit: RMB

Account age	Closing Book Balance	Opening Book Balance
Less than 1 year (including 1 year)	3,122,620,838.99	2,323,089,849.42
1-2 years	23,727,483.98	27,425,977.80
2-3 years	24,218,372.88	105,398,882.22
Over 3 years	141,991,013.75	48,434,312.78
3-4 years	97,185,640.47	7,445,280.33
4-5 years	9,141,514.83	4,577,311.38
Over 5 years	35,663,858.45	36,411,721.07
Total	3,312,557,709.60	2,504,349,022.22

(2) Classification and disclosure according to accrual method of bad debt provisions

Monetary Unit: RMB

Type	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Percentage	Amount	Proportion of accrual		Amount	Percentage	Amount	Proportion of accrual	
Accounts receivable with bad debt provision set aside individually	92,943,218.09	2.81%	92,943,218.09	100.00%	0.00	88,459,704.12	3.53%	88,459,704.12	100.00%	0.00
Including:										
Accounts receivable for which bad debt provision is made on a portfolio basis	3,219,614,491.51	97.19%	206,885,419.01	6.43%	3,012,729,072.50	2,415,889,318.10	96.47%	162,776,719.99	6.74%	2,253,112,598.11
Including:										
Account age combination	3,219,614,491.51	97.19%	206,885,419.01	6.43%	3,012,729,072.50	2,415,889,318.10	96.47%	162,776,719.99	6.74%	2,253,112,598.11
Total	3,312,557,709.60	100.00%	299,828,637.10		3,012,729,072.50	2,504,349,022.22	100.00%	251,236,424.11		2,253,112,598.11

Bad debt provision set aside individually:

Monetary Unit: RMB

Name	Opening balance		Closing balance			
	Book balance	Bad debt provision	Book balance	Bad debt provision	Proportion of accrual (%)	Reasons for provision
Hebei Chenyang Industry and Trade Group Co., Ltd.	72,746,138.40	72,746,138.40	72,746,138.40	72,746,138.40	100.00	Expected to be unrecoverable due to post-bankruptcy reorganization
Baoding Chuyu Trading Co., Ltd.	6,622,956.97	6,622,956.97	6,622,956.97	6,622,956.97	100.00	Expected to unrecoverable
Panzhihua Yilong Economic and Trade Co. Ltd.	4,967,830.47	4,967,830.47	4,967,830.47	4,967,830.47	100.00	Expected to unrecoverable
BERIS Jiangsu Heavy Industry Co., Ltd.			2,652,936.00	2,652,936.00	100.00	Expected to unrecoverable
Panzhihua Zhongheng Industry and Trading Co., Ltd.	1,506,668.94	1,506,668.94	1,506,668.94	1,506,668.94	100.00	Expected to unrecoverable
Yillong Chemical Group Co., Ltd.	1,477,480.34	1,477,480.34	1,502,534.25	1,502,534.25	100.00	Expected to unrecoverable
Portfolio of fractions	1,138,629.00	1,138,629.00	2,944,153.06	2,944,153.06	100.00	
Total	88,459,704.12	88,459,704.12	92,943,218.09	92,943,218.09		

Bad debt provision accrued by group:

Monetary Unit: RMB

Name	Closing balance		
	Book balance	Bad debt provision	Proportion of accrual (%)
Within 1 year	3,120,945,842.93	156,047,292.14	5.00
1-2 years	25,352,480.04	2,535,248.00	10.00
2-3 years	21,349,890.97	6,404,967.30	30.00
3-4 years	17,548,572.50	8,774,286.27	50.00
4-5 years	6,470,398.83	5,176,319.06	80.00
Over 5 years	27,947,306.24	27,947,306.24	100.00
Total	3,219,614,491.51	206,885,419.01	

If bad debt provisions for accounts receivable are made based on the general model of expected credit loss:

□ Applicable ☑ Not applicable

(3) Bad debt provisions accrued, recovered or reversed in the current period

Accrual of bad debt provision of the current period:

Monetary Unit: RMB

Type	Opening balance	Changes in amount of the current period				Closing balance
		Appropriation	Recovery or reversal	Write-off	Other	
Accounts receivable with combined appropriation of bad debt provisions based on credit risk characteristics	162,776,719.99	52,826,762.08	7,757,843.38		-2,356,765.27	206,885,419.01
Bad debt provision set aside individually	88,459,704.12	4,015,093.58	51,340.00	3,939,451.08		92,943,218.09
Total	251,236,424.11	56,841,855.66	7,809,183.38	3,939,451.08	-2,356,765.27	299,828,637.10

Note: Other changes are attributable to exchange rate fluctuation.

(4) Accounts receivable actually written off in the current period

Monetary Unit: RMB

Item	Amount written off
Accounts receivable actually written off	3,939,451.08

Therein: Important receivables written off:

Monetary Unit: RMB

Name	Nature of receivables	Amount written off	Causes for write-off	Write-off procedures performed	Whether the amount arises from related party transaction
HUANG Yingdong	Payment for goods	1,201,990.00	Company(ies) owned by HUANG already deregistered	Internal review	No
Jiangxi Fuligao Ceramics Co., Ltd.	Payment for goods	773,966.40	Designated as dishonest person subject to enforcement action	Internal review	No
Yangjiang Liwang Industry Co., Ltd.	Payment for goods	335,565.31	Expected to unrecoverable	Internal review	No
Yangjiang Yangdong Tonglilaike Ceramic Knife Co., Ltd.	Payment for goods	312,382.00	Designated as dishonest person subject to enforcement action	Internal review	No
Yangdong Jingci Knife and Shear Products Co., Ltd.	Payment for goods	300,000.52	Designated as dishonest person subject to enforcement action	Internal review	No
Foshan Linweisen (Penghang)	Payment for goods	241,050.35	Already deregistered	Internal review	No
Other sporadic grants	Payment for goods	774,496.50	Companies already deregistered, designated as dishonest person subject to enforcement action, etc.	Internal review	No
Total		3,939,451.08			

(5) Top five accounts receivable and contract assets by the closing balance of arrears

Monetary Unit: RMB

Name	Ending balance of accounts receivable	Balance of contract assets at the end of the period	Balance of accounts receivable and contract assets at the end of the period	Percentage in the total balance of accounts receivable and contract assets at the end of the period	Balance of the bad debt provisions receivable and impairment of contract assets at the end of the period
Entity 1	72,746,138.40		72,746,138.40	2.20%	72,746,138.40
Entity 2	65,557,754.51		65,557,754.51	1.98%	3,277,887.73
Entity 3	62,556,000.00		62,556,000.00	1.89%	3,127,800.00
Entity 4	58,834,572.36		58,834,572.36	1.78%	2,941,728.62
Entity 5	54,579,286.20		54,579,286.20	1.65%	2,728,964.31
Total	314,273,751.47		314,273,751.47	9.50%	84,822,519.06

4. Accounts receivable financing

(1) Accounts receivable financing presented by classification

Monetary Unit: RMB

Item	Closing balance	Opening balance
Notes receivable	1,111,251,052.13	712,716,846.68
Total	1,111,251,052.13	712,716,846.68

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2) Increase and decrease in the current period of and changes in fair value of accounts receivable financing

Item	Balance at the end of the previous year	Increase in the current period	Derecognition in the current period	Other changes	Closing balance	Accumulated loss reserve recognized in other comprehensive income
Notes receivable	712,716,846.6	16,299,410,448.0	15,955,014,731.2	54,138,488.6	1,111,251,052.1	
Accounts receivable						
Other						
Total	712,716,846.6	16,299,410,448.0	15,955,014,731.2	54,138,488.6	1,111,251,052.1	

(3) Accounts receivable financing pledged by the Company at the end of period

Monetary Unit: RMB

Item	Amount pledge at the end of the period
Notes receivable	56,021,951.27
Total	56,021,951.27

(4) Accounts receivable financing endorsed or discounted by the Company at the end of period but not yet due as of the balance sheet date

Monetary Unit: RMB

Item	Closing derecognized amount	Closing amount not derecognized
Notes receivable	8,461,717,335.20	
Total	8,461,717,335.20	

5. Advance payments

(1) Advance payments listed by account age

Monetary Unit: RMB

Account age	Closing balance		Opening balance	
	Amount	Percentage	Amount	Percentage
Within 1 year	296,234,326.48	95.97%	617,252,865.37	97.96%
1-2 years	6,932,063.55	2.25%	5,430,390.66	0.86%

2-3 years	546,559.67	0.18%	4,540,667.78	0.72%
Over 3 years	4,937,958.32	1.60%	2,907,645.95	0.46%
Total	308,650,908.02		630,131,569.76	

(2) Advance payments with the top five ending balances that are ranked by prepayment object

Advance payment object	Closing balance	Percentage in the aggregate amount of dvance payments at the end of the perio (%)
ntity 6	26,750,000.0	8.6
ntity 7	25,753,323.1	8.3
ntity 8	19,791,000.2	6.4
ntity 9	19,568,659.3	6.3
ntity 10	13,542,474.8	4.3
Total	105,405,457.5	34.1

6. Other receivable

Monetary Unit: RMB

Item	Closing balance	Opening balance
Interests receivable	124,833.34	
Other receivables	158,068,020.20	236,347,969.93
Total	158,192,853.54	236,347,969.93

(1) Interests receivable

1) Classification of interests receivable

Monetary Unit: RMB

Item	Closing balance	Opening balance
Other	124,833.34	
Total	124,833.34	

2) Classification and disclosure according to accrual method of bad debt provisions

☑ Applicable □ Not applicable

Monetary Unit: RMB

Type	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Percentage	Amount	Proportion of accrual		Amount	Percentage	Amount	Proportion of accrual	
Including:										
Bad debt provision accrued by portfolio	178,333.34		53,500.00	0.30%	124,833.34					
Including:										
Total	178,333.34		53,500.00	0.30%	124,833.34					

Book balance change with significant changes in the amount of loss reserve in the current period

□ Applicable ☑ Not applicable

(2) Other receivables

1) Classification of other receivables by nature of account

Monetary Unit: RMB

Nature	Closing Book Balance	Opening Book Balance
Other receivables and payables	350,331,006.95	275,400,387.03
Deposit	319,328.30	73,311,000.88
Reserve for employees	2,601,366.61	4,796,925.61
Cash deposit	40,766,615.24	76,381,450.56
Reimbursed expenses	21,638,490.08	24,198,315.46
Compensation and indemnities receivable	0.00	48,748.00
ETC top-ups	51,917.41	50,633.40
Legal counsel fees	0.00	0.00
Land price	3,289,655.98	3,289,655.98
Utilities	0.00	0.00
Withheld social insurance contributions	3,554,727.96	3,996,291.62
Loans at call	9,235,000.00	9,235,000.00
Tax refund receivable	2,248,676.35	4,842,659.48
Other	12,111,215.72	9,316,512.86
Other receivables in large amount 1 (guarantee expenses)	29,621,770.65	64,647,870.74
Other receivables in large amount 2 (land rehabilitation expenses)	1,353,525.00	1,433,529.35
Total	477,123,296.25	550,948,980.97

2） Disclosure based on account age

Monetary Unit: RMB

Account age	Closing Book Balance	Opening Book Balance
Less than 1 year (including 1 year)	100,245,312.40	138,321,583.07
1-2 years	35,821,043.48	113,357,104.70
2-3 years	48,600,650.23	4,949,567.69
Over 3 years	292,456,290.14	294,320,725.51
3-4 years	4,952,581.39	4,149,769.03
4-5 years	3,669,994.61	5,296,712.37
Over 5 years	283,833,714.14	284,874,244.11
Total	477,123,296.25	550,948,980.97

3) Classification and disclosure according to accrual method of bad debt provisions

☑ Applicable □ Not applicable

Monetary Unit: RMB

Type	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Percentage	Amount	Proportion of accrual		Amount	Percentage	Amount	Proportion of accrual	
Bad debt provision set aside individually	142,864,994.20	29.94%	142,864,994.20	100.00%		140,027,370.85	25.42%	140,027,370.85	100.00%	
Including:										
Bad debt provision accrued by portfolio	334,258,302.05	70.06%	176,190,281.85	52.71%	158,068,020.20	410,921,610.12	74.58%	174,573,640.19	42.48%	236,347,969.93
Including:										
Account age combination	334,258,302.05	70.21%	176,190,281.85	52.54%	158,068,020.20	410,921,610.12	74.58%	174,573,640.19	42.48%	236,347,969.93
Total	477,123,296.25	100.00%	319,055,276.05		158,068,020.20	550,948,980.97	100.00%	314,601,011.04		236,347,969.93

Book balance change with significant changes in the amount of loss reserve in the current period

□ Applicable ☑ Not applicable

4) Bad debt provisions accrued, recovered or reversed in the current period

Accrual of bad debt provision of the current period:

Monetary Unit: RMB

Type	Opening balance	Changes in amount of the current period				Closing balance
		Appropriation	Recovery or reversal	Charge-off or write-off	Other	
Other receivables with combined appropriation of bad debt provisions based on credit risk characteristics	174,573,640.19	4,185,447.33	3,583,170.20	2,331.00	551.23	176,190,281.85
Other accounts receivable for which the bad debt provision is accrued on single item	140,027,370.85	4,446,251.08	3,337,954.56			142,864,994.20
Total	314,601,011.04	8,631,698.41	6,921,124.76	2,331.00	551.23	319,055,276.05

5) Other receivable actually written off in the current period

Monetary Unit: RMB

Item	Amount written off
Other receivables actually written-off	2,331.00

Thereinto: Important other receivables written off

Monetary Unit: RMB

Name	Nature of other receivables	Amount written off	Causes for write-off	Write-off procedures performed	Whether the amount arises from related party transaction
Jiaozuo Tongguan Gas Flow Meter Testing Co., Ltd.	Current accounts	2,331.00	Unrecoverable	Internal review	No
Total		2,331.00			

6) Other receivables of top five closing balances of arrears

Monetary Unit: RMB

Name	Nature	Closing balance	Account age	Proportion in total balance of other receivables at the end of period	Closing balance of bad debt provisions
Entity 11	Share acquisition prices	60,600,000.00	Within 1 year	12.63%	3,030,000.00
Entity 12	Guarantee expenses	46,065,940.59	Over 5 years	9.60%	46,065,940.59
Entity 13	Current accounts	29,621,770.65	2-3 years	6.18%	8,886,531.20
Entity 14	Current accounts	25,599,139.20	2 to 4 years, 5 years or more	5.34%	25,599,139.20
Entity 15	Current accounts	20,000,000.00	Over 5 years	4.17%	20,000,000.00
Total		181,886,850.44		37.92%	103,581,610.99

7. Inventory

Whether the Company needs to comply with the disclosure requirements of the real estate industry

No

(1) Classification of inventories

Monetary Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for inventory depreciation or impairment provision for contract performance cost	Book value	Book balance	Provision for inventory depreciation or impairment provision for contract performance cost	Book value
Raw materials	1,465,286,061.72	5,894,617.02	1,459,391,444.7	1,611,602,739.44	5,118,853.03	1,606,483,886.41
Goods in process	1,363,020,954.53	8,030,937.52	1,354,990,017.01	1,427,116,405.14	8,799,863.39	1,418,316,541.75
Goods in stock	3,903,507,256.93	183,137,690.59	3,720,369,566.34	3,153,718,352.24	56,126,493.10	3,097,591,859.14
Revolving materials	60,558,119.16	1,581,137.45	58,976,981.71	72,466,475.56		72,466,475.56
Goods shipped						
Consigned processing material	428,533,018.32	547,519.30	427,985,499.02	4,215,455.91		4,215,455.91
Materials in transit	306,467,412.95		306,467,412.95	347,539,060.12		347,539,060.12
Total	7,527,372,823.61	199,191,901.88	7,328,180,921.73	6,616,658,488.41	70,045,209.52	6,546,613,278.89

(2) Provision for inventory depreciation and impairment provision for contract performance cost

Monetary Unit: RMB

Item	Opening balance	Increase in the current period		Decrease in the current period		Closing balance
		Appropriation	Other	Reversal or resale	Other	
Raw materials	5,118,853.03	1,028,517.57	5,117.13	257,870.71		5,894,617.02
Goods in process	8,799,863.39	-354,213.37		414,712.50		8,030,937.52
Goods in stock	56,126,493.10	167,112,393.86	32,202,560.21	72,303,756.58		183,137,690.59
Revolving materials		1,581,137.45				1,581,137.45
Consigned processing material		-15,369,301.21	15,916,820.51			547,519.30
Goods shipped						
Total	70,045,209.52	153,998,534.30	48,124,497.85	72,976,339.79		199,191,901.88

8. Contract assets

(1) Contract assets

Monetary Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Bad debt provision	Book value	Book balance	Bad debt provision	Book value
Completed unsettled assets formed based on construction contract	2,875,882.36	287,588.24	2,588,294.12	3,520,524.82	176,026.23	3,344,498.59
Total	2,875,882.36	287,588.24	2,588,294.12	3,520,524.82	176,026.23	3,344,498.59

(2) Amount of and reasons for significant changes in book value during the reporting period

Monetary Unit: RMB

Item	Change in amount	Reasons for changes
Intelligent construction project	-756,204.47	For example: Contract assets recognized at the beginning of a year adjusted to receivables, increased amounts arising out of change in the measurement of the progress of contract performance, business combination, etc.
Total	-756,204.47	-

(3) Classification and disclosure according to accrual method of bad debt provisions

Monetary Unit: RMB

Type	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Percentage	Amount	Proportion of accrual		Amount	Percentage	Amount	Proportion of accrual	
Including:										
Bad debt provision accrued by portfolio	2,875,882.36	100.00%	287,588.24	10.00%	2,588,294.12	3,520,524.82	100.00%	176,026.23	5.00%	3,344,498.59
Including:										
Account age combination	2,875,882.36	100.00%	287,588.24	10.00%	2,588,294.12	3,520,524.82	100.00%	176,026.23	5.00%	3,344,498.59
Total	2,875,882.36	100.00%	287,588.24		2,588,294.12	3,520,524.82	100.00%	176,026.23		3,344,498.59

Bad debt provisions are made based on the portfolio of risks:

Monetary Unit: RMB

Name	Closing balance		
	Book balance	Bad debt provision	Proportion of accrual
Intelligent construction project	2,875,882.36	287,588.24	10.00
Total	2,875,882.36	287,588.24	

Bad debt provisions accrued based on the general model of expected credit loss

□ Applicable ☑ Not applicable

(4) Bad debt provisions accrued, recovered or reversed in the current period

Monetary Unit: RMB

Item	Amount accrued in the current period	Amount recovered or reversed in current period	Amount written off/charged off in the current period	Cause
Accounts receivable with combined appropriation of bad debt provisions based on credit risk characteristics	111,562.01			
Total	111,562.01			-

9. Non-current assets maturing within one year

Monetary Unit: RMB

Item	Closing balance	Opening balance
Long-term receivables due in one year	255,696,850.23	250,552,632.17
Loans and interests maturing within one year		5,338,700.00
Total	255,696,850.23	255,891,332.17

(1) Investment in claims due in one year

□ Applicable ☑ Not applicable

(2) Other investment in claims due in one year

□ Applicable ☑ Not applicable

10. Other current assets

Monetary Unit: RMB

Item	Closing balance	Opening balance
Tax to be deducted	475,862,583.99	592,884,391.23
Prepaid tax	71,330,313.18	26,511,976.02
Profit and loss of current assets in suspense		5,475.36
Listing expenses	1,509,433.97	
Prepaid maintenance service fees	5,199,864.52	
Carbon emission right assets	743,997.62	403,969.96
Other	357,897.49	1,081,264.13
Total	555,004,090.77	620,887,076.70

11. Other investment in equity instruments

Monetary Unit: RMB

Project name	Closing balance	Opening balance	Gains included in other comprehensive income in current period	Losses included in other comprehensive income in current period	Gains cumulatively included in other comprehensive income as at the end of current period	Losses cumulatively included in other comprehensive income as at the end of current period	Dividends income recognized in the current period	Reason for requiring to measure at fair value with changes included in other comprehensive income
Yunnan Jinji'an Construction and Consulting Supervision Co., Ltd.	73,819.36	73,819.36						
Sichuan Tianhua Co., Ltd.	129,814.04	129,814.04						
Fudian Bank Co., Ltd. Baitalu Sub-branch	262,460.00	262,460.00						
Austpac Resources NL	319,994.40	311,110.80	8,883.60					
Panzhihua Vanadium & Titanium Trading Center Co., Ltd.	1,322,384.54	1,322,384.54			177,615.46		103,000.00	
Sichuan Hongyu Baiyun New Materials Co., Ltd.	1,490,000.00	1,490,000.00						
Zhongyuan Bank Co., Ltd.	21,926,410.73							
Jiaozuo Zhuoli Membrane Materials Co., Ltd.	6,754,519.31		706,104.36		706,104.36		525,016.86	
Total	32,279,402.38	3,589,588.74	714,987.96		883,719.82		628,016.86	

12. Long-term receivables

(1) Long-term receivables

Monetary Unit: RMB

Item	Closing balance			Opening balance			Range of discount rate
	Book balance	Bad debt provision	Book value	Book balance	Bad debt provision	Book value	
Finance lease payment	59,444,430.12	890,625.00	58,553,805.12	85,270,000.00	1,279,050.00	83,990,950.00	
Including: unrealized financing income	22,701,530.45		22,701,530.45	3,656,585.92		3,656,585.92	
Lease deposit				1,887,389.01		1,887,389.01	
Total	59,444,430.12	890,625.00	58,553,805.12	87,157,389.01	1,279,050.00	85,878,339.01	

（2）Classification and disclosure of finance lease payments according to accrual method of bad debt provision

Type of borrowings	Closing balance			
	Amount	Proportion (%)	Provisions for loan loss	Net amount
Normal	59,444,430.12	1.50	890,625.00	58,553,805.12
Special-mentioned		3.00		
Subordinate		30.00		
Suspicious		60.00		
of the current period		100.00		
Total	59,444,430.12		890,625.00	58,553,805.12

Monetary Unit: RMB

(3) Bad debt provisions accrued, recovered or reversed in current period

Monetary Unit: RMB

Type	Opening balance	Changes in amount of the current period				Closing balance
		Appropriation	Recovery or reversal	Charge-off or write-off	Other	
Finance lease payment	1,279,050.00		388,425.00			890,625.00
Total	1,279,050.00		388,425.00			890,625.00

13. Long-term equity investment

Monetary Unit: RMB

Investee	Opening balance (book value)	Balance of depreciation provisions at the beginning of the period	Increase and decrease in the current period								Closing balance (book value)	Closing balance of impairment provision
			Additional investment	Reduced investment	Investment profit and loss recognized through the equity method	Adjustment of other comprehensive income	Other changes in equity	Cash dividends or profits declared and paid	Appropriation of impairment provision	Other		
I. Joint ventures												
II. Associates												
Image Resources NL	145,291,393.47				-5,196,011.64					3,976,695.31	144,072,077.14	
Kunming Wuxin Huali Mineral Industry Co., Ltd.	35,774,064.89				-5,764,673.99						30,009,390.90	
Chongqing Guocuang Light Alloy Research Institute Co. Ltd.	30,030,301.92				-3,935,274.98						26,095,026.94	
Panzhihua Heju Polyvanadium Titanium Resources Development Co.,	10,394,905.16				12,889.70						10,407,794.86	

Ltd.												
Dingsheng (Hong Kong) Resources Co., Ltd.	630,050.00	630,050.00									630,050.00	630,050.00
Jiaozuo Demonstration Zone Yili Microfinance Co., Ltd.	65,584,987.89			61,458,172.87	673,184.98					-4,800,000.00		
Zhejiang Huayuan Pigment Co., Ltd.	39,942,478.55				2,561,175.69						42,503,654.24	
Henan Zhongyuan Titanium Industry Co., Ltd.	9,932,261.54		40,000,000.00		-2,886,133.09						47,046,128.45	
Henan Caiyuanyifeng Industry Investment Partnership (L.P.)			560,000,000.00								560,000,000.00	
Subtotal	337,580,443.42	630,050.00	600,000,000.00	61,458,172.87	-14,534,843.33					-823,304.69	860,764,122.53	630,050.00
Total	337,580,443.42	630,050.00	600,000,000.00	61,458,172.87	-14,534,843.33					-823,304.69	860,764,122.53	630,050.00

Recoverable amount calculated at the fair value minus the costs of disposal

□ Applicable ☑ Not applicable

Recoverable amount calculated at the present value of estimated future cash flow

□ Applicable ☑ Not applicable

Reason(s) for significant difference(s) between said information and the information used in impairment tests in previous years or external information:

14. Investment real estate

(1) Investment real estate measured based on cost measurement model

☑ Applicable □ Not applicable

Monetary Unit: RMB

Item	Houses and buildings	Land use right	Construction in progress	Total
I. Original book value				
1. Opening balance	114,981,551.05			114,981,551.05
2. Amount increased in the current period	224,555,152.53			224,555,152.53
(1) Outsourcing	288,113.75			288,113.75
(2) Transfer-in of inventory / fixed assets / construction in progress	223,869,756.31			223,869,756.31
(3) Increase by business combination	397,282.47			397,282.47
3. Amount decreased in the	203,875,541.44			203,875,541.44

current period				
(1) Disposition				
(2) Other transfer-out				
-Adjustment of final accounts	32,739.05			32,739.05
-Inclusion in fixed assets	203,842,802.39			203,842,802.39
4. Closing balance	135,661,162.14			135,661,162.14
II. Accumulated Depreciation and Accumulated Amortization				
1. Opening balance	18,819,557.55			18,819,557.55
2. Amount increased in the current period	14,653,820.80			14,653,820.80
(1) Accrual or amortization	8,006,664.18			8,006,664.18
- Increase by business combination	397,282.47			397,282.47
- Inclusion of fixed assets	6,249,874.15			6,249,874.15
3. Amount decreased in the current period	8,297,299.29			8,297,299.29
(1) Disposition				
(2) Other transfer-out				
- Inclusion in fixed assets	8,297,299.29			8,297,299.29
4. Closing balance	25,176,079.06			25,176,079.06
III. Provisions for impairment				
1. Opening balance	1,798,377.11			1,798,377.11
2. Amount increased in the current period				
(1) Accrual				
3. Amount decreased in the current period				
(1) Disposition				
(2) Other transfer-out				
4. Closing balance	1,798,377.11			1,798,377.11
IV. Book value				
1. Book value at the end of the period	108,686,705.97			108,686,705.97
2. Book value at the beginning of the period	94,363,616.39			94,363,616.39

Recoverable amount calculated at the fair value minus the costs of disposal

□ Applicable ☑ Not applicable

Recoverable amount calculated at the present value of estimated future cash flow

□ Applicable ☑ Not applicable

(2) Investment real estate measured based on fair value

□ Applicable ☑ Not applicable

(4) Investment real estate held for i in respect of which no valid certificate of property title has been obtained

Monetary Unit: RMB

Item	Book value	Reason for no certificate of title
Houses and buildings	22,459,392.82	In progress

15. Fixed assets

Monetary Unit: RMB

Item	Closing balance	Opening balance
Fixed assets	23,500,937,109.55	18,115,099,411.86
Disposal of fixed assets	10,061,341.14	2,445,288.05
Total	23,510,998,450.69	18,117,544,699.91

(1) Fixed assets

Monetary Unit: RMB

Item	Houses and buildings	Machinery and equipment	Electronic and office equipment	Transportation equipment	Total
I. Original book value:					
1. Opening balance	11,068,653,545.23	16,386,176,609.60	2,116,707,876.80	529,891,456.23	30,101,429,487.86
2. Amount increased in the current period	3,307,966,171.60	4,858,567,274.79	241,614,717.21	42,156,146.52	8,450,304,310.12
(1) Acquisition	13,690,500.82	400,781,129.66	89,849,806.48	17,429,801.40	521,751,238.36
(2) Transferred from construction in progress	2,495,879,893.28	4,433,697,705.23	260,083,645.36	21,854,002.72	7,211,515,246.59
(3) Increase by business combination	128,006,616.49	342,038,761.52	22,937,083.62	2,784,630.62	495,767,092.25
- Increase due to adjustment to final settlement	5,806,232.51	5,641,617.63	12,713.62		11,460,563.76
- Inclusion of intangible assets	1,641,997.02				1,641,997.02
- Increase in foreign exchange gains or losses		4,134,546.89	122,256.38	68,566.48	4,325,369.75
- Transfer-in of investment real estate	203,842,802.39				203,842,802.39
- Reclassification	459,098,129.09	-327,726,486.14	-131,390,788.25	19,145.30	0.00
3. Amount decreased in the current period	338,426,192.55	676,661,797.58	100,033,286.04	27,710,874.73	1,142,832,150.90
(1) Disposal or scrapping	104,106,443.75	616,285,674.41	98,525,303.84	27,665,530.50	846,582,952.50
- Decrease due to transfer to construction in progress	3,250,757.95	48,212,316.29	426,925.45		51,889,999.69
- Decrease due to adjustment to	15,218,390.70	12,163,806.88	1,081,056.75	45,344.23	28,508,598.56

final settlement					
- Decrease due to transfer to investment real estate	215,850,600.15				215,850,600.15
4. Closing balance	14,038,193,524.28	20,568,082,086.81	2,258,289,307.97	544,336,728.02	37,408,901,647.08
II. Accumulated depreciation					
1. Opening balance	2,250,866,435.31	6,715,272,953.52	1,138,007,300.49	158,366,242.01	10,262,512,931.33
2. Amount increased in the current period	814,492,133.43	1,176,162,270.51	236,007,779.91	25,054,758.13	2,251,716,941.97
(1) Accrual	460,194,519.78	1,364,728,170.65	231,085,411.67	23,886,143.95	2,079,894,246.04
- Increase by business combination	30,422,533.89	119,236,162.71	12,310,672.51	1,103,213.30	163,072,582.41
- Other		4,088,033.76	-4,088,033.76		
- Increase resulting from foreign exchange rate fluctuation	-182,627.47	484,863.79	85,177.03	65,400.88	452,814.23
- Increase due to transfer-in of investment real estate	8,297,299.29				8,297,299.29
- Reclassification	315,760,407.94	-312,374,960.40	-3,385,447.54		0.00
3. Amount decreased in the current period	39,149,356.21	222,449,974.78	20,586,078.05	15,652,354.54	297,837,763.58
(1) Disposal or scrapping	32,871,043.00	190,922,042.05	20,573,411.41	15,652,354.54	260,018,851.00
- Other		29,585.76	12,666.64		42,252.40
- Decrease due to transfer to construction in progress	28,439.06	26,889,346.97			26,917,786.03
- Decrease due to transfer to investment real estate	6,249,874.15				6,249,874.15
- Decrease due to adjustment to final settlement		4,609,000.00			4,609,000.00
4. Closing balance	3,026,209,212.53	7,668,985,249.25	1,353,429,002.35	167,768,645.60	12,216,392,109.72
III. Provisions for impairment					
1. Opening balance	846,437,955.24	864,336,611.24	10,100,495.01	2,942,083.18	1,723,817,144.67
2. Amount increased in the current period		13,975,954.72			13,975,954.72
(1) Accrual		10,373,114.26			10,373,114.26
- Increase resulting from foreign exchange rate fluctuation		3,602,840.46			3,602,840.46
3. Amount decreased in the current period	24,809,242.79	21,391,013.18	20,415.61		46,220,671.58
(1) Disposal or scrapping	24,809,242.79	21,391,013.18	20,415.61		46,220,671.58
4. Closing balance	821,628,712.45	856,921,552.78	10,080,079.40	2,942,083.18	1,691,572,427.81
IV. Book value					
1. Book value at the end of the	10,190,355,599.30	12,042,175,284.78	894,780,226.22	373,625,999.25	23,500,937,109.55

period					
2. Book value at the beginning of the period	7,971,349,154.68	8,806,567,044.84	968,600,081.30	368,583,131.04	18,115,099,411.86

(2) Fixed assets without valid certificate of title

Monetary Unit: RMB

Item	Book value	Reasons for failure of being issued the ownership certificate
Houses and buildings	3,501,785,949.40	Not obtained yet

（3） Fixed asset impairment test

Item	Book value	Recoverable amount	Impairment amount	Method of determination of fair value and disposal costs	Key parameters	Basis for determination of key parameters
Machinery and equipment	608,740,931.58	598,367,817.32	10,373,114.26	Valuation by replacement approach	Newness rate and disposal expense ratio	Applicable local regulations
Total	608,740,931.58	598,367,817.32	10,373,114.26			

(4) Liquidation of fixed assets

Monetary Unit: RMB

Item	Closing balance	Opening balance
Machinery and equipment	10,061,341.14	2,437,611.21
Electronic and office equipment		7,676.84
Total	10,061,341.14	2,445,288.05

16. Construction in progress

Monetary Unit: RMB

Item	Closing balance	Opening balance
Construction in progress	4,631,926,341.33	5,620,497,666.90
Project materials	131,730,536.48	175,358,387.84
Total	4,763,656,877.81	5,795,856,054.74

(1) Description of construction in progress

Monetary Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Concentrating waste acid generated from manufacturing of titanium dioxide at Jiaozuo manufacturing site	150,885.51		150,885.51			
Environmental improvement project in the western plant area				25,588,723.53		25,588,723.53
Comprehensive management project of Liuzhuang stock dump	57,894,256.22		57,894,256.22	48,572,407.88		48,572,407.88
Comprehensive utilization of synthetic rutile ferrous wastewater in Jiaozuo base				89,720,194.71		89,720,194.71
Land leveling and comprehensive utilization project in Hekou Village	187,722,493.01		187,722,493.01	225,756,783.62		225,756,783.62
Titanium dioxide production line expansion and transformation project	57,274,065.04		57,274,065.04	60,286,846.27		60,286,846.27
Industrial wastewater, gases and residues control project at Jiaozuo manufacturing site	41,071,171.31		41,071,171.31	6,947,110.78		6,947,110.78
Stereoscopic warehouse conveyor line improvement project	5,814,940.35		5,814,940.35	3,351,787.08		3,351,787.08
Titanium dioxide - technical improvement	11,342,286.24		11,342,286.24	17,065,502.43		17,065,502.43
Integrated energy-saving improvement project	546,985.56		546,985.56			
Public works optimization project	3,780,920.02		3,780,920.02			
Integrated technical improvement project at Jiaozuo manufacturing site in 2023	15,386,783.13		15,386,783.13			
LB Group digital empowerment project	10,246,116.23		10,246,116.23			
Gushanhu reservoir project	42,298,033.57		42,298,033.57	13,969,495.69		13,969,495.69
Chlorinated titanium dioxide project production line project with an annual output of 100,000 tons				704,762,794.94		704,762,794.94
Safety improvement project for the production lines used for producing titanium dioxide with the chlorination process	52,771,273.93		52,771,273.93			
Separation of black slags generated from	140,770.19		140,770.19			

manufacturing of new materials						
Technological improvement project for treatment of off-gas and blue smoke	1,191,136.98		1,191,136.98			
Preparation of disinfectants and biological and chemical treatment of sewage	4,211,692.64		4,211,692.64			
Industrial wastewater, gases and residues control project	3,798,084.91		3,798,084.91	4,517,242.53		4,517,242.53
Continuous crystallization improvement project (Phase I)	3,279,313.79		3,279,313.79			
Rotary centrifuge newly set up in Plant 1	3,138,177.13		3,138,177.13			
Automation improvement in Plant 3	2,676,171.79		2,676,171.79			
Combination of operating rooms in the second and the third workshops	1,696,963.83		1,696,963.83	1,699,879.09		1,699,879.09
Additional MVR concentration project	1,493,174.97		1,493,174.97			
Automation improvement in Plant 2	1,272,277.70		1,272,277.70			
Improvement of heating of intensively filtered water obtained with reverse osmosis process	665,591.02		665,591.02			
Transformation of sulfonic acid melting sulfur production line with a capacity of 200,000 tons				6,303,164.53		6,303,164.53
1#-5# improvement of denitration of off-gas generated from calcining				2,192,726.61		2,192,726.61
Halotypite processing project with an annual capacity of 600,000 tons				175,095,426.95		175,095,426.95
Project of comprehensive utilization and recovery of 20 tons of scandium oxide and 600 tons of sodium metavanadate using chlorinated titanium dioxide waste acid				443,309.86		443,309.86
R&D production base project				28,100,968.52		28,100,968.52
Post-processing capacity expansion project with a capacity of 200,000 tons per year (Phase I)				18,534,683.86		18,534,683.86
Rectification of compliance issues existing in fire protection within the factory				4,004,348.51		4,004,348.51
Upgrading of outer drainage for environment protection				7,868,629.44		7,868,629.44
New lithium energy institute project (Phase I)	3,520,459.42		3,520,459.42			

