

Fangda Carbon New Material Co., Ltd.

**Announcement on Increasing the Scope of Business and Amending Some Articles of
the Articles of Association**

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 this announcement, and they shall bear the individual responsibility and the joint and several responsibilities for the authenticity, accuracy and integrity of the content.

Fangda Carbon New Material Technology Co., Ltd. (hereinafter referred to as the Company) held the 28th Interim Meeting of the Eighth Board of Directors on 13 April 2023 to deliberate and approve the "Proposal on Increasing the Scope of Business and Amending Some Articles of the Articles of Association".

Considering that the 220,000,000 shares of the underlying securities corresponding to the Company's global depositary receipts (hereinafter referred to as GDR) have been registered and the Company's business development needs, on the basis of the original business scope, "import and export of goods; technology import and export; import and export agency; sales of Class II medical devices; wholesale of medical masks; retail of medical masks;" and other contents, according to the requirements of the Administration of Market Regulation on the standardization of registration of business scope of enterprises and the latest regulations of laws, regulations and regulatory documents, combined with the actual situation of the Company, it is hereby proposed to amend the relevant articles of the Company's Articles of Association applicable after the Company's GDR listing. The specific amendments are as follows:

Before amending	after amending
Article 3 On 7 August, 2002, approved by the China Securities Regulatory Commission (hereinafter referred to as "CSRC"), the Company issued 249,630,000 RMB ordinary (hereinafter	Article 3 On 7 August, 2002, approved by the China Securities Regulatory Commission (hereinafter referred to as "CSRC"), the Company issued 249,630,000 RMB ordinary (hereinafter

referred to as A-shares) shares to the public for the first time and was listed on the Shanghai Stock Exchange on 30 August, 2002. On [], 2022, approved by the China Securities Regulatory Commission, the Company issued [] Global Depositary Receipts (hereinafter referred to as GDRs), which represented [] A-shares according to the conversion ratio determined by the Company, and was listed on the Swiss Stock Exchange on [], 2022.	referred to as A-shares) shares to the public for the first time and was listed on the Shanghai Stock Exchange on 30 August, 2002. On 28 October, 2022, approved by the China Securities Regulatory Commission, the Company issued 22,000,000 Global Depositary Receipts (hereinafter referred to as GDRs), which represented 22,000,000 A-shares according to the conversion ratio determined by the Company, and was listed on the Swiss Stock Exchange on 15 March, 2023.
Article 6 The registered capital of the Company is RMB [].	Article 6 The registered capital of the Company is RMB 4,025,970,368.
Article 14 After legal registration, the Company's business scope is: development, technological research and development, technology promotion, production and processing, wholesale and retail of graphite and new carbon materials; development, technological research and development, technology promotion, production and processing, wholesale and retail of carbon fiber, special carbon products, high-purity graphite products, carbon/carbon composites, and lithium ion battery anode material; research and development, production, sales, and technical services of graphene and downstream	Article 14 Licensed items: production of Class II medical devices; catering services; production of medical masks. (For the items subject to approval, business activities are carried out after getting approval by relevant authorities. The validity period is subject to license. The specific business items are subject to the approval documents or licenses of the relevant departments).*** General items: new material technology research and development; new material technology promotion services; graphite and carbon product manufacturing; graphite and carbon product sales; graphene material sales; seal

products; research and development, production, and sales of graphene functional masks; import and export of self-produced products and technologies; import and export of raw and auxiliary materials, mechanical equipment, instruments and meters, spare parts, and technology required for the production of the enterprise (except for varieties restricted by the state); processing with imported materials and the three types of processing plus compensation trades; catering services, hotels, accommodation services.	manufacturing; refractory material production; refractory material sales; coal activated carbon and others coal processing; carbon fiber recycling technology research and development; emerging energy technology research and development; high-performance fiber and composite material manufacturing; high-performance fiber and composite material sales; coal and product sales; import and export of goods; technology import and export; import and export agency; sales of Class II medical devices; wholesale of medical masks; retail of medical masks; (requires filing) land use right leasing; housing leasing; non-residential real estate leasing; machinery and equipment leasing; manufacturing of non-metallic mineral products; sales of non-metallic minerals and their products; ; sales of non-ferrous metal alloys; sales of chemical products (excluding licensed chemical products); sales of building materials; hotel management; catering management; sales of hygiene products and disposable medical products; sales of daily masks (non-medical); production of daily masks (non-medical); labor services (excluding labor dispatch). (Except for the items that must be approved according to law, the business activities
--	--

