

Fangda Carbon New Material Co., Ltd.

Announcement on 2024 Annual Equity Distribution Implementation

The Board of Directors and all directors of the Company warrant that there are no false records, misleading statements or material omissions in the contents of this announcement and shall be legally responsible for the truthfulness, accuracy and completeness of its contents.

Important Content Notice:

- Distribution per share

Cash dividend of CNY 0.02 per share on A shares

- Relevant Dates

Type of shares	Record date	Last trading date	Ex date	Cash Dividend Payout Date
A-share	2025/7/15	—	2025/7/16	2025/7/16

- Differentiated Dividend Payout: Yes

I. Session and date of the shareholders' meeting at which the distribution proposal was approved

The profit distribution plan was deliberated and approved by the Fourth Extraordinary General Meeting of Shareholders of Fangda Carbon New Material Co., Ltd. (hereinafter referred to as the Company) on June 5, 2024 for the year 2024.

II. Distribution plan

(I) Distribution year: 2024 Annual distribution.

(II) Object of distribution:

All shareholders of the Company registered with China Securities Depository & Clearing Corporation, Shanghai Branch (hereinafter referred to as China Securities Depository & Clearing Corporation, Shanghai Branch) as of the afternoon of the share registration date after the close of the Shanghai Stock Exchange.

According to the “Self-Regulatory Guidelines for Listed Companies on the Shanghai Stock Exchange No. 7 - Repurchase of Shares” and other relevant regulations, the shares held in the Company's special securities account for repurchase out of 249,372,465 are not entitled to rights such as distribution of profits and capitalization of provident fund. Based on the above regulation, the shares deposited in the Company's special securities account for repurchase will not participate in the profit distribution.

(III) Differential dividend program:

(1) Differentiated dividend distribution program

The 2024 Annual General Meeting of the Company deliberated and approved the 2024 Profit Distribution Proposal, and agreed to distribute a cash dividend of CNY 0.02 (inclusive of tax) per share on the basis of the total share capital of 4,025,970,368 shares registered on the share registration date as determined in the Announcement on the Implementation of the Equity Distribution, less the shares of 249,372,465 shares in the Company's repurchase special securities account, which is based on the number of 3,776,597,903 shares, totaling CNY75,531,958.06 (inclusive of tax). CNY0.02 (including tax), total cash dividend of CNY75,531,958.06 (including tax). 2024 will not be a bonus share distribution and there will be no capitalization of capital reserve. If there is any change in the total share capital of the Company or the number of shares in the Company's special securities account for repurchase before the share registration date for the implementation of the equity distribution, the Company intends to maintain the total amount of the distribution unchanged, and adjust the per-share distribution ratio accordingly.

(2) Basis for calculating the ex-rights (dividend) of this differentiated dividend distribution

The Company calculates the ex-rights (dividend) opening reference price according to the following formula in accordance with the relevant provisions of the Trading Rules of the Shanghai Stock Exchange:

Ex-rights (dividend) reference price = (previous closing price - cash dividend) ÷ (1 + percentage of change in shares outstanding)

According to the dividend distribution proposal considered and approved by the 2024 annual general meeting of the Company, the profit distribution plan involves the distribution of cash dividend and does not implement other forms of distribution plan such as capitalization of capital reserve, so the percentage of change in the Company's shares in circulation is zero.

The total share capital of the Company as at the date of share registration for this profit distribution was 4,025,970,368 shares. Deducting 249,372,465 shares repurchased by the Company which were not involved in the distribution, the total share capital actually involved in the distribution this time was 3,776,597,903 shares.

Cash dividends to be distributed virtually = (Total share capital participating in the distribution × Cash dividends per share actually distributed) ÷ Total share capital = $(3,776,597,903 \times 0.02) \div 4,025,970,368 \approx \text{CNY}0.02$ per share.

In summary, the ex-rights (dividend) reference price of the equity distribution = (previous closing price - 0.02) ÷ (1+0) = (previous closing price - 0.02) yuan/share.

III.Relevant Dates

Type of shares	Record date	Last trading date	Ex date	Cash Dividend Payout Date
A-share	2025/7/15	—	2025/7/16	2025/7/16

IV. Distribution of implementation methods

(I) Implementation method

The dividends of the shares with unlimited conditions of sale are entrusted to China Securities Clearing Corporation Shanghai Branch for distribution through its fund clearing system to the shareholders who are registered after the close of the Shanghai

Stock Exchange on the share registration date and who have handled designated transactions with the members of the Shanghai Stock Exchange. Investors who have applied for designated transactions can collect the cash dividends at their designated securities business offices on the dividend payment date, and the dividends for shareholders who have not applied for designated transactions will be temporarily kept by China Clearing Shanghai Branch, and will be paid out after applying for designated transactions.

(II) Self-issuance objects

Liaoning Fangda Group Industry Co., Ltd.