Land development engineering for Leiyang capacity expansion project	6,605,504.58		6,605,504.58	6,605,504.58		6,605,504.58
Electric-melting zirconia industry base construction project with an annual output of 30,000 tons				54,069,875.98		54,069,875.98
Mindarie Restart Project 2021-22	567,878,697.49		567,878,697.49	288,486,554.22		288,486,554.22
Hydrogen peroxide project with an annual output of 200,000 tons	4,346,861.89		4,346,861.89			
Iron phosphate project with an annual output of 200,000 tons (50,000 tons in phase II)				38,282,599.87		38,282,599.87
Iron phosphate project with an annual output of 200,000 tons (Phase III)	459,768,855.83		459,768,855.83	2,752,293.57		2,752,293.57
Sodium dihydrogen phosphate production line project with an annual output of 160,000 tons	28,837,456.68		28,837,456.68	128,218,032.39		128,218,032.39
Integration project for lithium-ion battery cathode materials with an annual output of 200,000 tons	1,466,093.54		1,466,093.54	136,278,846.87		136,278,846.87
Green manufacturing of raw materials for lithium batteries project with an annual output of 300,000 tons	419,811.32		419,811.32			
Lithium ferric phosphate project with an annual output of 200,000 tons (50,000 tons in phase I)	16,965,244.96		16,965,244.96	144,101,728.16		144,101,728.16
Battery-level lithium ferric phosphate project with an annual output of 100,000 tons	24,498,505.29		24,498,505.29	8,241,737.82		8,241,737.82
Graphite cathode material project with an annual output of 100,000 tons (25,000 tons in phase I)				1,975,599.13		1,975,599.13
Graphite electrode engineering project with an annual output of 50,000 tons				65,546,543.79		65,546,543.79
Nuclear-grade sponge zirconium project with an annual output of 350 tons	79,398,986.22		79,398,986.22	79,741,165.54		79,741,165.54
New profiling improvement project	22,595,935.72		22,595,935.72			
New calcining improvement	1,262,693.61		1,262,693.61			
Zhongzhou Carbon improvement for environment protection purpose (Level C upgraded to Level B)	2,094,854.23		2,094,854.23			

Calcined petroleum coke project with an annual output of 500,000 tons	169,107,324.38		169,107,324.38			
Phase I of synthetic rutile project with a capacity of 400,000 tons	34,195,820.05		34,195,820.05	765,621,432.46		765,621,432.46
Chlorinated titanium dioxide project an annual output of 200,000 tons	82,816,329.52		82,816,329.52	1,701,557,111.52		1,701,557,111.52
New 220kv transformer substation project of Lufeng Xinli Titanium Industry Co., Ltd.	126,577,419.19		126,577,419.19	3,137,228.91		3,137,228.91
Technological improvement project for titanium tetrachloride preheater and economizer				70,671.63		70,671.63
Technological improvement project for continuous coating in post-processing	1,071,738.75		1,071,738.75	392,567.26		392,567.26
2*35t/h boiler flue gas desulfurization/denitration project				2,572,745.88		2,572,745.88
Integrated slag landfill expansion project				4,199,504.37		4,199,504.37
Pretreatment and crystallization by MVR evaporation of waste water from processing of slags with the chlorination process				36,163,356.21		36,163,356.21
Technological improvement project for boilers in public auxiliary plant	15,729,383.97		15,729,383.97	749,519.26		749,519.26
Project “In-depth purification and upgrading of titanium slags with high calcium and magnesium content for production of raw materials used in production of titanium dioxide with large boiling chlorination furnace” with output of 300,000 tons per year	3,230,854.97		3,230,854.97			
Acid waste water treatment system capacity expansion project at Yunnan Manufacturing Site	1,944,954.13		1,944,954.13			
Gaseous chlorine liquefaction project	7,382,237.65		7,382,237.65			
Fengyuan Mining technical improvement project	9,925,710.02		9,925,710.02	51,037,481.56		51,037,481.56
Yimin tailings pond project	276,882,121.33		276,882,121.33	74,512,029.20		74,512,029.20
Mining project with output of 13 million tons per year at North Hongge Mining Area	88,354,619.75		88,354,619.75	12,902,775.36		12,902,775.36
I. Second separation plant technology upgrading project	21,872,287.86		21,872,287.86	11,257,347.50		11,257,347.50

Innovation project of upgrading and transforming Panxi titanium concentrate into titanium dichloride dregs with an annual output of 500,000 tons/year	180,484,869.92		180,484,869.92	5,436,969.80		5,436,969.80
Model innovation project for enhancing the recycling of fine-grained ilmenite				3,336,270.19		3,336,270.19
Green and efficient benefication project for 7 million tons of minerals	14,585,778.54		14,585,778.54	7,993,931.91		7,993,931.91
Significant innovation project in comprehensive utilization of titanium dioxide produced with the chlorination process and of vanadium, scandium and other rare metals with an annual capacity of 200,000 tons	2,922,786.72		2,922,786.72	1,500,753.41		1,500,753.41
Quality improvement and purification of vanadium-titanium-iron concentrates at Panxi Mine with an annual capacity of 2.4 million tons				2,346,523.31		2,346,523.31
Sporadic technological improvement project for titanium chloride slag processing factory				3,003,944.82		3,003,944.82
Smart manufacturing technical improvement project for rotor-level titanium sponge with an annual output of 30,000 tons/year	6,344,183.18		6,344,183.18	159,924,375.65		159,924,375.65
Integrated slag landfill expansion project	6,641,429.04		6,641,429.04	16,061,765.64		16,061,765.64
Transformer capacity expansion project in a 220kv substation	32,039,183.87		32,039,183.87	18,392,545.94		18,392,545.94
High-quality titanium sponge technology upgrading project with an annual output of 30,000 tons	837,091,854.25		837,091,854.25	261,667,530.46		261,667,530.46
Phase II of Yunnan National Titanium smart manufacturing technical improvement project for rotor-level titanium sponge with an annual output of 30,000 tons/year	771,243,344.79		771,243,344.79			
Integrated model fused salt chlorination project	162,781,136.58		162,781,136.58			
Integrated technological improvement project for process equipment in chlorination and refining	2,318,584.07		2,318,584.07			

plants of Production Line No. 1						
Shear line optimization and modification project	2,796,417.28		2,796,417.28			
Technological improvement project for military industry-level granular crushing, mixing and packaging operations in reduction & distillation plant of Production Line No. 1	1,236,633.39		1,236,633.39			
Technological improvement of distilling furnaces and reduction furnaces	3,379,366.21		3,379,366.21			
Titanium and titanium alloy ingot project with an annual output of 30,000 tons	245,283.02		245,283.02			
Reduction by magnetic and electric separation of calcium content in high-calcium titanium concentrates project with a capacity of 150,000 tons per year at Wuding National Titanium	9,473,303.45		9,473,303.45			
Expansion project of direct current electric arc furnace smelting titanium slag production line with an annual output of 160,000 tons	3,267,201.05		3,267,201.05	14,151,244.86		14,151,244.86
Refined high-temperature molten iron processing project with a capacity of 60,000 tons				2,535,471.50		2,535,471.50
Green smart titanium sponge manufacturing project with an output of 60,000 tons/year	4,342,992.31		4,342,992.31	246,258.85		246,258.85
Technical transformation project of high titanium slag technology with a capacity of 80,000 tons/year	46,792.13		46,792.13	6,480,730.49		6,480,730.49
Vacation project of Longxiangshan Tourism				24,012,851.69		24,012,851.69
Other sporadic projects	22,070,874.11		22,070,874.11	30,150,218.51		30,150,218.51
Total	4,631,926,341.33		4,631,926,341.33	5,620,497,666.90		5,620,497,666.90

(2) Changes in major projects in construction in progress

Monetary Unit: RMB

Project name	Budget	Balance at the end of the previous year	Increase in the current period	Transfer-in of fixed assets in the current period	Other decreases in the current period	Closing balance	Proportion of total project investment to the budget (%)	Project progress	Accumulated amount of capitalized interests	Including: Amount of interest capitalized in the current period	Interest capitalization rate of current period (%)	Capital source
Environmental improvement project in the western plant area	108,000,000.00	25,588,723.53	31,877,802.57	49,447,369.94	8,019,156.16		123	100.00%				Other
Comprehensive management project of Liuzhuang stock dump	60,000,000.00	48,572,407.88	9,321,848.34			57,894,256.22	96.62	99.00%	2,902,278.36	132,808.53	2.93	Loans from financial institutions
Industrial wastewater, gases and residues control project at Jiaozuo manufacturing site	56,000,000.00	6,947,110.78	37,156,072.55	3,032,012.02		41,071,171.31	71.82	95.00%	288,088.07	288,088.07	2.93	Loans from financial institutions
Comprehensive utilization of synthetic rutile ferrous wastewater in Jiaozuo base	93,280,000.00	89,720,194.71	25,937,635.29	115,657,830.00			123.99	100.00%			2.93	Loans from financial institutions
Land leveling and comprehensive utilization project in Hekou Village	300,000,000.00	225,756,783.62	51,510,847.51	89,545,138.12		187,722,493.01	92.38	80.00%	11,931,227.26	6,938,085.46	2.93	Loans from financial institutions
Titanium dioxide production line expansion and transformation project	101,600,000.00	60,286,846.27	19,598,827.93	22,611,609.16		57,274,065.04	115.59	98.00%	488,413.49	488,413.49	2.93	Loans from financial institutions
Integrated technical improvement project at Jiaozuo manufacturing site in 2023	28,300,000.00		15,386,783.13			15,386,783.13	54.57	60.00%				Other
LB Group digital empowerment	40,000,000.00		10,246,116.23			10,246,116.23	25.62	50.00%				Other

project												
Gushanhu reservoir project	225,640,000.00	13,969,495.69	28,328,537.88			42,298,033.57	19	20.00%				Other
Chlorinated titanium dioxide project production line project with an annual output of 100,000 tons	430,000,000.00	704,762,794.94	145,017,613.62	849,780,408.56			197.62	100.00%			2.93	Loans from financial institutions
Safety improvement project for the production lines used for producing titanium dioxide with the chlorination process	52,000,000.00		52,771,273.93			52,771,273.93	102.88	98.00%	529,667.74	529,667.74	2.93	Loans from financial institutions
Industrial wastewater, gases and residues control project	204,500,000.00	4,517,242.53	19,413,413.71	20,132,571.33		3,798,084.91	99.91	99.00%				Other
Preparation of disinfectants and biological and chemical treatment of sewage	84,500,000.00		4,279,095.27	67,402.63		4,211,692.64	122.95	95.00%				Other
Halotypite processing project with an annual capacity of 600,000 tons	200,000,000.00	175,095,426.95	41,900,789.68	216,996,216.63			108	100.00%			3.7	Loans from financial institutions
R&D production base project	120,000,000.00	28,100,968.52	26,663,886.32	54,764,854.84			78.22	100.00%				Other
Post-processing capacity expansion project with a capacity of 200,000 tons per year (Phase I)	300,000,000.00	18,534,683.86	232,286,044.83	250,820,728.69			83.61	100.00%				Other
Chlorinated titanium dioxide project an	1,749,220,000.00	1,701,557,111.52	364,996,386.87	1,983,737,168.87		82,816,329.52	139.57	99.00%				Other

annual output of 200,000 tons												
New 220kv transformer substation project of Lufeng Xinli Titanium Industry Co., Ltd.	200,000,000.00	3,137,228.91	123,440,190.28			126,577,419.19	63.29	65.00 %				Other
Pretreatment and crystallization by MVR evaporation of waste water from processing of slags with the chlorination process	150,000,000.00	36,163,356.21	73,367,823.97	109,531,180.18			73.02	100.00 %				Other
Technological improvement project for boilers in public auxiliary plant	8,000,000.00	749,519.26	14,979,864.71			15,729,383.97	194.32	80.00 %				Other
Project “In-depth purification and upgrading of titanium slags with high calcium and magnesium content for production of raw materials used in production of titanium dioxide with large boiling chlorination furnace” with output of 300,000 tons per year	476,022,300.00		3,230,854.97			3,230,854.97	0.68	0.00%				Other
Yimin tailings pond project	913,148,200.00	74,512,029.20	202,370,092.13			276,882,121.33	30.32	30.00 %				Other
Mining project with output of 13 million tons per year at North Hongge	2,837,334,400.00	12,902,775.36	75,451,844.39			88,354,619.75	3.11	3.00%				Other

Mining Area												
Innovation project of upgrading and transforming Panxi titanium concentrate into titanium dichloride dregs with an annual output of 500,000 tons/year	423,000,000.00	5,436,969.80	175,047,900.12			180,484,869.92	42.68	45.00 %				Other
Model innovation project for enhancing the recycling of fine-grained ilmenite	110,000,000.00	3,336,270.19	132,592,293.20	135,928,563.39			146.44	100.00 %				Other
Green and efficient benefication project for 7 million tons of minerals	970,514,700.00	7,993,931.91	23,852,877.34	17,261,030.71		14,585,778.54	3.28	3.00%				Other
Significant innovation project in comprehensive utilization of titanium dioxide produced with the chlorination process and of vanadium, scandium and other rare metals with an annual capacity of 200,000 tons	1,800,000,000.00	1,500,753.41	1,422,033.31			2,922,786.72	0.16	0.00%				Other
I. Second separation plant technology upgrading project	230,856,966.15	11,257,347.50	68,857,500.67	58,242,560.31		21,872,287.86	137.85	99.00 %				Other
Fengyuan Mining technical improvement project	223,350,000.00	51,037,481.56	122,132,218.90	163,243,990.44		9,925,710.02	78.3	80.00 %				Other
Electric-melting	690,000,000.00	54,069,875.98	18,677,493.93	72,747,369.91			11	0.00%				Other

zirconia industry base construction project with an annual output of 30,000 tons												
Mindarie Restart Project 2021-22	848,470,000.00	288,486,554.22	271,846,963.42	692,397.09	-8,237,576.94	567,878,697.49	66.93	66.93 %				Other
Hydrogen peroxide project with an annual output of 200,000 tons	245,000,000.00	0	4,346,861.89			4,346,861.89	1.24	0.00%				Other
Iron phosphate project with an annual output of 200,000 tons (50,000 tons in phase II)	362,520,000.00	38,282,599.87	218,875,092.53	257,157,692.40			83.26	100.00 %				Other
Iron phosphate project with an annual output of 200,000 tons (Phase III)	729,810,000.00	2,752,293.57	457,016,562.26			459,768,855.83	55.75	70.00 %				Other
Sodium dihydrogen phosphate production line project with an annual output of 160,000 tons	230,100,000.00	128,218,032.39	37,868,272.86	137,248,848.57		28,837,456.68	67.97	70.00 %				Other
Integration project for lithium-ion battery cathode materials with an annual output of 200,000 tons	3,500,000,000.00	136,278,846.87	23,866,220.93	158,678,974.26		1,466,093.54	12.78	25.00 %				Other
Lithium ferric phosphate project with an annual output of 200,000 tons (50,000 tons in phase I)	450,000,000.00	144,101,728.16	20,823,879.13	147,960,362.33		16,965,244.96	83.77	98.00 %				Other
Graphite cathode material project with an	700,000,000.00	1,975,599.13	6,759,995.19	8,735,594.32			18	25.00 %				Other

annual output of 100,000 tons (25,000 tons in phase I)												
Graphite electrode engineering project with an annual output of 50,000 tons	600,000,000.00	65,546,543.79	53,494,549.17	119,041,092.96			78	100.00 %				Other
Nuclear-grade sponge zirconium project with an annual output of 350 tons	288,400,000.00	79,741,165.54	-342,179.32			79,398,986.22	61.58	60.00 %				Other
New profiling improvement project	28,500,000.00		22,595,935.72			22,595,935.72	79.28	99.00 %				Other
Calcined petroleum coke project with an annual output of 500,000 tons	488,819,300.00		169,107,324.38			169,107,324.38	34.64	35.00 %				Other
Phase I of synthetic rutile project with a capacity of 400,000 tons	1,799,230,000.00	765,621,432.46	815,604,153.90	1,546,967,966.31	61,800.00	34,195,820.05	111	95.00 %	23,489,809.25	23,489,809.25	3.5	Loans from financial institutions
Integrated model fused salt chlorination project	128,220,300.00		162,781,136.58			162,781,136.58	129.04	75.00 %				Other
Phase II of smart manufacturing technical improvement project for rotor-level titanium sponge with an annual output of 30,000 tons/year	1,313,385,751.01		777,380,274.23	6,136,929.44		771,243,344.79	62.86	98.00 %	33,619,730.64	27,726,230.59	3.49	Loans from financial institutions
Titanium sponge production line upgrading and modification project with a capacity of	308,481,600.00	0	1,317,881.29	1,317,881.29			121.96	100.00 %				Other

10,000 tons per year												
Yunnan National Titanium smart manufacturing technical improvement project for rotor-level titanium sponge with an annual output of 30,000 tons/year	1,542,474,648.99	159,924,375.65	6,254,576.80	97,944,989.27	61,889,780.00	6,344,183.18	93.26	94.00%	4,933,497.22		3.7	Loans from financial institutions
Transformer capacity expansion project in a 220kv substation	200,000,000.00	18,392,545.94	13,646,637.93			32,039,183.87	16.02	15.00%				Other
Integrated slag landfill expansion project	64,621,500.00	16,061,765.64	22,708,806.65	32,129,143.25		6,641,429.04	60	60.00%				Other
Titanium and titanium alloy ingot project with an annual output of 30,000 tons	920,165,000.00		245,283.02			245,283.02	0.03	0.00%				Other
Reduction by magnetic and electric separation of calcium content in high-calcium titanium concentrates project with a capacity of 150,000 tons per year at Wuding National Titanium	11,000,000.00		9,473,303.45			9,473,303.45	86	85.00%				Other
Expansion project of direct current electric arc furnace smelting titanium slag production line with an	779,832,100.00	14,151,244.86	5,616,698.48	16,500,742.29		3,267,201.05	3	2.00%				Other

annual output of 160,000 tons												
Green smart titanium sponge manufacturing project with an output of 60,000 tons/year	4,280,000,000.00	246,258.85	4,096,733.46			4,342,992.31	0.1	0.00%				Loans from financial institutions
High-quality titanium sponge technology upgrading project with an annual output of 30,000 tons	1,800,000,000.00	261,667,530.46	768,498,902.61	193,074,578.82		837,091,854.25	83	95.00 %	20,746,236.70	17,107,081.99	4.35	Loans from financial institutions
Green manufacturing of raw materials for lithium batteries project with an annual output of 300,000 tons	1,950,000,000.00		419,811.32			419,811.32	0	0.00%				Other
Other sporadic projects		133,541,819.41	258,257,438.78	274,380,048.26		117,419,209.93						
Total	36,754,296,766.15	5,620,497,666.90	6,284,677,080.24	7,211,515,246.59	61,733,159.22	4,631,926,341.33			98,928,948.73	76,700,185.12		

(4) Details about impairment test performed on construction in progress

□ Applicable ☑ Not applicable

(5) Engineering materials

Monetary Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Project materials	133,669,094.64	1,938,558.16	131,730,536.48	175,358,387.84		175,358,387.84
Total	133,669,094.64	1,938,558.16	131,730,536.48	175,358,387.84		175,358,387.84

17. Right-of-use assets

(1) Information on right-of-use assets

Monetary Unit: RMB

Item	Houses and buildings	Land use right	Total
I. Original book value			
1. Opening balance	41,999,345.04	57,471,320.32	99,470,665.36
2. Amount increased in the current period	1,204,392.38		1,204,392.38
- Additional leases	1,108,786.47		1,108,786.47
- Other	95,605.91		95,605.91
3. Amount decreased in the current period	21,974,038.37		21,974,038.37
- Early termination	21,974,038.37		21,974,038.37
4. Closing balance	21,229,699.05	57,471,320.32	78,701,019.37
II. Accumulated depreciation			
1. Opening balance	18,282,509.42	24,188,117.11	42,470,626.53
2. Amount increased in the current period	7,394,872.21	12,109,346.55	19,504,218.76
(1) Accrual	7,359,769.47	12,109,346.55	19,469,116.02
- Other	35,102.74		35,102.74
3. Amount decreased in the current period	13,790,294.36		13,790,294.36
(1) Disposition			
- Early termination	13,790,294.36		13,790,294.36
4. Closing balance	11,887,087.27	36,297,463.66	48,184,550.93
III. Provisions for impairment			
1. Opening balance			
2. Amount increased in the current period			
(1) Accrual			
3. Amount decreased in the current period			
(1) Disposition			
4. Closing balance			
IV. Book value			
1. Book value at the end of the period	9,342,611.78	21,173,856.66	30,516,468.44
2. Book value at the beginning of the period	23,716,835.62	33,283,203.21	57,000,038.83

(2) Details about impairment test performed on right-of-use assets

□ Applicable ☑ Not applicable

18. Intangible assets

(1) Information on intangible assets

Monetary Unit: RMB

Item	Land use right	Patent rights	Non-patented technology	Mining right	Franchise right	Software	Independently developed technology	Total
I. Original book value								
1. Opening balance	2,595,312,745.19	265,777,906.01		5,322,617,726.40	71,906,969.53	33,850,731.36	47,265,008.73	8,336,731,087.22
2. Amount increased in the current period	57,372,645.46	24,645,654.33		25,435,622.63	140,776.70	1,791,425.86		109,386,124.98
(1) Acquisition	49,011,291.99			21,010,957.54		1,478,151.59		71,500,401.12
(2) Internal research and development								
(3) Increase by business combination	6,573,231.83	24,645,654.33			140,776.70	313,274.27		31,672,937.13
- Exchange rate fluctuation	1,726,321.64			4,424,665.09				6,150,986.73
- Transfer-in of construction in progress	61,800.00							61,800.00
3. Amount decreased in the current period	15,173,435.07			4,394,626.27				19,568,061.34
(1) Disposition	13,531,438.05			4,394,626.27				17,926,064.32
- Inclusion in fixed assets	1,641,997.02							1,641,997.02
4. Closing balance	2,637,511,955.58	290,423,560.34		5,343,658,722.76	72,047,746.23	35,642,157.22	47,265,008.73	8,426,549,150.86
II. Accumulated amortized amount								
1. Opening balance	321,241,573.70	241,856,996.96		594,145,399.35	17,881,045.58	6,916,430.15	21,319,283.44	1,203,360,729.18
2. Amount increased in the current period	68,542,144.44	42,504,395.61		278,642,421.98	2,639,223.37	3,319,494.63	1,067,623.19	396,715,303.22
(1) Accrual	67,845,372.37	42,503,905.20		278,173,647.70	2,591,124.64	3,220,667.22	1,067,623.19	395,402,340.32
- Increase by business combination	320,066.54	490.41			48,098.73	98,827.41		467,483.09
- Increase resulting from foreign exchange rate fluctuation	376,705.53			468,774.28				845,479.81
3. Amount decreased in the current period	714,376.08							714,376.08
(1) Disposition	714,376.08							714,376.08
4. Closing balance	389,069,342.06	284,361,392.57		872,787,821.33	20,520,268.95	10,235,924.78	22,386,906.63	1,599,361,656.32
III. Provisions for impairment								

1. Opening balance	591,909.23			90,623,415.60				91,215,324.83
2. Amount increased in the current period	16,901.64			2,290,301.79				2,307,203.43
(1) Accrual								
- Increase resulting from foreign exchange rate fluctuation	16,901.64			2,290,301.79				2,307,203.43
3. Amount decreased in the current period								
(1) Disposition								
4. Closing balance	608,810.87			92,913,717.39				93,522,528.26
IV. Book value								
1. Book value at the end of the period	2,247,833,802.65	6,062,167.77		4,377,957,184.04	51,527,477.28	25,406,232.44	24,878,102.10	6,733,664,966.28
2. Book value at the beginning of the period	2,273,479,262.26	23,920,909.05		4,637,848,911.45	54,025,923.95	26,934,301.21	25,945,725.29	7,042,155,033.21

(2) Land use right without certificate of title

Monetary Unit: RMB

Item	Book value	Reasons for failure of being issued the ownership certificate
Land use right	15,932,084.91	In progress

(3) Details about impairment test performed on intangible assets

□ Applicable ☑ Not applicable

19. Goodwill

(1) Original book value of goodwill

Monetary Unit: RMB

Investee name or item that has formed the goodwill	Opening balance	Increase in the current period		Decrease in the current period		Closing balance
		Amount increased due to business combination		Disposal		
Rongjia Scandium Vanadium	25,413.86					25,413.86
Longbai Sichuan (the former Sichuan Lomon asset group)	4,881,876,565.50					4,881,876,565.50
Ruierxin	132,171,117.34					132,171,117.34
Xinli Titanium	165,545,814.07					165,545,814.07
Yunnan National Titanium	485,550,689.65					485,550,689.65
Hunan Oriental	4,101,469.82					4,101,469.82

Scandium						
Orient Zirconic Industry	373,631,188.90					373,631,188.90
Chaoyang Donggao	57,553,142.36					57,553,142.36
Zhongtan New Material	24,830,069.62					24,830,069.62
Weina Technology	22,975,195.99					22,975,195.99
Zhongzhou Carbon		10,819,738.82				10,819,738.82
Total	6,148,260,667.11	10,819,738.82				6,159,080,405.93

(2) Provisions for goodwill impairment

Monetary Unit: RMB

Investee name or item that has formed the goodwill	Opening balance	Increase in the current period		Decrease in the current period		Closing balance
		Appropriation		Disposal		
Ruierxin	28,184,335.27					28,184,335.27
Orient Zirconic Industry		18,600,000.00				18,600,000.00
Total	28,184,335.27	18,600,000.00				46,784,335.27

(3) Relevant information on the asset group or the portfolio of asset groups in which goodwill is included

Name	Composition of and basis for the asset group or the portfolio of asset groups	Operating segment to which it is attributable and basis for such determination	Consistent with previous years or not
Rongjia Scandium Vanadium	If the asset group in which goodwill is included has an active market and could generate separate cash flow, then it may be considered as a separate asset group	Goodwill related asset group includes fixed assets, intangible assets and other long-term assets	Yes
Longbai Sichuan (the former Sichuan Lomon asset group)	The Company treats the overall assets and business of Longbai Sichuan Titanium Industry Co., Ltd., Longbai Sichuan Mining and Metallurgy Co., Ltd. and Longbai Xiangyang Titanium Industry Co., Ltd. on an as-consolidated basis as a separate asset group	Goodwill related asset group includes fixed assets, intangible assets and other long-term assets	Yes
Ruierxin	If the asset group in which goodwill is included has an active market and could generate separate cash flow, then it may be considered as a separate asset group	Goodwill related asset group includes fixed assets, intangible assets and other long-term assets	Yes
Xinli Titanium	If the asset group in which goodwill is included has an active market and could generate separate cash flow, then it may be considered as a separate asset group	Goodwill related asset group includes fixed assets, intangible assets and other long-term assets	Yes
Yunnan National Titanium	If the asset group in which goodwill is included has an active market and could generate separate cash flow, then it may be considered as a separate asset group	Goodwill related asset group includes fixed assets, intangible assets and other long-term assets	Yes
Hunan Oriental Scandium	If the asset group in which goodwill is included has an active market and could generate separate cash flow, then it may be considered as a separate asset group	Goodwill related asset group includes fixed assets, intangible assets and other long-term assets	Yes
Orient Zirconic Industry	If the asset group in which goodwill is included has an active market and could generate separate cash flow, then it may be considered as a separate asset group	Goodwill related asset group includes fixed assets, intangible assets and other long-term assets	Yes
Chaoyang Donggao	If the asset group in which goodwill is included has an active market and could generate separate cash flow, then it may be considered as a separate asset group	Goodwill related asset group includes fixed assets, intangible assets and other long-term assets	Yes
Zhongtan New Material	If the asset group in which goodwill is included has an active market and could generate separate cash flow, then it may be considered as a separate asset group	Goodwill related asset group includes fixed assets, intangible assets and other long-term assets	Yes
Weina Technology	If the asset group in which goodwill is included has an active market and could generate separate cash flow, then it may be considered as a separate asset group	Goodwill related asset group includes fixed assets, intangible assets and other long-term assets	Yes
Zhongzhou Carbon	If the asset group in which goodwill is included has an active market and could generate separate cash flow, then it may be considered as a separate asset group	Goodwill related asset group includes fixed assets, intangible assets and other long-term assets	Yes

(4) Specific method for determination of the recoverable amount of goodwill

Recoverable amount calculated at the present value of estimated future cash flow:

Item	Book value	Recoverable amount	Impairment amount	Number of years contained in projection period	Key parameters (growth rate, profit margin, etc.) used for projection period	Basis for selection of key parameters for projection period	Key parameters (growth rate, profit margin, discount rate, etc.) used for stabilization period	Basis for selection of key parameters for stabilization period
Longbai Sichuan (the former Sichuan Lomon asset group) Note 1	2,937,673,204.23	2,950,000,000.00	No impairment	5 years	Revenue growth rate at 0.00% - 4.17%, profit margin at 13.37% - 15.74%, and discount rate at 12.88%	1 Revenue growth rate, and profit margin: Estimated based on the business performance, growth rate and industry level of the Company in previous years, as well as the management's expectation for the market development 2 Discount rate: Reflecting the current time value of money in the market and the pre-tax interest rate corresponding to particular risks associated with related asset groups	Revenue growth rate at 0% in the stabilisation period, profit margin equal to that in the last year contained in the projection period, and discount rate at 12.88%	Revenue growth rate at 0% in the stabilisation period, and profit margin and discount rate equal to those in the last year contained in the projection period
	5,437,013,725.25	12,390,000,000.00	No impairment	2024 - June 2040	Revenue growth rate at -50.2% - 6.3%, profit margin at 35.54% - 42.31%, and discount rate at 12.88% and 13.16%	1 Revenue growth rate, and profit margin: Estimated based on the business performance, growth rate and industry level of the Company in previous years, as well as the management's expectation for the market development 2 Discount rate: Reflecting the current time value of money in the market and the pre-tax interest rate corresponding to particular risks associated with related asset groups		
	1,506,613,853.60	1,843,000,000.00	No impairment	5 years	Revenue growth rate at 0% - 38.34%, profit margin at 7.94% - 9.94%, and discount rate at 12.88%	1 Revenue growth rate, and profit margin: Estimated based on the business performance, growth rate and industry level of the Company in previous years, as well as the management's expectation for the market development 2 Discount rate: Reflecting the current time value of money in the market and the pre-tax interest rate corresponding to particular risks associated with related asset groups	Revenue growth rate at 0% in the stabilisation period, profit margin equal to that in the last year contained in the projection period, and discount rate at 12.88%	Revenue growth rate at 0% in the stabilisation period, and profit margin and discount rate equal to those in the last year contained in the projection period
Ruierxin	109,553,327.28	144,000,000.00	No impairment	5 years	Revenue growth rate at 0.21% - 3.96%, profit margin at 4.00% - 4.16%, and discount rate at 15.65%	1 Revenue growth rate, and profit margin: Estimated based on the business performance, growth rate and industry level of the Company in previous years, as well as the management's expectation for the market development 2 Discount rate: Reflecting the current time value of money in the market and the pre-tax interest rate corresponding to particular risks associated with related asset groups	Revenue growth rate at 0% in the stabilisation period, profit margin equal to that in the last year contained in the projection period, and discount rate at 15.65%	Revenue growth rate at 0% in the stabilisation period, and profit margin and discount rate equal to those in the last year contained in the projection period
Xinli Titanium	3,323,974,955.26	3,330,000,000.00	No impairment	5 years	Revenue growth rate at 7.84% - 80.75%, profit margin at 6.89% - 13.83%, and discount rate at 12.88%	1 Revenue growth rate, and profit margin: Estimated based on the business performance, growth rate and industry level of the Company in previous years, as well as the management's expectation for the market development 2 Discount rate: Reflecting the current time value of money in the market and the pre-tax interest rate corresponding to particular risks associated with related asset groups	Revenue growth rate at 0% in the stabilisation period, profit margin equal to that in the last year contained in the projection period, and discount rate at 12.88%.	Revenue growth rate at 0% in the stabilisation period, and profit margin and discount rate equal to those in the last year contained in the projection period
Yunnan National Titanium	5,792,910,816.16	5,826,000,000.00	No impairment	5 years	Revenue growth rate at 5.32% - 19.84%, profit margin at 11.91% - 15.61%, and discount rate at 11.58%.	1 Revenue growth rate, and profit margin: Estimated based on the business performance, growth rate and industry level of the Company in previous years, as well as the management's expectation for the market development 2 Discount rate: Reflecting the current time value of money in the market and the pre-tax interest rate corresponding to particular risks associated with related asset groups	Growth rate at 0%, operating profit margin at 15.61%, discount rate at 11.58%	Revenue growth rate at 0% in the stabilisation period, and profit margin and discount rate equal to those in the last year contained in the projection period
Hunan Oriental Scandium	121,695,024.83	125,000,000.00	No impairment	5 years	Revenue growth rate at 4.21% - 10.42%, profit margin at 14.31% - 15.92%, and discount rate at 14.72%	1 Revenue growth rate, and profit margin: Estimated based on the business performance, growth rate and industry level of the Company in previous years, as well as the management's expectation for the market development 2 Discount rate: Reflecting the current time value of money in the market and the pre-tax interest rate corresponding to particular risks associated with related asset groups	Revenue growth rate at 0% in the stabilisation period, profit margin equal to that in the last year contained in the projection period, and discount rate at 14.72%.	Revenue growth rate at 0% in the stabilisation period, and profit margin and discount rate equal to those in the last year contained in the projection period
Orient Zirconic Industry	3,979,048,578.85	3,900,000,000.00	18,600,000.00	5 years	Revenue growth rate at 4.14% - 14.38%, profit margin at 16.08% - 17.58%, and discount rate at 12.22% - 12.35%	1 Revenue growth rate, and profit margin: Estimated based on the business performance, growth rate and industry level of the Company in previous years, as well as the management's expectation for the market development 2 Discount rate: Reflecting the current time value of money in the market and the pre-tax interest rate corresponding to particular risks associated with related asset groups	Revenue growth rate at 0% in the stabilisation period, profit margin equal to that in the last year contained in the projection period, and discount rate at 12.22%.	Revenue growth rate at 0% in the stabilisation period, and profit margin and discount rate equal to those in the last year contained in the projection period
Chaoyang Donggao	261,771,689.56	270,000,000.00	No impairment	5 years	Revenue growth rate at 2.00%, profit margin at 13.09% - 15.27%, and discount rate at 13.38%	1 Revenue growth rate, and profit margin: Estimated based on the business performance, growth rate and industry level of the Company in previous years, as well as the management's expectation for the market development 2 Discount rate: Reflecting the current time value of money in the market and the pre-tax interest rate corresponding to particular risks	Revenue growth rate at 0% in the stabilisation period, profit margin equal to that in the last year contained in the projection period, and	Revenue growth rate at 0% in the stabilisation period, and profit margin and discount rate equal to those in the last year contained in the

Item	Book value	Recoverable amount	Impairment amount	Number of years contained in projection period	Key parameters (growth rate, profit margin, etc.) used for projection period	Basis for selection of key parameters for projection period	Key parameters (growth rate, profit margin, discount rate, etc.) used for stabilization period	Basis for selection of key parameters for stabilization period
						associated with related asset groups	discount rate at 13.38%	projection period
Zhongtan New Material	780,596,796.96	866,000,000.00	No impairment	5 years	Revenue growth rate at 9.05% - 34.10%, profit margin at 1.11% - 11.87%, and discount rate at 11.43%	2 Revenue growth rate, and profit margin: Estimated based on the business performance, growth rate and industry level of the Company in previous years, as well as the management's expectation for the market development 2 Discount rate: Reflecting the current time value of money in the market and the pre-tax interest rate corresponding to particular risks associated with related asset groups	Revenue growth rate at 0% in the stabilisation period, profit margin equal to that in the last year contained in the projection period, and discount rate at 11.43%.	Revenue growth rate at 1% in the stabilisation period, and profit margin and discount rate equal to those in the last year contained in the projection period
Weina Technology	92,480,928.05	901,000,000.00	No impairment	5 years	Revenue growth rate at -3.15% - 8.51%, profit margin at 15.79% - 16.29%, and discount rate at 13.00%	1 Revenue growth rate, and profit margin: Estimated based on the business performance, growth rate and industry level of the Company in previous years, as well as the management's expectation for the market development 2 Discount rate: Reflecting the current time value of money in the market and the pre-tax interest rate corresponding to particular risks associated with related asset groups	Revenue growth rate at 0% in the stabilisation period, profit margin equal to that in the last year contained in the projection period, and discount rate at 13.00%.	Revenue growth rate at 0% in the stabilisation period, and profit margin and discount rate equal to those in the last year contained in the projection period
Zhongzhou Carbon	547,402,564.76	629,000,000.00	No impairment	5 years	Revenue growth rate at 2.72% - 3.21%, profit margin at 3.07% - 9.51%, and discount rate at 11.25%	3 Revenue growth rate, and profit margin: Estimated based on the business performance, growth rate and industry level of the Company in previous years, as well as the management's expectation for the market development 2 Discount rate: Reflecting the current time value of money in the market and the pre-tax interest rate corresponding to particular risks associated with related asset groups	Revenue growth rate at 0% in the stabilisation period, profit margin equal to that in the last year contained in the projection period, and discount rate at 11.25%.	Revenue growth rate at 2% in the stabilisation period, and profit margin and discount rate equal to those in the last year contained in the projection period

20. Long-term prepaid expenses

Monetary Unit: RMB

Item	Opening balance	Increase in the current period	Amount amortized in the current period	Other decreases	Closing balance
Expenses of improvement of fixed assets (including fit-out and decoration expenses)	47,416,130.45	49,160,219.47	27,175,786.96	2,506,487.19	66,894,075.77
Compensation for demolition	12,485,668.11	17,826,034.67	2,047,755.44	9,030,881.62	19,233,065.72
Fees for technical services paid to Ti-Cons	12,224,080.66		3,333,840.24		8,890,240.42
Forest compensation payment	8,720,984.98	33,416,465.72	19,572,535.58		22,564,915.12
Fees for technology services	6,888,818.50	56,603.77	3,288,673.45		3,656,748.82
Land rehabilitation costs	3,110,657.76	5,095,000.00	1,131,009.22		7,074,648.54
SAP ERP cloud service		5,941,674.68			5,941,674.68
Chlorinated titanium dioxide emission permit	567,184.34		295,922.27		271,262.07
Sporadic lease payments	547,131.59	2,085,044.89	793,636.21		1,838,540.27
Expenditure for improvement of mineral separation site	184,303.72		184,303.72		
Other	101,119.97	112,031.68	34,461.54		178,690.11
Total	92,246,080.08	113,693,074.88	57,857,924.63	11,537,368.81	136,543,861.52