	shall be carried out independently according to law with the business license) ***
Article 19 The promoters of the Company are Lanzhou Carbon Group Co., Ltd., Yaojie Mining Bureau, Shitanjing Mining Bureau, Gansu Qilianshan Cement Group Co., Ltd. and Lanzhou Kejin Technology Co., Ltd. with the subscribed shares of 116,000,000, 1,500,000, 1,000,000, 1,000,000, and 500,000, respectively. Lanzhou Carbon Group Co., Ltd. shall make capital contribution based on the net assets after evaluation and confirmation, and other promoters shall make capital contribution in cash. The time of contribution was 18 January, 1999. On 28 September, 2006, Liaoning Fangda Group Industrial Co., Ltd. obtained 103,230,000 shares (51.62% of the registered capital) of Lanzhou Carbon Group Co., Ltd. (formerly Lanzhou Carbon Co., Ltd.) through judicial auction, becoming the controlling shareholder of the Company. On 25 January, 2007, the Company completed the equity division reform. The Company transferred 10 shares for every 10 shares to Liaoning Fangda Group Industrial Co., LTD through capital reserve fund, and 12.096 shares for every 10 shares to the shareholders of	Article 19 The promoters of the Company are Lanzhou Carbon Group Co., Ltd., Yaojie Mining Bureau, Shitanjing Mining Bureau, Gansu Qilianshan Cement Group Co., Ltd. and Lanzhou Kejin Technology Co., Ltd. with the subscribed shares of 116,000,000, 1,500,000, 1,000,000, 1,000,000, and 500,000, respectively. Lanzhou Carbon Group Co., Ltd. shall make capital contribution based on the net assets after evaluation and confirmation, and other promoters shall make capital contribution in cash. The time of contribution was 18 January, 1999. On 28 September, 2006, Liaoning Fangda Group Industrial Co., Ltd. obtained 103,230,000 shares (51.62% of the registered capital) of Lanzhou Carbon Group Co., Ltd. (formerly Lanzhou Carbon Co., Ltd.) through judicial auction, becoming the controlling shareholder of the Company. On 25 January, 2007, the Company completed the equity division reform. The Company transferred 10 shares for every 10 shares to Liaoning Fangda Group Industrial Co., LTD through capital reserve fund, and 12.096 shares for every 10 shares to the shareholders of

tradable shares. After the reform, the total share capital of the Company was 400,000,000 shares. On 4 July, 2008, the Company completed the non-public issuance of shares. Liaoning Fangda Group Industrial Co., Ltd., the Company's controlling shareholder, subscribed for 124,674,220 shares with its 97.99% equity in Fushun Laihe Mining Co., Ltd., and nine other institutional investors subscribed for 114,864,729 shares in cash. The total share capital of the Company changed from 400,000,000 shares to 639,538,949 shares. The Company held the 2008 Annual Meeting of Shareholders General Assembly on 23 June, 2009, on which the “Proposal on the Conversion of Capital Reserve Fund to Share Capital in 2008” was reviewed and approved. On the basis of the total share capital of 639,538,949 shares as at 31 December 2008, 10 shares for every 10 shares were issued to all shareholders by way of conversion of capital reserve, resulting in a total conversion of 639,538,949 shares. On 13 July, 2009, the share capital of the Company became 1,279,077,898 shares after the conversion from the capital reserve fund. As deliberated and approved by the Company's 2012 Annual Meeting of Shareholders General	tradable shares. After the reform, the total share capital of the Company was 400,000,000 shares. On 4 July, 2008, the Company completed the non-public issuance of shares. Liaoning Fangda Group Industrial Co., Ltd., the Company's controlling shareholder, subscribed for 124,674,220 shares with its 97.99% equity in Fushun Laihe Mining Co., Ltd., and nine other institutional investors subscribed for 114,864,729 shares in cash. The total share capital of the Company changed from 400,000,000 shares to 639,538,949 shares. The Company held the 2008 Annual Meeting of Shareholders General Assembly on 23 June, 2009, on which the “Proposal on the Conversion of Capital Reserve Fund to Share Capital in 2008” was reviewed and approved. On the basis of the total share capital of 639,538,949 shares as at 31 December 2008, 10 shares for every 10 shares were issued to all shareholders by way of conversion of capital reserve, resulting in a total conversion of 639,538,949 shares. On 13 July, 2009, the share capital of the Company became 1,279,077,898 shares after the conversion from the capital reserve fund. As deliberated and approved by the Company's 2012 Annual Meeting of Shareholders General
---	---

