

Fangda Carbon New Material Technology Co., Ltd.
Announcement on the expiration of the GDR lock-up period

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.

Important notes on content:

● Fangda Carbon New Material Technology Co., Ltd. (hereinafter referred to as: the company or Fangda Carbon) issued Global Depositary Receipts (Global Depositary Receipts, hereinafter referred to as: GDR) lock-up period is from March 15, 2023 (Swiss time) to July 12, 2023 (Swiss time) (hereinafter referred to as: lock-up period), the lock-up period of the GDR issued by the company is about to expire.

● After the lock-up period expires, GDRs can be converted into A shares of the company, A-shares of Fangda Carbon represented by GDR held by the depositary, Citibank, National Association as the nominal holder of A shares will be reduced according to GDR cancellation order and will be traded in the domestic market. The number of GDRs of which the lock-up period expired is 22,000,000, corresponding to 220,000,000 A shares of the company, accounting for 5.5% of the company's total share capital (4,025,970,368 shares).

● GDRs of Fangda Carbon of which the lock-up period expired can be converted into the company's A shares from July 13, 2023 (unless

otherwise specified, the dates listed in this announcement refer to Beijing time).

- According to the arrangement of GDR cross-border conversion, GDR cross-border conversion will not lead to changes in the company's newly issued A shares or the number of A shares traded in the market, and will not affect the company's share capital.

I. Basic information of the issued GDR

i. Approval

The issuance of GDR of the company has been approved by the China Securities Regulatory Commission (hereinafter referred to as: CSRC) for this issuance. Please refer to the "Fangda Carbon's Issuance of GDR and Listing on the Swiss Stock Exchange and the Listing is Approved by the China Securities Regulatory Commission" (Announcement No.: 2022-063) disclosed by the company on November 3, 2022.

The issuance has been approved by the Swiss Stock Exchange Regulation AG (SIX Exchange Regulation AG) and the prospectus office of the Swiss Stock Exchange Regulation AG. Please refer to the announcement released on December 20, 2022 and March 14, 2023 which are "the Announcement of Fangda Carbon being conditionally approved by the Swiss Stock Exchange Supervisory Authority on the Issuance of GDR and Listing on the Swiss Stock Exchange (announcement No.: 2022-067) and "Fangda Carbon's Announcement on the Determination of the Price spread for the Issuance of GDR and the Prospectus being Approved by the Prospectus Office of the Swiss Stock Exchange Supervisory Authority" (Announcement No.: 2023-018).

ii. Stock Registration Time

The 22,000,000 GDRs issued by Fanda Carbon corresponding to the domestic new A shares of underlying securities have been registered and deposited with China Securities Depository and Clearing Co., Ltd. (hereinafter referred to as: CSDC) Shanghai Branch on March 10, 2023. Nominal holder is Citibank, National Association.

iii. GDR listed

The 22,000,000 GDRs issued by the company were listed on the Swiss Stock Exchange on March 15, 2023 (Swiss time). The full name of the stock: Fangda Carbon New Material Co., Ltd, and the GDR listing code:FDCB.

II. GDR cross-border conversion arrangement and lock-up period

i. The arrangement of GDR cross-border conversion

Except for trading GDR in international order market, qualified investors can also convert GDR to A-shares (vice versa) through cross-border conversion brokers. As of the date this announcement, according to public information from Shanghai Securities Exchange, there are in total 5 firms who have completed registration of cross-border conversion brokers and can conduct cross-border conversion business of SIX Swiss Exchange.

Cross-border conversion includes converting A-shares into GDRs (hereafter “Creation”) and converting GDRs into A-shares (hereafter “Redemption”). A shares as a result of the Creation and Redemption of GDR through the specialized securities accounts of cross-border conversion brokers in CSDC are non-trading transactions. When foreign investors create or redeem GDR, CSDC will match and ensure the orders being sent by depositary and cross-border conversion brokers are

consistent and sufficient and handle the non-trading transactions of corresponding domestic underlying shares

The cross-border conversion brokers entrust members of the Shanghai Stock Exchange to conduct A-share transactions in domestic market, and requires the depositary to create or redeem GDR. in particular:

(i) Creation: Cross-border conversion brokers can entrust members of the Shanghai Stock Exchange to buy A shares and deliver them to the depositary according to the investor's instructions, and then instruct the depositary to issue the corresponding GDR and deliver it to the investor. GDRs created in this process can be traded on the Swiss Stock Exchange.

(ii) Redemption: Cross-border conversion brokers can instruct the depositary to cancel the GDR according to the investor's instruction, and the depositary will deliver the A shares represented by such GDR to the cross-border conversion brokers. Cross-border conversion brokers may entrust members of the Shanghai Stock Exchange to sell such A shares and deliver the proceeds to investors.

ii. Restriction on redemption

According to the relevant domestic rules and regulations, the lock-up period of the GDR issued by the company this time is from March 15, 2023 (Swiss time) to July 12, 2023 (Swiss time). During this period, the GDRs issued by the company is non-convertible.

According to the "Approval of Fangda Carbon New Material Technology Co., Ltd.'s Initial Public Offering of Global Depositary Receipts and Listing on the Swiss Stock Exchange" issued by CSRC (CSRC approval [2022] No. 2612), within the duration of the company's GDR, the upper limit of the GDR is consistent with the actual issuance

scale of this GDR, that is, the upper limit of the number of the company's GDR will not exceed 22,000,000, and the corresponding upper limit of the number of A shares is 220,000,000 shares. If the GDR increases or decreases due to the company's share bonus, share split or merger, adjustment of conversion ratio, etc., the upper limit of the number will be adjusted accordingly.

The number of GDRs that expired during the lock-up period is 22,000,000, corresponding to 220,000,000 A shares of the company, accounting for 5.5% of the company's total share capital.

III. The arrangement of GDR redemption and the impact on share capital of company.

The lock-up period of the GDR issued by the company is from March 15, 2023(Swiss time) to July 12, 2023(Swiss time), and the restriction period of the GDR redemption issued by the company is about to expire.

The GDRs whose lock-up period has expired can be converted into the company's A shares from July 13, 2023 (Beijing time), A shares held by the depositary Citibank, National Association as the nominal holder decrease the amount trading in domestic market according to GDR cancellation orders.

Within the upper limit of number of GDRs issued, the cross-border conversion brokers can also entrust members of the Shanghai Stock Exchange to purchase A shares from the domestic market and instruct the depositary to create GDRs representing A-shares purchased according to the investor's instructions. Creation of GDR will lead to correspondingly ramp-up of the number of A shares of Fangda Carbon held by the depositary Citibank, National Association as the nominal holder.

Under the scenario of cross-border conversion of the company's GDR, the number of the company's GDRs shall not exceed the upper limit of the GDR within the duration approved by the CSRC. According to the GDR cross-border conversion arrangement, GDR cross-border conversion will not lead to changes in the company's newly issued A shares or the number of A shares traded in domestic market, and will have no impact on the company's share capital.

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

July 5, 2023