21. Deferred income tax asset/Deferred income tax liability

(1) Deferred income tax assets without offset

Monetary Unit: RMB

Item	Closing balance		Opening balance	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Provisions for asset impairment	619,970,366.83	99,446,772.58	350,264,623.00	58,370,592.74
Profits not achieved from interior trade	1,090,679,688.43	178,963,132.77	1,134,733,574.70	205,130,238.50
Deductible losses	417,474,192.17	72,649,517.76	269,176,791.19	56,768,688.29
Equity incentives	113,383,604.07	17,326,462.52	256,067,547.43	40,102,088.82
Deferred income	144,447,403.43	21,667,110.51	125,823,764.93	18,873,564.74
Payrolls accrued but not paid	65,993,653.45	10,016,762.91	61,263,677.80	9,419,105.39
Accrued expenses unpaid	204,410,442.74	30,847,269.75	221,637,188.41	33,450,940.70
Lease liabilities	4,915,150.04	1,036,373.01	17,416,311.09	2,970,848.70
Changes in fair value of other equity instrument investments	5,554,541.76	833,181.26		
Other	198,044,028.71	30,538,713.03	15,309,250.21	2,296,387.54
Total	2,864,873,071.63	463,325,296.10	2,451,692,728.76	427,382,455.42

(2) Deferred income tax liabilities without offset

Monetary Unit: RMB

Item	Closing balance		Opening balance	
	Taxable temporary difference	Deferred income tax liabilities	Taxable temporary difference	Deferred income tax liabilities
Value added after assets valuation of business combinations not under the same control	5,247,741,792.45	823,012,134.26	5,124,289,728.80	867,063,138.12
Depreciation of fixed assets	1,671,023,515.03	250,653,527.24	667,170,269.40	101,348,558.65
Right-of-use assets	4,533,915.02	947,726.12	16,825,240.70	2,863,637.17
Internal unrealized profits or losses	11,739,755.44	1,760,963.32		
Other	443,943.64	88,788.73	436,541.15	87,308.23
Total	6,935,482,921.58	1,076,463,139.67	5,808,721,780.05	971,362,642.17

(3) Deferred income tax assets or liabilities presented in net amount after offset

(4) Details of unrecognized deferred income tax assets

Monetary Unit: RMB

Item	Closing balance	Opening balance
Deductible temporary difference	2,694,822,611.15	2,791,001,785.73
Deductible losses	3,178,188,466.43	3,528,534,164.92
Total	5,873,011,077.58	6,319,535,950.65

(5) Deductible losses of unrecognized deferred income tax assets will expire in the following years

Monetary Unit: RMB

Year	Ending amount	Opening amount	Remarks
2023		35,645,285.50	
2024	98,924,310.60	86,838,724.17	
2025	97,551,084.10	147,944,135.76	
2026	44,189,194.70	73,211,066.10	
2027	232,235,437.61	602,875,231.25	
2028	364,037,265.78	569,282,834.56	
2029	104,442,623.15	118,469,656.74	
2030	2,236,808,550.49	1,894,267,230.84	
Total	3,178,188,466.43	3,528,534,164.92	

22. Other non-current assets

Monetary Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Advance payments for projects	381,873,571.13		381,873,571.13	547,544,294.19		547,544,294.19
Advance payments for equipment	189,658,251.69		189,658,251.69	178,950,236.03		178,950,236.03
Advance payments for land or real properties	219,006,772.74		219,006,772.74	179,681,689.35		179,681,689.35
Mining and stripping engineering	96,921,780.49		96,921,780.49			
Total	887,460,376.05		887,460,376.05	906,176,219.57		906,176,219.57

23. Assets with restrictions on their ownership or use

Item	Closing balance			Balance at the end of the previous year		
	Book value	Type of restriction	Details about restrictions	Book value	Type of restriction	Details about restrictions
Monetary capital	5,405,846,671.29	Restriction on withdrawal	Banker's acceptance bills, letters of credit and other security deposits, pledged term deposits and interest, escrow funds for WIM150 project	6,320,711,510.59	Restriction on withdrawal	Banker's acceptance bills, letters of credit and other security deposits, pledged term deposits and interest, escrow funds for WIM150 project
Long-term equity investment	937,235,853.38	Pledged borrowings	Pledged borrowings	937,235,853.38	Pledged borrowings	Pledged borrowings
Notes receivable	12,245,500.00	Restrictions on use	Endorsed, but not due yet	436,000.00	Restrictions on use	Endorsed, but not due yet
Accounts receivable financing	56,021,951.27	Granted against pledge	Granted against pledge	109,192,455.90	Granted against pledge	Granted against pledge
Fixed assets	3,185,836,812.76	Pledged borrowings	Pledged borrowings	1,168,906,130.37	Pledged borrowings	Pledged borrowings
Intangible assets	611,530,493.87	Mortgage for borrowings	Mortgage for borrowings	4,196,458,718.53	Mortgage for borrowings	Mortgage for borrowings
Construction in progress	5,434,265.74	Mortgage for borrowings	Mortgage for borrowings	868,850,696.79	Mortgage for borrowings	Mortgage for borrowings
Total	10,214,151,548.31			13,601,791,365.56		

24. Short-term borrowings

(1) Classification of short-term borrowings

Monetary Unit: RMB

Item	Closing balance	Opening balance
Pledged borrowings	10,000,000.00	
Mortgaged borrowings	211,959,055.41	286,959,055.41
Guaranteed borrowings	3,131,168,244.29	2,555,550,885.74
Credit borrowings	4,830,470,287.00	2,774,390,000.00
Interests on short-term borrowings	14,574,276.49	
Total	8,198,171,863.19	5,616,899,941.15

Description of short-term borrowing classification:

Pledged borrowings:

1. Billions Chemicals, one of the Company's subsidiaries, obtained a loan of RMB 10,000,000.00 from Jiazuo Branch of Bank Of Communications Co.,Ltd. and pledged the accounts receivable of the group to secure the payment of the loan.

Pledged borrowings:

1、Orient Zirconic Industry, one of the Company's subsidiaries, obtained a loan of RMB 60,000,000.00 from Guangzhou Branch of Ping An Bank and mortgaged the land parcels described in the C. G. Y. (2012) No. 2012002, C. G. Y. (2015) No. 2015004 and C. G. Y. (2015) No. 2015005 Certificates of Land Title to secure the payment of the loan.

2. Panzhihua Longbai Fengyuan Co., Ltd., one of the Company's subsidiaries, obtained a loan of RMB

379,897,600.00 from Central Plaza Sub-branch of Sichuan Bank and mortgaged the land parcel described in P. G. Y. (2011) No. 00118 Certificate of Land Title and certain machinery and equipment to secure the payment of the loan. The principal amount outstanding under the loan as at December 31, 2023 was RMB 151,959,100.00.

25. Financial liabilities held for trading

Monetary Unit: RMB

Item	Closing balance	Opening balance
Financial liabilities held for trading	2,391,726,465.75	
Total	2,391,726,465.75	

Other notes: See Note "XIV. (I) 3" for details.

26. Notes payable

Monetary Unit: RMB

Type	Closing balance	Opening balance
Commercial acceptance bills	4,061,847,403.00	9,014,634,776.79
Bank acceptance bills	288,229,031.61	239,433,660.65
Total	4,350,076,434.61	9,254,068,437.44

Total amount of notes payable that has not been paid at the end of the period is RMB0.

27. Accounts payable

(1) Presentation of accounts payable

Monetary Unit: RMB

Item	Closing balance	Opening balance
Within 1 year	4,420,893,689.66	4,604,036,743.15
1-2 years	805,310,092.48	618,773,653.62
2-3 years	229,753,888.46	151,141,219.21
Over 3 years	472,785,086.91	401,658,339.20
Total	5,928,742,757.51	5,775,609,955.18

(2) Material accounts payable aged more than 1 year or overdue

Monetary Unit: RMB

Item	Closing balance	Reason for not being repaid or carried forward
Entity 16	165,060,706.06	To be repaid according to the restructuring plan
Entity 17	35,954,246.30	To be repaid according to the restructuring plan
Entity 18	118,109,286.27	Not yet settled
Entity 19	56,722,757.14	Not yet settled
Entity 12	27,182,965.84	Not yet settled

Entity 20	25,678,005.73	Not yet settled
Entity 21	26,436,679.21	Not yet settled
Entity 22	20,580,407.13	Not yet settled
Entity 23	26,822,109.16	Not yet settled
Entity 24	22,573,402.44	To be repaid according to the restructuring plan
Total	525,120,565.28	

28. Other payables

Monetary Unit: RMB

Item	Closing balance	Opening balance
Interests payable	264,896.50	264,896.50
Dividend payable	109,949,127.50	125,647,200.00
Other payables	1,479,888,159.29	2,370,203,744.16
Total	1,590,102,183.29	2,496,115,840.66

(1) Interests payable

Monetary Unit: RMB

Item	Closing balance	Opening balance
Interests payable to shareholders	264,896.50	264,896.50
Total	264,896.50	264,896.50

(2) Dividend payable

Monetary Unit: RMB

Item	Closing balance	Opening balance
Common share dividends	109,949,127.50	125,647,200.00
Total	109,949,127.50	125,647,200.00

(3) Other payables

1) Presentation of other payables by nature of account

Monetary Unit: RMB

Item	Closing balance	Opening balance
Other receivables and payables	426,353,066.87	320,993,296.75
Deposit and margin	278,404,652.84	286,336,026.58
Equity-based incentives/repurchase obligation	681,941,738.00	1,562,484,565.00

Other	93,188,701.58	200,389,855.83
Total	1,479,888,159.29	2,370,203,744.16

2) Other material payables aged more than 1 year or overdue

Monetary Unit: RMB

Item	Closing balance	Reason for not being repaid or carried forward
Entity 25	74,142,514.46	To be repaid according to the restructuring plan
Entity 26	40,894,062.25	To be repaid according to the restructuring plan
Entity 27	39,013,362.93	To be repaid according to the restructuring plan
Entity 28	24,272,617.37	To be repaid according to the restructuring plan
Entity 29	22,047,826.58	To be repaid according to the restructuring plan
Entity 30	13,978,000.00	To be repaid according to the restructuring plan
Entity 31	13,015,000.00	To be repaid according to the restructuring plan
Entity 32	10,000,000.00	To be repaid according to the restructuring plan
Entity 33	8,863,533.86	To be repaid according to the restructuring plan
Entity 34	7,796,532.02	To be repaid according to the restructuring plan
Entity 35	3,700,000.00	Deposit and margin
Entity 36	3,374,000.00	To be repaid according to the restructuring plan
Entity 37	2,617,835.98	To be repaid according to the restructuring plan
Entity 38	2,600,000.00	Deposit and margin
Total	266,315,285.45	

(29) Advance receipt

(1) Breakdown of advance receipts

Monetary Unit: RMB

Item	Closing balance	Opening balance
House rent received in advance	2,733,080.91	2,430,897.75
Total	2,733,080.91	2,430,897.75

30. Contract liabilities

Monetary Unit: RMB

Item	Closing balance	Opening balance
Payment received in advance	301,053,584.35	328,121,242.06
Total	301,053,584.35	328,121,242.06

31. Payroll payable

(1) Presentation of payroll payable to employees

Monetary Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
I. Short-term payroll	354,461,588.46	2,032,924,762.58	2,000,220,749.78	387,165,601.26
II. Post-employment benefit - defined contribution plan	2,210,356.41	207,946,700.59	209,510,877.19	646,179.81
III. Termination benefits		941,930.63	941,930.63	
Differences arising from translation of foreign currency financial statements				
Total	356,671,944.87	2,241,813,393.80	2,210,673,557.60	387,811,781.07

(2) Breakdown of short-term compensation

Monetary Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
1. Wages and salaries, bonus, allowances and subsidies	279,293,763.44	1,711,049,321.53	1,694,288,354.63	296,054,730.34
2. Staff welfare	150,914.73	70,962,336.80	71,026,224.69	87,026.84
3. Social security contributions	1,207,591.54	116,119,892.79	116,313,514.94	1,013,969.39
Including: Medical insurance contributions	924,746.57	94,776,924.21	95,593,796.52	107,874.26
Work-related injury insurance contributions	282,844.97	21,336,097.89	20,712,847.73	906,095.13
Maternity insurance contributions		6,870.69	6,870.69	
Other				
4. Housing provident funds	2,970,326.40	89,141,800.85	88,567,569.40	3,544,557.85
5. Labor union funds and employee education funds	70,505,396.64	45,436,920.57	29,934,474.90	86,007,842.31
Other short-term payroll	336,658.96	111,735.75	90,611.22	357,783.49
Differences arising from translation of foreign currency financial statements	-3,063.25	102,754.29		99,691.04
Total	354,461,588.46	2,032,924,762.58	2,000,220,749.78	387,165,601.26

(3) Breakdown of defined contribution plans

Monetary Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
1. Basic pension insurance	2,127,723.25	199,998,949.49	201,498,885.55	627,787.19
2. Unemployment insurance costs	82,843.07	7,522,082.82	7,598,718.50	6,207.39

3. Annuity premium		88,912.32	88,912.32	
Differences arising from translation of foreign currency financial statements	-209.91	336,755.96	324,360.82	12,185.23
Total	2,210,356.41	207,946,700.59	209,510,877.19	646,179.81

32. Taxes payable

Monetary Unit: RMB

Item	Closing balance	Opening balance
Value-added tax (VAT)	167,715,870.39	148,131,675.51
Corporate income tax	198,415,522.00	159,607,444.05
Individual income tax	13,283,210.30	6,032,064.16
Urban maintenance and construction tax	8,219,036.66	8,543,621.57
Property tax	8,434,866.58	9,088,779.44
Educational surcharges	5,399,061.28	4,310,323.97
Resource tax	14,033,824.24	11,053,722.57
Land use tax	8,676,679.58	29,829,734.59
Local education surcharges	3,240,692.78	2,799,459.85
Environment protection tax	1,648,944.66	1,595,926.79
Stamp duty	5,946,975.31	5,419,352.74
Deed tax	542,424.47	2,592,170.10
Other taxes	2,276,036.82	262,667.54
Total	437,833,145.07	389,266,942.88

33. Non-current liabilities due in one year

Monetary Unit: RMB

Item	Closing balance	Opening balance
Long-term borrowings maturing within one year	2,939,432,300.88	1,845,800,000.00
Long-term payables maturing within one year	40,000,000.00	40,000,000.00
Lease liabilities maturing within one year	1,600,080.17	7,332,476.90
Total	2,981,032,381.05	1,893,132,476.90

Long-term borrowings maturing within one year:

The Company obtained a long-term borrowing of RMB548 million from Jiaozuo Branch of Bank Of Communications Co.,Ltd. on December 19, 2019, under which RMB 60 million should be repaid on July 1, 2024 and December 1, 2024 respectively.

The Company obtained a long-term borrowing of RMB100 million from Jiaozuo Branch of Bank Of Communications Co.,Ltd. on December 16, 2022, under which RMB 500,000.00 should be repaid on June 21, 2024 and December 21, 2024 respectively.

The Company obtained a long-term borrowing of RMB100 million from Jiaozuo Branch of Bank Of Communications Co.,Ltd. on January 1, 2023, under which RMB 500,000.00 should be repaid on June 21, 2024 and December 21, 2024 respectively.

The Company obtained a long-term borrowing of RMB100 million from Jiaozuo Branch of Bank Of Communications Co.,Ltd. on February 28, 2023, under which RMB 500,000.00 million should be repaid on June 21, 2024 and December 21, 2024 respectively.

The Company obtained a long-term borrowing of RMB150 million from Jiaozuo Branch of Bank Of Communications Co.,Ltd. on April 27, 2023, under which RMB 1,000,000.00 should be repaid on March 21, 2024 and September 21, 2024 respectively.

The Company obtained a long-term borrowing of RMB185 million from Zhengzhou East Jinshui Road Sub-branch of Industrial Bank on October 19, 2022, under which RMB1 million should be repaid on April 19, 2024 and RMB182 million should be paid on October 19, 2024 respectively.

The Company obtained a long-term borrowing of RMB215 million from Zhengzhou East Jinshui Road Sub-branch of Industrial Bank on November 9, 2022, under which RMB1 million should be repaid on May 8, 2024 and RMB212 million should be paid on November 8, 2024 respectively.

The Company obtained a long-term borrowing of RMB5 billion from Henan Branch of Expot-Import Bank of China on July 29, 2022, under which RMB 500 million should be paid on July 28, 2024.

The Company obtained a long-term borrowing of RMB5 billion from Henan Branch of Expot-Import Bank of China on August 18, 2022, under which RMB 500 million should be paid on August 8, 2024.

The Company obtained a long-term borrowing of RMB200 million from Bank of China on January 19, 2023, under which RMB 20 million should be repaid on June 21, 2024 and December 21, 2024 respectively.

The Company obtained a long-term borrowing of RMB50 million from Jiaozuo Jiefang Road Sub-branch of China Everbright Bank on February 1, 2021, under which RMB 2.5 million should be repaid on June 20, 2024 and December 20, 2024 respectively.

The Company obtained a long-term borrowing of RMB220 million from Jiaozuo Jiefang Road Sub-branch of China Everbright Bank on November 30, 2022, under which RMB 2 million should be repaid on May 20, 2024 and

November 20, 2024 respectively.

The Company obtained a long-term borrowing of RMB100 million from Jiaozuo Jiefang Road Sub-branch of China Everbright Bank on March 29, 2023, under which RMB1 million should be repaid on March 20, 2024 and September 20, 2024 respectively.

The Company obtained a long-term borrowing of RMB50 million from Jiaozuo Jiefang Road Sub-branch of China Everbright Bank on June 30, 2023, under which RMB 500,000.00 should be repaid on June 20, 2024 and December 20, 2024 respectively.

The Company obtained a long-term borrowing of RMB28 million from Jiaozuo Jiefang Road Sub-branch of China Everbright Bank on August 2, 2023, under which RMB3 million should be repaid on January 20, 2024 and RMB17 million should be repaid on July 20, 2024 respectively.

The Company obtained a long-term borrowing of RMB200 million from China Minsheng Bank on August 19, 2021, under which RMB5 million should be repaid on February 21, 2024 and RMB175 million should be repaid on August 19, 2024 respectively.

The Company obtained a long-term borrowing of RMB150 million from China Construction Bank on August 19, 2022, under which RMB5 million should be repaid on August 19, 2024.

The Company obtained a long-term borrowing of RMB100 million from Jiaozuo Zhongzhan Sub-branch of China Construction Bank on October 28, 2021, under which RMB10 million should be repaid on April 21, 2024 and RMB90 million should be repaid on October 27, 2024 respectively.

The Company obtained a long-term borrowing of RMB100 million from Jiaozuo Zhongzhan Sub-branch of China Construction Bank on February 9, 2022, under which RMB5 million should be repaid on July 28, 2024.

The Company obtained a long-term borrowing of RMB100 million from Jiaozuo Zhongzhan Sub-branch of China Construction Bank on March 28, 2022, under which RMB 5 million should be repaid on September 19, 2024.

The Company obtained a long-term borrowing of RMB100 million from Jiaozuo Yuejin Road Sub-branch of Zhongyuan Bank on October 26, 2022, under which RMB5 million should be repaid on April 21, 2024 and October 21, 2024 respectively.

The Company obtained a long-term borrowing of RMB100 million from the business office of Jiaozuo Branch of China CITIC Bank on March 28, 2023, under which RMB 1 million should be repaid on March 28, 2024 and September 28, 2024 respectively.

The Company obtained a long-term borrowing of RMB200 million from the business office of Jiaozuo Branch of

China CITIC Bank on November 15, 2023, under which RMB1 million should be repaid on May 15, 2024 and November 15, 2024 respectively.

The Company obtained a long-term borrowing of RMB180 million from Minzhu Road Sub-branch of Jiaozuo Branch of Industrial and Commercial Bank of China on September 29, 2022, under which RMB1.8 million should be repaid on April 1, 2024 and October 8, 2024 respectively.

The Company obtained a long-term borrowing of RMB120 million from Minzhu Road Sub-branch of Jiaozuo Branch of Industrial and Commercial Bank of China on September 29, 2022, under which RMB1.2 million should be repaid on April 1, 2024 and October 8, 2024 respectively.

The Company obtained a long-term borrowing of RMB50 million from Minzhu Road Sub-branch of Jiaozuo Branch of Industrial and Commercial Bank of China on October 2, 2022, under which RMB500,000.00 should be repaid on April 1, 2024 and October 8, 2024 respectively.

The Company obtained a long-term borrowing of RMB30 million from Minzhu Road Sub-branch of Jiaozuo Branch of Industrial and Commercial Bank of China on February 1, 2023, under which RMB300,000.00 should be repaid on April 1, 2024 and October 8, 2024 respectively.

The Company obtained a long-term borrowing of RMB100 million from Minzhu Road Sub-branch of Jiaozuo Branch of Industrial and Commercial Bank of China on March 2, 2023, under which RMB1 million should be repaid on June 20, 2024 and December 20, 2024 respectively.

The Company obtained a long-term borrowing of RMB100 million from Minzhu Road Sub-branch of Jiaozuo Branch of Industrial and Commercial Bank of China on August 30, 2023, under which RMB1 million should be repaid on February 20, 2024 and August 20, 2024 respectively.

The Company obtained a long-term borrowing of RMB150 million from Jiaozuo Branch of China Guangfa Bank on January 13, 2023, under which RMB4.5 million should be repaid on June 21, 2024 and December 21, 2024 respectively.

The Company obtained a long-term borrowing of RMB100 million from the business office of Zhengzhou Branch of Huaxia Bank on August 4, 2023, under which RMB5 million should be repaid on January 21, 2024 and July 21, 2024 respectively.

The Company obtained a long-term borrowing of RMB250 million from Zhengzhou Branch of HSBC (China) Co., Ltd. on December 1, 2023, under which RMB12.5 million should be repaid on April 30, 2024 and November 29, 2024 respectively.

Billions New Materials, one of the Company's subsidiaries, obtained a long-term borrowing of RMB100 million from Zhengzhou East Jinshui Road Sub-branch of Industrial Bank on November 25, 2022, under which RMB1 million should be repaid on May 25, 2024 and RMB97 million should be paid on November 25, 2024 respectively.

Billions New Materials, one of the Company's subsidiaries, obtained a long-term borrowing of RMB50 million from Jiaozuo Branch of Bank of China on December 29, 2022, under which RMB6.25 million should be repaid on June 21, 2024 and December 21, 2024 respectively.

Billions New Materials, one of the Company's subsidiaries, obtained a long-term borrowing of RMB100 million from Jiaozuo Branch of Bank of China on August 30, 2021, under which RMB20 million should be repaid on February 21, 2024 and August 30, 2024 respectively.

Billions New Materials, one of the Company's subsidiaries, obtained a long-term borrowing of RMB100 million from Jiaozuo Branch of Bank of China on January 29, 2022, under which RMB17.50 million should be repaid on January 21, 2024 and RMB20 million should be repaid on July 21, 2024 respectively.

Billions New Materials, one of the Company's subsidiaries, obtained a long-term borrowing of RMB200 million from Jiaozuo Branch of Bank of China on October 18, 2023, under which RMB10 million should be repaid on April 21, 2024 and October 21, 2024 respectively.

Billions New Materials, one of the Company's subsidiaries, obtained a long-term borrowing of RMB50 million from Minzhu Road Sub-branch of Jiaozuo Branch of Industrial and Commercial Bank of China on January 20, 2023, under which RMB500,000.00 should be repaid on April 1, 2024 and October 8, 2024 respectively.

Billions New Materials, one of the Company's subsidiaries, obtained a long-term borrowing of RMB60 million from Jiaozuo Middle Minzhu Road Sub-branch of China Agricultural Bank on July 15, 2022, under which RMB500,000.00 should be repaid on April 14, 2024 and October 14, 2024 respectively.

Billions New Materials, one of the Company's subsidiaries, obtained a long-term borrowing of RMB135 million from Jiaozuo Middle Minzhu Road Sub-branch of China Agricultural Bank on March 25, 2023, under which RMB1 million should be repaid on March 24, 2024 and September 24, 2024 respectively.

Billions New Materials, one of the Company's subsidiaries, obtained a long-term borrowing of RMB100 million from Jiaozuo Middle Minzhu Road Sub-branch of China Agricultural Bank on July 20, 2023, under which RMB1 million should be repaid on January 19, 2024 and July 19, 2024 respectively.

Billions New Materials, one of the Company's subsidiaries, obtained a long-term borrowing of RMB50 million from the business office of Jiaozuo Branch of China CITIC Bank on August 30, 2022, under which RMB500,000.00

should be repaid on February 28, 2024 and RMB48.50 million should be repaid on August 28, 2024.

Billions New Materials, one of the Company's subsidiaries, obtained a long-term borrowing of RMB200 million from Jiaozuo Zhongzhan Sub-branch of China Construction Bank on March 28, 2022, under which RMB20 million should be repaid on September 19, 2024.

Billions New Materials, one of the Company's subsidiaries, obtained a long-term borrowing of RMB100 million from Jiaozuo Zhongzhan Sub-branch of China Construction Bank on March 30, 2022, under which RMB90 million should be repaid on April 28, 2024.

Billions New Materials, one of the Company's subsidiaries, obtained a long-term borrowing of RMB100 million from Jiaozuo Zhongzhan Sub-branch of China Construction Bank on April 28, 2023, under which RMB10 million should be repaid on October 21, 2024.

Billions New Materials, one of the Company's subsidiaries, obtained a long-term borrowing of RMB100 million from Jiaozuo Branch of China Guangfa Bank on October 18, 2023, under which RMB5 million should be repaid on June 21, 2024 and December 21, 2024 respectively.

Billions New Materials, one of the Company's subsidiaries, received a capital contribution of RMB200,000,000 from Agricultural Development Bank of China Key Construction Fund Co., Ltd. upon its establishment. According to Contribution Agreement, RMB40,000,000 shall be repaid to Agricultural Development Bank of China Key Construction Fund Co., Ltd. on June 2, 2021.

Longbai Sichuan Titanium, one of the Company's subsidiaries, obtained a long-term borrowing of RMB200 million from Sichuan Branch of Expot-Import Bank of China on February 9, 2023, under which RMB1 million should be repaid on January 25, 2024 and July 25, 2024 respectively.

Longbai Sichuan Titanium, one of the Company's subsidiaries, obtained a long-term borrowing of RMB300 million from Sichuan Branch of Expot-Import Bank of China on January 1, 2023, under which RMB1 million should be repaid on March 21, 2024 and September 21, 2024 respectively.

Longbai Sichuan Titanium, one of the Company's subsidiaries, obtained a long-term borrowing of RMB50 million from Deyang Branch of China Construction Bank on July 12, 2023, under which RMB50 million should be repaid on January 12, 2024.

Longbai Xiangyang, one of the Company's subsidiaries, obtained a long-term borrowing of RMB50 million from Nanzhang Sub-branch of Bank of China on June 8, 2023, under which RMB2.5 million should be repaid on June 8, 2024 and RMB3.0 million should be repaid on December 8, 2024 respectively.

Longbai Xiangyang, one of the Company's subsidiaries, obtained a long-term borrowing of RMB200 million from Hubei Branch of Expot-Import Bank of China on July 5, 2022, under which RMB10 million should be repaid on June 21, 2024 and December 21, 2024 respectively.

Longbai Xiangyang, one of the Company's subsidiaries, obtained a long-term borrowing of RMB100 million from Nanzhang Sub-branch of China Construction Bank on December 31, 2021, under which RMB8.0 million should be repaid on June 24, 2024 and RMB70 million should be repaid on December 28, 2024 respectively.

Longbai Xiangyang, one of the Company's subsidiaries, obtained a long-term borrowing of RMB80 million from Nanzhang Sub-branch of China Construction Bank on October 28, 2022, under which RMB1 million should be repaid on June 22, 2024 and on December 22, 2024 respectively.

Longbai Xiangyang, one of the Company's subsidiaries, obtained a long-term borrowing of RMB100 million from Nanzhang Sub-branch of Industrial and Commercial Bank of China on March 31, 2022, under which RMB10 million should be repaid on April 25, 2024.

On July 26, 2022, Billions (Hong Kong), one of the Company's subsidiaries, obtained an overseas syndicated loan in the amount of USD300,000,000, equivalent to RMB 2.08938 billion, as arranged by Standard Chartered (Hong Kong), under which RMB92.4292 million should be repaid on January 26, 2024 and RMB184.8585 million should be repaid on July 26, 2024.

Orient Zirconic Industry, one of the Company's subsidiaries, obtained a long-term borrowing of RMB10 million from Jinjiang Sub-branch of Zhongyuan Bank on October 14, 2022, under which RMB9.8 million should be repaid on March 30, 2024.

Orient Zirconic Industry, one of the Company's subsidiaries, obtained a long-term borrowing of RMB20 million from Jinjiang Sub-branch of Zhongyuan Bank on December 28, 2022, under which RMB100,000.00 should be repaid on March 21, 2024 and RMB19.70 million should be repaid on March 30, 2024.

Orient Zirconic Industry, one of the Company's subsidiaries, obtained a long-term borrowing of RMB45 million from Lianxia Sub-branch of Chenghai Rural Commercial Bank on February 28, 2023, under which RMB500,000.00 should be repaid on March 21, 2024, RMB 500,000.00 should be repaid on June 21, 2024, RMB500,000.00 should be repaid on September 21, 2024 and RMB500,000.00 should be repaid on December 21, 2024.

Orient Zirconic Industry, one of the Company's subsidiaries, obtained a long-term borrowing of RMB80 million from Lianxia Sub-branch of Chenghai Rural Commercial Bank on May 19, 2023, under which RMB500,000.00 should be repaid on March 21, 2024, RMB500,000.00 should be repaid on June 21, 2024, RMB500,000.00 should

be repaid on September 21, 2024 and RMB500,000.00 should be repaid on December 21, 2024.

Henan Zhongtan New Material Technology Co., Ltd., one of the Company's subsidiaries, obtained a long-term borrowing of RMB433.6192 million from Boai Zhongshan Road Sub-branch of Industrial and Commercial Bank of China on May 31, 2023, under which RMB13.0086 million should be repaid on June 21, 2024 and December 21, 2024 respectively.

Henan Zhongtan New Material Technology Co., Ltd., one of the Company's subsidiaries, obtained a long-term borrowing of RMB17.40 million from Zhengzhou Branch of Ping An Bank on July 19, 2023, under which RMB435,000.00 should be repaid on January 19, 2024 and July 19, 2024 respectively.

Henan Zhongtan New Material Technology Co., Ltd., one of the Company's subsidiaries, obtained a long-term borrowing of RMB31.1489 million from Zhengzhou Branch of Ping An Bank on August 4, 2023, under which RMB778,700.00 should be repaid on February 4, 2024 and August 4, 2024 respectively.

Billions Chemicals, one of the Company's subsidiaries, obtained a syndicated facility in the amount of RMB 1.20 billion from Gansu Branch of Export-Import Bank of China, Henan Branch of Export-Import Bank of China, the business office of Lanzhou Branch of China Merchants Bank, Gansu Branch of Industrial and Commercial Bank of China, Henan Branch of Industrial and Commercial Bank of China, Jinchang Branch of China Construction Bank, Henan Branch of China Construction Bank and Yongchang Sub-branch of China Construction Bank, under which RMB40 million should be repaid on June 21, 2024 and December 21, 2024 respectively.

34. Other current liabilities

Monetary Unit: RMB

Item	Closing balance	Opening balance
Output tax to be transferred	35,874,380.43	35,571,705.74
Finance lease payments repaid within one year	2,315,264.56	
Notes receivables endorsed or discounted by the Company but not yet due as of the balance sheet date	4,660,908.00	
Loan interest expenses	1,785,914.31	30,105,144.71
Total	44,636,467.30	65,676,850.45

35. Long-term borrowings

(1) Classification of long-term borrowings

Monetary Unit: RMB

Item	Closing balance	Opening balance
Pledged borrowings	213,000,000.00	333,000,000.00
Mortgaged borrowings	2,538,678,446.13	1,478,750,000.00
Guaranteed borrowings	4,075,297,279.95	3,376,480,000.00
Credit borrowings	3,930,300,000.00	3,217,200,000.00
Total	10,757,275,726.08	8,405,430,000.00

Description on classification of long-term borrowings:

Pledged borrowings:

The Company obtained a long-term borrowing of RMB573 million from Bank of Communications Jiaozuo Branch and pledged the shares held in Xinli Titanium Industry to secure the payment of the loan, which pledge continues from December 12, 2019 until October 28, 2026. As at December 31, 2023, under the loan, the principal of RMB 240,000,000.00 has been repaid to the bank cumulatively and the principal amount outstanding is RMB 333,000,000.00. Of the principal amount outstanding under the loan, RMB 213,000,000.00 is presented under this subject, and the remaining RMB 120,000,000.00 is presented under the subject “non-current liabilities due in one year”.

Pledged borrowings:

Yunnan National Titanium Metal Co., Ltd., one of the Company’s subsidiaries, obtained a long-term borrowing of RMB881,250,000.00 from Zhengyi Road Sub-branch of China Construction Bank and mortgaged the certificate of property title No. 0000897 to secure the payment of the loan, which mortgage continues from May 27, 2022 until May 26, 2032. LB Group Co., Ltd. provides guarantee for the payment of the loan. As at December 31, 2023, under the loan, the principal of RMB 65,000,000.00 has been repaid to the bank cumulatively and the principal amount outstanding is RMB 816,250,000.00. RMB 816,250,000.00 is presented under this subject.

Gansu Detong National Titanium Metal Co., Ltd., one of the Company’s subsidiaries, obtained two loans in the total amount of RMB 126,259,000.00 from Keji Sub-branch of Industrial and Commercial Bank of China and mortgaged certain fixed assets to secure the payment of the loans, which mortgage continues from March 23, 2023 until December 21, 2031. LB Group provides guarantee for the payment of the loans. As at December 31, 2023, the principal amount outstanding under the loan is RMB 126,259,000.00. RMB 126,259,000.00 is presented under this subject.

Gansu Detong National Titanium Metal Co., Ltd., one of the Company's subsidiaries, obtained a loan of RMB 155,021,600.00 from Gansu Branch of Export-Import Bank of China and mortgaged certain fixed assets to secure the payment of the loan, which mortgage continues from March 20, 2023 until March 20, 2032. LB Group provides guarantee for the payment of the loan. As at December 31, 2023, the principal amount outstanding under the loan is RMB 155,021,600.00. RMB 155,021,600.00 is presented under this subject.

Gansu Detong National Titanium Metal Co., Ltd., one of the Company's subsidiaries, obtained a loan of RMB243,647,900.00 from Jinchang Branch of Agricultural Bank of China and mortgaged certain fixed assets to secure the payment of the loan, which mortgage continues from March 27, 2023 until December 31, 2031. LB Group provides guarantee for the payment of the loan. As at December 31, 2023, the principal amount outstanding under the loan is RMB 243,647,900.00. RMB 243,647,900.00 is presented under this subject.

Orient Zirconic Industry, one of the Company's subsidiaries, obtained a three-year loan of RMB 80,000,000.00 from Lianxia Sub-branch of Guangdong Chenghai Rural Commercial Bank and mortgaged the property described in the Y. F. D. Q. Z. C. Z. No. 2000001612 Certificate of Property Title to secure the payment of the loan. The mortgage continues from May 19, 2023 until March 28, 2026. As at December 31, 2023, under the loan, the principal of RMB 1,000,000.00 has been repaid to the bank cumulatively and the principal amount outstanding is RMB 79,000,000.00. Of the principal amount outstanding under the loan, RMB 77,000,000.00 is presented under this subject, and the remaining RMB2,000,000.00 is presented under the subject "non-current liabilities due in one year".

Orient Zirconic Industry, one of the Company's subsidiaries, obtained a three-year loan of RMB 45,000,000.00 from Lianxia Sub-branch of Guangdong Chenghai Rural Commercial Bank and mortgaged the property described in the C. G. Y. (2015) No. 2015003 Certificate of Land Title to secure the payment of the loan. The mortgage continues from February 28, 2023 until March 28, 2026. As at December 31, 2023, under the loan, the principal of RMB 2,500,000.00 has been repaid to the bank cumulatively and the principal amount outstanding is RMB 42,500,000.00. Of the principal amount outstanding under the loan, RMB 40,500,000.00 is presented under this subject, and the remaining RMB 2,000,000.00 is presented under the subject "non-current liabilities due in one year".

Billions Chemicals, one of the Company's subsidiaries, obtained a loan of RMB 340,000,000.00 from Export-Import Bank of China and mortgaged certain real properties, projects under construction and equipment to secure the payment of the loan, which mortgage continues from December 14, 2022 until December 13, 2030. LB Group provides guarantee for the payment of the loan. As at December 31, 2023, under the loan, the principal of RMB 11,340,000.00 has been repaid to the bank cumulatively and the principal amount outstanding is RMB

328,660,000.00. Of the principal amount outstanding under the loan, RMB 305,993,300.00 is presented under this subject, and the remaining RMB 22,666,700.00 is presented under the subject “non-current liabilities due in one year”.

Billions Chemicals, one of the Company’s subsidiaries, obtained a loan of RMB 340,000,000.00 from Industrial and Commercial Bank of China and mortgaged certain real properties, construction in progress and equipment to secure the payment of the loan, which mortgage continues from December 23, 2022 until December 13, 2030. LB Group provides guarantee for the payment of the loan. As at December 31, 2023, under the loan, the principal of RMB 11,340,000.00 has been repaid to the bank cumulatively and the principal amount outstanding is RMB 328,660,000.00. Of the principal amount outstanding under the loan, RMB 305,993,300.00 is presented under this subject, and the remaining RMB 22,666,700.00 is presented under the subject “non-current liabilities due in one year”.