(III) Explanation of tax deduction

1. For natural person shareholders and securities investment funds holding unlimited outstanding shares of the Company, according to the relevant provisions of the Circular on Issues Relating to the Policy on Differentiated Individual Income Tax on Dividends and Dividends of Listed Companies (Taxation [2015] No. 101) and the Circular on Issues Relating to the Implementation of the Policy on Differentiated Individual Income Tax on Dividends and Dividends of Listed Companies (Cai Shui [2012] No. 85): if the period of holding shares (referring to the holding period from the date of acquisition of shares of a listed company in the public offering and transfer market to the day before the date of transfer and delivery of such shares) exceeding 1 year, the dividend and bonus income shall be temporarily exempted from individual income tax; if the holding period of the shares is less than 1 month (including 1 month), the full amount of the dividend and bonus income shall be counted as taxable income, with an effective tax burden of 20%; if the holding period of the shares is from 1 month to 1 year (including 1 year), the dividend and bonus income shall be temporarily reduced by 50%, and the effective tax burden shall be reduced by 50%, and the actual tax burden shall be reduced by 50%. For shares held for more than 1 month to 1 year (including 1 year), the dividend income is temporarily reduced by 50% to be included in the taxable income, and a tax rate of 20% is applied to the individual income tax, with an effective tax burden of 10%. The actual tax burden is 10%. The dividend distribution will not withhold personal income tax for the time being, and the actual cash dividend per share will be CNY0.02. When individuals (including securities investment funds) transfer the shares, China Securities Clearing Corporation (Shanghai Branch) will calculate the tax payable according to the period of their shareholding, and the share custodians such as securities companies will deduct the amount from the individual's fund account and transfer it to China Securities Clearing Corporation (Shanghai Branch), which will transfer it to the Company within 5 working days of the following month. The company shall pay the tax to the competent tax authorities within 5 working days of the following month, and the company shall declare and pay the tax to the competent tax authorities within the statutory declaration period of the month in which the tax is received.

2. For Qualified Foreign Institutional Investor (hereinafter referred to as QFII) shareholders, the Company withholds and pays enterprise income tax at a rate of 10% in accordance with the provisions of the Notice on Issues Relating to Withholding and Payment of Enterprise Income Tax on Behalf of Chinese Resident Enterprises in

respect of Payment of Dividends, Bonuses and Interests to QFIIs issued by the State Administration of Taxation (Guoshuaikan [2009] No. 47), and distributes cash dividends per share after deduction of tax of CNY0.018 per share after tax deduction. If the relevant shareholders consider that the dividends and dividends received by them are subject to any tax treaty (arrangement) treatment, they may apply to the competent tax authorities in accordance with the regulations after receiving the dividends and dividends.

3. For the dividend and bonus income obtained by Hong Kong market investors (including enterprises and individuals) investing in the Company's A-share stocks (hereinafter referred to as the Shanghai Stock Connect), according to the “Circular of the Ministry of Finance, the State Administration of Taxation, and the Securities and Futures Commission on the Relevant Tax Policies on the Pilot of the Mechanism for the Interoperability of the Trading of the Stock Markets of Shanghai and Hong Kong” (Cai Shui [2014] No. 81), the Company shall temporarily not implement the policy of differentiated taxation based on the time of holding shares until the conditions for providing detailed data of the investors' identity and time of holding shares by Hong Kong Securities Clearing and Before Hong Kong Securities Clearing Company Limited is not in a position to provide detailed data on the identity and shareholding time of the investors to China Securities Depository & Clearing Company Limited, the policy of differentiated taxation according to the shareholding time will not be implemented for the time being, and the Company will withhold and pay the income tax on behalf of the investors in accordance with the regulations at a rate of 10%, and the amount of cash dividend paid per share will be CNY0.018 after tax deduction. For Shanghai Stock Connect investors who are tax residents of other countries and whose countries have signed tax agreements with China that provide for a dividend and bonus income tax rate of less than 10%, the enterprises or individuals may apply to the competent tax authorities for tax treaty treatment in accordance with the relevant tax agreements.

4. For qualified investors (hereinafter referred to as GDR investors) who have invested in the Global Depository Receipts (GDR) issued by the Company on the SIX Swiss Exchange and who comply with the relevant domestic and overseas regulatory rules, the cash dividends will be paid by the Company to the nominal holders of the domestic underlying A shares corresponding to the GDRs through the Shanghai branch of the China Securities Clearing Corporation. Citibank, National Association. In accordance with the Enterprise Income Tax Law of the People's Republic of China and other relevant tax regulations, income tax was withheld and paid on behalf of the investors at a rate of 10%. Since the acquisition of the GDR dividend income, if the GDR investors need to enjoy the treatment of the relevant tax agreements (arrangements), they may apply to the competent tax authorities on their own in accordance with the regulations. The share registration date and ex-dividend date for the GDR investors, which will be July 15, 2025 and July 23, 2025, respectively, will be determined by Citibank, National Association via the Euroclear Bank SA/NV, Clearstream Banking, S.A. issued to the GDR investors.

5. For other institutional investors and legal shareholders holding shares of the

Company, the Company will not withhold and pay corporate income tax on behalf of them, and their dividend and bonus income tax will be declared and paid by themselves in accordance with the provisions of the Tax Law, and the Company will actually pay out a cash dividend of CNY0.02 per share before tax.

V. Methods of consultation

If you have any questions about the Equity Distribution, please contact the Company for inquiries:

Contact Department: Secretariat of the Board of Directors of the Company

Contact number: 0931-6239195

Hereby announced

Fangda Carbon New Material Co. Ltd.

Board of Directors

July 9, 2025