

## Announcement on the Deposit and Usage of the Proceeds from GDR Offering

The company and all members of the board of directors guarantee that there are no false records, misleading statements or major omissions in the content of the announcement, and will bear individual and joint responsibilities for the authenticity, accuracy and completeness of the content.

### **I. Approval procedures for the offering and listing of GDR on the SIX Swiss Exchange and the results of the offering**

The Company convened the Eleventh Extraordinary Meeting of the Eighth Session of the Board of Directors and the Fourth Extraordinary General Meeting of 2022 on 3 May, 2022 and 15 June, 2022, respectively, at which it deliberated and passed the "Proposal for the Company's Offering of GDRs and Listing on the SIX Swiss Exchange and its Conversion into a Joint Stock Company whose Shares are Listed Overseas ", "Proposal for the Scheme of the Company's Offering of GDRs and Listing on the SIX Swiss Exchange " and other proposals associated to the offering.

In November 2022, the Company received the "Approval of the Initial Public Offering of Global Depositary Receipts and Listing on the SIX Swiss Exchange of Fangda Carbon New Material Co., Ltd." issued by CSRC (Securities Regulatory Commission Approval [2022] No. 2612), according to the approval, the CSRC approved the Company's offering of no more than 570,895,555 additional A-share underlying shares corresponding to the issuance of 57,089,555 GDRs, and the number of GDRs to be issued should not exceed 57,089,555 based on the conversion ratio determined by the Company. In December 2022, the Company obtained the conditional approval from the SIX Exchange Regulation (SER) for the issuance of GDRs by the Company and listing on the SIX Swiss Exchange and the approval of the Prospectus Office of SIX Swiss Exchange in respect of the prospectus for the offering.

On 15 March 2023, the actual number of GDRs issued by the Company was 22,000,000 shares which represents 220,000,000 A-shares underlying securities, and the final price of the offering was US\$ 8.63 per GDR, the total proceeds from the offering of GDRs is US\$ 189,860,000.00, and net proceeds after deduction of the underwriting expenses and the correspondent bank charges is US\$ 188,964,964,000.00 (equivalent to RMB 1,303,583,222.80 based on the central parity rate of RMB exchange rate in the inter-bank foreign exchange market announced by the China Foreign Exchange Trading Centre as authorized by the People's Bank of China on 17 March 2023 and 23 March 2023, which was US\$1=RMB 6.9052 and US\$1=RMB 6.8374 respectively).

## II. Deposit and usage of proceeds from the offering of GDRs and listing on the SIX Swiss Exchange

### (I) Usage of GDR proceeds

According to the prospectus for the offering of GDR , the Company intends to use approximately 85% of the net proceeds on the Company's expansion of Company's business, especially to enhance the production capacity of its carbon block and the R&D expenses of new carbon materials, such as graphene, in addition, to extend the carbon material value chain; furthermore, around 15% of net proceeds are expected to be used to pay off indebtedness, supplement working capital and for general corporate purposes. If the Company deems the aforementioned any specific areas to be unrealizable, the corresponding intended portion of the proceeds will be used to replenish its capital and for general corporate purposes. The Company will have broad discretion in the utilization of the proceeds from the offering. The foregoing expected use of proceeds will be based on our business plan and conditions, and may change in light of business plans, conditions, regulatory requirements and prevailing market conditions and in a way that is consistent with its business strategies and in accordance with applicable laws.

### (II) Deposit of GDR funds

The total proceeds raised by the Company from the issuance of GDRs amounted to US\$189,860,000.00, and the net proceeds remitted to the Company's account at Citibank, N.A., Hong Kong Branch is US\$188,964,397.96 (after the deduction of the underwriting fees and transit bank charges). Details are as follows:

| Bank                      | Remittance Value | Currency |
|---------------------------|------------------|----------|
| Citibank, N.A., Hong Kong | 188,964,397.96   | USD      |
| Total                     | 188,964,397.96   |          |

As of 30 June , 2023, the specific deposits and balances in the Company's GDR fundraising account were as follows:

| Bank                                                               | Balance of Proceeds | Currency |
|--------------------------------------------------------------------|---------------------|----------|
| Citibank, N.A., Hong Kong                                          | 66,768.46           | USD      |
| Bank of China Limited<br>Lanzhou Honggu Sub-branch                 | 22,570.75           | USD      |
| Business Department,<br>Shenyang Branch, China<br>Minsheng Banking | 1,304,159,726.05    | RMB      |

|                     |  |  |
|---------------------|--|--|
| Corporation Limited |  |  |
|---------------------|--|--|

Note: The balance of proceeds includes other issue expenses not deducted.

### **III. Usage of proceeds raised through GDR**

As of 30 June, 2023, the proceeds from the offering of GDRs have not been formally utilized.

Fangda Carbon New Material Co., Ltd. Board of Directors

29 August 2023