Billions Chemicals, one of the Company’s subsidiaries, obtained a loan of RMB 5,000,000.00 from Hexibu Sub-branch of China Construction Bank and mortgaged certain real properties, construction in progress and equipment to secure the payment of the loan, which mortgage continues from January 1, 2023 until December 27, 2030. LB Group provides guarantee for the payment of the loan. As at December 31, 2023, under the loan, the principal of RMB 162,300.00 has been repaid to the bank cumulatively and the principal amount outstanding is RMB 4,837,700.00. Of the principal amount outstanding under the loan, RMB 4,504,400.00 is presented under this subject, and the remaining RMB 333,300.00 is presented under the subject “non-current liabilities due in one year”.

Billions Chemicals, one of the Company’s subsidiaries, obtained a loan of RMB 345,000,000.00 from Yongchang Branch of China Construction Bank and mortgaged certain real properties, construction in progress and equipment to secure the payment of the loan, which mortgage continues from December 26, 2022 until December 26, 2030. LB Group provides guarantee for the payment of the loan. As at December 31, 2023, under the loan, the principal of RMB 11,507,700.00 has been repaid to the bank cumulatively and the principal amount outstanding is RMB333,492,300.00. Of the principal amount outstanding under the loan, RMB 310,492,300.00 is presented under this subject, and the remaining RMB 23,000,000.00 is presented under the subject “non-current liabilities due in one year”.

Billions Chemicals, one of the Company’s subsidiaries, obtained a loan of RMB 150,000,000.00 from Henan Branch of China Construction Bank and mortgaged certain real properties, construction in progress and equipment to secure the payment of the loan, which mortgage continues from December 27, 2022 until December 27, 2030. LB Group

provides guarantee for the payment of the loan. As at December 31, 2023, under the loan, the principal of RMB 5,010,000.00 has been repaid to the bank cumulatively and the principal amount outstanding is RMB 144,990,000.00. Of the principal amount outstanding under the loan, RMB 134,990,000.00 is presented under this subject, and the remaining RMB 10,000,000.00 is presented under the subject "non-current liabilities due in one year".

Billions Chemicals, one of the Company's subsidiaries, obtained a loan of RMB 20,000,000.00 from Lanzhou Branch of China Merchants Bank and mortgaged certain real properties, construction in progress and equipment to secure the payment of the loan, which mortgage continues from December 16, 2022 until December 15, 2030. LB Group provides guarantee for the payment of the loan. As at December 31, 2023, under the loan, the principal of RMB 6,400,000.00 has been repaid to the bank cumulatively and the principal amount outstanding is RMB 19,360,000.00. Of the principal amount outstanding under the loan, RMB 18,026,700.00 is presented under this subject, and the remaining RMB 1,333,300.00 is presented under the subject "non-current liabilities due in one year".

36. Lease liabilities

Monetary Unit: RMB

Item	Closing balance	Opening balance
Lease payments	3,750,506.78	12,242,557.60
Less: Financing expense not recognized	-435,436.90	-1,046,009.86
Total	3,315,069.88	11,196,547.74

37. Long-term payables

Monetary Unit: RMB

Item	Closing balance	Opening balance
Long-term payables		40,000,000.00
Special payables	5,012,159.28	1,678,685.28
Total	5,012,159.28	41,678,685.28

(1) Presentation of long-term payable by nature of payment

Monetary Unit: RMB

Item	Closing balance	Opening balance
Project construction fund		40,000,000.00

(2) Special payables

Monetary Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance	Cause
Special fund for “three provisions (provisions of water, electricity and heating) and one property management”	1,678,685.28			1,678,685.28	Government grants
Jiaozuo Finance Bureau		2,543,437.00		2,543,437.00	Government grants
Jiefang District Finance Bureau		790,037.00		790,037.00	Government grants
Total	1,678,685.28	3,333,474.00	0.00	5,012,159.28	

38. Estimated liabilities

Monetary Unit: RMB

Item	Closing balance	Opening balance	Cause
Product quality assurance	2,634,624.45	1,405,403.94	Product quality assurance
Land rehabilitation fees	66,728,119.56	62,856,833.78	Retirement obligation formed
Geological environment deposit	10,336,135.15	10,376,140.53	Retirement obligation formed
Slag dump closing fees	22,617,277.89	22,617,277.89	Retirement obligation formed
Estimated expenses for improvement of “three provisions (provisions of water, electricity and heating) and one property management”		4,512,500.00	Improvement fees of “three provisions (provisions of water, electricity and heating) and one property management”
Estimated future payment obligations	10,616,092.15		Estimated future payment obligations
Total	112,932,249.20	101,768,156.14	

39. Deferred income

Monetary Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance	Cause
Government grants	212,387,371.36	61,169,000.00	49,931,024.29	223,625,347.07	
Total	212,387,371.36	61,169,000.00	49,931,024.29	223,625,347.07	--

40. Share capital

Monetary Unit: RMB

	Opening balance	Increase or decrease (+, -) in this change					Closing balance
		Newly issued shares	Shares donated	Shares converted from provident fund	Other	Subtotal	
Total number of shares	2,390,145,256.00				-5,475,350.00	-5,475,350.00	2,384,669,906.00

41. Capital reserves

Monetary Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Capital premium (share premium)	14,284,973,985.11	282,583,076.37	264,458,396.22	14,303,098,665.26
Other capital reserves	257,040,048.81	110,970,130.63	257,943,228.76	110,066,950.68
Total	14,542,014,033.92	393,553,207.00	522,401,624.98	14,413,165,615.94

Notes:

1. Capital reserve - equity premium

(1) Increase during this period

① Following the satisfaction of the conditions for lifting the restrictions on transfer of restricted shares granted under the Company's restricted stock incentive plan, the stock ownership incentive costs of RMB 253,154,241.68 which were previously included in other capital reserves were converted into premiums on stock;

② Following the satisfaction of the conditions for lifting the restrictions on transfer of restricted shares granted under the employee stock ownership plan of Orient Zirconic Industry, one of the Company's subsidiaries, the stock ownership incentive costs of RMB 4,788,987.08 which were previously included in other capital reserves were converted into premiums on stock pro rata;

③ The transactions with shareholders through the shareholding platform of Yunnan National Titanium, one of the Company's subsidiaries, involved share-based payments, and as a result, the capital reserves were increased by RMB 15,750,000.00;

④ As a result of increase in the equity incentives of Orient Zirconic Industry, one of the Company's subsidiaries, the shareholding by the Company in the subsidiary changed, and the capital reserves were increased by RMB 16,524.62 by additional capital contribution at different ratio;

⑤ In the financial year, Fengyuan Mining, one of the Company's subsidiaries, was consolidated with certain subsidiaries, and RMB 8,866,644.53 was recognized as capital reserves;

⑥ The Company transferred part of its shares in Yunnan National Titanium, one of its holding subsidiaries, to Xinli Titanium Industry, one of its non-wholly-owned subsidiaries, and the share price difference resulted in the generation of the capital reserves of RMB 6,678.46.

(2) Decrease in this period

① The restricted shares that had been granted to said incentive recipients and in respect of which the conditions for lifting of the restrictions on transfer had not been satisfied were repurchased and cancelled by the Company pursuant to its Restricted Stock Incentive Plan (Revised Draft), and as a result, the premiums on stock were reduced by RMB 76,038,479.00;

② Miaozigou Mining, one of the Company's wholly-owned subsidiaries, made additional capital contribution to Longbai Mineral Products, one of the Company's non-wholly-owned subsidiaries, with its mining right(s), and as a

result, the capital reserves were reduced by RMB 47,819,451.47;

③ Because the transfer by the Company of its shares in Yunnan National Titanium is an equity transfer transaction and the income tax levied in respect thereof should be included in owner's equity, the capital reserves are reduced by RMB 20,874,000.00;

④ Yunnan National Titanium, one of the Company's subsidiaries, entered into an earn-out agreement with the strategic investors introduced to the subsidiary, and as a result, the capital reserves are written down by RMB 119,726,465.75.

2. Other Capital Reserves

(1) Increase in the current period

① Other capital reserves are increased by the stock ownership incentive costs of the Company's restricted stock incentive plan 2021 as amortized over the current period, which amount to RMB 109,122,692.58;

② Following the capital increase in Orient Zirconic Industry, one of the Company's subsidiaries, due to grant of equity incentives, the Group increased pro rata its capital reserves by RMB 1,847,438.05.

(2) Decrease in this period

① Following the satisfaction of the conditions for lifting the restrictions on transfer of restricted shares granted under the Company's restricted stock incentive plan 2021, the stock ownership incentive costs of RMB 253,154,241.68 which were previously included in other capital reserves were converted into premiums on stock;

② Following the satisfaction of the conditions for lifting the restrictions on transfer of restricted shares granted under the employee stock ownership plan of Orient Zirconic Industry, one of the Company's subsidiaries, the stock ownership incentive costs of RMB 4,788,987.08 which were previously included in other capital reserves were converted into premiums on stock pro rata;

42. Treasury shares

Monetary Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Treasury shares	1,412,580,540.00		730,638,802.00	681,941,738.00
Total	1,412,580,540.00		730,638,802.00	681,941,738.00

Under the Company's *Restricted Stock Incentive Plan (Revised Draft)*, the conditions for lifting the restrictions on transfer of certain shares granted pursuant to the Company's restricted stock incentive plan in 2021 had been satisfied, and accordingly, the amount of treasury shares is reduced by RMB 730,638,802.00.

43. Other comprehensive income

Monetary Unit: RMB

Item	Opening balance	Amount in the current period						Closing balance
		Pre-tax accrual amount in the current period	Less: profits and losses transferred in for the current period that are previously included in other comprehensive income	Less: retained income transferred in for the current period that is included in other comprehensive income previously	Less: Income tax expenses	After-tax amount attributable to parent company	After-tax amount attributable to minority shareholders	
I. Other comprehensive income items which can not be reclassified as profit or loss	-177,615.46	706,104.36				706,104.36		528,488.90
Changes in fair value of other equity instrument investments	-177,615.46	706,104.36				706,104.36		528,488.90
II. Other comprehensive income items which will be reclassified as profit or loss	8,285,982.46	-20,915,786.63				-20,915,786.63	91,559.66	-12,629,804.17
Including: Other comprehensive income that can be transferred to profit or loss under the equity method	408,657.70							408,657.70
Differences arising from translation of foreign currency financial statements	7,877,324.76	-20,915,786.63				-20,915,786.63	91,559.66	-13,038,461.87
Total other comprehensive income	8,108,367.00	-20,209,682.27				-20,209,682.27	91,559.66	-12,101,315.27

44. Dedicated reserves

Monetary Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Safety production fund	122,900,916.71	255,405,785.05	244,881,199.96	133,425,501.80
Total	122,900,916.71	255,405,785.05	244,881,199.96	133,425,501.80

45. Surplus reserves

Monetary Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Statutory surplus reserve	1,195,072,628.00			1,195,072,628.00
Total	1,195,072,628.00			1,195,072,628.00

46. Provisions for general risks

Monetary Unit: RMB

Item	Closing Balance	Amount accrued in the current period	Proportion of accrual (%)	Decrease in the current period	Closing balance
General risk reserve	4,201,757.39				4,201,757.39
Total	4,201,757.39				4,201,757.39

(47) Undistributed profit

Monetary Unit: RMB

Item	In current period	In previous period
Undistributed profits at the end of the previous period before adjustment	3,968,600,407.14	3,427,470,861.92
Total amount of undistributed profits at the beginning of the period upon adjustment (increase +, decrease -)		28,885.57
Undistributed profit at beginning of the period after adjustment	3,968,600,407.14	3,427,499,747.49
Add: Current net profit attributable to owner of parent company	3,226,436,981.81	3,419,356,844.63
Less: Statutory surplus reserve withdrawn		19,016,877.78
Common share dividends payable	2,149,448,150.40	2,859,239,307.20
Undistributed profits at the end of period	5,045,589,238.55	3,968,600,407.14

Details of opening undistributed profit after adjustment:

The retroactive adjustment made pursuant to the Accounting Standards for Business Enterprises and related new regulations has an effect in the amount of RMB 41,029.97 on the undistributed profits existing at the beginning of the period.

48. Operating income and operating costs

Monetary Unit: RMB

Item	Amount in the current period		Amount in the previous period	
	Income	Cost	Income	Cost
Principal business activities	25,888,643,868.17	18,878,052,551.43	23,167,343,162.36	16,248,922,205.40
Other business	876,232,871.14	738,972,520.85	945,625,291.14	585,191,827.21
Total	26,764,876,739.31	19,617,025,072.28	24,112,968,453.50	16,834,114,032.61

Whether the lower of the audited net profit before and after deduction of non-recurring Profits and losses is negative

□ Yes ☑ No

Details about the specific composition of operating income and operating costs:

Monetary Unit: RMB

Classification of contracts	Component 1		Component 2				Total	
	Operating income	Operating costs	Operating income	Operating costs	Operating income	Operating costs	Operating income	Operating costs
Type of business								
Including:								
Titanium dioxide	17,767,742,287.36	12,701,511,469.83						
Iron products	2,573,173,461.30	1,308,482,352.61						
Zirconium products	1,101,875,462.78	954,944,604.45						
Titanium sponge	2,267,646,633.41	1,862,352,436.62						
New Energy Materials	1,047,141,255.37	1,081,773,331.34						
Other	2,007,297,639.09	1,707,960,877.43						

49. Net interest income

Monetary Unit: RMB

Item	Amount in the current period	Amount in the previous period
Interest income	29,017,228.54	41,995,789.97
Interbank deposit	112,213.51	155,677.37
Interest on finance lease	28,905,015.03	24,991,533.74
Interests of loans released and advances		16,848,578.86
Net interest income	29,017,228.54	41,995,789.97

50. Net income from service charges and commissions

Monetary Unit: RMB

Item	Amount in the current period	Amount in the previous period
Handling charges and commission income		184,773.07
Income from commissions		184,773.07
Expenses of service charges and commissions	13,320.12	27,213.87
Handling charges expenditure	13,320.12	27,213.87
Net income from service charges and commissions	-13,320.12	157,559.20

51. Taxes and surcharges

Monetary Unit: RMB

Item	Amount in the current period	Amount in the previous period
Urban maintenance and construction tax	55,800,717.81	49,152,947.79
Educational surcharges	30,630,481.17	29,431,358.17
Resource tax	90,651,771.51	63,404,906.95
Property tax	55,272,127.44	36,606,442.48
Land use tax	69,450,606.85	49,192,514.32
Vehicle and ship use tax	708,530.89	575,913.92
Stamp duty	32,441,536.81	22,535,572.88
Environmental protection tax	6,713,304.15	6,402,506.84
Local education surcharges	20,493,899.38	19,902,396.54
Tariff	151,407.62	183,743.21
Other	63,618.74	50,655.01
Total	362,378,002.37	277,438,958.11

52. Administrative expenses

Monetary Unit: RMB

Item	Amount in the current period	Amount in the previous period
Payroll and stock ownership incentives	506,305,367.81	653,179,267.29
Material consumption and repair costs	71,617,215.88	378,589,136.87
Depreciation and amortization fees	183,600,192.17	142,798,765.43
Audit, agency and consulting fees	93,644,008.65	101,977,932.10
Office expense	26,076,911.82	30,812,694.10
Cleaning fee	7,466,919.66	6,309,778.48
Advertising fee	7,590,698.68	4,714,748.93
Entertainment expense	11,868,097.56	9,833,746.78

Lease cost	23,363,687.82	6,965,607.33
Travel expense	13,621,589.79	7,922,038.68
Transportation costs	6,547,535.29	4,036,167.83
Conference fee	3,464,866.63	1,699,726.61
Security costs	4,606,217.59	3,129,753.37
Insurance expense	9,531,912.14	5,105,177.77
Landscaping expenses	3,659,814.44	14,019,028.41
Miscellaneous expenses	26,253,748.69	52,918,209.13
Total	999,218,784.62	1,424,011,779.11

53. Selling expenses

Monetary Unit: RMB

Item	Amount in the current period	Amount in the previous period
Freight and miscellaneous expenses	182,541,170.87	142,340,012.87
Sales service fee	91,557,627.01	99,899,448.82
Packaging fee	112,690,066.32	64,545,785.17
Payroll	57,163,408.30	55,810,845.39
Insurance expense	17,808,051.76	16,562,018.04
Travel expense	6,023,029.91	1,991,496.52
Advertising and exhibition fees	3,151,141.12	313,592.17
Office expense	2,325,159.44	2,246,090.64
Entertainment expense	2,008,530.59	1,234,741.34
Warehousing expenses	53,986,837.33	30,451,880.72
After-sale service costs	11,388,135.47	10,417,955.84
Miscellaneous expenses	5,369,390.86	1,750,717.05
Total	546,012,548.98	427,564,584.57

54. R&D expenses

Monetary Unit: RMB

Item	Amount in the current period	Amount in the previous period
Material and fueling fee	751,564,986.81	709,460,562.33
Payroll	199,031,368.07	230,429,334.44
Depreciation and amortization expenses	36,252,403.12	43,621,199.93
Miscellaneous expenses	27,267,002.06	30,167,980.72
Total	1,014,115,760.06	1,013,679,077.42

55. Financial expenses

Monetary Unit: RMB

Item	Amount in the current period	Amount in the previous period
Interest expense	556,172,948.13	424,465,296.84
Interest income	200,708,191.42	206,254,941.13
Profits and losses on exchange	-137,419,721.30	-133,977,831.79
Service charges and other expenses	19,384,665.96	17,793,375.03
Total	237,429,701.37	102,025,898.95

56. Other income

Monetary Unit: RMB

Source of other revenues	Amount in the current period	Amount in the previous period
Government grants	110,297,056.94	128,997,260.54
Weighted deductions of input tax	85,575,378.31	
Refund of service fees for withholding of individual income tax	1,423,967.69	1,779,508.04
Income from debt restructuring		983,347.17
VAT deducted or exempted directly	20,148,310.65	
Additional tax credits	6,448,793.96	

57. Income from change in fair value

Monetary Unit: RMB

Sources of income from changes in fair value	Amount in the current period	Amount in the previous period
Financial assets held for trading		1,548,947.23
Total	0.00	1,548,947.23

58. Investment income

Monetary Unit: RMB

Item	Amount in the current period	Amount in the previous period
Long-term equity investment income calculated based on equity method	-14,162,462.38	-19,283,870.45
Investment income from disposal of long-term equity investment	-1,469,870.70	44,965,222.58
Investment income from disposal of financial assets held for trading		528,697.16
Dividends revenue from other equity instrument investment during the period of holding	525,016.86	
Income from debt restructuring	42,689,873.81	10,477,614.90
Derecognized earnings of financial assets measured at amortized cost		

Bank financing income	1,000.00	280,000.00
Discount commission	-95,360,686.85	-131,723,134.08
Other		4,063,376.99
Total	-67,777,129.26	-90,692,092.90

59. Losses from credit impairment

Monetary Unit: RMB

Item	Amount in the current period	Amount in the previous period
Bad debt loss of notes receivable	-13,443,232.88	-6,546,424.08
Bad debt loss of accounts receivable	-49,032,672.28	-14,442,380.58
Bad debt loss of other receivables	-1,764,073.65	-3,028,491.12
Bad debt loss of long-term receivables	388,425.00	-626,875.38
Impairment loss of loans and advances		10,076,435.00
Impairment loss of non-current assets maturing within one year	-1,435,472.04	22,007,858.90
Total	-65,287,025.85	7,440,122.74

60. Losses from asset impairment

Monetary Unit: RMB

Item	Amount in the current period	Amount in the previous period
I. Losses from depreciation of inventory, as well as from impairment of costs of contract performance	-153,998,534.30	-30,229,502.80
IV. Losses from fixed asset impairment	-10,373,114.26	
IV. Losses from intangible asset impairment		-71,436.57
X. Losses from goodwill impairment	-18,600,000.00	
XI. Losses from contract asset impairment	-111,562.01	-83,273.85
XII. Other	-74,944.94	
Total	-183,158,155.51	-30,384,213.22

61. Income from disposal of assets

Monetary Unit: RMB

Sources of income from disposal of assets	Amount in the current period	Amount in the previous period
Income from disposal of fixed assets	9,501,750.64	4,238,280.91
Loss of disposal of fixed assets	-17,496,077.99	-14,595,934.24
Total	-7,994,327.35	-10,357,653.33

62. Non-operating income

Monetary Unit: RMB

Item	Amount in the current period	Amount in the previous period	Amount included in current non-recurring profit and loss
Donations received		10,000.00	
Government grants	70,000.00	5,000.00	70,000.00
Gain on inventory taking	226.31	0	226.31
Gains from retirement of non-current assets	929.84		929.84
Confiscated gains	14,180,180.39	9,317,985.91	14,180,180.39
Compensation and indemnities obtained through litigation	6,228,758.80		6,228,758.80
Unclaimed payments	10,011,989.23		10,011,989.23
Other	2,025,474.32	5,606,784.49	2,025,474.32
Total	32,517,558.89	14,939,770.40	32,517,558.89

63. Non-operating expenses

Monetary Unit: RMB

Item	Amount in the current period	Amount in the previous period	Amount included in current non-recurring profit and loss
External donations	2,705,925.49	5,066,335.94	2,705,925.49
Abnormal loss	35,774.33	197,231.81	35,774.33
Inventory losses		23,792.94	
Loss on damage and retirement of non-current assets	21,919,300.86	19,108,997.38	21,919,300.86
Fine expense	2,985,634.16	551,491.29	2,985,634.16
Compliance with carbon quota	4,282,425.72		4,282,425.72
Other	840,879.02	2,891,886.32	840,879.02
Total	32,769,939.58	27,839,735.68	32,769,939.58

64. Income tax expenses

(1) Table of income tax expenses

Monetary Unit: RMB

Item	Amount in the current period	Amount in the previous period
Income tax expenses in the current period	609,181,402.10	552,583,821.66
Deferred income tax expenses	61,953,782.21	-16,769,821.90
Total	671,135,184.31	535,813,999.76

(2) Adjustment process of accounting profits and income tax expenses

Monetary Unit: RMB

Item	Amount in the current period
Total profits	3,917,125,266.94
Income tax expense calculated at the statutory/applicable tax rate	587,568,790.04

Impact of application of different tax rates to subsidiaries	-22,502,388.86
Impact of income tax during the periods before adjustment	-16,164,052.77
Effect of non-taxable income	3,674,007.28
Impact of non-deductible costs, expenses and losses	60,419,641.73
Impact of using deductible loss of Deferred income tax assets not recognized in the previous period	-26,334,964.95
Impact of deductible temporary difference or deductible loss of closing recognized deferred income tax assets	162,383,525.22
Effect of R&D expenses deductible	-62,906,145.25
Other	-15,003,228.13
Income tax expenses	671,135,184.31

65. Earnings per share

1、 (1) Basic earnings per share

Basic earnings per share is calculated by dividing the consolidated net profit attributable to common shareholders of the parent company by the weighted average number of outstanding common shares of the Company:

Item	Amount in this period	Amount in last period
Consolidated net profit attributable to common shareholders of the parent company	3,185,452,376.81	3,293,709,644.63
Weighted average number of outstanding common shares of the Company	2,316,143,801.83	2,294,714,256.00
Basic earnings per share	1.38	1.46
Including: Basic earnings per share from continuing operations	1.38	1.46
Basic earnings per share from discontinued operations		

2、 (2) Diluted earnings per share

Diluted earnings per share is calculated by dividing the (diluted) consolidated net profit attributable to common shareholders of the parent company by the (diluted) weighted average number of outstanding common shares of the Company:

Item	Amount in this period	Amount in last period
(Diluted) Consolidated net profit attributable to common shareholders of the parent company	3,226,436,981.81	3,419,356,844.63
(Diluted) weighted average number of outstanding common shares of the Company	2,390,324,786.98	2,381,074,833.14
Diluted earnings per share	1.35	1.44
Including: Basic earnings per share from continuing operations	1.35	1.44
Diluted earnings per share from discontinued operations		

66. Items in cash flow statement

(1) Cash flow related to business operations

Other cash received relating to operating activities

Monetary Unit: RMB

Item	Amount in the current period	Amount in the previous period
Interest income received	207,243,435.50	236,136,251.23
Margin and deposit received	858,695,780.87	539,240,101.82
Government grants received	107,697,713.08	85,221,313.55
Intercourse funds and other payments received	653,049,090.11	200,710,195.07
Total	1,826,686,019.56	1,061,307,861.67

Other cash paid relating to operating activities

Monetary Unit: RMB

Item	Amount in the current period	Amount in the previous period
Selling expenses and administrative expenses paid	376,657,823.47	603,194,290.33
Cash deposit for safety and bidding	1,082,155,571.57	1,371,819,217.01
Historical left-over amount paid on behalf of Xinli Titanium Industry		2,089,500.00
Current accounts and others	269,334,982.78	374,691,287.24
Compensation payment	9,120,298.44	
Total	1,737,268,676.26	2,351,794,294.58

(2) Cash flow related to investment

Other cash received relating to investment activities

Monetary Unit: RMB

Item	Amount in the current period	Amount in the previous period
Recovery of investment transfer funds	560,933,915.12	
Recovered large-amount certificates of deposit when due	150,000,000.00	
Total	710,933,915.12	

Other cash paid relating to investment activities

Monetary Unit: RMB

Item	Amount in the current period	Amount in the previous period
Investment capital paid prior to merger with subsidiary		865,000,000.00
Investment in transferred projects	65,130,000.00	
Total	65,130,000.00	865,000,000.00

(3) Cash flow related to fundraising

Other cash received relating to financing activities

Monetary Unit: RMB

Item	Amount in the current period	Amount in the previous period
Transfer payment under employee stock ownership plan	230,679.55	132,340.94
Acceptance and discount	6,541,592,996.16	6,392,965,866.57
Pledged certificates of deposit due	804,000,000.00	1,088,000,000.00
Recovered loans made prior to merger with subsidiary		64,062,411.00
Guarantee of acceptance expired	1,638,248,771.79	1,102,530,000.00
External loan received		22,000,000.00
Total	8,984,072,447.50	8,669,690,618.51

Other cash paid relating to financing activities

Monetary Unit: RMB

Item	Amount in the current period	Amount in the previous period
Financing costs	81,789,834.60	108,651,430.18
Loans granted against pledge over large-amount certificates of deposit	775,000,000.00	1,758,900,000.00
Deposits paid to secure payment of notes	1,138,496,800.00	1,747,247,048.00
Due acceptance balance paid	9,637,350,000.00	4,078,500,000.00
Refund due to decrease in contributions by shareholders	779,219.29	16,945,185.10
Lease payments made	86,585,709.14	2,368,133.13
Payment of external loans		22,000,000.00
Total	11,720,001,563.03	7,734,611,796.41

Changes in liabilities resulting from fundraising

□ Applicable ☑ Not applicable

67. Additional information on cash flow statement

(1) Supplement to Cash Flow Statement

Monetary Unit: RMB

Supplementary information	Amount in this period	Amount in last period
1. Adjustment of net profits to operating cash flow		
Net profit	3,245,990,082.63	3,536,888,733.13
Add: Provision for asset impairment	183,158,155.51	30,384,213.22
Depreciation of fixed assets, depreciation of oil and gas assets and depreciation of productive biological assets	2,087,900,910.22	1,478,000,343.38
Depreciation of right-of-use assets	19,469,116.02	22,000,024.67
Amortization of intangible assets	395,402,340.32	209,960,057.51
Amortization of long-term prepaid expenses	57,857,924.63	14,880,866.72
Loss of the disposal of fixed assets, intangible assets and other long-term assets (Fill in with “-” for income)	7,994,327.35	10,357,653.33
Losses on scrapping of fixed assets (Fill in with “-” for income)	21,918,371.02	19,108,997.38
Losses on changes in fair value (Fill in with “-” for income)		-1,548,947.23
Financial expense (Fill in with “-” for income)	406,080,777.90	248,342,209.14
Investment loss (Fill in with “-” for income)	67,777,129.26	90,692,092.90
Decrease in Deferred income tax assets(Fill in with “-” for increase)	-35,942,840.68	-22,541,382.19
Increase in Deferred income tax liabilities (Fill in with “-” for increase)	97,896,622.89	5,771,560.29
Decrease in inventories (Fill in with “-” for increase)	-910,714,335.20	-2,005,950,375.51
Decrease in operating receivable (Fill in with “-” for increase)	-1,387,693,990.11	-508,185,756.24
Increase in operating payable items (Fill in with “-” for decrease)	-918.023.861.52	76,186,133.22
Other	65,287,025.85	-7,440,122.74
Losses from credit impairment		
Net cash flows from operating activities	3,404,357,756.08	3,196,906,300.98
2. Significant investments and fundraising not involving receipts and disbursements in cash		
Liabilities transferred to capital		
Convertible corporate bonds due within one year		
Fixed assets leased by means of financing		
3. Net increase/decrease in cash and cash equivalents:		
Closing cash balance	1,601,180,144.76	2,405,599,854.72
Less: Opening cash balance	2,405,599,854.72	1,861,853,672.42
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	-804,419,709.96	543,746,182.30

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

Monetary Unit: RMB

	Amount
Cash or cash equivalents paid in the current period for business combination of the current period	806,000,000.00
Including:	
Less: Cash and cash equivalents held by subsidiaries on purchase date	24,885,781.86
Including:	
Jiaozuo Zhongzhou Carbon CO., Ltd.	24,885,781.86
Including:	
Net cash received from subsidiaries	781,114,218.14

(3) Composition of cash and cash equivalents

Monetary Unit: RMB

Item	Closing balance	Opening balance
I. Cash	1,601,180,144.76	2,405,599,854.72
Including: cash on hand	89,409.93	158,413.20
Bank deposits available for payment at any time	1,601,090,442.94	2,405,441,441.52
Other monetary funds available for payment at any time	291.89	
III. Closing balance of cash and cash equivalents	1,601,180,144.76	2,405,599,854.72

(4) Monetary funds other than cash and cash equivalents

Monetary Unit: RMB

Item	Amount in this period	Amount in last period	Reasons that those monetary funds are not cash or cash equivalents
Other monetary funds	5,405,846,671.29	6,320,711,510.59	Banker's acceptance bills, letters of credit and other security deposits, pledged term deposits and interest, escrow funds for WIM150 project
Total	5,405,846,671.29	6,320,711,510.59	

68. Foreign currency monetary items

(1) Foreign currency monetary items

Monetary Unit: RMB

Item	Closing balance in foreign currency	Exchange rate for translation	Closing balance in RMB after translation
Monetary capital			491,948,961.81
Including: USD	53,933,922.46	7.0827	381,997,792.61
EUR	6,281,096.03	7.8592	49,364,389.92
HKD	643,964.08	0.9062	583,560.25
JPY	4,983,225.00	0.0502	250,157.90
AUD	11,392,669.52	4.8484	55,236,218.90
GBP	499,225.98	9.0411	4,513,552.01
PLN	1,817.10	1.8107	3,290.22
Accounts receivable			2,056,799,252.69
Including: USD	247,056,452.98	7.0827	1,749,826,739.52
AUD	10,966.09	4.8484	53,167.99
EUR	37,860,753.41	7.8592	297,555,233.20
JPY	5,041,830.00	0.0502	253,099.87
GBP	1,007,732.70	9.0411	9,111,012.11
Long-term borrowings			1,571,296,995.00
Including: USD	221,850,000.00	7.0827	1,571,296,995.00
EUR			
HKD			
Non-current liabilities due within one year			277,287,705.00
Including: USD	39,150,000.00	7.0827	277,287,705.00
Accounts payable			194,409,197.70
Including: RMB			
USD	20,205,385.44	7.0827	143,108,683.46
AUD	8,025,489.57	4.8484	38,910,783.63
EUR	518,128.95	7.8592	4,072,079.04
JPY	8,766.00	0.0502	440.05
GBP	665,583.35	9.0411	6,017,605.63
Canada	428,447.43	5.3673	2,299,605.89
Other payables			44,446,372.37
Including: RMB			

USD	5,823,901.41	7.0827	41,248,946.52
HKD	3,621.39	0.9062	3,281.70
EUR	368,288.22	7.8592	2,894,450.78
AUD	61,812.84	4.8484	299,693.37
Payroll payable			318,270.04
Including: RMB			
USD	38,564.57	7.0827	273,141.28
HKD	49,800.00	0.9062	45,128.76
Taxes payable			3,726,083.32
Including: RMB			
USD	526,082.33	7.0827	3,726,083.32

VIII. R&D expenditure

Monetary Unit: RMB

Item	Amount in the current period	Amount in the previous period
Material and fueling fee	751,564,986.81	709,460,562.33
Payroll	199,031,368.07	230,429,334.44
Depreciation and amortization expenses	36,252,403.12	43,621,199.93
Miscellaneous expenses	27,267,002.06	30,167,980.72
Total	1,014,115,760.06	1,013,679,077.42
Including: R&D expenditure expensed	1,014,115,760.06	1,013,679,077.42

IX. Changes in scope of combination

1. Business combination not under common control

(1) Business combination not under common control in the current period

Monetary Unit: RMB

Name of acquiree	Equity acquisition time	Equity acquisition cost	Proportion of equity acquired	Equity acquisition method	Date of purchase	Basis for determining the date of purchase	Income of acquiree from the date of purchase to the end of the corresponding period	Net profit of acquiree from the date of purchase to the end of the corresponding period	Cash flow of acquiree from the date of purchase to the end of the corresponding period
Jiaozuo Zhongzhou Carbon CO., Ltd.	May 16, 2023	806,000,000.00	100.00%	Purchase	May 16, 2023	Accepted the transfer of shares by other shareholders and paid the transfer prices, and changed the management	699,406,936.85	-28,039,420.76	-18,566,386.91

(2) Combination costs and goodwill

Monetary Unit: RMB

Combination costs	
--Cash	806,000,000.00
-- Fair value of non-cash assets	
-- Fair value of liabilities issued or assumed	
-- Fair value of equity securities issued	
-- Fair value of contingent consideration	
-- Fair value of equity held before acquisition date before acquisition date	
--Other	
Total combination costs	806,000,000.00
Less: Fair value of identifiable net assets acquired	795,180,261.18
Amount of the difference by which the goodwill/combination cost is less than the fair value of the identifiable net assets acquired	10,819,738.82

(3) Identifiable assets and liabilities of the acquiree on the acquisition date

Monetary Unit: RMB

	Jiaozuo Zhongzhou Carbon CO., Ltd.	
	Fair value on purchase date	Book Value on purchase date
Assets:	1,536,443,407.73	1,464,185,795.15
Monetary capital	98,363,138.27	98,363,138.27
Receivables	118,924,536.18	118,924,536.18
Inventories	756,883,487.21	726,607,951.35
Fixed assets	332,694,509.84	311,517,221.45
Intangible assets	31,205,454.04	6,199,724.26
Notes receivable	60,135,882.85	60,135,882.85
Advance payments	41,094,767.80	41,094,767.80
Other accounts receivable	16,384,194.37	16,384,194.37
Other current assets	2,360,288.67	2,360,288.67
Available-for-sale financial assets	27,850,219.02	27,281,882.53
Investment real estate		263,188.89
Disposal of fixed assets	261,423.52	261,423.52
Construction in progress	31,299,144.96	31,299,144.96
Long-term prepaid expenses	469,898.86	4,975,987.91
Deferred income tax assets	9,292,962.14	9,292,962.14
Other non-current assets	9,223,500.00	9,223,500.00
Liabilities:	741,263,146.55	730,424,504.66
Borrowing	401,000,000.00	401,000,000.00
Payables	107,925,455.64	107,925,455.64
Deferred income tax liabilities	10,838,641.89	
Notes payable	139,796,374.58	139,796,374.58
Advance receipts	64,825,477.17	64,825,477.17
Payroll payable	3,329,016.28	3,329,016.28
Taxes payable	1,583,690.38	1,583,690.38
Other payables	8,631,016.61	8,631,016.61
Long-term payables	3,333,474.00	3,333,474.00
Net assets	795,180,261.18	733,761,290.49
Less: Minority shareholders’ equity		
Net assets acquired	795,180,261.18	733,761,290.49

(4) Gains or losses arising from re-measurement of equity held before the date of acquisition at fair value

Is there a transaction that realizes the business combination step by step through multiple transactions and through which control is obtained during the reporting period

