

Fangda Carbon New Material Co., Ltd.

Announcement on 2024 First Quarter Profit Distribution

Proposal and 2024 Follow-up Dividend Plan

The Company and all members of the Board of Directors warrant that there are no false records, misleading statements or material omissions in the contents of the Announcement and shall be individually and jointly liable for the truthfulness, accuracy and completeness of its contents.

Vital notes:

- Fangda Carbon New Material Co., Ltd (hereinafter referred to as the Company) First Quarter 2024 Distribution Per Share ratio: Cash dividend of CNY 0.032 per share (tax included). The profit distribution will be based on the total share capital as determined in the implementation announcement of the first quarter 2024 equity distribution exclude the number of shares in the Company's repurchase account on that date (the date will be specified in the implementation announcement of the equity distribution). In the event of any changes in the total share capital of the Company prior to the share record date for the implementation of the equity distribution, it is proposed to maintain the distribution amount per share unchanged and adjust the total amount of distribution accordingly, and a separate announcement will be made to specify the adjustment.
- Considering the retained earnings of half-year, first three quarters of 2024 and current financial results, The company will implement the

follow-up dividend for 2024 and request the extraordinary general meeting (herein after referred to as EGM) to authorise the Board of Directors to formulate a specific dividend plan (the annual profit distribution plan for 2024 will be proposed and implemented in conjunction with the audited data).

I. Company's profit distribution proposal for the first quarter of 2024

The Company's net profit attributable to shareholders of the listed company for the first quarter of 2024 is CNY 171.2853 million, and as of 31 March 2024, the parent company's retained earnings is CNY 6.41264771 Billion.

Profit distribution plan for the first quarter of 2024: The Company proposes to distribute a cash dividend of CNY0.032 per share (tax included) to shareholders based on the total share capital as determined in the implementation announcement of the first quarter of 2024 equity distribution excluding the number of shares held in the Company's repurchase account on the same day. As at 31 March 2024, the total share capital of the Company was 4,025,970,368 shares, deducting the number of 49,577,408 shares held in the Company's repurchase special securities account on the same day, a total cash dividend of CNY 127,244,574.72 (tax included) would be paid out, which accounted for 74.29% of the Company's net profit attributable to shareholders for the first quarter of 2024. There will be no stock dividend or Capital Reserve converted into share capital in the first quarter of 2024.

In the event that the total share capital of the Company changes as a result of the repurchase of shares within the period from the date of Board of Directors' approval of the profit distribution proposal to the record date of the implementation of the profit distribution, the Company intends to maintain the distribution amount per share unchanged and adjust the total amount of distribution accordingly. If there is any subsequent change in the total share capital, a separate announcement will be made to specify the adjustment. The above proposal is yet to be submitted to the EGM for deliberation.

II. Follow-up Dividend Plan for 2024

Pursuant to the provisions of the *No. 3 Supervisory Guidelines for Listed Companies - Cash Dividends for Listed Companies (Revised in 2023)*, *Rules Governing the Listing of Stocks on the Shanghai Stock Exchange* and other relevant laws and regulations and the Articles of Association of the Company, in order to stabilize investor's expectation of dividend distribution and enhance investor's confidence in shareholding, the Board of Directors of the Company has requested the EGM to authorize the Board of Directors to determine the profit distribution plan and implementation of follow-up dividend distribution plan for 2024 (including half-year dividend distribution plan and first three quarters dividend distribution plan), subject to the prerequisites of dividend distribution, and the content and scope of this proposal to the EGM for authorization of the Board of Directors include, without limitation, the

following:

(I) Prerequisites for follow-up dividends.

- i. The Company is currently profitable and has positive accumulated retained earnings;
- ii. The company's cash flow can meet the needs of normal operation and sustainable development.

(II) The total amount of cash dividends to be paid to all shareholders for the year 2024 is planned to exceed CNY 200 million.

Term of authorization: from the date on which this proposal is deliberated and approved by the EGM to the date of the 2024 annual general meeting of the Company.

The above proposal is yet to be submitted to the EGM for deliberation.

III. Decision-making procedures performed by the Company

(I) Opinion of the Board of Directors

The Company held the 35th extraordinary meeting of the 8th session of the Board of Directors on 12 May 2024 and deliberated and passed the *Proposal for 2024 First Quarter Profit Distribution and 2024 Follow-up dividend plan*, and agreed to submit the proposal to the EGM of the Company for deliberation.

(II) Opinions of the Supervisory Committee

The 26th Meeting of the Eighth Session of the Supervisory Committee of the Company deliberated and passed the *Proposal for 2024 First Quarter Profit Distribution and 2024 Follow-up dividend plan*, and deliberated

that: the proposal took into full consideration of the profitability of the Company, the cash flow status and the demand for funds and other factors, which is conducive to boosting the confidence of the investors, taking into account the interests of the Company and all shareholders, and is in line with the Company's policy on cash dividends. We agree with the profit distribution proposal for the first quarter and the half-year of 2024.

IV. Related Risk Alert

The profit distribution for the first quarter of 2024 and the follow-up dividend plan for the year 2024 are subject to the deliberation and approval of the EGM of the Company, and investors are advised to pay attention to the investment risks.

Hereby announced

Fangda Carbon New Material Co., Ltd.

Board of Directors

13 May 2024