Assembly held in February 2013, the Company implemented and completed the plan to convert capital reserve into share capital in March 2013. On the basis of the total share capital of 1,279,077,898 shares as at 31 December 2012, 2 shares for every 10 shares were issued to all shareholders by way of conversion of capital reserve, resulting in a total conversion of 255,815,580 shares. The share capital of the Company became 1,534,893,478 shares after conversion. In June 2013, the Company completed the non-public issuance of 184,266,900 shares to three investors, namely, HuaAn Fund Management Co., Ltd., Minsheng Royal Fund Management Co., Ltd., and Yinhua Wealth Capital Management (Beijing) Co., Ltd., and the Company's total share capital changed from 1,534,893,478 shares to 1,719,160,378 shares. As deliberated and approved by the Company's Third Interim Meeting of Shareholders General Assembly in 2017, the Company implemented the first phase of stock options and restricted stock scheme. In July 2017, incentive objects subscribed for 69,634,000 restricted shares, and the Company's total share capital changed from 1,719,160,378 shares to 1,788,794,378 shares.	Assembly held in February 2013, the Company implemented and completed the plan to convert capital reserve into share capital in March 2013. On the basis of the total share capital of 1,279,077,898 shares as at 31 December 2012, 2 shares for every 10 shares were issued to all shareholders by way of conversion of capital reserve, resulting in a total conversion of 255,815,580 shares. The share capital of the Company became 1,534,893,478 shares after conversion. In June 2013, the Company completed the non-public issuance of 184,266,900 shares to three investors, namely, HuaAn Fund Management Co., Ltd., Minsheng Royal Fund Management Co., Ltd., and Yinhua Wealth Capital Management (Beijing) Co., Ltd., and the Company's total share capital changed from 1,534,893,478 shares to 1,719,160,378 shares. As deliberated and approved by the Company's Third Interim Meeting of Shareholders General Assembly in 2017, the Company implemented the first phase of stock options and restricted stock scheme. In July 2017, incentive objects subscribed for 69,634,000 restricted shares, and the Company's total share capital changed from 1,719,160,378 shares to 1,788,794,378 shares.
---	---

As considered and approved by the Eighth Interim Meeting of the Seventh Board of Directors and the Sixth Meeting of the Seventh Board of Supervisors of the Company, the first phase of exercise/unlocking conditions of stock options/restricted stock granted under the Company's stock incentive plan have been achieved. In December 2018, after the exercise of 18,599,000 stock options subscribed by the incentive object, the Company's total share capital changed from 1,788,794,378 shares to 1,807,393,378 shares. As deliberated and approved by the Company's Fourth Interim Meeting of Shareholders General Assembly in 2018, in June 2019, the Company repurchased and cancelled 375,000 restricted shares held by unqualified incentive objects that had been granted but not unlocked. Upon completion of the cancellation, the Company's total share capital changed from 1,807,393,378 shares to 1,807,018,378 shares. As deliberated and approved by the Company's 2018 Annual Meeting of Shareholders General Assembly held in May 2019, the Company implemented and completed the plan to convert capital reserve into share capital in June 2019. The conversion of capital reserve into share	As considered and approved by the Eighth Interim Meeting of the Seventh Board of Directors and the Sixth Meeting of the Seventh Board of Supervisors of the Company, the first phase of exercise/unlocking conditions of stock options/restricted stock granted under the Company's stock incentive plan have been achieved. In December 2018, after the exercise of 18,599,000 stock options subscribed by the incentive object, the Company's total share capital changed from 1,788,794,378 shares to 1,807,393,378 shares. As deliberated and approved by the Company's Fourth Interim Meeting of Shareholders General Assembly in 2018, in June 2019, the Company repurchased and cancelled 375,000 restricted shares held by unqualified incentive objects that had been granted but not unlocked. Upon completion of the cancellation, the Company's total share capital changed from 1,807,393,378 shares to 1,807,018,378 shares. As deliberated and approved by the Company's 2018 Annual Meeting of Shareholders General Assembly held in May 2019, the Company implemented and completed the plan to convert capital reserve into share capital in June 2019. The conversion of capital reserve into share
---	---