□ Yes ☑ No

X. Interests in other entities

1. Equity in subsidiaries

(1) Composition of the Group

Name of subsidiary	Registered capital	Principal place of business	Place of registration	Business nature	Shareholding ratio		Acquisition method
					Direct	Indirect	
Bailiyuan Reservoir	50,000,000.00	Jiaozuo, Henan	Jiaozuo, Henan	Water resources	97.83%		Establishment
Billions (Hong Kong)	200,412,858.69	Hong Kong, China	Hong Kong, China	Sales of chemical products	100.00%		Establishment
Billions Europe	4,789,524.51	Britain	Britain	Sales of chemical products		100.00%	Establishment
BILLIONS America	649.36	Illinois, U.S.	Illinois, U.S.	Business activities concerning TR52 ink titanium dioxide		100.00%	Establishment
Hunan Oriental Scandium	127,600,000.00	Changsha, Hunan	Changsha, Hunan	Manufacturing	51.72%		Purchase
Rongjia Scandium Vanadium	27,100,000.00	Jiaozuo, Henan	Jiaozuo, Henan	Manufacturing		51.72%	Establishment
Longxiangshan Tourism	20,000,000.00	Jiaozuo, Henan	Jiaozuo, Henan	Tourism	100.00%		Establishment
Billions New Material	1,700,000,000.00	Jiaozuo, Henan	Jiaozuo, Henan	Manufacturing	100.00%		Establishment
Sichuan Lomon Titanium	400,000,000.00	Deyang, Sichuan	Deyang, Sichuan	Manufacturing	100.00%		Purchase
Xingbai Titanium Industry	5,562,975.00	Jinchang, Gansu	Jinchang, Gansu	Manufacturing	100.00%		Establishment
Longbai Mining and Metallurgy	520,000,000.00	Panzhihua, Sichuan	Panzhihua, Sichuan	Mineral separation	100.00%		Purchase
Longbai Minerals	165,000,400.00	Panzhihua, Sichuan	Panzhihua, Sichuan	Mining and mineral separation		91.20%	Purchase
Longbai Xiangyang	300,000,000.00	Xiangyang, Hubei	Xiangyang, Hubei	Production and sales of titanium dioxide	100.00%		Purchase
Ruierxin	8,000,000.00	Panzhihua, Sichuan	Panzhihua, Sichuan	Sales of mineral products	100.00%		Purchase
Finance lease company	300,000,000.00	Jiaozuo, Henan	Guangzhou, Guangdong	Financial service	61.93%	36.43%	Establishment
Longbai Intelligent	200,000,000.00	Jiaozuo, Henan	Jiaozuo, Henan	Manufacturing	100.00%		Establishment
Xinli Titanium	7,242,798,289.83	Kunming, Yunnan	Kunming, Yunnan	Manufacturing	99.58%		Purchase
Lufeng Titanium	5,020,000,000.00	Kunming, Yunnan	Kunming, Yunnan	Manufacturing		100.00%	Purchase

Wuding Titanium	1,419,000,000.00	Kunming, Yunnan	Kunming, Yunnan	Manufacturing		100.00%	Purchase
Shanghai Lomon	3,000,000.00	Shanghai	Shanghai	Service industry	100.00%		Establishment
Yunnan National Titanium	2,196,250,000.00	Lufeng, Kunming	Lufeng, Kunming	Manufacturing	74.92%	5.46%	Establishment
Gansu National Titanium	1,000,000,000.00	Jinchang, Gansu	Jinchang, Gansu	Manufacturing		70.00%	Establishment
New energy technology	100,000,000.00	Jiaozuo, Henan	Jiaozuo, Henan	Trade	100.00%		Establishment
Orient Zirconic Industry	774,902,500.00	Shantou, Guangzhou	Shantou, Guangzhou	Zirconium product manufacturing	23.51%		Purchase
Leiyang Donggao	50,000,000.00	Leiyang, Hunan	Leiyang, Hunan	Manufacturing		100.00%	Purchase
Chaoyang Donggao	165,000,000.00	Chaoyang, Liaoning	Chaoyang, Liaoning	Manufacturing	100.00%		Purchase
Australia Donggao	423,589,434.32	Adelaide, Australia	Adelaide, Australia	Manufacturing		100.00%	Purchase
Mingrui Zirconium Industry	315,075,162.89	Adelaide, Australia	Adelaide, Australia	Mining		79.28%	Purchase
Lechang Donggao	12,000,000.00	Lechang, Guangdong	Lechang, Guangdong	Manufacturing		100.00%	Purchase
Shandong Longbai	200,000,000.00	Rizhao, Shandong	Rizhao, Shandong	Manufacturing		100.00%	Establishment
Weina Technology	10,000,000.00	Jiaozuo, Henan	Jiaozuo, Henan	Manufacturing		100.00%	Purchase
Zhongtan New Material	850,000,000.00	Jiaozuo, Henan	Jiaozuo, Henan	Manufacturing		100.00%	Purchase
Donggao Technical Service	1,000,000.00	Shantou, Guangzhou	Shantou, Guangzhou	Wholesale		100.00%	Purchase
Jiaozuo Donggao	50,000,000.00	Jiaozuo, Henan	Jiaozuo, Henan	Manufacturing		100.00%	Establishment
Bilions Chemical	1,000,000,000.00	Jinchang, Gansu	Jinchang, Gansu	Manufacturing		100.00%	Establishment
Billions New Energy	1,650,000,000.00	Jiaozuo, Henan	Jiaozuo, Henan	Manufacturing	100.00%		Establishment
Longbai New Material	950,000,000.00	Jiaozuo, Henan	Jiaozuo, Henan	Service industry		100.00%	Establishment
Wanrun, Hubei	100,000,000.00	Xiangyang, Hubei	Xiangyang, Hubei	Wholesale		51.00%	Establishment
Zhongzhou Carbon	568,404,000.00	Jiaozuo, Henan	Jiaozuo, Henan	Manufacturing		100.00%	Purchase
Zhongzhou Lufeng	200,000,000.00	Jiaozuo, Henan	Jiaozuo, Henan	Manufacturing		100.00%	Purchase
Zhenxing Mining	3,201,000,000.00	Panzhihua, Sichuan	Panzhihua, Sichuan	Mining		99.96%	Purchase
Fengyuan Mining	1,112,000,000.00	Panzhihua, Sichuan	Panzhihua, Sichuan	Other manufacturing industry		100.00%	Purchase
Runxin Mining	12,000,000.00	Panzhihua, Sichuan	Panzhihua, Sichuan	Manufacturing		100.00%	Purchase
Mingjie Mining	50,000.00	Panzhihua, Sichuan	Panzhihua, Sichuan	Wholesale and retail		100.00%	Purchase
Shandong Oriental Zirconic Industry	20,000,000.00	Rizhao, Shandong	Rizhao, Shandong	Manufacturing		100.00%	Establishment

Yunnan Donggao	50,000,000.00	Lufeng, Kunming	Lufeng, Kunming	Manufacturing		100.00%	Establishment
Haoxuan Mining	50,000.00	Panzhihua, Sichuan	Panzhihua, Sichuan	Wholesale and retail		100.00%	Purchase
Xinrun Mining	454,543,800.00	Panzhihua, Sichuan	Panzhihua, Sichuan	Mining		100.00%	Purchase
Yanbian Zhongtai	120,000,000.00	Panzhihua, Sichuan	Panzhihua, Sichuan	Mining		100.00%	Purchase
Panzhihua Zhongtai	120,000,000.00	Panzhihua, Sichuan	Panzhihua, Sichuan	Wholesale		100.00%	Purchase
Miaozigou Mining	120,000,000.00	Panzhihua, Sichuan	Panzhihua, Sichuan	Mining		100.00%	Purchase
Panzhihua Zhongqi	40,000,000.00	Panzhihua, Sichuan	Panzhihua, Sichuan	Mining		100.00%	Purchase
Huili Longrui	1,000,000.00	Panzhihua, Sichuan	Panzhihua, Sichuan	Mining		100.00%	Establishment
Wuding National Titanium	200,000,000.00	Kunming, Yunnan	Kunming, Yunnan	Manufacturing		100.00%	Establishment
Sichuan National Titanium	200,000,000.00	Panzhihua, Sichuan	Panzhihua, Sichuan	Manufacturing		100.00%	Establishment
Yunnan Oriental Scandium	30,000,000.00	Kunming, Yunnan	Kunming, Yunnan	Manufacturing		100.00%	Establishment

(2) Important non-wholly-owned subsidiaries

Monetary Unit: RMB

Name of subsidiary	Shareholding of minority shareholders	Current profit and loss attributable to minority shareholders	Dividend declared to be distributed to minority shareholders in the current period	Closing balance of minority shareholders' equity
Yunnan Metallurgical Xinli Titanium Co., Ltd.	0.42%	3,995,003.30		7,554,247.52
Longbai Minerals	8.80%	28,205,940.19	13,200,000.00	146,861,285.62
Yunnan National Titanium Metal Co., Ltd.	19.62%	49,595,144.93		268,214,623.31
Guangdong Orient Zirconic Industry Co.,Ltd.	23.51%	-81,720,355.90		1,592,155,333.51

(3) Main financial information of important non-wholly-owned subsidiaries

Monetary Unit: RMB

Name of subsidiary	Closing balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Longbai Minerals	1,116,119,359.44	1,819,671,346.67	2,935,790,706.11	161,173,931.42	242,045,473.00	403,219,404.42	941,004,412.15	501,649,617.71	1,442,654,029.86	149,292,399.03	73,469,445.39	222,761,844.42
Xinli Titanium	1,729,720,716.37	3,504,544,420.11	5,234,265,136.48	3,651,741,109.75	89,037,168.03	3,740,778,277.78	1,471,727,397.46	2,731,090,487.25	4,202,817,884.71	3,560,046,554.40	107,954,985.70	3,668,001,540.10
Yunnan National Titanium	2,131,185,845.64	5,662,223,549.24	7,793,409,394.88	2,356,749,279.11	1,468,546,561.46	3,825,295,840.57	1,348,177,231.50	4,212,901,507.21	5,561,078,738.71	2,055,673,189.70	849,197,682.52	2,904,870,872.22
Orient Zirconic Industry	1,384,045,858.99	2,040,213,678.88	3,424,259,537.87	1,922,643,084.59	130,955,100.71	2,053,598,185.30	1,420,459,576.41	1,711,280,618.10	3,131,740,194.51	1,683,685,339.90	51,267,536.82	1,734,952,876.72

Monetary Unit: RMB

Name of subsidiary	Amount in the current period				Amount in the previous period			
	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities
Longbai Minerals	795,874,661.82	320,522,047.66	320,522,047.66	459,983,989.85	710,583,837.27	194,079,916.66	194,079,916.66	101,673,203.65
Xinli Titanium	1,679,677,624.67	951,191,261.49	951,191,261.49	363,559,107.03	1,608,125,002.15	214,270,617.73	214,270,617.73	978,721,383.69
Yunnan National Titanium	2,393,703,128.52	248,359,224.03	248,359,224.03	-577,790,592.00	2,456,961,143.79	385,571,087.63	385,571,087.63	-457,742,205.09
Orient Zirconic Industry	1,445,804,497.11	-99,972,045.96	-99,530,895.30	58,103,349.28	1,369,636,736.45	93,129,161.98	95,954,447.44	43,932,975.65

2. Equity in a joint arrangement or affiliated business

(1) Important joint venture or affiliated business

Name of joint ventures or associates	Principal place of business	Place of registration	Business nature	Shareholding ratio		Accounting treatment methods for investment in joint ventures or associates
				Direct	Indirect	
Kunming Wuxin Huali Mineral Industry Co., Ltd. (hereinafter referred to as “Wuxin Huali”)	Yunnan Province	Yunnan	Wholesale and retail		47.28%	Equity method
Image Resources NL	Perth, Australia	Perth, Australia	Exploration		20.53%	Equity method

(2) Main financial information of important associates

Monetary Unit: RMB

	Closing balance/Accrual in the current period			Opening balance/accrual incurred in previous period	
	Henan Caiyuanyifeng Industry Investment Partnership	Wuxin Huali	IMAGE RESOURCES NL	Wuxin Huali	IMAGE RESOURCES NL
Current assets	560,003,111.11	28,892,025.99	53,790,000.00	30,934,993.65	399,928,219.60
Non-current assets	560,000,000.00	35,266,387.24	111,875,000.00	36,570,481.75	547,917,970.60
Total assets	1,120,003,111.11	64,158,413.23	165,665,000.00	67,505,475.40	947,846,190.20
Current liabilities		686,774.28	9,147,000.00	301,244.26	199,756,702.60
Non-current liabilities			45,798,000.00		200,360,069.00
Total liabilities		686,774.28	54,945,000.00	301,244.26	400,116,771.60
Minority equity					
Shareholders’ equity attributable to parent company	1,120,003,111.11	63,471,638.95	110,720,000.00	67,204,231.14	547,729,418.60
Share of net assets calculated by shareholding ratio	560,000,000.00	30,009,390.90	22,686,528.00	31,774,160.48	111,901,120.22

Adjusted items					
--Goodwill			7,086,580.77	3,999,904.41	33,390,273.25
--Profits not achieved internally					
--Other					
Book value of equity investment in associates	560,000,000.00	30,009,390.90	29,773,108.77	35,774,064.89	145,291,393.47
Fair value of equity investment in associates with public offers					
Operating income			119,133,000.00		800,528,871.60
Net profit	3,111.11	2,297,904.43	-5,117,000.00	-36,356,879.20	71,584,045.20
Net profit of discontinued operations					
Other comprehensive income					
Total comprehensive income	3,111.11	2,297,904.43	-5,117,000.00	-36,356,879.20	71,584,045.20
Dividends received from associates in the current year					

(3) Summary of financial information of unimportant joint ventures or affiliated businesses

Monetary Unit: RMB

	Closing balance/Accrual in the current period	Opening balance/accrual incurred in previous period
Joint ventures:		
Total of the following items calculated based on shareholding ratio		
Joint ventures:		
Total book value of investments	126,052,604.49	155,884,935.06
Total of the following items calculated based on shareholding ratio		
--Net profit	-3,574,157.70	1,729,335.42
--Total comprehensive income	-3,574,157.70	1,729,335.42

XI. Government Grants

1. Government grants included in current profit or loss

☑ Applicable □ Not applicable

Monetary Unit: RMB

Accounting item	Amount in the current period	Amount in the previous period
Central infrastructure investment for technological transformation in 2019 (the chlorinated titanium dioxide project with an annual output of 200,000 tons)	3,939,750.01	
National subsidy for titanium dioxide project	9,650,000.04	9,650,000.04
Qinyang Longbai New Energy Battery Materials Industrial Park Cooperation Agreement 2023 (received the land acquisition price refunded by Qinyang Finance Bureau by TT)		
Funds for industrial internet innovation and development project in 2019 - industrial internet networked energy consumption management platform project		
Subsidies for environmental improvement project of Niuwangtian tailing pond	1,500,000.00	1,500,000.00
Special fund for provincial industrial and information development		
Funds for new technological development and research project for enhancing the recycling of fine-grained ilmenite 2019.7.284#	950,000.04	
Nuclear-grade sponge zirconium project with an annual output of 1,000 tons	200,000.04	
Subsidy for pavement renovation project from Wanbanqiao, Yanhong Road to Mahuanggou	641,711.27	641,711.30
Special fund for development of advanced manufacturing in 2019 (the chlorinated titanium dioxide project with an annual output of 200,000 tons)	969,000.00	
Third batch of special fund received from the Bureau of Finance for the development of provincial industries in 2020	699,999.96	
Project “Energy-saving Improvement in Titanium Dioxide calcining”	336,470.59	
Special funds for civil-military integration development	600,000.00	
Special fund for upgrading of technologies in the chloride titanium slag project	621,494.40	
Notice of Sichuan Provincial Finance Department and Sichuan Provincial Economic and Information Department on the Administration of the Third Instalment of Special Funds for Provincial Industrial Development in 2022		
Funds for innovative development of strategic resources (i.e. vanadium extraction) in Panxi area		
Longbai Intelligent Equipment Industrial Park project	92,622.96	58,014.56
Demonstration project for comprehensive off-gas treatment	586,245.30	
Special subsidy allocated by Mianzhu City Finance Bureau for national and local joint laboratory of titanium dioxide cleaning production technology and process	750,000.00	750,000.00
Land compensation fee from Changsha Economic and Technological Development Zone Management Committee	67,343.16	67,343.16
Special development fund for strategic emerging industries	1,250,000.04	1,250,000.04
Central and local government jointly sponsored engineering lab innovation ability building project for cleaner titanium dioxide production technology and process	300,000.00	
Special funds for strategic innovation	375,000.00	281,250.00
Special funds for research and development of key technologies for high-quality fine particle rotor-level titanium sponge	900,000.00	
Cross-region special fund for provincial-level industries	849,999.96	849,999.96

Cultivation fund for leading enterprises of emerging industries	800,000.04	800,000.04
Waste sulfuric acid tertiary concentration unit technical modification project	209,000.04	
Funds for developing special titanium dioxide for producing high-grade automotive electrophoresis paint	540,000.00	
Transformation project for water-saving technology in the production of titanium dioxide	243,999.96	243,999.96
Research and development of key technologies for the production of high-quality titanium sponge	600,000.00	600,000.00
Subsidy for road renovation project of the section from Yanhong Road in Xinjiu Mining Area to Lomons Mining Area	284,520.36	
Notice on release of special fund for public rental housing in 2011	171,500.09	
Government grant for comprehensive use of mineral resources	4,013,093.42	6,013,092.60
Project “Low-carbon and Cleaner Titanium Dioxide Production Technology R&D Platform Innovation Ability Improvement”	666,666.70	
Special funds for powerful province in terms of manufacturing	75,000.00	75,000.00
Research and development of high-quality titanium chloride powder for coatings and plastics	200,000.04	200,000.04
Phase I of smart manufacturing technical improvement project for rotor-level titanium sponge with an output of 30,000 tons/year	103,539.87	
Compensation for construction of roads from Mahuanggou to concentration plant	150,000.00	150,000.00
Project support fund	1,014,479.16	
Construction of innovation platform for titanium metallurgy and chemicals	120,000.00	
Document regarding allocation of funds of 2015 for demonstration bases	493,117.80	
Letter on transfer of central government subsidy of 2014 for construction of demonstration base for comprehensive use of vanadium-titanium magnetite resources in Panzhihua	985,720.17	
Research and development of key technologies for the industrial chain of rutile titanium dioxide	435,000.00	435,000.00
Special fund for technological improvement for titanium dioxide production	399,999.96	399,999.96
Off-line slag discharge by means of boiling chlorination	399,999.96	
Remaining funds for Hongge vanadium-titanium magnetite tailings resource recycling technology development project	300,000.00	
Subsidies for Phase I of the chlorination process based titanium dioxide production project with an output of 200,000 tons per year in Lufeng Industrial Park	67,500.00	
Subsidies for Phase I of the high salinity wastewater treatment project with a capacity of 1,000,000 tons per year in Lufeng Industrial Park	67,500.00	
Comprehensive utilization project of scandium oxide with a recovery of 10 tons/year of titanium dioxide waste acid	166,666.68	166,666.67
Supported and facilitated the project “Steady quality improvement in international trading” -- improvement of white smoke elimination and deodorization of off-gas generated from calcining	99,999.96	
Phase I of the titanium sponge production line upgrading, modification and innovation project with a capacity of 10,000 tons per year	63,716.76	
Research on coated technology of titanium dioxide under chlorination process	320,000.04	320,000.04
Integration and innovation of key technologies for the production of high-quality titanium sponge	249,999.96	249,999.96
FYKYRD202310-Research and development of key technologies for the process through which the quality of iron ore concentrates from low-grade vanadium-titanium magnetite is to be improved in Panzhihua mining area		

Phase I of electric-melting zirconia ceramic industry base construction project with an annual output of 30,000 tons		
Research and development of key technologies for chlorination titanium dioxide production	249,999.96	249,999.96
Low grade waste heat recovery for sulfur-phosphorus-titanium industry chain waste ferrous sulphate mixed with firing acid	96,000.00	
Phase I of expansion project of direct current electric arc furnace smelting titanium slag production line with an annual output of 160,000 tons		
Efficient beneficiation and smelting industrial development for fully enclosed electric arc furnace ilmenite	416,666.64	
Subsidy for the project concerning deep treatment of exhaust gas in titanium white calcining kiln	150,000.00	150,000.00
Fund for academician workstation	180,000.00	180,000.00
Technology development and industrialization innovation development related to recovery and utilization of sulfuric acid titanium dioxide acid slag	159,999.96	
Technology development and transformation project for low-carbon production process of “sulfur-phosphorus-titanium” circular economy	249,999.96	249,999.96
Key technology and industrial development for titanium slag smelting in large and direct current electric-arc furnace	146,666.64	146,666.64
Novel multifunctional durable zirconia-based implantation materials		
Notice on Issuing the First Batch of Project Plan for 2013 Provincial Strategic Emerging Industrial Development Special New Energy and Energy Saving and Environmental Protection Industry by Sichuan Provincial Development and Reform Commission	279,999.97	
Subsidy for solar shower in public rental housing	4,192.80	4,192.80
Technical improvement project for titanium liquid quality optimization in sulfur-phosphorus-titanium industry chain	256,666.43	
Central infrastructure investment for independent innovation and high-tech industrialization projects in 2013	366,666.91	
Letter from Sichuan Provincial Department of Finance and Sichuan Provincial Department of Land and Resources on distribution of central government subsidy of 2013 for construction of demonstration base for conservation and comprehensive use of vanadium-titanium magnetite resources in Panzhihua	1,700,250.00	
Letter on transfer of remaining central government subsidy of 2014 for construction of demonstration base for comprehensive use of vanadium-titanium magnetite resources in Panzhihua	113,034.91	
Government grants granted under the *Notice of the Provincial Department of Finance on Announcing the Central Mineral Resource Conservation and Comprehensive Utilization Demonstration Projects in 2010 and Reward Budget Therefor*	249,999.93	500,000.05
Provincial special subsidies for transformation of key technologies	120,000.33	160,000.00
Incentives for infrastructure of the titanium dioxide project with an output of 100,000 tons	2,855,016.00	3,737,619.00
Supporting fund for infrastructure of second-phase project	2,007,618.00	344,691.00
Funds for technological transformation for sand acid low-level waste heat recovery	507,587.11	761,379.12
High-tech industrialization demonstration project of high-performance A1-Y composite zirconia powder		
Composite zirconia project with a capacity of 2,700 tons		43,333.25
Research and industrialization of extracting rare earth scandium from the waste mother liquor of zirconium oxychloride		5,133.38
Central infrastructure investment for technological transformation in 2019		3,000,000.00
Funds for new technological development and research project for enhancing the recycling of fine-grained ilmenite		633,333.36

Special fund for provincial advanced manufacturing development projects in 2019		969,000.00
Special fund for provisional industrial development		699,999.95
Special funds for civil-military integration development		200,000.00
Subsidy for the innovation project of upgrading and transforming titanium concentrate into titanium dichloride with an annual output of 500,000 tons		621,494.40
Central and local government jointly sponsored engineering lab innovation ability building project for cleaner titanium dioxide production technology and process of Mianzhu Development and Reform Bureau		50,000.00
Development fund allocated by Mianzhu City Development and Reform Bureau for developing special titanium dioxide for producing high-grade automotive electrophoresis paint		540,000.00
Enterprise project support fund		1,014,479.16
Letter on transfer of central government subsidy of 2014 for construction of demonstration base for comprehensive use of vanadium-titanium magnetite resources in Panzhihua		985,720.13
Waste sulfuric acid tertiary concentration unit technical modification project of Mianzhu Bureau of Industrial Technology and Information		121,916.69
Road renovation project of the section from Yanhong Road in Xinjiu Mining Area to Lomons Mining Area		284,520.40
Letter from Sichuan Provincial Department of Finance and Sichuan Provincial Department of Land and Resources on distribution of central government subsidy of 2013 for construction of demonstration base for conservation and comprehensive use of vanadium-titanium magnetite resources in Panzhihua		1,700,250.00
Incentives paid for demonstration bases in 2015		522,270.00
Notice on administration of special fund for public rental housing in 2011		171,500.01
Grants for off-line slag discharge by means of boiling chlorination		399,999.96
Hongge vanadium-titanium magnetite tailings resource recycling technology development project		300,000.00
Funds for transformation of cleaning and deodorizing of calcining exhaust gas		99,999.96
Incentives for efficient beneficiation and smelting industrial development for fully enclosed electric arc furnace ilmenite		416,666.64
Incentive fund for recovery of low-grade waste heat generated from production of acid by mixed firing of waste and spin-off ferrous sulfate generated in sulfur-phosphorus-titanium industry chain		96,000.00
Notice of Sichuan Provincial Development and Reform Commission on the Administration of the First Instalment of Special Incentives for New Energy and Energy Conservation and Environment Protection Projects in Support of the Development of Strategic Emerging Industries in Sichuan in 2013		279,999.94
Central infrastructure investment made by Mianzhu City Finance Bureau for independent innovation and high-tech industrialization projects in 2013		399,999.96
Funds for technology development and industrialization innovation development related to recovery and utilization of sulfuric acid titanium dioxide acid slag		159,999.96
Subsidy allocated by finance bureau for the project concerning optimization technology of titanium liquid quality in sulfur-phosphorus-titanium industry chain		350,000.04
Grants for the project “Novel Multifunctional Durable Zirconia-based Implantation Materials”		26,086.96
Notice on the Payment of the Remaining Central Government Grants 2014 for the Construction of Panzhihua Model Base for Integrated Utilization of Vanadium-Titanium Magnetite Resources		56,517.36
Implementation plan for circular transformation of western industrial cluster in Jiaozuo		109,375.00
Service industry development guidance funds		20,000.00

Subsidy allocated by economic and information bureau for technical transformation project concerning increasing output of rutile titanium dioxide “from 14 to 20”		66,667.03
Fund allocated by intellectual property office for the third batch of science and technology support plans in 2011 under high-grade special titanium dioxide project with an annual output of 60,000 tons related to increasing output “from 14 to 20”		5,000.00
Special subsidy for national and local joint laboratory of clean production technology and process of titanium dioxide		49,999.61
Project concerning industrialization of new process for clean production of titanium dioxide using the “sulfur-phosphorus-titanium” co-production method		157,459.39
Subsidies for the site selection and technical improvement project in the form of granting of loan with discounted interest		25,000.14
Notice of Yanbian Finance Bureau on the Administration of the First Instalment of Provincial Funds for Technical Improvement Projects in 2011		30,000.00
Notice of Yanbian Finance Bureau on the Administration of the First Instalment of Provincial Industrial Technology R&D Funds in 2011		10,000.02
Notice of Sichuan Provincial Finance Department and Sichuan Provincial Department of Land and Resources on the Preliminary Allocation of the Central Government Grants for the Construction of Panzhihua Model Base for Integrated Utilization of Vanadium-Titanium Magnetite Resources in 2011		1,012,500.00
Notice of Sichuan Provincial Finance Department and Sichuan Provincial Economic and Information Commission on the Administration of the Provincial Industrial Technology R&D Funds in 2012		49,998.93
Notice on the Payment of the Central Government Grants 2012 for the Construction of Panzhihua Model Base for Integrated Utilization of Vanadium-Titanium Magnetite Resources		5,652,000.00
Total	48,631,024.29	52,522,848.49

Other descriptions:

Income-related government grants

Items that are included in current profit and loss or used to offset loss on relevant cost and expense	Government grants	Amount that is included in current profit and loss or used to offset loss on relevant cost and expense	
		Amount in this period	Amount in last period
Received the first instalment of the special provincial funds for investment promotion in 2023	6,590,000.00	6,590,000.00	
Received the funds for cultivation of new industries for titanium industry cluster from the special treasury account for reform under the name of Lufeng Bureau of Industrial Information and Science & Technology	6,000,000.00	6,000,000.00	
Received the grants paid for the project “10-to-15”	4,568,185.00	4,568,185.00	
Grants for stabilizing positions	7,747,125.28	4,121,016.39	3,626,108.89
Financial support received from the zero-balance fiscal account under the name of Boai Finance Bureau	3,733,386.51	3,733,386.51	
Received the funds paid for intellectualized reconstruction under the local fiscal support policy	3,123,563.00	3,123,563.00	
Received the incentives paid by Nanzhang Bureau of Commerce for local export-oriented enterprises in 2022	2,785,600.00	2,785,600.00	
Received the fifth instalment of the special provincial funds for innovative research and development projects from Henan Provincial Department of Science and Technology in 2023	2,440,000.00	2,440,000.00	
Tax incentives for enterprises recruiting retired soldiers and key groups	1,752,600.00	1,568,100.00	184,500.00
Received the incentive and subsidy funds paid by Henan Provincial Department of Commerce for projects eligible for export credit subsidies in the first half of 2023	1,000,000.00	1,000,000.00	

Changsha Economic and Technological Development Zone special funds for scientific and technological innovation in 2023	1,000,000.00	1,000,000.00	
Received special provincial funds for promotion of foreign trading and economic development in 2022	960,000.00	960,000.00	
Guangzhou Nansha Business Enterprise Contributor Award	946,400.00	946,400.00	
One-time subsidies for creation of additional job opportunities	1,011,000.00	912,000.00	99,000.00
Project “Exploitation of Technological Accomplishments in Resource Utilization of Titanium Precipitates Generated from Hydrolyzation of Solid Waste Titanium Dioxide”	800,000.00	800,000.00	
Received the grants paid by Xiangyang Economic and Information Bureau for intellectualized technical improvement projects of industrial enterprises in 2022	780,890.76	780,890.76	
“2022 Special Fiscal Subsidy Funds for R&D Projects of Enterprises (No. 413 of 2022)”	680,000.00	680,000.00	
Insurance premium subsidies	826,571.83	644,042.83	182,529.00
Received the one-time subsidies from DYFF for continuous employee training for maintenance of job opportunities against unemployment	628,500.00	628,500.00	
VAT refunded upon levy	1,596,289.45	626,263.30	970,026.15
Received the city- and district-level incentives for employment of foreign investment in 2021	611,800.00	611,800.00	
Special provincial funds for promotion of foreign trading and economic development in Deyang in 2022 from Mianzhu Bureau of Commerce and Economic Cooperation	600,000.00	600,000.00	
Grants for obsolete boiler project	573,000.00	573,000.00	
Received the funds paid under the favorable policy of Jinchang Bureau of Industry and Information Technology	540,000.00	540,000.00	
“Central China Talent Program (Talent Development)” 2021 sponsored by the office of systematic finance of Henan Provincial Department of Science and Technology	500,000.00	500,000.00	
Special funds for local multiplication program 2022	500,000.00	500,000.00	
Incentive funds for specialized, high-end and innovation-driven little giant enterprises in 2022	500,000.00	500,000.00	
Demonstration project “Exploitation of Technological Accomplishments in Original Particle Diameter Control of Titanium Dioxide”	500,000.00	500,000.00	
Fiscal incentive funds for industrial enterprises of designated scale or above and running at full load in the first quarter of 2023	400,000.00	400,000.00	
Performance-based bonuses	400,000.00	400,000.00	
Second Provincial Science and Technology Program of the Year of Mianzhu Bureau of Industrial Technology and Information – Enterprise R&D Investment Funds	387,000.00	387,000.00	
Science and technology innovation subsidy	379,500.00	379,500.00	
Special fund for promoting development of foreign trade and economies (export credit insurance)	839,675.00	369,675.00	470,000.00
Received one-time subsidies for creation of job opportunities by micro, small and medium-sized enterprises	396,000.00	341,000.00	55,000.00
Received novel apprenticeship training subsidies from Kunming Xishan Bureau of Labor and Employment Service	340,000.00	340,000.00	
Subsidies for little giant enterprises from Changsha Bureau of Industry and Information Technology in 2020	339,100.00	339,100.00	
Received “116102” funds paid for outstanding academician work station by the systemic finance office of Henan Provincial Department of Science and Technology in 2023	300,000.00	300,000.00	
Mianzhu Bureau of Industrial Technology and Information -- Incentives and subsidies under the favorable policy “good beginning” for the first quarter of 2023	300,000.00	300,000.00	

Mianzhu Administration for Market Regulation IP-Driven Business Growth Subsidy Program	300,000.00	300,000.00	
Received award from the general office of Yunnan Provincial Department of Science and Technology for being designated as high-tech enterprise	300,000.00	300,000.00	
Project grants from Jinchang Bureau of Science and Technology	300,000.00	300,000.00	
Received special funds for promotion of foreign trading and economic development (i.e. foreign trade and service trade development) from the central government in 2023	286,000.00	286,000.00	
Received “J. C. Y. No. 2022-413 Special Funds for Fiscal Subsidies for Enterprise R&D Efforts 2022” from Jiaozuo Zhongzhan Bureau of Science and Technology and Industry Informatization	280,000.00	280,000.00	
Key technology research and development project for zero-carbon emission in industrial wastewater	280,000.00	280,000.00	
Boai Finance Bureau fiscal grants for enterprise research and development efforts in 2022	280,000.00	280,000.00	
2021 post-implementation grants for initiated projects	512,900.00	262,900.00	250,000.00
Social insurance subsidies for supporting the employment of needy employees	250,900.00	250,900.00	
District-level financial support under Jiaozuo high-quality industrial development incentive program (for small and medium-sized specialized, high-end and innovation-driven enterprises) in 2023	250,000.00	250,000.00	
Received district-level financial support under Jiaozuo high-quality industrial development incentive program (for small and medium-sized specialized, high-end and innovation-driven enterprises) in 2023	250,000.00	250,000.00	
Provincial incentives for small and medium-sized specialized, high-end and innovation-driven enterprises	250,000.00	250,000.00	
District-level financial support under the high-quality industrial development incentive program	250,000.00	250,000.00	
District-level financial support under Jiaozuo high-quality industrial development incentive program in 2023	250,000.00	250,000.00	
Jiaozuo Bureau of Industry and Information Technology provincial subsidies for small and medium-sized specialized, high-end and innovation-driven enterprises	250,000.00	250,000.00	
Received government grants for individual leaders in innovation and entrepreneurship in Jiaozuo in 2022 from Jiaozuo Bureau of Science and Technology through the zero-balance fiscal account under the name of Jiaozuo Finance Bureau	225,000.00	225,000.00	
Mianzhu Bureau of Industrial Technology and Information First Instalment of Emergency Funds for Industrial Development in 2022 -- for promotion of the building of the ability to prevent and control epidemics of the enterprises on the “whitelist” and involved in the key industry chains in Sichuan	220,000.00	220,000.00	
Rebate of unemployment insurance subsidies paid for maintenance of job opportunities	218,635.04	218,635.04	
Received province-level incentives for newly designated scale industrial enterprise from Jinchang Bureau of Industry and Information Technology in 2022	207,700.00	207,700.00	
Received the funds transferred from Henan Provincial Finance Department under the central government led local development funding program in 2023 Received the funds transferred from Henan Provincial Finance Department under the central government led local development funding program in 2023 Received the funds transferred from Henan Provincial Finance Department under the central government led local development funding program in 2023	200,000.00	200,000.00	
Mianzhu Administration for Market Regulation incentives and grants for enterprises having advantage in IPs at national level	200,000.00	200,000.00	
Received the funds for science and technology projects paid at the county-level in 2022	200,000.00	200,000.00	
Received the funds transferred from Henan Provincial Finance Department under the central government led local development funding program in 2023	200,000.00	200,000.00	

Received the incentive funds for enterprises running at full load in the first quarter of 2023	200,000.00	200,000.00	
Received the funds under the central government led local development funding program in 2023	200,000.00	200,000.00	
Received the incentive funds for industrial enterprises running at full load	200,000.00	200,000.00	
Received the funds under the central government led local development funding program in 2023	200,000.00	200,000.00	
Received incentive and grant funds from Jinchang Finance Bureau	200,000.00	200,000.00	
Received talent incentives from the municipal bureau of science and technology (S. W. Z. F. [2023] No. 84)	200,000.00	200,000.00	
Youth Apprenticeship Program	184,000.00	184,000.00	
Mianzhu Employment Promotion Center subsidies for creation of job opportunities by enterprises	150,200.00	150,200.00	
Power consummation subsidies for the second quarter of 2022 out of Mianzhu Bureau of Industrial Technology and Information incentive and subsidy funds for stabilization of industrial production	150,000.00	150,000.00	
Received IP incentive and grant funds from Jiaozuo IP Right Protection Center	146,000.00	146,000.00	
Extra R&D grants	140,000.00	140,000.00	
Veteran employment subsidies	135,000.00	135,000.00	
Jinchang Economic and Technological Development Zone Management Committee output breakthrough incentive	130,000.00	130,000.00	
Fifth instalment of financial support for innovation and entrepreneurship projects	125,000.00	125,000.00	
Received incentives and grants for “Program for Improvement of Civilized Image of Enterprises in the Park” from Yanbian Bureau of Economic Informatization and Science & Technology	110,000.00	110,000.00	
Received the fiscal incentive funds for facilitating “Enterprise Transform and Upgrading” for promotion of industrial development from Huili Bureau of Economic Informatization and Science & Technology in 2022	110,000.00	110,000.00	
Received the “302101” incentives and subsidies for maintenance of job opportunities and stable production in enterprises of designated scale or above around the Spring Festival from Jiaozuo Bureau of Human Resources and Social Security through the zero-balance fiscal account under the name of Jiaozuo Finance Bureau	100,000.00	100,000.00	
Received 04221700000000031210 patent incentive payment	100,000.00	100,000.00	
Received the district-level financial support under Jiaozuo high-quality industrial development incentive program from Jiaozuo Bureau of Science, Technology and Industry in 2023	100,000.00	100,000.00	
Received the fiscal grant under “Jiaozuo Bureau of Industry and Information Technology Provincial Model Technical Innovation Enterprise Program”	100,000.00	100,000.00	
Received the incentives and grants from the enterprise technology center of Deyang Bureau of Economy and Information Technology	100,000.00	100,000.00	
Received the bonus paid to honored enterprises by Mianzhu Administration for Market Regulation in 2023	100,000.00	100,000.00	
Funds for promoting a steady beginning of industrial development at provincial level	100,000.00	100,000.00	
Received incentives for “Program for Improvement of Civilized Image of Enterprises in the Park” from the Industrial Park Management Committee	100,000.00	100,000.00	
Received the grants for high-tech enterprises from Lufeng Finance Bureau (L. C. J. (2022) No. 36)	100,000.00	100,000.00	
Received the provincial subsidies in the form of transfer payment from Wuding Bureau of Industrial Informatization, Commerce and Science & Technology under the science and technology program in 2023	100,000.00	100,000.00	

Received the high-tech prize from the zero-balance fiscal account under the name of Boai Finance Bureau	100,000.00	100,000.00	
Received the incentives for manufacturing enterprises of designated scale or above running at full load in the fourth quarter of 2022	100,000.00	100,000.00	
Incentives for enterprises running at full load	100,000.00	100,000.00	
Received the high-quality development incentives and subsidies from Qinyang Bureau of Science and Technology and Industrial Informatization in 2022	100,000.00	100,000.00	
Incentives and subsidies for maintenance of job opportunities and stable production in enterprises around the Spring Festival	100,000.00	100,000.00	
Received 50% of the city-level incentives for newly designated scale industrial enterprise included into treasury management for two years from Jinchang Bureau of Industry and Information Technology in 2022	100,000.00	100,000.00	
Received the subsidies in the form of discounted interest for little giant enterprises from Changsha Bureau of Industry and Information Technology	97,900.00	97,900.00	
Mianzhu Employment Promotion Center social insurance subsidies for creation of job opportunities by enterprises	90,824.00	90,824.00	
IP Undertaking Development Fund	120,000.00	90,000.00	30,000.00
Provincial subsidies for financing by pledge over IPs and patents	90,000.00	90,000.00	
Received the unemployment subsidies from Jiaozuo Social Insurance Center by TT	87,052.30	78,052.30	9,000.00
Received fiscal grants for individual leaders in innovation and entrepreneurship in Jiaozuo in 2022 from Jiaozuo Bureau of Science and Technology	75,000.00	75,000.00	
Received subsidies for maintenance of job opportunities and stable production in enterprises around the Spring Festival	70,500.00	70,500.00	
Received the remittance from State Grid Hubei Electric Power Co., Ltd. Xiangyang Power Company – second instalment of demand response funds	67,210.68	67,210.68	
Received incentives and subsidies for maintenance of job opportunities and stable production	65,500.00	65,500.00	
Received the second instalment of scientific and technological innovation incentive from Jinchang Bureau of Science and Technology in 2023	60,000.00	60,000.00	
Received the provincial financial support for the building of the ability to prevent and control epidemics from Yanbian Bureau of Economic Informatization and Science & Technology in 2022	55,000.00	55,000.00	
Technology innovation reward	400,000.00	50,000.00	350,000.00
Received disabled employment support base project funds 2023 from the disabled persons' federation through the fiscal and treasury payment center in Zhongzhan District, Jiaozuo City	50,000.00	50,000.00	
Received special fiscal grants for enterprise R&D efforts in 2022 (No. 2022-413)	50,000.00	50,000.00	
Received provincial incentives and grants for high-tech enterprises in 2022 (No. 2022-413)	50,000.00	50,000.00	
Provincial incentives and grants for high-tech enterprises	50,000.00	50,000.00	
Received the award under the "Small-sized Enterprise to Enterprise of Designated Scale" program from the zero-balance fiscal account under the name of Jiaozuo Finance Bureau	50,000.00	50,000.00	
Received the district-level financial support under Jiaozuo high-quality industrial development incentive program from Jiaozuo Bureau of Science, Technology and Industry by TT in 2023 through the fiscal and treasury payment center in Zhongzhan District, Jiaozuo City	50,000.00	50,000.00	
Received the funds for the "Yi Talent Development Program 2023" from Lufeng Bureau of Development and Reform	50,000.00	50,000.00	
Subsidies for continuous employee training to maintain job opportunities	49,000.00	49,000.00	

Unemployment insurance	46,595.00	46,595.00	
Received IP incentive and grant funds from Jiaozuo IP Right Protection Center	40,000.00	40,000.00	
Received financial support from the government	40,000.00	40,000.00	
Jinchang Bureau of Science and Technology funds for the Local Technical Innovation Center Platform Building Project 2023	30,000.00	30,000.00	
Jinchang Bureau of Science and Technology funds for the Local Science and Technology Specialist Program 2023	30,000.00	30,000.00	
Received the second instalment of unemployment insurance subsidies paid for maintenance of job opportunities in Zhongzhan District in 2023	24,555.80	24,555.80	
Received the second instalment of the grants for the “Thousands Top Enterprises, Thousands Highly Skilled Talents” program from Chuxiong Yi Autonomous Prefecture Bureau of Human Resources and Social Security	24,500.00	24,500.00	
Social insurance subsidies from Jinchuan District Bureau of Human Resources and Social Security	23,366.04	23,366.04	
Received the fifth instalment of the special funds for supporting innovative ecology from the bureau of science, technology and industry in 2023	20,000.00	20,000.00	
Foreign trade promotion funds from Leiyang Bureau of Commerce and Foodstuff in 2021	20,000.00	20,000.00	
Provincial incentives for upgrading to enterprise of designated scale or above and inclusion in treasury management in 2022	15,000.00	15,000.00	
Grants supporting the “foreign trade, foreign investment and overseas investment” development program	10,100.00	10,100.00	
Special central government funds for promotion of foreign trading and economic development in 2022 from Mianzhu Bureau of Commerce and Economic Cooperation	10,000.00	10,000.00	
Refund of measurement and online testing service fees by the water authority in 2022	10,000.00	10,000.00	
Received the one-time subsidies for creation of extra job opportunities from the special account for disbursement of unemployment insurance fund in 2022	36,000.00	9,000.00	27,000.00
Received incentives and grants for R&D investment through Keji Sub-branch of Industrial and Commercial Bank of China in 2023	8,000.00	8,000.00	
Received incentives and grants for R&D investment from Jinchang Bureau of Science and Technology in 2023	8,000.00	8,000.00	
Grants for occupational skill evaluation in enterprises from Boai Bureau of Human Resources and Social Security	6,592.00	6,592.00	
Mianzhu Administration for Market Regulation domestic invention patent grant fees	5,175.00	5,175.00	
Eastern District Employment Promotion Center subsidies for migrant workers working in Panzhihua	5,000.00	5,000.00	
Received unemployment subsidies from Nanzhang Public Employment and Human Resource Service Center	4,000.00	4,000.00	
Wuding Bureau of Industrial Informatization, Commerce and Science & Technology subsidies for R&D expenses	3,000.00	3,000.00	
Subsidies for creation of extra job opportunities	3,000.00	3,000.00	
Incentives for inclusion of enterprises meeting the four designated thresholds into treasury management	2,000.00	2,000.00	
Expenses for making statistics of basic roots infrastructures paid by Yanbian Bureau of Statistics in 2021	1,604.00	1,604.00	
Sichuan Mianzhu Association of Science and Technology program for improvement of ability to organize primary association of science and technology	-2,000.00	-2,000.00	
Adjustment of settling-in allowances for talents introduced to enterprises as received under the official document Y. Z. No. 123 in November 2022	-5,000.00	-5,000.00	

Reconciliation of the work-based training grants received from Jiaozuo Bureau of Human Resources and Social Security (Bank Transfer Voucher No. 1268 in 2020)	-692,000.00	-692,000.00	
Reconciliation of the work-based training grants received from Jiaozuo Bureau of Human Resources and Social Security (Bank Transfer Voucher No. 1848 in December 2020, Bank Transfer Voucher No. 1440 in November 2020, and Bank Transfer Voucher No. 1827 in December 2020)	-1,003,800.00	-1,003,800.00	
Received the incentives under the favorable investment policy from Nanzhang Finance Bureau in 2021	11,804,861.00		11,804,861.00
Incentive funds allocated by Bureau of Commerce to foreign trade export enterprises	6,469,300.00		6,469,300.00
First instalment of the funds for city-level scientific and technological innovation, and innovation and entrepreneurship program in 2022	5,648,400.00		5,648,400.00
Received “Special Provincial Funds for High-Quality Development of Manufacturing Industry (J. C. Y. [2022] No. 37)” from Zhongzhan District Bureau of Science and Technology and Industrial Informatization in 2022	5,570,000.00		5,570,000.00
Second instalment of the funds under the central government led local development funding program in 2022	3,500,000.00		3,500,000.00
J. C. Y. [2022] No. 37: Special Provincial Funds for High-Quality Development of Manufacturing Industry in 2022	3,440,000.00		3,440,000.00
Special funds for promoting foreign trade development	2,500,000.00		2,500,000.00
Provincial economic contribution prize for significant investment attraction projects	2,404,062.06		2,404,062.06
Received fiscal subsidies from Jiaozuo Zhongzhan Commerce Bureau in the form of “Discounted Interest for Export Business (for the Second Half of 2017 and the First Half of 2018)”	2,000,000.00		2,000,000.00
Received fiscal grants for “Billions Technical Improvement Project” from Jiaozuo Zhongzhan Development and Reform Commission (J. C. Y. [2019] No. 175)	1,670,000.00		1,670,000.00
Received special funds for promotion of foreign trading and economic development from the central government in 2022 – allowances for market expansion and other projects of small and medium-sized enterprises	1,000,000.00		1,000,000.00
Special provincial funds for key science and technology projects from Zhongzhan District Bureau of Science, Technology and Industry (J. C. Y. (2018) No. 105 and J. C. Y. (2020) No. 81)	1,000,000.00		1,000,000.00
Received special central government funds for promotion of foreign trading and economic development from Mianzhu Bureau of Commerce and Economic Cooperation in 2022 – international logistics grant	1,000,000.00		1,000,000.00
Export credit insurance subsidies in the first half of 2020	959,200.00		959,200.00
Export credit insurance subsidies in the second half of 2020	844,300.00		844,300.00
Received novel apprenticeship training subsidies from Nanzhang Bureau of Labor and Employment Service	815,000.00		815,000.00
Youth Apprenticeship Program incentives	765,000.00		765,000.00
Received “First Instalment of Special Provincial Funds for Promotion of Foreign Trading and Economic Development in 2020” through the fiscal and treasury payment center in Zhongzhan District, Jiaozuo City	601,800.00		601,800.00
Second instalment of the incentives under the steady foreign trade growth program from Lufeng Commerce Bureau in 2022	600,000.00		600,000.00
District-level financial support under the 2020 government grant for enterprise research and development efforts program	582,500.00		582,500.00
Short-term export credit insurance allowances and export volume based subsidies paid out of the first instalment of special provincial funds for promotion of foreign trade and economic development from Mianzhu Bureau of Commerce and Economic Cooperation in 2021	574,364.00		574,364.00

"District-level Financial Support under the 2020 Government Grant for Enterprise Research and Development Efforts Program" transferred by Jiaozuo Zhongzhan Bureau of Science and Technology and Industry Informatization	528,100.00		528,100.00
Funds for research of key technologies for green manufacturing of sulfur-chlorine coupled titanium materials	500,000.00		500,000.00
Received "Funds for technical improvement in chlorination process project with an annual output of 200,000 tons" as fiscal grants from Jiaozuo Zhongzhan District Development and Reform Commission	500,000.00		500,000.00
Received special central government funds for promotion of foreign trading and economic development from Mianzhu Bureau of Commerce and Economic Cooperation in 2021 – grants for international logistics costs	500,000.00		500,000.00
Refund of land use tax in 2021	489,877.79		489,877.79
Tax incentives for 80 veterans	483,750.00		483,750.00
Tax refund	480,000.00		480,000.00
Received the unemployment insurance subsidies for maintenance of job opportunities from Kunming Xishan District Bureau of Labor and Employment Service	450,747.90		450,747.90
High-tech enterprise grants from Wuding Bureau of Industrial Informatization, Commerce and Science & Technology	420,000.00		420,000.00
Special funds for promotion of commerce and trade development from the district bureau of commerce	413,800.00		413,800.00
Collection and refund of VAT	405,250.00		405,250.00
Received "Incentives of RMB 200,000.00 for Enterprises Running at Full Load throughout the First Quarter" from the dedicated fiscal account under the name of Henan Provincial Finance Department in 2022	400,000.00		400,000.00
Received government grants supporting the "foreign trade, foreign investment and overseas investment" development program (for foreign trade enterprises) in 2022	375,500.00		375,500.00
Grants supporting the "foreign trade, foreign investment and overseas investment" development program in 2022	367,400.00		367,400.00
Special grants for promotion of science and technology development from Lufeng Bureau of Industrial Informatization and Science & Technology	360,000.00		360,000.00
Received incentives in lieu of subsidies for reduction in total emission from Xiangyang Bureau of Ecological Environment	350,000.00		350,000.00
Received "J. C. (2021) No. 364 Special Funds for Fiscal Subsidies for Enterprise R&D Efforts 2021" from Jiaozuo Zhongzhan Bureau of Science and Technology and Industry Informatization	340,000.00		340,000.00
One-time subsidies for continuous employee training to maintain job opportunities	321,720.00		321,720.00
Mianzhu Bureau of Industrial Technology and Information incentives and subsidies under the favorable policy "good beginning" for the first quarter of 2022	304,050.00		304,050.00
Jinchang Economic and Technological Development Zone Special Provincial Fiscal Grants for High-Quality Development of Manufacturing Industry 2022	300,000.00		300,000.00
Fiscal incentive funds for industrial enterprises of designated scale or above and running at full load in the first and second quarters of 2022	300,000.00		300,000.00
Special Provincial Funds for High-Quality Development of Manufacturing Industry 2022	300,000.00		300,000.00
Special prefecture-level grants for promotion of steady growth in foreign trade	286,700.00		286,700.00
Tax credits	260,250.00		260,250.00
Received funds (district-level financial support) for group of leader talents in innovation and entrepreneurship after completion of interim/final evaluation in 2019	250,000.00		250,000.00

Funds for group of leader talents in innovation and entrepreneurship from Jiaozuo Bureau of Science and Technology	250,000.00		250,000.00
Provincial-level incentives for upgrading of industrial enterprises below designated scale to enterprises at designated scale or above in 2021	220,000.00		220,000.00
Shantou special funds for promotion of steady growth in foreign trade in 2021	211,321.00		211,321.00
Weighted deductions of input tax	201,079.12		201,079.12
Y. G. X. L. Y. X. (2022) No. 26 fiscal incentives for industrial enterprises running at full load	200,000.00		200,000.00
J. C. Y. [2021] No. 364 special provincial grants for enterprise R&D efforts in 2021, J. C. D. (2017) No. 538 special fiscal grants for enterprise audience in 2018	200,000.00		200,000.00
Special provincial funds for the building of scientific and technological innovation system capacity in 2021 [J. C. Y. (2021) No. 65]	200,000.00		200,000.00
Received fiscal incentives for industrial enterprises running at full load from Henan Provincial Department of Industry and Information Technology and Henan Provincial Finance Department through the special fiscal account under the name of Henan Provincial Finance Department	200,000.00		200,000.00
Fiscal incentive funds for industrial enterprises running at full load in the first quarter of 2022	200,000.00		200,000.00
Mianzhu Administration for Market Regulation incentives and grants for patent exploitation and industrialization projects	200,000.00		200,000.00
Financial support for post doctorate innovation practice base	200,000.00		200,000.00
Received special funds for science and technology projects in 2021–Comprehensive Utilization of Precipitates Generated from Hydrolyzation”	200,000.00		200,000.00
Allowances for work-based training grants received from the dedicated unemployment insurance fund account	200,000.00		200,000.00
Funds for scientific and technological innovation, and innovation and entrepreneurship program	200,000.00		200,000.00
Fiscal incentive funds for industrial enterprises running at full load in the second quarter of 2022	200,000.00		200,000.00
Received payment from Nanzhang Bureau of Human Resources and Employment	196,688.37		196,688.37
Incentive funds from the organization department of Sichuan Provincial Committee of the CPC	188,000.00		188,000.00
VAT credits paid to veterans	174,000.00		174,000.00
Grants received from Chuxiong Commerce Bureau	172,526.00		172,526.00
2nd instalment of the special provincial IP incentive funds from Mianzhu Administration for Market Regulation in 2021 -- Sichuan patent incentives	150,000.00		150,000.00
Received the incentives actually paid for upgrading of industrial enterprises below designated scale to enterprises at designated scale or above for the first year	150,000.00		150,000.00
Received the remittance by Nanzhang Public Employment and Human Resource Service Center	131,126.00		131,126.00
District-level financial support paid out of the incentive funds for scientific and technological innovation in 2021 (incentives from the provincial and municipal engineering technology research centers)	125,000.00		125,000.00
Municipal incentive funds for scientific and technological innovation in 2022 (J. C. Y. (2022) No. 311)	125,000.00		125,000.00
Received R&D grants from the finance bureau	120,000.00		120,000.00
Allowances for post-disaster reconstruction	111,400.00		111,400.00
Received district-level financial support paid out of the incentive funds for scientific and technological innovation in 2021 (for	100,000.00		100,000.00

various scientific and technological innovation talents throughout the province)			
Received the municipal scientific and technological innovation award in 2022 (No. 2022-311)	100,000.00		100,000.00
Received special central government funds for promotion of foreign trading and economic development from Mianzhu Bureau of Commerce and Economic Cooperation in 2021 – grants supporting the mitigation of the risks associated with foreign exchange in foreign trade	100,000.00		100,000.00
Mianzhu Administration for Market Regulation incentives for private enterprises	100,000.00		100,000.00
Incentives and subsidies received under the Notice of Mianzhu Bureau of Industrial Technology and Informatization on Focusing on the Economic Operation in Key Sectors and Facilitating the Accomplishment of A Good Beginning in the First Quarter of 2022	100,000.00		100,000.00
Received incentives and grants for the online energy consumption monitoring system development project	100,000.00		100,000.00
Scientific and technological innovation award to government grant in 2021	100,000.00		100,000.00
Received the unemployment insurance subsidies for maintenance of job opportunities from Kunming Xishan District Bureau of Labor and Employment Service	97,628.12		97,628.12
One-time subsidies for creation of job opportunities by micro, small and medium-sized enterprises	95,000.00		95,000.00
District-level Financial Support under the 2020 Fiscal Grant for Enterprise Research and Development Efforts Program	77,600.00		77,600.00
Subsidies for supporting maintenance of stability	76,481.99		76,481.99
Tax deductions and credits for veterans	69,750.00		69,750.00
2021-364 provincial grants for enterprise R&D efforts	60,000.00		60,000.00
Tax incentives for “six taxes and two surcharges”	59,015.41		59,015.41
Special provincial funds for supporting the development of foreign trade, foreign investment and overseas investment in 2021	50,000.00		50,000.00
Received “Special provincial funds for supporting the development of foreign trade, foreign investment and overseas investment in 2021” through the fiscal and treasury payment center in Zhongzhan District, Jiaozuo City	50,000.00		50,000.00
Deyang Administration for Market Regulation incentives for private enterprise development	50,000.00		50,000.00
District-level financial support paid out of the incentive funds for scientific and technological innovation in 2021 (high-tech enterprise incentives)	50,000.00		50,000.00
High-tech enterprise incentives paid out of the municipal incentive funds for scientific and technological innovation in 2022 (J. C. Y. (2022) No. 311)	50,000.00		50,000.00
Boai Finance Bureau incentive funds for scientific and technological innovation	50,000.00		50,000.00
Financial support for enterprises passing certification of compliance with IP standards from Shaoguan Finance Bureau	50,000.00		50,000.00
Jiaozuo grants for innovation and entrepreneurship teams	50,000.00		50,000.00
Mianzhu Administration for Market IP patent subsidies – Domestic invention patent license fees and the second patent award in Sichuan in 2021	35,175.00		35,175.00
Social insurance subsidies for employment of college graduates by micro and small-sized enterprises in 2022	32,489.65		32,489.65
Funds for grant project for certification of compliance with standards	30,000.00		30,000.00
Funds for post-certification grant project	30,000.00		30,000.00
VAT incentives for employment of veterans by enterprises	30,000.00		30,000.00

Guangdong Provincial unemployment insurance proceeds	26,600.83		26,600.83
Received “District-Level Financial Support Paid out of the Incentive Funds for Scientific and Technological Innovation in 2021” from Jiaozuo Zhongzhan Bureau of Science and Technology and Industry Informatization	25,000.00		25,000.00
Received municipal incentive funds for scientific and technological innovation in 2022 (J. C. Y. (2022) No. 311)	25,000.00		25,000.00
IP leader and dominant enterprise incentive received from the municipal administration for market regulation	24,500.00		24,500.00
Changsha special funds for promotion of foreign trade development (growth award) in 2021	23,500.00		23,500.00
Lufeng Emergency Management Bureau costs of building of emergency drill podium	20,000.00		20,000.00
Received the funds for promotion of steady growth in foreign trade from Changsha in 2020	20,000.00		20,000.00
Extra input tax credits	14,077.82		14,077.82
Subsidies for creation of extra job opportunities	11,000.00		11,000.00
Funds for Sichuan Mianzhu Association of Science and Technology program for improvement of ability to organize primary association of science and technology	10,000.00		10,000.00
Shaoguan Finance Bureau and Administration for Market Regulation – payment in 2021	10,000.00		10,000.00
Municipal incentive funds for scientific and technological innovation	10,000.00		10,000.00
Occupational skill rating-based allowances	9,888.00		9,888.00
Refund of unemployment insurance subsidies paid for maintenance of job opportunities	8,020.60		8,020.60
One-time subsidies for creation of extra job opportunities	8,000.00		8,000.00
Jiaozuo Personnel Exchange Center settling-in allowances for introduced high-level talents in 2021	5,000.00		5,000.00
Employment allowances	5,000.00		5,000.00
Consolation money from Lechang Municipal Government	5,000.00		5,000.00
Reward and subsidy for intellectual property rights	3,000.00		3,000.00
Subsidies granted by Wuding County Industrial Information Business Science and Technology Bureau	3,000.00		3,000.00
One-time subsidies for creation of job opportunities	2,000.00		2,000.00
Subsidy for creating more employment opportunities	1,000.00		1,000.00
Subsidies received from the employment and entrepreneurship promotion center	1,000.00		1,000.00
Kunming Xishan District Bureau of Labor and Employment Service subsidies for dynamic unemployment monitoring in 2022	420.00		420.00
Stamp duty refund	27.35		27.35
Total	138,145,444.70	61,666,032.65	76,479,412.05

XII. Risks associated with financial instruments

1. Various risks from financial instruments

Credit risk

Credit risk refers to the risk of the Company's financial losses due to its counterparties' failure to perform contractual obligations.

The Company's credit risk mainly arises from monetary funds, notes receivable, accounts receivable, receivables financing, other receivables, debt investments, other debt investments and financial guarantee contracts, and also from debt instrument investments and derivative financial assets that are not included in the scope of impairment assessment and are measured at fair value with their changes being included in the current profit and loss. On the balance sheet date, book value of the Company's financial assets represented its maximum credit risk exposure.

The Company's monetary funds are mainly bank deposits deposited with state-owned banks and other large and medium-sized listed banks that are in good standing and enjoy high credit ratings. The Company believes that it is exposed to no major credit risk, and will hardly suffer major losses due to bank defaults.

In addition, for notes receivable, accounts receivable, accounts receivable financing and other receivables, the Company have related policies in place to control credit risk exposure. The Company assesses the credit qualification of customers and set corresponding credit period for them on the basis of their financial position, possibility of obtaining guarantee from third party, credit records and other factors such as the current market conditions. The Company will regularly monitor the credit records of customers, and for those with adverse credit records, the Company will send them written notice of a call, and shorten or cancel their credit periods, to ensure the overall credit risk of the Company under control.

Liquidity risk

Liquidity risk refers to the risk of a shortage of funds when an enterprise fulfills its obligation to settle cash or other financial assets.

The Company's policy is to ensure that there is sufficient cash to pay off debts as they fall due. Liquidity risk is centrally controlled by Finance Department of the Company. Finance Department ensures that the Company has sufficient funds to repay debts under all reasonable forecasts by monitoring cash balances, marketable securities at any time, and rolling forecasts of future 12-month cash flows. Finance Department has also monitored the Company's compliance with loan agreement to obtain the commitments from major financial institutions to provide adequate reserve fund to meet short- and long-term fund demands.

Financial liabilities are listed below by maturity date of undiscounted contract cash flows:

Item	Closing balance			
	Within 1 year	1 to 5 years	Over 5 years	Total
Short-term borrowings	8,198,171,863.19			8,198,171,863.19
Derivative financial liabilities		2,391,726,465.75		2,391,726,465.75
Notes payable	4,350,076,434.61			4,350,076,434.61
Accounts payable	4,420,893,689.66	1,507,849,067.85		5,928,742,757.51
Other payables	1,590,102,183.29			1,590,102,183.29
Non-current liabilities due within one year	2,981,032,381.05			2,981,032,381.05
Other current liabilities	4,101,178.87			4,101,178.87
Long-term borrowings		8,336,097,279.95	2,421,178,446.13	10,757,275,726.08
Lease liabilities		3,750,506.78		3,750,506.78
Long-term payables	1,678,685.28		3,333,474.00	5,012,159.28
Total	21,546,056,415.95	12,239,423,320.33	2,424,511,920.13	36,209,991,656.41

Item	Balance at the end of the previous year			
	Within 1 year	1 to 5 years	Over 5 years	Total
Short-term borrowings	5,679,795,763.62			5,679,795,763.62
Notes payable	9,254,068,437.44			9,254,068,437.44
Accounts payable	4,604,036,743.15	1,171,573,212.03		5,775,609,955.18
Other payables	1,705,114,011.18	791,001,829.48		2,496,115,840.66
Non-current liabilities due within one year	1,902,731,392.21			1,902,731,392.21
Other current liabilities	30,105,144.71			30,105,144.71
Long-term borrowings		7,503,128,654.94	1,848,293,697.60	9,351,422,352.54
Lease liabilities		12,242,557.60		12,242,557.60
Long-term payables		42,361,351.95		42,361,351.95
Total	23,175,648,825.64	9,519,624,939.33	1,848,293,697.60	34,543,567,462.57

Market risk

The market risk of financial instruments means the risk that the fair value or future cash flow of a financial instrument fluctuates because of change in the market price, including exchange rate risk, interest rate risk and other price risks.

Interest rate risk

Interest rate risk means the risk that the fair value or future cash flow of a financial instrument fluctuates because of change in the market interest rate.

Interest-bearing financial instruments with fixed interest rates and floating interest rates expose the Company to fair value interest rate risk and cash flow interest rate risk. The Company determines the proportions of fixed interest rate instruments and floating interest rate instruments based on the market environment, and maintains an appropriate portfolio of fixed and floating interest rate instruments through regular review and monitoring. When necessary, the Company will use interest rate swap instruments to hedge interest rate risk.

Exchange rate risks

Exchange rate risk means the risk that the fair value or future cash flow of a financial instrument fluctuates because of change in the foreign exchange rate.

The Company constantly monitors foreign currency transactions and size of foreign currency assets and liabilities to mimimize the exchange rate risks. In addition, the Company may also sign forward foreign exchange contracts or currency swap contracts to avoid exchange rate risk. The Company didn't enter into any forward foreign exchange contract or currency swap contract in the current and previous periods.

The exchange rate risk faced by the Company mainly comes from financial assets and financial liabilities denominated in USD. The amount of foreign currency financial assets and foreign currency financial liabilities converted into RMB is as follows:

Item	Opening Balance					
	USD	EUR	GBP	AUD	Other foreign currencies	Total
Financial assets in foreign currencies						
Monetary capital	381,997,792.61	49,364,389.92	4,513,552.01	55,236,218.90	837,008.37	491,948,961.81
Accounts receivable	1,749,826,739.52	297,555,233.20	9,111,012.11	53,167.99	253,099.87	2,056,799,252.69
Other receivables		141,465.60		2,251,667.94		2,393,133.54
Subtotal	2,131,824,532.13	347,061,088.72	13,624,564.12	57,541,054.83	1,090,108.24	2,551,141,348.04

Financial liabilities in foreign currencies						
Accounts payable	143,108,683.46	4,072,079.04	6,017,605.63	38,910,783.63	2,300,045.94	194,409,197.70
Non-current liabilities due within one year	277,287,705.00					277,287,705.00
Other payables	41,248,946.52	2,894,450.78		299,693.37	3,281.70	44,446,372.37
Payroll payable	273,141.28				45,128.76	318,270.04
Taxes payable	3,726,083.32					3,726,083.32
Long-term borrowings	1,571,296,995.00					1,571,296,995.00
Subtotal	2,036,941,554.58	6,966,529.82	6,017,605.63	39,210,477.00	2,348,456.40	2,091,437,236.05

Item	Balance at the end of the previous year					
	USD	EUR	GBP	AUD	Other foreign currencies	Total
Financial assets in foreign currencies						
Monetary capital	527,761,902.71	67,767,562.97	6,245,074.85	22,111,151.90	15,370,481.33	639,256,173.76
Accounts receivable	1,236,699,373.05	207,644,730.94	8,047,650.73	25,925.90		1,452,417,680.62
Other receivables				4,775,433.12		4,775,433.12
Subtotal	1,764,461,275.75	275,412,293.91	14,292,725.58	26,912,510.92	15,370,481.33	2,096,449,287.50
Financial liabilities in foreign currencies						
Short-term borrowings	235,093,433.42					235,093,433.42
Accounts payable	315,797,767.86	3,559,833.15	1,225,514.91	61,815,343.32	3,039,233.53	385,437,692.77
Payroll payable	242,715.96				7,503.52	250,219.48
Other payables	55,237,028.50			242,073.62		55,479,102.12
Taxes payable	11,936,273.16					11,936,273.16
Other current liabilities	21,413,037.12					21,413,037.12
Long-term borrowings	2,089,380,000.00					2,089,380,000.00
Subtotal	2,729,100,256.02	3,559,833.15	1,225,514.91	62,057,416.94	3,046,737.05	2,798,989,758.07

Other price risks

Other price risk means the risk that the fair value or future cash flow of a financial instrument fluctuates due to market price changes other than exchange rate risk and interest rate risk.

XIII. Disclosure of Fair Value

1. Closing fair value of assets and liabilities measured at fair value

Monetary Unit: RMB

Item	Fair value at the end of the period			
	Level-1 fair value measurement	Level-2 fair value measurement	Level-3 fair value measurement	Total
I. Ongoing fair value measurement	--	--	--	--
1. Financial assets measured at fair value with changes included in profit or loss			1,143,530,454.51	1,143,530,454.51
Accounts receivable financing			1,111,251,052.13	1,111,251,052.13
Other equity instrument investments			32,279,402.38	32,279,402.38
II. Non-continuous measurement at fair value	--	--	--	--

2. Continuous and non-continuous third-level fair value measurement items, used valuation techniques and qualitative and quantitative information on important parameters

(1) Accounts receivable financing measured at third-level fair value that are held by the Company are notes receivable which have short remaining period, have book value equivalent to fair value and are held for the purpose of endorsement.

(2) Other equity instrument investments measured at third-level fair value that are held by the Company are shares in Yunnan Jinji'an Construction Consulting Supervision Co., Ltd., Sichuan Tianhua Co., Ltd., Bank of Fudian Co., Ltd. Baita Road Sub-branch, Panzhihua Vanadium & Titanium Trading Center Co., Ltd., Sichuan Hongyu Baiyun New Materials Co., Ltd., Zhongyuan Bank Co., Ltd., Jiaozuo Zhuoli Membrane Materials Co., Ltd., and Austpac Resources NL. Those companies are non-listed companies whose fair value is determined based on their net assets on the balance sheet date.

3. Continuous third-level fair value measurement items, adjustment information between the opening and closing book values and sensitivity analysis of unobservable parameters

Item	Balance at the end of the previous year	Converted to level 3	Converted from level 3	Total amount of current gains or losses		Purchase, issuance, sales and settlement				Closing balance	Change in gains or losses on the assets held at the end of the reporting period which are included into profits or losses, but have not been realized in the reporting period
				Included into profit or loss	Included into other comprehensive income	Purchase	Issue	Sale	Settlement		
◆ Financial assets held for trading											
◆ Accounts receivable financing	712,716,846.68					16,353,548,936.71		15,955,014,731.26		1,111,251,052.13	
◆ Other investment in claims											
◆ Other investment in equity instruments	3,589,588.74				706,104.36	27,983,709.28				32,279,402.38	
Total	716,306,435.42				706,104.36	16,381,532,645.99		15,955,014,731.26		1,143,530,454.51	

XIV. Related parties and related-party transactions

1. Information of parent company of the Company

The Company announced on April 22, 2020 that the Company's controlling shareholder status changed from "no controlling shareholder" to "Mr. XU Gang" and the Company's actual controller status changed from "no actual controller" to "Mr. XU Gang" in accordance with the *Company Law*, the *Management Measures for Acquisition of Listed Company* and other applicable laws, regulations and normative documents as well as the Company's latest shareholding structure and board members.

2. Information of subsidiaries of the Company

For details of subsidiaries of the Company, please refer to Note VIII. Equity in other entities.

3. Information of joint ventures and associates of the Company

For information of important joint ventures and affiliates of the Company, please refer to Note VIII. Equity in other entities.