capital is based on the Company's total share capital of 1,807,018,378 shares on 27 June, 2019, the registration date of equity distribution in 2018, and 4.9 shares per 10 shares were converted from capital reserve to all shareholders, resulting in a total of 885,439,005 shares. After the conversion, the total share capital of the Company was 2,692,457,383 shares. As deliberated and approved by the Company's Fifth Interim Meeting of Shareholders General Assembly in 2019, the Company repurchased and canceled 2,126,230 restricted shares held by unqualified incentive objects that had been granted but not unlocked. After the completion of the repurchase and cancellation of some restricted shares, the Company's total share capital changed from 2,692,457,383 shares to 2,690,331,153 shares. As deliberated and approved by the 19th Interim Meeting of the Seventh Board of Directors and the 12nd Meeting of the Seventh Board of Supervisors of the Company, the second phase of exercise/unlocking conditions of stock options/restricted stock granted under the Company's stock incentive plan have been achieved. In August 2019, after the exercise of 28,219,110 stock options subscribed by the	capital is based on the Company's total share capital of 1,807,018,378 shares on June 27, 2019, the registration date of equity distribution in 2018, and 4.9 shares per 10 shares were converted from capital reserve to all shareholders, resulting in a total of 885,439,005 shares. After the conversion, the total share capital of the Company was 2,692,457,383 shares. As deliberated and approved by the Company's Fifth Interim Meeting of Shareholders General Assembly in 2019, the Company repurchased and canceled 2,126,230 restricted shares held by unqualified incentive objects that had been granted but not unlocked. After the completion of the repurchase and cancellation of some restricted shares, the Company's total share capital changed from 2,692,457,383 shares to 2,690,331,153 shares. As deliberated and approved by the 19th Interim Meeting of the Seventh Board of Directors and the 12nd Meeting of the Seventh Board of Supervisors of the Company, the second phase of exercise/unlocking conditions of stock options/restricted stock granted under the Company's stock incentive plan have been achieved. In August 2019, after the exercise of 28,219,110 stock options subscribed by the
---	---

incentive object, the Company's total share capital changed from 2,690,331,153 shares to 2,718,550,263 shares. As deliberated and approved by the Company's 2019 Annual Meeting of Shareholders General Assembly held in May 2020, the Company implemented and completed the plan to convert capital reserve into share capital in June 2020. The conversion of capital reserve into share capital is based on the Company's total share capital of 2,718,550,263 shares on June 3, 2020, the registration date of equity distribution in 2019, and 4 shares per 10 shares were converted from capital reserve to all shareholders, resulting in a total of 1,087,420,105 shares. After the conversion, the total share capital of the Company was 3,805,970,368 shares. As deliberated and approved by the □ Interim Meeting of Shareholders General Assembly in 2022 of the Company held in □ 2022, the Company issued □ GDRs in □ 2022 with the approval of the CSRC, representing □ A-shares calculated according to the conversion ratio determined by the Company, and the total capital stock of the Company became □ shares.	incentive object, the Company's total share capital changed from 2,690,331,153 shares to 2,718,550,263 shares. As deliberated and approved by the Company's 2019 Annual Meeting of Shareholders General Assembly held in May 2020, the Company implemented and completed the plan to convert capital reserve into share capital in June 2020. The conversion of capital reserve into share capital is based on the Company's total share capital of 2,718,550,263 shares on June 3, 2020, the registration date of equity distribution in 2019, and 4 shares per 10 shares were converted from capital reserve to all shareholders, resulting in a total of 1,087,420,105 shares. After the conversion, the total share capital of the Company was 3,805,970,368 shares. As deliberated and approved by the Fourth Interim Meeting of Shareholders General Assembly in 2022 of the Company held in June 2022, the Company issued 22,000,000 GDRs in October 2022 with the approval of the CSRC, representing 220,000,000 A-shares calculated according to the conversion ratio determined by the Company, and the total capital stock of the Company became 4,025,970,368 shares.
Article 20 After the Company is established, it	Article 20 After the Company is established, it

has issued [] ordinary shares, all of which are RMB ordinary shares. The Company's share capital structure is: [] ordinary shares, of which A-share holders hold [] shares, accounting for []; according to the conversion ratio determined by the Company, the GDR held by foreign investors corresponds to [] basic A shares, accounting for [].	has issued 4,025,970,368 ordinary shares, all of which are RMB ordinary shares. The Company's share capital structure is: 4,025,970,368 ordinary shares, of which A-share holders hold 3,805,970,368 shares, accounting for 94.5%; according to the conversion ratio determined by the Company, the GDR held by foreign investors corresponds to 220,000,000 basic A shares, accounting for 5.5%.
--	---

Except for the above clauses, other contents of the Articles of Association applicable after the listing of the Company's GDR remain unchanged.

The content of the newly added business scope is finally subject to the content approved by the Administration of Market Regulation. This proposal still needs to be submitted to the Third Interim Meeting of Shareholders General Assembly in 2023 for deliberation and approval. The Company's board of directors proposes to the shareholders general assembly to authorize the Company's management to handle all matters related to industrial and commercial change registration.

Hereby announced.

Fangda Carbon New Material Co., Ltd.

The Board of Directors

13 April, 2023