4. Information on other related parties

Names of other related parties	Relationship between the Company and other related parties
Sichuan Lomon Fusheng Technology Co., Ltd. (hereinafter referred to as "Lomon Fusheng")	A company controlled by close relative(s) of a shareholder holding more than 5% of the Company's shares before November 2021

5. Related party transactions

(1) Related party transactions for the purchase and sale of goods, provision and acceptance of services

Table of goods purchase/acceptance of labor services

Monetary Unit: RMB

Affiliate	Details of related-party transactions	Amount in the current period	Approved transaction amount	Whether exceed transaction amount or not	Amount in the previous period
IMAGERESOURCES NL	Purchase of heavy placer minerals	259,600,312.58	290,000,000.00	No	155,851,025.81

Table of Information on Sale of Goods/Rendering of Services

Monetary Unit: RMB

Affiliate	Details of related-party transactions	Amount in the current period	Amount in the previous period
Lomon Fusheng	Sale of waste concentrated titaniferous solution		187,446.90
Lomon Fusheng	Sale of iron vitriol		227,254.43

(2) Related-party guarantees

The Company acts as the guarantor

Monetary Unit: RMB

Guaranteed party	Amount guaranteed	Effective date of guarantee	Expiry date of guarantee	Whether the guarantee has been fully performed
Billions (Hong Kong) Co., Ltd.	1,848,584,700.00	July 26, 2022	July 26, 2025	No
Billions (Hong Kong) Co., Ltd.	122,739,914.54	July 26, 2022	July 26, 2025	No
Longbai Sichuan Mining and Metallurgy Co., Ltd.	60,000,000.00	December 11, 2023	November 22, 2024	No
Longbai Sichuan Mining and Metallurgy Co., Ltd.	20,000,000.00	January 20, 2023	January 19, 2024	No
Longbai Sichuan Mining and Metallurgy Co., Ltd.	290,000,000.00	December 11, 2023	December 10, 2024	No
Longbai Sichuan Mining and Metallurgy Co., Ltd.	200,000,000.00	January 13, 2023	January 11, 2024	No
Longbai Sichuan Mining and Metallurgy Co., Ltd.	200,000,000.00	November 28, 2023	November 27, 2024	No
Longbai Sichuan Mining and Metallurgy Co., Ltd.	71,100,000.00	November 9, 2023	October 25, 2024	No
Longbai Sichuan Mining and Metallurgy Co., Ltd.	128,900,000.00	November 9, 2023	August 22, 2024	No
Longbai Sichuan Titanium Industry Co., Ltd.	200,000,000.00	December 2, 2023	November 29, 2024	No
Longbai Sichuan Titanium Industry Co., Ltd.	2,000,000.00	December 29, 2023	December 28, 2025	No
Longbai Sichuan Titanium Industry Co., Ltd.	280,000,000.00	August 15, 2023	August 14, 2025	No
Longbai Sichuan Titanium Industry Co., Ltd.	180,000,000.00	August 31, 2023	August 28, 2024	No
Longbai Sichuan Titanium Industry Co., Ltd.	1,000,000.00	September 28, 2023	March 28, 2024	No
Longbai Sichuan Titanium Industry Co., Ltd.	299,000,000.00	April 12, 2023	April 7, 2025	No
Longbai Sichuan Titanium Industry Co., Ltd.	70,000,000.00	June 2, 2023	May 30, 2024	No
Longbai Sichuan Titanium Industry Co., Ltd.	50,000,000.00	July 12, 2022	January 12, 2024	No
Longbai Sichuan Titanium Industry Co., Ltd.	90,000,000.00	February 20, 2023	February 19, 2024	No
Longbai Sichuan Titanium Industry Co., Ltd.	90,000,000.00	February 20, 2023	February 19, 2024	No
Longbai Sichuan Titanium Industry Co., Ltd.	60,000,000.00	February 24, 2023	February 24, 2024	No
Longbai Sichuan Titanium Industry Co., Ltd.	30,000,000.00	March 17, 2023	March 17, 2024	No
Longbai Sichuan Titanium Industry Co., Ltd.	199,000,000.00	February 9, 2023	January 25, 2025	No
Longbai Xiangyang Titanium Industry Co., Ltd.	435,284.00	November 27, 2023	May 27, 2024	No
Longbai Xiangyang Titanium Industry Co., Ltd.	6,000,000.00	November 27, 2023	May 27, 2024	No
Longbai Xiangyang Titanium Industry Co., Ltd.	50,000,000.00	June 8, 2023	June 8, 2026	No
Longbai Xiangyang Titanium Industry Co., Ltd.	35,000,000.00	November 24, 2023	May 24, 2024	No
Longbai Xiangyang Titanium Industry Co., Ltd.	30,000,000.00	November 29, 2023	May 29, 2024	No

Longbai Xiangyang Titanium Industry Co., Ltd.	4,200,000.00	December 14, 2023	June 14, 2024	No
Longbai Xiangyang Titanium Industry Co., Ltd.	260,000.00	December 27, 2023	June 27, 2024	No
Longbai Xiangyang Titanium Industry Co., Ltd.	5,400,000.00	December 27, 2023	June 27, 2024	No
Longbai Xiangyang Titanium Industry Co., Ltd.	3,600,000.00	July 28, 2023	January 29, 2024	No
Longbai Xiangyang Titanium Industry Co., Ltd.	370,200.00	July 28, 2023	January 26, 2024	No
Longbai Xiangyang Titanium Industry Co., Ltd.	78,000,000.00	December 31, 2021	December 28, 2024	No
Longbai Xiangyang Titanium Industry Co., Ltd.	18,000,000.00	March 31, 2022	March 25, 2025	No
Longbai Xiangyang Titanium Industry Co., Ltd.	72,000,000.00	April 1, 2022	March 25, 2025	No
Longbai Xiangyang Titanium Industry Co., Ltd.	77,000,000.00	October 28, 2022	October 23, 2025	No
Longbai Xiangyang Titanium Industry Co., Ltd.	180,000,000.00	July 5, 2022	June 30, 2025	No
Longbai Xiangyang Titanium Industry Co., Ltd.	4,200,000.00	August 24, 2023	February 23, 2024	No
Longbai Xiangyang Titanium Industry Co., Ltd.	2,300,000.00	August 31, 2023	March 1, 2024	No
Longbai Xiangyang Titanium Industry Co., Ltd.	448,800.00	August 28, 2023	February 28, 2024	No
Longbai Xiangyang Titanium Industry Co., Ltd.	508,547.20	September 26, 2023	March 26, 2024	No
Longbai Xiangyang Titanium Industry Co., Ltd.	2,800,000.00	September 25, 2023	March 25, 2024	No
Longbai Xiangyang Titanium Industry Co., Ltd.	229,599.20	October 27, 2023	April 26, 2024	No
Longbai Xiangyang Titanium Industry Co., Ltd.	9,700,000.00	October 27, 2023	April 26, 2024	No
Henan Billions New Material Co., Ltd.	100,000,000.00	January 19, 2023	January 18, 2024	No
Henan Billions New Material Co., Ltd.	95,000,000.00	October 18, 2023	October 17, 2026	No
Henan Billions New Material Co., Ltd.	100,000,000.00	December 25, 2023	December 25, 2024	No
Henan Billions New Material Co., Ltd.	150,000,000.00	February 27, 2023	February 27, 2024	No
Henan Billions New Material Co., Ltd.	50,000,000.00	March 16, 2023	March 16, 2024	No
Henan Billions New Material Co., Ltd.	100,000,000.00	April 28, 2023	April 27, 2025	No
Henan Billions New Material Co., Ltd.	100,000,000.00	October 18, 2023	October 18, 2024	No
Henan Billions New Material Co., Ltd.	49,000,000.00	January 20, 2023	January 17, 2026	No
Henan Billions New Material Co., Ltd.	200,000,000.00	March 28, 2022	March 19, 2025	No
Henan Billions New Material Co., Ltd.	200,000,000.00	October 18, 2023	October 18, 2026	No
Henan Billions New Material Co., Ltd.	59,000,000.00	July 15, 2022	July 14, 2025	No
Henan Billions New Material Co., Ltd.	134,000,000.00	March 25, 2023	March 24, 2026	No
Henan Billions New Material Co., Ltd.	40,000,000.00	August 30, 2021	August 30, 2024	No
Henan Billions New Material Co., Ltd.	49,000,000.00	August 30, 2022	August 28, 2024	No
Henan Billions New Material Co., Ltd.	98,000,000.00	November 25, 2022	November 25, 2024	No
Henan Billions New Material Co., Ltd.	90,000,000.00	March 30, 2023	April 28, 2024	No
Henan Billions New Material Co., Ltd.	45,000,000.00	December 29, 2022	December 29, 2025	No

Henan Billions New Material Co., Ltd.	57,500,000.00	January 29, 2022	January 29, 2025	No
Henan Billions New Material Co., Ltd.	100,000,000.00	July 20, 2023	July 19, 2026	No
Henan Billions New Material Co., Ltd.	100,000,000.00	July 21, 2023	July 18, 2024	No
Henan Billions New Material Co., Ltd.	100,000,000.00	July 12, 2023	July 12, 2024	No
Henan Billions New Material Co., Ltd.	100,000,000.00	July 26, 2023	July 26, 2024	No
Henan Billions New Material Co., Ltd.	300,000,000.00	February 13, 2023	February 7, 2024	No
Henan Billions New Material Co., Ltd.	50,000,000.00	October 31, 2023	August 30, 2024	No
Henan Billions New Material Co., Ltd.	50,000,000.00	October 31, 2023	August 30, 2024	No
Henan Billions New Material Co., Ltd.	100,000,000.00	August 8, 2023	August 2, 2024	No
Henan Billions New Material Co., Ltd.	100,000,000.00	August 2, 2023	August 2, 2024	No
Henan Billions New Material Co., Ltd.	50,000,000.00	November 6, 2023	May 6, 2024	No
Henan Billions New Material Co., Ltd.	25,000,000.00	September 14, 2023	March 14, 2024	No
Henan Billions New Material Co., Ltd.	49,000,000.00	December 11, 2023	March 31, 2024	No
Henan Billions New Material Co., Ltd.	100,000,000.00	July 14, 2023	January 12, 2024	No
Henan Billions New Material Co., Ltd.	100,000,000.00	October 25, 2023	April 25, 2024	No
Henan Billions New Material Co., Ltd.	577,880.00	October 26, 2023	April 26, 2024	No
Henan Billions New Material Co., Ltd.	60,000.00	November 9, 2023	May 9, 2024	No
Henan Billions New Material Co., Ltd.	1,042,592.00	November 25, 2023	May 24, 2024	No
Henan Billions New Material Co., Ltd.	1,530,332.52	November 27, 2023	May 27, 2024	No
Henan Billions New Material Co., Ltd.	226,863.00	November 28, 2023	May 28, 2024	No
Henan Billions New Material Co., Ltd.	168,685.40	December 11, 2023	Jun. 11, 2024	No
Henan Billions New Material Co., Ltd.	8,390,749.97	December 19, 2023	June 19, 2024	No
Henan Billions New Material Co., Ltd.	1,364,207.90	December 23, 2023	June 21, 2024	No
Henan Billions New Material Co., Ltd.	821,649.00	December 25, 2023	June 25, 2024	No
Henan Billions New Material Co., Ltd.	139,320.50	October 26, 2023	April 26, 2024	No
Henan Billions New Material Co., Ltd.	6,400,000.00	November 24, 2023	May 24, 2024	No
Henan Billions New Material Co., Ltd.	2,400,000.00	November 15, 2023	May 15, 2024	No
Henan Billions New Material Co., Ltd.	1,130,000.00	November 25, 2023	May 24, 2024	No
Henan Billions New Material Co., Ltd.	3,800,000.00	November 25, 2023	May 24, 2024	No
Henan Billions New Material Co., Ltd.	767,698.26	December 8, 2023	June 7, 2024	No
Henan Billions New Material Co., Ltd.	1,868,228.00	December 20, 2023	June 20, 2024	No
Henan Billions New Material Co., Ltd.	450,000.00	December 20, 2023	June 19, 2024	No
Henan Billions New Material Co., Ltd.	3,997,292.94	December 23, 2023	June 21, 2024	No
Henan Billions New Material Co., Ltd.	500,000.00	December 27, 2023	June 27, 2024	No

Henan Billions New Material Co., Ltd.	47,396.09	July 10, 2023	January 10, 2024	No
Henan Billions New Material Co., Ltd.	4,208,500.00	July 18, 2023	January 18, 2024	No
Henan Billions New Material Co., Ltd.	2,000,000.00	July 18, 2023	January 18, 2024	No
Henan Billions New Material Co., Ltd.	2,789,300.00	July 25, 2023	January 25, 2024	No
Henan Billions New Material Co., Ltd.	1,676,351.90	July 10, 2023	January 10, 2024	No
Henan Billions New Material Co., Ltd.	1,540,000.00	July 18, 2023	January 18, 2024	No
Henan Billions New Material Co., Ltd.	7,176,601.68	July 25, 2023	January 25, 2024	No
Henan Billions New Material Co., Ltd.	43,200.00	August 24, 2023	February 23, 2024	No
Henan Billions New Material Co., Ltd.	6,961,265.80	August 28, 2023	February 27, 2024	No
Henan Billions New Material Co., Ltd.	1,350,442.16	September 6, 2023	March 6, 2024	No
Henan Billions New Material Co., Ltd.	5,400,000.00	August 28, 2023	February 27, 2024	No
Henan Billions New Material Co., Ltd.	3,000,000.00	September 20, 2023	March 20, 2024	No
Henan Billions New Material Co., Ltd.	1,000,000.00	October 19, 2023	April 19, 2024	No
Henan Billions New Material Co., Ltd.	2,500,000.00	November 25, 2023	May 24, 2024	No
Henan Billions New Material Co., Ltd.	900,000.00	October 18, 2023	April 18, 2024	No
Henan Billions New Material Co., Ltd.	850,000.00	December 5, 2023	June 5, 2024	No
Henan Billions New Material Co., Ltd.	600,000.00	July 27, 2023	January 26, 2024	No
Henan Billions New Material Co., Ltd.	2,948,645.00	August 28, 2023	February 27, 2024	No
Henan Billions New Material Co., Ltd.	1,107,668.46	September 6, 2023	March 6, 2024	No
Henan Billions New Material Co., Ltd.	5,632,898.28	September 13, 2023	March 13, 2024	No
Henan Billions New Material Co., Ltd.	3,666,100.00	September 20, 2023	March 20, 2024	No
Henan Billions New Material Co., Ltd.	192,731.96	October 8, 2023	April 8, 2024	No
Henan Billions New Material Co., Ltd.	1,000,000.00	October 13, 2023	April 12, 2024	No
Henan Billions New Material Co., Ltd.	870,014.00	October 16, 2023	April 16, 2024	No
Henan Billions New Material Co., Ltd.	5,292,360.00	October 19, 2023	April 19, 2024	No
Henan Billions New Material Co., Ltd.	2,433,362.68	September 13, 2023	March 13, 2024	No
Henan Billions New Material Co., Ltd.	4,171,493.23	September 20, 2023	March 20, 2024	No
Henan Billions New Material Co., Ltd.	927,934.44	September 25, 2023	March 25, 2024	No
Henan Billions New Material Co., Ltd.	111,916.40	October 8, 2023	April 8, 2024	No
Henan Billions New Material Co., Ltd.	840,000.00	October 16, 2023	April 16, 2024	No
Henan Billions New Material Co., Ltd.	2,395,459.47	October 19, 2023	April 19, 2024	No
Henan Billions New Material Co., Ltd.	1,494,449.70	November 7, 2023	August 31, 2024	No
Henan Billions New Material Co., Ltd.	78,617,970.00	November 28, 2023	April 9, 2024	No
Henan Billions New Material Co., Ltd.	226,255.93	November 22, 2023	January 24, 2024	No

Henan Billions New Material Co., Ltd.	71,855,762.18	December 21, 2023	March 25, 2024	No
Henan Billions New Material Co., Ltd.	131,777,278.26	December 21, 2023	March 26, 2024	No
Henan Billions New Material Co., Ltd.	3,811,712.00	July 30, 2023	July 30, 2025	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	2,309,249.00	November 1, 2023	May 1, 2024	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	4,000,000.00	November 3, 2023	April 30, 2024	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	3,356,818.00	December 1, 2023	June 1, 2024	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	2,031,755.86	December 15, 2023	June 14, 2024	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	1,800,000.00	December 27, 2023	June 27, 2024	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	6,000,000.00	March 1, 2023	February 28, 2024	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	11,000,000.00	April 3, 2023	March 22, 2024	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	4,015,856.77	July 14, 2023	January 14, 2024	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	1,419,729.07	July 19, 2023	January 19, 2024	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	2,282,497.28	July 24, 2023	January 24, 2024	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	1,521,149.50	July 28, 2023	January 28, 2024	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	1,572,000.00	July 31, 2023	January 31, 2024	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	1,657,445.00	July 24, 2023	January 17, 2024	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	1,002,750.40	July 27, 2023	January 25, 2024	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	1,590,087.50	July 28, 2023	January 25, 2024	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	2,000,000.00	July 26, 2023	January 25, 2024	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	3,820,000.00	July 31, 2023	January 25, 2024	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	5,554,730.05	August 18, 2023	February 18, 2024	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	3,454,500.00	August 24, 2023	February 24, 2024	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	2,000,000.00	August 9, 2023	February 6, 2024	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	3,000,000.00	August 25, 2023	February 23, 2024	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	2,105,299.12	August 29, 2023	February 28, 2024	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	1,934,814.36	August 29, 2023	February 28, 2024	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	6,023,495.60	August 30, 2023	August 29, 2024	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	1,121,893.89	September 5, 2023	August 29, 2024	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	3,000,000.00	September 15, 2023	March 7, 2024	No

Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	2,098,284.45	October 23, 2023	April 22, 2024	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	3,000,000.00	October 25, 2023	April 24, 2024	No
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	737,918.11	October 25, 2023	October 23, 2024	No
Yunnan National Titanium Metal Co., Ltd.	30,000,000.00	June 8, 2023	June 8, 2024	No
Yunnan National Titanium Metal Co., Ltd.	943,843.59	July 12, 2023	January 12, 2024	No
Yunnan National Titanium Metal Co., Ltd.	2,869,393.44	July 20, 2023	January 20, 2024	No
Yunnan National Titanium Metal Co., Ltd.	12,406,029.00	July 25, 2023	January 25, 2024	No
Yunnan National Titanium Metal Co., Ltd.	497,000.00	July 26, 2023	January 26, 2024	No
Yunnan National Titanium Metal Co., Ltd.	2,362,081.30	July 28, 2023	January 28, 2024	No
Yunnan National Titanium Metal Co., Ltd.	38,000,000.00	July 19, 2023	July 19, 2024	No
Yunnan National Titanium Metal Co., Ltd.	20,000,000.00	July 18, 2023	April 3, 2024	No
Yunnan National Titanium Metal Co., Ltd.	2,677,732.31	November 10, 2023	May 10, 2024	No
Yunnan National Titanium Metal Co., Ltd.	1,339,904.60	November 24, 2023	May 24, 2024	No
Yunnan National Titanium Metal Co., Ltd.	4,209,220.99	November 30, 2023	May 30, 2024	No
Yunnan National Titanium Metal Co., Ltd.	16,000,000.00	April 20, 2023	April 3, 2024	No
Yunnan National Titanium Metal Co., Ltd.	40,250,000.00	November 23, 2022	May 26, 2032	No
Yunnan National Titanium Metal Co., Ltd.	275,000,000.00	May 27, 2022	May 26, 2032	No
Yunnan National Titanium Metal Co., Ltd.	72,000,000.00	June 24, 2022	May 26, 2032	No
Yunnan National Titanium Metal Co., Ltd.	62,000,000.00	August 15, 2022	May 26, 2032	No
Yunnan National Titanium Metal Co., Ltd.	10,000,000.00	September 23, 2022	May 26, 2032	No
Yunnan National Titanium Metal Co., Ltd.	135,100,000.00	October 21, 2022	May 26, 2032	No
Yunnan National Titanium Metal Co., Ltd.	57,900,000.00	October 24, 2022	May 26, 2032	No
Yunnan National Titanium Metal Co., Ltd.	60,000,000.00	April 14, 2023	May 26, 2032	No
Yunnan National Titanium Metal Co., Ltd.	24,000,000.00	April 10, 2023	April 3, 2024	No
Yunnan National Titanium Metal Co., Ltd.	15,225,000.00	January 11, 2023	May 26, 2032	No
Yunnan National Titanium Metal Co., Ltd.	23,775,000.00	January 12, 2023	May 26, 2032	No
Yunnan National Titanium Metal Co., Ltd.	65,000,000.00	March 13, 2023	May 26, 2032	No
Yunnan National Titanium Metal Co., Ltd.	20,000,000.00	March 20, 2023	March 20, 2024	No
Yunnan National Titanium Metal Co., Ltd.	6,911,738.91	August 1, 2023	February 1, 2024	No
Yunnan National Titanium Metal Co., Ltd.	2,323,057.21	August 8, 2023	February 8, 2024	No
Yunnan National Titanium Metal Co., Ltd.	29,602,290.35	August 16, 2023	February 16, 2024	No
Yunnan National Titanium Metal Co., Ltd.	7,665,811.36	August 21, 2023	February 21, 2024	No
Yunnan National Titanium Metal Co., Ltd.	5,785,710.30	August 24, 2023	February 24, 2024	No
Yunnan National Titanium Metal Co., Ltd.	24,200,000.00	August 30, 2023	February 29, 2024	No

Yunnan National Titanium Metal Co., Ltd.	50,000,000.00	August 28, 2023	February 28, 2024	No
Yunnan National Titanium Metal Co., Ltd.	5,596,243.53	September 19, 2023	March 19, 2024	No
Yunnan National Titanium Metal Co., Ltd.	1,919,019.75	September 26, 2023	March 26, 2024	No
Yunnan National Titanium Metal Co., Ltd.	800,000.00	September 22, 2023	March 22, 2024	No
Yunnan National Titanium Metal Co., Ltd.	1,437,436.93	September 28, 2023	March 28, 2024	No
Yunnan National Titanium Metal Co., Ltd.	398,000.00	October 12, 2023	April 12, 2024	No
Yunnan National Titanium Metal Co., Ltd.	1,877,454.00	October 16, 2023	April 16, 2024	No
Yunnan National Titanium Metal Co., Ltd.	161,811.00	October 19, 2023	April 19, 2024	No
Yunnan National Titanium Metal Co., Ltd.	518,306.12	October 28, 2023	April 28, 2024	No
Yunnan National Titanium Metal Co., Ltd.	1,056,000,000.00	March 24, 2023	June 30, 2027	No
Gansu Detong National Titanium Metal Co., Ltd.	725,000.00	August 12, 2023	February 12, 2024	No
Gansu Detong National Titanium Metal Co., Ltd.	486,840.00	August 16, 2023	February 16, 2024	No
Gansu Detong National Titanium Metal Co., Ltd.	1,038,248.00	August 30, 2023	February 29, 2024	No
Gansu Detong National Titanium Metal Co., Ltd.	10,497,151.96	August 31, 2023	February 29, 2024	No
Gansu Detong National Titanium Metal Co., Ltd.	800,000.00	September 8, 2023	March 8, 2024	No
Gansu Detong National Titanium Metal Co., Ltd.	7,613,566.64	September 8, 2023	March 8, 2024	No
Gansu Detong National Titanium Metal Co., Ltd.	1,149,240.00	September 8, 2023	March 8, 2024	No
Gansu Detong National Titanium Metal Co., Ltd.	21,461,089.85	September 15, 2023	March 15, 2024	No
Gansu Detong National Titanium Metal Co., Ltd.	2,232,306.40	September 16, 2023	March 16, 2024	No
Gansu Detong National Titanium Metal Co., Ltd.	842,141.21	September 22, 2023	March 22, 2024	No
Gansu Detong National Titanium Metal Co., Ltd.	2,880,943.46	September 26, 2023	March 26, 2024	No
Gansu Detong National Titanium Metal Co., Ltd.	570,147.47	September 27, 2023	March 27, 2024	No
Gansu Detong National Titanium Metal Co., Ltd.	4,978,455.04	October 9, 2023	April 9, 2024	No
Gansu Detong National Titanium Metal Co., Ltd.	279,720.00	October 10, 2023	April 10, 2024	No
Gansu Detong National Titanium Metal Co., Ltd.	15,378,318.48	October 25, 2023	April 25, 2024	No
Gansu Detong National Titanium Metal Co., Ltd.	167,400.00	November 2, 2023	May 2, 2024	No
Gansu Detong National Titanium Metal Co., Ltd.	2,998,080.00	November 3, 2023	May 3, 2024	No
Gansu Detong National Titanium Metal Co., Ltd.	48,801.66	November 10, 2023	May 10, 2024	No
Gansu Detong National Titanium Metal Co., Ltd.	116,040.00	November 21, 2023	May 21, 2024	No
Gansu Detong National Titanium Metal Co., Ltd.	63,694,749.02	November 22, 2023	May 22, 2024	No
Gansu Detong National Titanium Metal Co., Ltd.	75,047.54	November 22, 2023	May 22, 2024	No
Gansu Detong National Titanium Metal Co., Ltd.	692,360.00	November 28, 2023	May 28, 2024	No
Gansu Detong National Titanium Metal Co., Ltd.	12,587,042.16	November 28, 2023	May 28, 2024	No
Gansu Detong National Titanium Metal Co., Ltd.	10,644,892.12	November 29, 2023	May 29, 2024	No

Gansu Detong National Titanium Metal Co., Ltd.	6,780,543.92	November 30, 2023	May 30, 2024	No
Gansu Detong National Titanium Metal Co., Ltd.	181,946.82	November 30, 2023	May 30, 2024	No
Gansu Detong National Titanium Metal Co., Ltd.	268,200.00	December 6, 2023	May 6, 2024	No
Gansu Detong National Titanium Metal Co., Ltd.	20,000,000.00	February 24, 2023	February 24, 2024	No
Gansu Detong National Titanium Metal Co., Ltd.	155,021,595.60	March 20, 2023	March 20, 2032	No
Gansu Detong National Titanium Metal Co., Ltd.	105,259,018.58	March 23, 2023	March 23, 2032	No
Gansu Detong National Titanium Metal Co., Ltd.	202,035,786.70	March 27, 2023	March 27, 2032	No
Gansu Detong National Titanium Metal Co., Ltd.	32,893,610.44	March 31, 2023	March 31, 2032	No
Gansu Detong National Titanium Metal Co., Ltd.	654,300.00	July 5, 2023	January 5, 2024	No
Gansu Detong National Titanium Metal Co., Ltd.	1,200,000.00	July 5, 2023	January 5, 2024	No
Gansu Detong National Titanium Metal Co., Ltd.	420,537.60	July 13, 2023	January 13, 2024	No
Gansu Detong National Titanium Metal Co., Ltd.	270,000.00	July 17, 2023	January 17, 2024	No
Gansu Detong National Titanium Metal Co., Ltd.	383,193.60	July 26, 2023	January 26, 2024	No
Gansu Detong National Titanium Metal Co., Ltd.	32,000,000.00	July 28, 2023	January 28, 2024	No
Gansu Detong National Titanium Metal Co., Ltd.	16,000,000.00	July 28, 2023	January 28, 2024	No
Hunan Oriental Scandium Industry Co., Ltd.	672,900.00	April 14, 2023	March 2, 2028	No
Hunan Oriental Scandium Industry Co., Ltd.	98,900.00	April 23, 2023	March 2, 2028	No
Hunan Oriental Scandium Industry Co., Ltd.	20,400.00	November 6, 2023	March 2, 2028	No
Hunan Oriental Scandium Industry Co., Ltd.	722,100.00	May 11, 2023	March 2, 2028	No
Hunan Oriental Scandium Industry Co., Ltd.	175,280.00	November 8, 2023	May 8, 2024	No
Hunan Oriental Scandium Industry Co., Ltd.	166,800.00	November 28, 2023	March 2, 2028	No
Hunan Oriental Scandium Industry Co., Ltd.	271,000.00	May 18, 2023	March 2, 2028	No
Hunan Oriental Scandium Industry Co., Ltd.	373,800.00	May 26, 2023	March 2, 2028	No
Hunan Oriental Scandium Industry Co., Ltd.	1,852,600.00	June 20, 2023	March 2, 2028	No
Hunan Oriental Scandium Industry Co., Ltd.	70,350.00	December 6, 2023	June 6, 2024	No
Hunan Oriental Scandium Industry Co., Ltd.	300,300.00	December 8, 2023	June 8, 2024	No
Hunan Oriental Scandium Industry Co., Ltd.	3,133,060.00	December 21, 2023	June 21, 2024	No
Hunan Oriental Scandium Industry Co., Ltd.	103,700.00	July 7, 2023	March 2, 2028	No
Hunan Oriental Scandium Industry Co., Ltd.	2,969,540.00	July 20, 2023	January 20, 2024	No
Hunan Oriental Scandium Industry Co., Ltd.	341,400.00	July 21, 2023	March 2, 2028	No
Hunan Oriental Scandium Industry Co., Ltd.	268,310.00	August 11, 2023	February 11, 2024	No
Hunan Oriental Scandium Industry Co., Ltd.	22,900.00	August 18, 2023	March 2, 2028	No
Hunan Oriental Scandium Industry Co., Ltd.	29,820.00	September 18, 2023	March 18, 2024	No
Hunan Oriental Scandium Industry Co., Ltd.	358,330.00	October 19, 2023	April 19, 2024	No

Hunan Oriental Scandium Industry Co., Ltd.	2,618,000.00	October 19, 2023	April 19, 2024	No
Hunan Oriental Scandium Industry Co., Ltd.	737,900.00	March 8, 2023	March 2, 2028	No
Hunan Oriental Scandium Industry Co., Ltd.	1,401,000.00	March 24, 2023	March 2, 2028	No
Longbai Lufeng Titanium Industry Co., Ltd.	336,000.00	July 28, 2023	January 28, 2024	No
Longbai Lufeng Titanium Industry Co., Ltd.	101,000.00	July 28, 2023	January 28, 2024	No
Longbai Lufeng Titanium Industry Co., Ltd.	900,000.00	July 28, 2023	January 28, 2024	No
Longbai Lufeng Titanium Industry Co., Ltd.	90,000.00	July 28, 2023	January 28, 2024	No
Longbai Lufeng Titanium Industry Co., Ltd.	36,715,194.40	October 12, 2023	April 12, 2024	No
Longbai Lufeng Titanium Industry Co., Ltd.	7,879,586.70	October 27, 2023	April 24, 2024	No
Longbai Lufeng Titanium Industry Co., Ltd.	2,688,320.47	October 30, 2023	April 30, 2024	No
Longbai Lufeng Titanium Industry Co., Ltd.	12,558,389.19	October 30, 2023	April 27, 2024	No
Longbai Lufeng Titanium Industry Co., Ltd.	2,901,748.90	August 28, 2023	February 28, 2024	No
Longbai Lufeng Titanium Industry Co., Ltd.	23,536,451.55	November 29, 2023	May 29, 2024	No
Longbai Lufeng Titanium Industry Co., Ltd.	184,422.17	December 13, 2023	June 13, 2024	No
Longbai Lufeng Titanium Industry Co., Ltd.	4,205,754.00	December 13, 2023	June 13, 2024	No
Longbai Lufeng Titanium Industry Co., Ltd.	9,300,489.59	December 28, 2023	June 28, 2024	No
Longbai Lufeng Titanium Industry Co., Ltd.	11,683,826.96	December 27, 2023	June 25, 2024	No
Longbai Lufeng Titanium Industry Co., Ltd.	12,238,608.00	October 31, 2023	April 28, 2024	No
Longbai Lufeng Titanium Industry Co., Ltd.	2,188,560.38	November 10, 2023	May 8, 2024	No
Longbai Lufeng Titanium Industry Co., Ltd.	11,596,393.00	November 16, 2023	May 16, 2024	No
Longbai Lufeng Titanium Industry Co., Ltd.	233,732.57	November 15, 2023	January 17, 2024	No
Longbai Lufeng Titanium Industry Co., Ltd.	1,216,000,000.00	March 24, 2023	June 30, 2027	No
Henan Zhongtan New Material Technology Co., Ltd.	10,000,000.00	July 24, 2023	January 24, 2024	No
Henan Zhongtan New Material Technology Co., Ltd.	433,619,200.00	May 31, 2023	May 31, 2030	No
Henan Zhongtan New Material Technology Co., Ltd.	4,830,000.00	January 16, 2023	January 15, 2024	No
Henan Zhongtan New Material Technology Co., Ltd.	4,020,000.00	February 10, 2023	February 10, 2024	No
Henan Zhongtan New Material Technology Co., Ltd.	17,400,000.00	July 19, 2023	July 19, 2030	No
Henan Zhongtan New Material Technology Co., Ltd.	31,148,900.00	August 4, 2023	August 4, 2030	No
Henan Zhongtan New Material Technology Co., Ltd.	5,100,000.00	September 28, 2023	March 28, 2024	No
Henan Zhongtan New Material Technology Co., Ltd.	4,900,000.00	September 28, 2023	March 28, 2024	No
Henan Billions New Energy Materials Co., Ltd.	32,609,935.00	July 24, 2023	January 24, 2024	No
Henan Billions New Energy Materials Co., Ltd.	17,376,250.00	December 22, 2023	June 22, 2024	No
Henan Longbai New Material Technology Co., Ltd.	47,000,000.00	February 2, 2023	February 2, 2024	No
Henan Longbai New Material Technology Co., Ltd.	10,000,000.00	September 28, 2023	September 23, 2024	No

Gansu Bilions Chemical Co., Ltd.	164,330,000.00	December 15, 2022	December 14, 2030	No
Gansu Bilions Chemical Co., Ltd.	164,330,000.00	December 15, 2022	December 14, 2030	No
Gansu Bilions Chemical Co., Ltd.	19,360,000.00	December 16, 2022	December 15, 2030	No
Gansu Bilions Chemical Co., Ltd.	193,340,000.00	December 23, 2022	December 13, 2030	No
Gansu Bilions Chemical Co., Ltd.	135,320,000.00	December 23, 2022	December 13, 2030	No
Gansu Bilions Chemical Co., Ltd.	4,837,710.00	December 26, 2022	December 26, 2030	No
Gansu Bilions Chemical Co., Ltd.	144,990,000.00	December 27, 2022	December 27, 2030	No
Gansu Bilions Chemical Co., Ltd.	333,492,290.00	January 1, 2023	December 27, 2030	No
Gansu Bilions Chemical Co., Ltd.	90,000,000.00	August 18, 2023	August 17, 2024	No
Gansu Bilions Chemical Co., Ltd.	4,902,900.00	September 8, 2023	September 7, 2024	No
Gansu Bilions Chemical Co., Ltd.	32,000,000.00	October 30, 2023	April 30, 2024	No
Gansu Bilions Chemical Co., Ltd.	50,000,000.00	December 6, 2023	December 5, 2024	No
Gansu Bilions Chemical Co., Ltd.	8,000,000.00	July 6, 2023	January 6, 2024	No
Gansu Bilions Chemical Co., Ltd.	8,800,000.00	July 27, 2023	January 27, 2024	No
Jiaozuo Zhongzhou Carbon CO., Ltd.	30,000,000.00	August 31, 2023	August 30, 2024	No
Jiaozuo Zhongzhou Carbon CO., Ltd.	50,000,000.00	August 29, 2023	February 29, 2024	No
Jiaozuo Zhongzhou Carbon CO., Ltd.	50,000,000.00	October 20, 2023	April 20, 2024	No
Jiaozuo Zhongzhou Carbon CO., Ltd.	80,000,000.00	November 29, 2023	November 29, 2024	No
Chaoyang Oriental Zirconium New Materials Co., Ltd.	109,497.28	September 21, 2023	March 21, 2024	No
Chaoyang Oriental Zirconium New Materials Co., Ltd.	161,318.20	September 21, 2023	March 21, 2024	No
Chaoyang Oriental Zirconium New Materials Co., Ltd.	21,495.00	September 21, 2023	March 21, 2024	No
Chaoyang Oriental Zirconium New Materials Co., Ltd.	58,675.60	October 23, 2023	April 23, 2024	No
Chaoyang Oriental Zirconium New Materials Co., Ltd.	55,458.20	October 23, 2023	April 23, 2024	No
Chaoyang Oriental Zirconium New Materials Co., Ltd.	37,672.00	November 20, 2023	May 20, 2024	No
Chaoyang Oriental Zirconium New Materials Co., Ltd.	5,888.00	November 20, 2023	May 20, 2024	No
Chaoyang Oriental Zirconium New Materials Co., Ltd.	850.00	November 20, 2023	May 20, 2024	No
Chaoyang Oriental Zirconium New Materials Co., Ltd.	12,470.20	November 20, 2023	May 20, 2024	No
Wuding National Titanium Metal Co., Ltd.	910,037.38	October 28, 2023	April 28, 2024	No
Total	15,072,945,701.71			

The Company acts as the guaranteed

Monetary Unit: RMB

Guarantor	Amount guaranteed	Effective date of guarantee	Expiry date of guarantee	Whether the guarantee has been fully performed
FENG Liming	20,000,000.00	January 17, 2023	August 15, 2023	Yes

FENG Liming	50,000,000.00	June 19, 2023	June 18, 2024	No
FENG Liming	1,700,000.00	June 2, 2023	August 31, 2023	Yes
XU Gang	10,010,000.00	February 8, 2023	January 31, 2024	No
XU Gang	49,990,000.00	February 8, 2023	February 8, 2024	No
Total	131,700,000.00			

(3) Compensation for key management personnel

Monetary Unit: RMB

Item	Amount in the current period	Amount in the previous period
Compensation for key management personnel	42,015,074.10	40,878,532.15

6. Related-party receivables and payables

(1) Payable items

Monetary Unit: RMB

Project name	Affiliate	Closing Book Balance	Opening Book Balance
Accounts payable	Image Resources NL		61,610,580.49

XV. Share-based payment

1. Overall situation of share-based payment

☑ Applicable □ Not applicable

Classification of incentive recipients	Awards granted during this period		Awards exercised during this period		Restricted shares lifted during this period		Awards lapsing during this period	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Management and key employees					44,920,550.00	672,741,022.00	5,475,350.00	81,513,829.00
Management and key employees of Donggao Zirconium, a subsidiary of the Company					21,412,500.00	85,415,630.00	231,500.00	734,875.00
Total					66,333,050.00	758,156,652.00	5,706,850.00	82,248,704.00

2. Equity-settled share-based payments

☑ Applicable □ Not applicable

Method for determining fair value of equity instruments on grant date	According to the closing price of LB stock on the grant date
Important parameter for determination of fair value of equity instruments on grant date	Profit margin growth rate, P/E ratio, and dividend yield
Basis for determining the number of equity instruments with voting rights	At each balance sheet date during the vesting period, the Group revises the number of stock options expected to be exercisable based on the most recent information such as change in the number of employees holding exercisable options, completion of the conditions for exercise, etc.
The reason for the significant difference between the current estimate and the previous estimate	None
Accumulated amount of equity-settled share-based payments included in capital reserves	832,368,123.05
The total amount of the confirmed fees paid by the equity-settled shares in the current period	0.00

Other descriptions:

Restricted Share Incentive Plan 2021

(I) According to the Proposal on Company's <2021 Restricted Stock Incentive Plan (Revised Draft)> and its Summary and the *Proposal on Requesting the General Meeting of Shareholders to Authorize the Board of Directors to Handle Matters Concerning Stock Ownership Incentives* reviewed and approved at the Company's First Extraordinary General Meeting of 2021 held on May 17, 2021, as well as *Proposal on Adjusting the Price of the First Grant of Restricted Stock Incentive Plan in 2021 and Proposal on First Grant of Restricted Stock to Part of Incentive Recipients* reviewed and approved at the 21st Meeting of the 7th Board of Directors and the 21st Meeting of the 7th Board of Supervisors held on May 28, 2021, the Company grants 139.20 million restricted shares to 5,001 stock ownership incentive plan participants at price of RMB15.64 per share on May 28, 2021 which was determined as the date of granting restricted shares.

The restricted stock trade period of the restricted shares granted for the first time under the incentive plan is respectively 12 months, 24 months and 36 months from listing of the restricted shares. The restricted shares granted under the incentive plan are not allowed to be transferred or used to secure the repayment or repay debts within the restricted stock trade period.

The Company will repurchase and deregister the restricted shares the restriction on sales is not requested to be released or cannot be requested to be released because the conditions for such release are not satisfied.

The shares obtained by the incentive objects holding restricted shares due to conversion of capital reserve into share capital, stock dividend and stock split are restricted from sale within the same period as the restricted shares and are not allowed to be sold or otherwise transferred in a secondary market. The sales restrictions on such shares are released at the same time as those on restricted shares.

Conditions for release of sales restrictions

The sales restrictions on restricted shares held by incentive objects may be released only when the conditions for such release as given in the *Management Measures* and the conditions listed below are satisfied by the Company:

1. Performance assessment requirements of the Company

The sales restrictions on restricted shares granted under the incentive plan should be released in a year when the Company achieves the financial performance target of the year: the Company's financial performance indicators should be assessed in each fiscal year from 2021 to 2023 based on the average net profit attributable to shareholders in 2017-2019 after deducting non-recurring profit and loss. The performance target of each year is listed below:

Unlocking period	Performance target
The first unlocking period	The Company's net profit attributable to shareholders in 2021 after deducting non-recurring profit and loss increases by at least 10% over the average net profit attributable to shareholders in 2017-2019 after deducting non-recurring profit and loss
The second unlocking period	The Company's net profit attributable to shareholders in 2022 after deducting non-recurring profit and loss increases by at least 20% over the average net profit attributable to shareholders in 2017-2019 after deducting non-recurring profit and loss
The third unlocking period	The Company's net profit attributable to shareholders in 2023 after deducting non-recurring profit and loss increases by at least 30% over the average net profit attributable to shareholders between 2017 and 2019 after deducting non-recurring profit and loss

If the Company fails to achieve the performance target listed above in a year, the sales restrictions on the restricted shares held by the incentive objects that may be released in the year should not be released and the Company should repurchase and deregister such restricted shares.

2. Requirements for individual performance assessment

In accordance with the Company's current performance assessment method, if an incentive object's performance in the last year is assessed to be outstanding/good/acceptable, the sales restrictions on the restricted shares held by the incentive object should be released proportionally and the remaining restricted shares on which the sales restrictions are not released should be repurchased and deregistered by the Company. If an incentive object's performance in the last year is assessed to be unacceptable,the restricted shares granted to the incentive object in the respective unlocking period on which the sales restrictions are not released should be repurchased at the grant price plus the bank deposit interest in the same period and deregistered by the Company.

The 141,860,000.00 restricted shares were first granted on May 28, 2021, which were issued on July 2, 2021. The restricted shares have been completely transferred.

(II) The *Proposal on Granting Restricted Stock to Incentive Recipients Whose Grants Deferred* was reviewed and approved at the 27th Meeting of the 7th Board of Directors and the 27th Meeting of the 7th Board of Supervisors on

September 3, 2021. The restricted purchase period for Mr. HE Benliu has expired as of September 3, 2021, and both the meetings agreed to grant 2.8 million restricted shares at the price of RMB15.64 per share to Mr. HE Benliu, eligible recipient of the deferred incentive grant, on September 3, 2021 as the grant date.

The restricted stock trade period of the restricted shares granted for the first time under the incentive plan is respectively 12 months, 24 months and 36 months from listing of the restricted shares. The restricted shares granted under the incentive plan are not allowed to be transferred or used to secure the repayment or repay debts within the restricted stock trade period.

The Company will repurchase and deregister the restricted shares the restriction on sales is not requested to be released or cannot be requested to be released because the conditions for such release are not satisfied.

The shares obtained by the incentive objects holding restricted shares due to conversion of capital reserve into share capital, stock dividend and stock split are restricted from sale within the same period as the restricted shares and are not allowed to be sold or otherwise transferred in a secondary market. The sales restrictions on such shares are released at the same time as those on restricted shares.

Conditions for release of sales restrictions

The sales restrictions on restricted shares held by incentive objects may be released only when the conditions for such release as given in the *Management Measures* and the conditions listed below are satisfied by the Company:

1. Performance assessment requirements of the Company

The sales restrictions on restricted shares granted under the incentive plan should be released in a year when the Company achieves the financial performance target of the year: the Company's financial performance indicators should be assessed in each fiscal year from 2021 to 2023 based on the average net profit attributable to shareholders in 2017-2019 after deducting non-recurring profit and loss. The performance target of each year is listed below:

Unlocking period	Performance target
The first unlocking period	The Company's net profit attributable to shareholders in 2021 after deducting non-recurring profit and loss increases by at least 10% over the average net profit attributable to shareholders in 2017-2019 after deducting non-recurring profit and loss
The second unlocking period	The Company's net profit attributable to shareholders in 2022 after deducting non-recurring profit and loss increases by at least 20% over the average net profit attributable to shareholders in 2017-2019 after deducting non-recurring profit and loss
The third unlocking period	The Company's net profit attributable to shareholders in 2023 after deducting non-recurring profit and loss increases by at least 30% over the average net profit attributable to shareholders between 2017 and 2019 after deducting non-recurring profit and loss

If the Company fails to achieve the performance target listed above in a year, the sales restrictions on the restricted shares held by the incentive objects that may be released in the year should not be released and the Company should repurchase and deregister such restricted shares.

2. Requirements for individual performance assessment

In accordance with the Company's current performance assessment method, if an incentive object's performance in the last year is assessed to be outstanding/good/acceptable, the sales restrictions on the restricted shares held by the incentive object should be released proportionally and the remaining restricted shares on which the sales restrictions are not released should be repurchased and deregistered by the Company. If an incentive object's performance in the last year is assessed to be unacceptable,the restricted shares granted to the incentive object in the respective unlocking period on which the sales restrictions are not released should be repurchased at the grant price plus the bank deposit interest in the same period and deregistered by the Company.

Under this incentive plan, the first grant date is September 3, 2021, and the total number of restricted shares actually granted is 2.8 million. The restricted shares have been completely transferred.

(III) The *Proposal on Granting Reserved Restricted Stock to Incentive Recipients* was reviewed and approved at the 36th Meeting of the 7th Board of Directors and the 36th Meeting of the 7th Board of Supervisors on May 17, 2022, authorizing the grant of 10 million restricted shares at the price of RMB9.38 per share to 883 incentive recipients on May 17, 2022 as the grant date. Some incentive recipients voluntarily gave up the options to subscribe for 25,000 restricted shares to be granted by the Company, and as a result, only 833 incentive recipients were actually granted 9.975 million reserved restricted shares.

The lock-up periods for the restricted shares granted under the incentive plan is respectively 12 months and 24 months from listing of the restricted shares so granted. The restricted shares granted under the incentive plan are not allowed to be transferred or used to secure the repayment or repay debts within the restricted stock trade period.

The Company will repurchase and deregister the restricted shares the restriction on sales is not requested to be released or cannot be requested to be released because the conditions for such release are not satisfied.

The shares obtained by the incentive objects holding restricted shares due to conversion of capital reserve into share capital, stock dividend and stock split are restricted from sale within the same period as the restricted shares and are not allowed to be sold or otherwise transferred in a secondary market. The sales restrictions on such shares are released at the same time as those on restricted shares.

Conditions for release of sales restrictions

The sales restrictions on restricted shares held by incentive objects may be released only when the conditions for such release as given in the *Management Measures* and the conditions listed below are satisfied by the Company:

1. Performance assessment requirements of the Company

The sales restrictions on restricted shares granted under the incentive plan should be released in a year when the Company achieves the financial performance target of the year: the Company's financial performance indicators should be assessed in each fiscal year from 2022 to 2023 based on the average net profit attributable to shareholders in 2017-2019 after deducting non-recurring profit and loss. The performance target of each year is listed below:

Unlocking period	Performance target
The first unlocking period	The Company's net profit attributable to shareholders in 2022 after deducting non-recurring profit and loss increases by at least 20% over the average net profit attributable to shareholders in 2017-2019 after deducting non-recurring profit and loss
The second unlocking period	The Company's net profit attributable to shareholders in 2023 after deducting non-recurring profit and loss increases by at least 30% over the average net profit attributable to shareholders between 2017 and 2019 after deducting non-recurring profit and loss

If the Company fails to achieve the performance target listed above in a year, the sales restrictions on the restricted shares held by the incentive objects that may be released in the year should not be released and the Company should repurchase and deregister such restricted shares.

2. Requirements for individual performance assessment

In accordance with the Company's current performance assessment method, if an incentive object's performance in the last year is assessed to be outstanding/good/acceptable, the sales restrictions on the restricted shares held by the incentive object should be released proportionally and the remaining restricted shares on which the sales restrictions are not released should be repurchased and deregistered by the Company. If an incentive object's performance in the last year is assessed to be unacceptable,the restricted shares granted to the incentive object in the respective unlocking period on which the sales restrictions are not released should be repurchased at the grant price plus the bank deposit interest in the same period and deregistered by the Company.

Under this incentive plan, the grant date of the reserved restricted shares is May 17, 2022, and the total number of restricted shares actually granted is 9.975 million. The registration required in connection with the grant of restricted shares made pursuant to this incentive plan has been completed.

3. Share-based payments settled in cash

□ Applicable ☑ Not applicable

4. Share-based payment expenses during this period

☑ Applicable □ Not applicable

Monetary Unit: RMB

Classification of incentive recipients	Equity-settled share-based payment expenses	Cash-settled share-based payment expenses
Management and key employees	109,122,692.58	
Management and key employees of Donggao Zirconium, a subsidiary of the Company	1,847,438.05	
Total	110,970,130.63	

5. Modification and termination of share-based payment

No modification or termination of share-based payment has occured during this reporting period.

XVI. Commitments and Contingencies

1. Important commitments

Important commitments on balance sheet date

(1) Undertakings Made Before Consolidation with Financial Statements of Zhenxing Mining

On November 18, 2022, Zhenxing Mining was merged into the Company. In September 2021, the Intermediate People's Court of Panzhihua City approved the restructuring plan of Fengyuan Mining and its subsidiaries, pursuant to which Zhenxing Mining as investor in the restructuring of Fengyuan Mining and its subsidiaries should fund Fengyuan Mining and its subsidiaries in their business operations and payment of their debts, etc., and the restructuring plan should be completed in five years from the date of approval by the court.

(2) Provision of guarantee for dealers' and customer's acceptance bill

On December 29, 2022, the Company signed a Financial Network Service Agreement with its dealers and customers at its partner banks. Pursuant to the Agreement, those customers and dealers should open margin accounts at the partner banks, and when acceptance bills are issued to purchase the Company's products, those dealers and customers should deposit at least 50% of the face value of the acceptance bills into those accounts as margin, and the partner banks should issue bank acceptance bills with those dealers and customers as the payer and the Company and its subsidiaries as the payee for the sole purpose of paying purchase price to the Company and its subsidiaries. If when the acceptance bills expire, those dealers and customers fail to make adequate deposit as required, the Company and its subsidiaries should pay such difference to the partner banks and pay the overdue interest arising therefrom. The line under the Agreement is RMB150 million. As at December 31, 2023, the balance of the guarantee

provided to customers was RMB0.

(3) The Company entered into an earn-out agreement with the strategic investors of Yunnan National Titanium

It was proposed that Yunnan National Titanium be spun off for separate listing, after which 19 strategic investors would be introduced to and make investments in the aggregate amount of RMB 2.272 billion in Yunnan National Titanium. LB Group entered into an earn-out agreement with the strategic investors, pursuant to which the Group undertook that it should redeem the principal amount the strategic investors invested in Yunnan National Titanium and pay the funding costs at 8% per annum to them (which obligation should become void ab initio as of the day immediately preceding before the date of issuance of the first financial report of Yunnan National Titanium after its listing) if Yunnan National Titanium should fail to be listed by June 30, 2027. The Group is now actively pushing forward the listing of Yunnan National Titanium.

(4) Establishment of Subsidiaries

At the seventh meeting of the eighth board of directors and the seventh meeting of the eighth board of supervisors on October 18, 2023, the *Proposal for Establishment of Subsidiaries* was reviewed and approved, authorizing the establishment of the following two companies:

1) Wuding National Titanium Metal Co., Ltd., one of the Company's subsidiaries, intended to establish and make the capital contribution of RMB 270,000,000.00 to a wholly-owned subsidiary named "Yunnan National Titanium Resource Development Co., Ltd." (subject to approval by the competent administration for market regulation). The business scope of the proposed subsidiary would include the followings: mineral resource exploitation at non-coal mines and common non-ferrous metal metallurgy; manufacturing of non-ferrous alloy; non-ferrous metal rolling; non-ferrous metal casting; sale of non-ferrous alloy; mineral dressing; sale of dedicated metallurgy equipment; manufacturing of dedicated metallurgy equipment; manufacturing of metal materials; research and development of new material technologies; sale of high-performance non-ferrous metal and alloy materials; sale of metallic ores; manufacturing of mining machinery; sale of mining machinery; manufacturing of kilns, smelters and electric furnaces; and sale of kilns, smelters and electric furnaces.

2) It was proposed that Yunnan National Titanium Resource Development Co., Ltd. and Wuding Kuangtou Mineral Resource Development Co., Ltd. ("Wuding Kuangtou") jointly establish a company named "Wuding National Titanium Minerals Co., Ltd." (subject to approval by the competent administration for market regulation) ("Wuding Minerals") and make capital contribution in the aggregate amount of RMB 300,000,000.00 to the company,

including RMB 270,000,000.00 to be paid by National Titanium Resource and RMB 30,000,000.00 to be paid by Wuding Kuangtou. The business scope of the proposed subsidiary would include the followings: licensed activities: mineral resource exploitation at non-coal mines (Any activities subject to any approval under the laws may be carried out only upon such approval having been obtained, and the specific activities shall be as set out in the approval or license issued by the relevant competent authority); and general activities: common non-ferrous metal metallurgy manufacturing of non-ferrous alloy; non-ferrous metal rolling; non-ferrous metal casting; sale of non-ferrous alloy; mineral dressing; sale of dedicated metallurgy equipment; manufacturing of dedicated metallurgy equipment; manufacturing of metal materials; research and development of new material technologies; sale of high-performance non-ferrous metal and alloy materials; sale of metallic ores; manufacturing of mining machinery; sale of mining machinery; manufacturing of kilns, smelters and electric furnaces; and sale of kilns, smelters and electric furnaces.

2. Contingencies

(1) Important contingencies on balance sheet date

Letters of guarantee and letters of credit issued by the Company

The outstanding letters of credit of the Company as at December 31, 2023 are detailed below:

Name of Group Company	Financial Institution	Expiration Date of L/C	Currency	Amount (RMB ten thousand)
Billions (Hong Kong)	The Hongkong and Shanghai Banking Corporation Limited	February 20, 2024	USD	1,732.95
Billions New Material	China Construction Bank Corporation	July 30, 2025	EUR	48.50
Billions New Material	China Construction Bank Corporation	August 1, 2024	EUR	21.10
Billions New Material	China Construction Bank Corporation	January 24, 2024	USD	3.19
Billions New Material	China Construction Bank Corporation	April 9, 2024	USD	1,110.00
Billions New Material	China CITIC Bank Corporation Limited	March 25, 2024	USD	937.50
Billions New Material	China CITIC Bank Corporation Limited	March 26, 2024	USD	1,804.50
Orient Zirconic Industry	China Zheshang Bank Co., Ltd. Zhengzhou Branch	February 20, 2024	USD	16.50
Orient Zirconic Industry	China Zheshang Bank Co., Ltd. Zhengzhou Branch	February 20, 2024	USD	187.20
Orient Zirconic Industry	China Zheshang Bank Co., Ltd. Zhengzhou Branch	January 22, 2024	USD	223.20
Orient Zirconic Industry	China Zheshang Bank Co., Ltd. Zhengzhou Branch	February 20, 2024	USD	111.60
Orient Zirconic Industry	China Zheshang Bank Co., Ltd. Zhengzhou Branch	February 20, 2024	USD	223.20

Orient Zirconic Industry	China Zheshang Bank Co., Ltd. Zhengzhou Branch	January 22, 2024	USD	104.00
Orient Zirconic Industry	Industrial Bank Co., Ltd. Luoyang Branch Business Department	June 12, 2024	RMB	12,000.00
Orient Zirconic Industry	Bank of China Limited Shantou Branch	January 23, 2024	RMB	3,555.27
Orient Zirconic Industry	SPD Bank Zhengzhou Branch	January 26, 2024	RMB	500.00
Orient Zirconic Industry	Bank of China Limited Shantou Branch	March 6, 2024	RMB	2,000.00
Orient Zirconic Industry	SPD Bank Zhengzhou Branch	February 4, 2024	RMB	2,000.00

(2) Important contingencies not disclosed by the Company shall also be explained

The Company has no important contingencies that need to be disclosed.

XVII. Matters after the Balance Sheet Date

1. Profit distribution

The Company held the 11th meeting of the 8th Board of Directors on April 22, 2024, at which the Proposal on Profit Distribution 2023 was reviewed and approved. As stated in the Proposal, the Company's dividend distribution in 2023 met the requirements of the *Shareholder Return Plan for the Next Three Years (2023-2025)*, and the Board of Directors, based on the Company's operation status, future development requirements and shareholders' return on investment, decided not to declare and pay cash dividends or issue bonus shares to the shareholders, or capitalize reserves for 2023. Such proposal needs to be submitted to the Company's 2023 Annual General Meeting for consideration.

2. Description of other matters after balance sheet date

Item	Content	Amount of effect on financial position and operating results	Reason why the amount of effect is inestimable
Business combination or disposal of material subsidiaries	The Company had commenced the planning for transfer of its shares in Murray Zircon Pty Ltd. ("Murray Zircon"), one of its sub-subsidiaries, and upon preliminary measurement, it is determined that the planned transaction does not constitute a material asset reorganization.	Inestimable	As at the date of this report, the Company has not entered into any letter of intent to acquire or any other definitive agreement with any prospective buyer, and there is an uncertainty in the transaction.

XVIII. Other Important Matters

1. Division-related information

(1) Basis for determination and accounting policies of reporting divisions

The Company determines the operating divisions based on the internal organizational structure, management requirements and internal reporting system. The operating divisions of the Company refer to components which simultaneously meet the following conditions:

(1) Such components can make income and incur expense in daily activities;

(2) The management can regularly evaluate the operating results of such components to determine the allocation of resources thereto and evaluate their performance;

(3) Financial positions, operating results, cash flow and other related accounting information of such components can be obtained.

The Company determines reporting divisions based on operating divisions which meet one of the following conditions are determined as reporting divisions:

① The income of a operating division accounts for 10% or more of the total income of all divisions;

② The absolute amount of the profit (loss) of a operating division accounts for 10% or more of the absolute amount of the total profits of all profitable divisions or that of total losses of all defective divisions (whichever is bigger).

Given that the Company is engaged in a single business, mainly in production of titanium products and related upstream and downstream products, and that the Management deems this business as a whole to manage and evaluate the Company's operating results, segment information is not contained in these financial statements.

2. Main Effect of Implementation of *Rule No. 15 on Information Disclosure, Compilation and Reporting by Companies Offering Securities Publically - General Rules on Financial Reporting (Revision 2023)*

In preparing these financial statements, the Company has disclosed the required financial information in compliance with the requirements set forth in the *Rule No. 15 on Information Disclosure, Compilation and Reporting by Companies Offering Securities Publically - General Rules on Financial Reporting (Revision 2023)* issued by China Securities Regulatory Commission on December 22, 2023, and save and except for financial instruments, inventory, long-term asset impairment, operating income, cash flow, share-based payment, R&D expenses, government grant, etc., the implementation of those rules has no significant impact on the form of disclosure of the major financial data in a comparable accounting period with respect to all items.

3. As at December 31, 2023, share pledges of top 10 shareholders of the Company are detailed as below:

Name of shareholder	Shareholding ratio (%)	Number of shares held at the end of the reporting period	Number of restricted shares held	Number of unrestricted shares held	Status of shares	Number of shares pledged or frozen
XU Gang	26.25	626,515,969.00	0.00	626,515,969.00	Pledge	275,800,000.00
TAN Ruiqing	8.27	197,384,705.00	0.00	197,384,705.00	Pledge	82,050,000.00
Henan Yintai Investment Co., Ltd.	2.56	61,000,072.00	0.00	61,000,072.00	Pledge	28,900,000.00

XIX. Notes to Major Items in Financial Statements of Parent Company

1. Accounts receivable

(1) Disclosure by account age

Monetary Unit: RMB

Account age	Closing Book Balance	Opening Book Balance
Less than 1 year (including 1 year)	2,044,464,159.15	3,825,950,333.48
1-2 years	469,423,714.38	38,438,283.65
2-3 years	30,138,862.51	1,948,698.53
Over 3 years	4,877,145.32	3,721,039.38
3-4 years	1,112,943.24	54,819.68
4-5 years	54,819.68	377.95
Over 5 years	3,709,382.40	3,665,841.75
Total	2,548,903,881.36	3,870,058,355.04

(2) Classification and disclosure according to accrual method of bad debt provisions

Monetary Unit: RMB

Type	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Percentage	Amount	Proportion of accrual		Amount	Percentage	Amount	Proportion of accrual	
Accounts receivable with bad debt provision set aside individually	2,641,163.25	0.10%	2,641,163.25	100.00%		2,616,109.34	0.07%	2,616,109.34	100.00%	
Including:										
Bad debt provision set aside individually	2,641,163.25	0.10%	2,641,163.25	100.00%		2,616,109.34	0.07%	2,616,109.34	100.00%	
Accounts receivable for which bad debt provision is made on a portfolio basis	2,546,262,718.11	99.90%	15,508,287.38	0.61%	2,530,754,430.73	3,867,442,245.70	99.93%	17,773,084.44	0.46%	3,849,669,161.26
Including:										
Account age combination	273,624,759.53	10.73%	15,508,287.38	5.67%	258,116,472.15	324,224,189.81	8.38%	17,773,084.44	5.48%	306,451,105.37
Combination of related parties	2,272,637,958.58	89.16%			2,272,637,958.58	3,543,218,055.89	91.55%			3,543,218,055.89
Total	2,548,903,881.36	100.00%	18,149,450.63		2,530,754,430.73	3,870,058,355.04		20,389,193.78		3,849,669,161.26

Bad debt provision set aside individually: RMB 2,641,163.25

Monetary Unit: RMB

Name	Opening balance		Closing balance			
	Book balance	Bad debt provision	Book balance	Bad debt provision	Proportion of accrual	Reasons for provision
Hebi Zhongyi Profile Co., Ltd.	761,189.00	761,189.00	761,189.00	761,189.00	100.00%	Expected to unrecoverable
Linhai Weiyi Chemical Materials Co., Ltd.	17,350.00	17,350.00	17,350.00	17,350.00	100.00%	Expected to unrecoverable
Yillong Chemical Group Co., Ltd. (YILONG) Shanghai	1,477,480.34	1,477,480.34	1,502,534.25	1,502,534.25	100.00%	Expected to unrecoverable
Linhai Yaoxin Trading Co., Ltd.	212,400.00	212,400.00	212,400.00	212,400.00	100.00%	Expected to unrecoverable
Zhejiang Jiabang Chemical Co., Ltd.	143,810.00	143,810.00	143,810.00	143,810.00	100.00%	Expected to unrecoverable
Cathay Pigments Industrial Technology (Yixing) Co., Ltd. (formerly known as “Yixing Xingjin Pigments Chemicals Co., Ltd.”)	3,880.00	3,880.00	3,880.00	3,880.00	100.00%	Expected to unrecoverable
Total	2,616,109.34	2,616,109.34	2,641,163.25	2,641,163.25		

Bad debt provision accrued by group: RMB 15,508,287.38

Monetary Unit: RMB

Name	Closing balance		
	Book balance	Bad debt provision	Proportion of accrual
Within 1 year	268,705,034.67	13,435,251.74	5.00%
1-2 years	2,009,090.00	200,909.00	10.00%
2-3 years	686,911.33	206,073.40	30.00%
3-4 years	1,100,684.70	550,342.35	50.00%
4-5 years	36,639.68	29,311.74	80.00%
Over 5 years	1,086,399.15	1,086,399.15	100.00%
Total	273,624,759.53	15,508,287.38	

If bad debt provisions for accounts receivable are made based on the general model of expected credit loss:

□ Applicable ☑ Not applicable

(3) Bad debt provisions accrued, recovered or reversed in the current period

Accrual of bad debt provision of the current period:

Monetary Unit: RMB

Type	Opening balance	Changes in amount of the current period				Closing balance
		Appropriation	Recovery or reversal	Write-off	Other	
Accounts receivable with combined appropriation of bad debt provisions based on credit risk characteristics	17,773,084.44		2,264,797.06			15,508,287.38
Bad debt provision set aside individually	2,616,109.34	25,053.91				2,641,163.25
Total	20,389,193.78	25,053.91	2,264,797.06			18,149,450.63

(4) Top five accounts receivable and contract assets by the closing balance of arrears

Monetary Unit: RMB

Name	Ending balance of accounts receivable	Balance of contract assets at the end of the period	Balance of accounts receivable and contract assets at the end of the period	Percentage in the total balance of accounts receivable and contract assets at the end of the period	Balance of the bad debt provisions receivable and impairment of contract assets at the end of the period
Entity 39	1,263,947,680.67		1,263,947,680.67	49.59%	
Entity 40	408,175,556.40		408,175,556.40	16.01%	
Entity 41	388,717,711.16		388,717,711.16	15.25%	

Entity 42	174,640,101.71		174,640,101.71	6.85%	
Entity 43	30,713,944.92		30,713,944.92	1.20%	
Total	2,266,194,994.86		2,266,194,994.86	88.90%	

2. Other receivables

Monetary Unit: RMB

Item	Closing balance	Opening balance
Dividend receivable	22,100,000.00	
Other receivables	4,484,680,397.82	5,405,638,403.94
Total	4,506,780,397.82	5,405,638,403.94

(1) Dividend receivable

1) Classification of dividends receivable

Monetary Unit: RMB

Project (or Invested Entity)	Closing balance	Opening balance
Billions Finance Lease (Guangzhou) Co., Ltd.	22,100,000.00	
Total	22,100,000.00	

(2) Other receivables

1) Classification of other receivables by nature of account

Monetary Unit: RMB

Nature	Closing Book Balance	Opening Book Balance
Combined receivables and payables between related parties	4,424,980,710.22	5,403,851,772.22
Other receivables and payables	67,293,286.78	5,145,414.61
Reserve	1,642,210.00	366,632.91
Cash deposit	100,000.00	100,000.00
Reimbursed expenses		2,300,000.00
Total	4,494,016,207.00	5,411,763,819.74

2) Disclosure by account age

Monetary Unit: RMB

Account age	Closing Book Balance	Opening Book Balance
Less than 1 year (including 1 year)	4,487,000,077.17	4,239,206,237.74
1-2 years	294,210.00	983,575,375.22
2-3 years	0.00	46,552,340.45
Over 3 years	6,721,919.83	142,429,866.33
3-4 years	113,000.00	3,131,300.50

4-5 years	2,300,000.00	82,696,321.94
Over 5 years	4,308,919.83	56,602,243.89
Total	4,494,016,207.00	5,411,763,819.74

3) Classification and disclosure according to accrual method of bad debt provisions

Monetary Unit: RMB

Type	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Percentage	Amount	Proportion of accrual		Amount	Percentage	Amount	Proportion of accrual	
Bad debt provision set aside individually	4,308,919.83	0.10%	4,308,919.83	100.00%		4,846,874.39	0.09%	4,846,874.39	100.00%	
Including:										
Bad debt provision accrued by portfolio	4,489,707,287.17	99.90%	5,026,889.35	0.11%	4,484,680,397.82	5,406,916,945.35	99.91%	1,278,541.41	0.02%	5,405,638,403.94
Including:										
Account age combination	64,726,576.95	1.44%	5,026,889.35	7.77%	59,699,687.60	3,065,173.13	0.06%	1,278,541.41	41.71%	1,786,631.72
Combination of related parties	4,424,980,710.22	98.56%			4,360,000,543.24	5,403,851,772.22	99.94%			5,403,851,772.22
Total	4,494,016,207.00	100.00%	9,335,809.18		4,484,680,397.82	5,411,763,819.74	100.00%	6,125,415.80		5,405,638,403.94

Bad debt provision set aside individually:

Monetary Unit: RMB

Name	Opening balance		Closing balance			
	Book balance	Bad debt provision	Book balance	Bad debt provision	Proportion of accrual	Reasons for provision
Henan Qingang Gas Co., Ltd.	3,632,580.50	3,632,580.50	3,632,580.50	3,632,580.50	100.00%	Expected to unrecoverable
Henan Hanqi Industry Co., Ltd.	557,913.30	557,913.30	557,913.30	557,913.30	100.00%	Expected to unrecoverable
Henan Huate Construction Engineering Co., Ltd.	118,426.03	118,426.03	118,426.03	118,426.03	100.00%	Expected to unrecoverable
Jiaozuo Guangxing Chemicals Co., Ltd.	537,954.56	537,954.56				
Total	4,846,874.39	4,846,874.39	4,308,919.83	4,308,919.83		

Bad debt provision accrued by group:

Monetary Unit: RMB

Name	Closing balance		
	Book balance	Bad debt provision	Proportion of accrual
Within 1 year	62,019,366.95	3,100,968.35	5.00%
1-2 years	294,210.00	29,421.00	10.00%
3-4 years	113,000.00	56,500.00	50.00%
4-5 years	2,300,000.00	1,840,000.00	80.00%
Total	64,726,576.95	5,026,889.35	

4) Bad debt provisions accrued, recovered or reversed in the current period

Accrual of bad debt provision of the current period:

Monetary Unit: RMB

Type	Opening balance	Changes in amount of the current period				Closing balance
		Appropriation	Recovery or reversal	Charge-off or write-off	Other	
Other receivables with combined appropriation of bad debt provisions based on credit risk characteristics	1,278,541.41	3,750,678.94		2,331.00		5,026,889.35
Other accounts receivable for which the bad debt provision is accrued on single item	4,846,874.39		537,954.56			4,308,919.83
Total	6,125,415.80	3,750,678.94	537,954.56	2,331.00		9,335,809.18

5) Top five other accounts receivable by the closing balance of arrears

Monetary Unit: RMB

Name	Nature	Closing balance	Account age	Proportion in total balance of other receivables at the end of period	Closing balance of bad debt provisions
Entity 44	Internal borrowings	1,285,000,000.00	Within 2 years	28.59%	
Entity 45	Internal borrowings	842,332,784.63	Within 1 year	18.74%	
Entity 43	Internal borrowings	718,717,194.38	Within 2 years	15.99%	
Entity 42	Internal borrowings	668,785,006.12	Within 1 year	14.88%	
Entity 46	Internal borrowings	200,808,500.41	Within 2 years	4.47%	
Total		3,715,643,485.54		82.67%	

3. Long-term equity investment

Monetary Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investment in subsidiaries	18,371,633,297.31		18,371,633,297.31	17,867,784,931.28		17,867,784,931.28
Investment in joint ventures and associates	115,644,809.63		115,644,809.63	141,426,652.91		141,426,652.91
Total	18,487,278,106.94		18,487,278,106.94	18,009,211,584.19		18,009,211,584.19

(1) Investment in subsidiaries

Monetary Unit: RMB

Investee	Opening balance (book value)	Balance of depreciation provisions at the beginning of the period	Increase and decrease in the current period				Closing balance (book value)	Closing balance of impairment provision
			Additional investment	Reduced investment	Appropriation of impairment provision	Other		
Henan Billions New Material Co., Ltd.	1,963,691,330.40		40,000,000.00			11,680,334.04	2,015,371,664.44	
Longbai Sichuan Titanium Industry Co., Ltd.	8,583,753,372.19		600,000,000.00	1,000,000,000.00		11,901,605.59	8,195,654,977.78	
Longbai Sichuan Mining and Metallurgy Co., Ltd.	977,547,057.42					11,459,659.87	989,006,717.29	
Longbai Xiangyang Titanium Industry Co., Ltd.	362,999,508.87					5,103,347.93	368,102,856.80	
Panzhihua Ruierxin Industry and Trade Co., Ltd.	192,140,075.62					302,738.46	192,442,814.08	
Billions (Hong Kong) Co., Ltd.	201,430,486.01					194,058.06	201,624,544.07	
Billions Finance Lease (Guangzhou) Co., Ltd.	173,668,470.03					333,012.24	174,001,482.27	
Jiaozuo Bailiyuan Reservoir Management Co., Ltd.	45,724,645.29					85,149.74	45,809,795.03	
Henan Longxiangshan Tourism Development Co., Ltd.	24,902,771.59					321,493.45	25,224,265.04	
Yunnan Metallurgical Xinli Titanium Co., Ltd.	937,235,853.38					4,377,282.23	941,613,135.61	
Henan Longbai Intelligent Equipment Manufacturing Co., Ltd.	224,250,532.60					2,992,221.50	227,242,754.10	
Shanghai Lomon Billions Technical	5,601,240.17						5,601,240.17	

Service Co., Ltd.								
Yunnan National Titanium Metal Co., Ltd.	1,521,256,653.48			497,000,000.00		4,422,773.69	1,028,679,427.17	
Henan Lomon Billions New Energy Materials Technology Co., Ltd.	95,764,382.34		5,000,000.00				100,764,382.34	
Hunan Oriental Scandium Industry Co., Ltd.	103,387,188.21					1,804,312.14	105,191,500.35	
Henan Billions New Energy Materials Co., Ltd.	1,018,771,335.42					4,879,880.75	1,023,651,216.17	
Guangdong Orient Zirconic Industry Science and Technology Co.,Ltd.	1,259,660,028.26						1,259,660,028.26	
Chaoyang Oriental Zirconium New Materials Co., Ltd.	176,000,000.00					447,283.52	176,447,283.52	
Gansu Bilions Chemical Co., Ltd.			1,000,000,000.00			2,668,455.87	1,002,668,455.87	
Henan Zhongtan New Material Technology Co., Ltd.			291,556,400.00			1,318,356.95	292,874,756.95	
Total	17,867,784,931.28		1,936,556,400.00	1,497,000,000.00		64,291,966.03	18,371,633,297.31	

(2) Investment in joint ventures and associates

Monetary Unit: RMB

Investee	Opening balance (book value)	Balance of depreciation provisions at the beginning of the period	Increase and decrease in the current period								Closing balance (book value)	Closing balance of impairment provision
			Additional investment	Reduced investment	Investment profit and loss recognized through the equity method	Adjustment of other comprehensive income	Other changes in equity	Cash dividends or profits declared and paid	Appropriation of impairment provision	Other		
I. Joint ventures												
II. Associates												
Chongqing Guocuang Light Alloy Research Institute Co. Ltd.	30,030,301.92				-3,935,274.98						26,095,026.94	
Henan Zhongyuan Titanium Industry Co., Ltd.	9,932,261.54		40,000,000.00		-2,886,133.09						47,046,128.45	
Zhejiang Huayuan Pigment Co.,	39,942,478.55				2,561,175.69						42,503,654.24	

Ltd.												
Jiaozuo Demonstration Zone Yili Microfinance Co., Ltd.	61,521,610.90			61,458,172.87	673,184.98					-736,623.01		
Subtotal	141,426,652.91		40,000,000.00	61,458,172.87	-3,587,047.40					-736,623.01	115,644,809.63	
Total	141,426,652.91		40,000,000.00	61,458,172.87	-3,587,047.40					-736,623.01	115,644,809.63	

Recoverable amount calculated at the fair value minus the costs of disposal

□ Applicable ☑ Not applicable

Recoverable amount calculated at the present value of estimated future cash flow

□ Applicable ☑ Not applicable

4. Operating income and operating cost

Monetary Unit: RMB

Item	Amount in the current period		Amount in the previous period	
	Income	Cost	Income	Cost
Principal business activities	6,105,647,231.38	5,327,806,259.63	6,341,821,104.96	5,486,942,380.51
Other business	1,043,043,874.92	984,594,771.32	1,093,104,289.11	978,623,719.60
Total	7,148,691,106.30	6,312,401,030.95	7,434,925,394.07	6,465,566,100.11

Details about the specific composition of operating income and operating costs:

Monetary Unit: RMB

Classification of contracts	Component 1		Component 2				Total	
	Operating income	Operating costs	Operating income	Operating costs	Operating income	Operating costs	Operating income	Operating costs
Type of business								
Including:								
Titanium dioxide	4,088,776,962.52	3,654,184,120.69						
Iron products	42,187,652.67	4,015,662.92						
Other	3,017,726,491.11	2,654,201,247.34						
Classification by region								
Including:								
Market or customer type								

Including:								
Contract type								
Including:								
Classification by date of transfer of goods								
Including:								
Classification by contract term								
Including:								
Classification by sales channel								
Including:								
Total								

V. Investment income

Monetary Unit: RMB

Item	Amount in the current period	Amount in the previous period
Long-term equity investment income calculated based on equity method	-3,587,047.40	1,552,647.69
Investment income from disposal of long-term equity investment	-1,594,795.88	84,756,495.50
Investment income from long-term equity measured based on the cost method	2,447,200,000.00	2,489,000,000.00
Investment income from debt restructuring	861,264.58	740,006.61
Bank financing income	1,000.00	140,000.00
Discount commission	-46,525,304.98	-34,663,652.48
Total	2,396,355,116.32	2,541,525,497.32

XX. Supplementary Information

1. Detailed statement of current non-recurring profit and loss

☑ Applicable □ Not applicable

Monetary Unit: RMB

Item	Amount	Note
Profit and loss from the disposal of non-current assets	-9,464,198.05	
Government grants included in current profit and loss (other than those closely related to normal operation of the Company which comply with the applicable national policies, are granted according to defined standards and have continuing effect on the profits or losses of the Company)	109,670,793.64	
Except for effective hedging business related to normal operation of the Company, profits or losses from changes in fair value of financial assets and financial liabilities held by a non-financial institution, and from disposal of such financial assets and financial liabilities	1,000.00	
Fund occupation fees charged to non-financial enterprises and included in current profit and loss	26,633,579.18	
Reversal of the provision for impairment of receivables undergoing separate impairment test	3,389,294.56	
Profit and loss of debt restructuring	17,201,885.18	
Other non-operating income and expenses other than those mentioned above	-252,380.69	
Other profits and losses within the meaning of non-recurring profit and loss	-15,750,000.00	
Less: Amount income tax affected	14,817,270.09	
Amount of minority equity affected (After-tax)	6,073,233.72	
Total	110,539,470.01	--

Particulars about other profits and losses within the meaning of non-recurring profit and loss:

□ Applicable ☑ Not applicable

No other profits and losses within the meaning of non-recurring profit and loss.

About non-recurring profit and loss under *No. 1 Interpretive Announcement on Information Disclosure of Public Securities Offer – Non-recurring Profit and Loss* being defined as recurring profit and loss items.

□ Applicable ☑ Not applicable

2. Return on equity and earnings per share

Profit in the Reporting Period	Weighted average return on equity	Earnings per share	
		Basic earnings per share (RMB/share)	Diluted earnings per share (RMB/share)
Net profits attributable to common shareholders in the Company	14.56%	1.38	1.35
Net profits attributable to common shareholders of the Company after deducting non-recurring profit and loss	14.06%	1.33	1.30

3. Differences in accounting data under the domestic and foreign accounting standards

(1) Differences in net profit and net assets in financial reports disclosed in accordance with international accounting standards and Chinese accounting standards, respectively

□ Applicable ☑ Not applicable

(2) Differences in net profit and net assets in financial reports disclosed in accordance with overseas accounting standards and Chinese accounting standards, respectively

□ Applicable ☑ Not applicable

(3) Description of differences in accounting data under domestic and foreign accounting standards, which shall indicate name of foreign institution if any difference adjustment is made to data that has been audited by foreign audit institution

4. Other

LB Group Co., Ltd.

Chairman: HE Benliu

April 22, 2024