

# Fangda Carbon New Material Co., Ltd.

## Announcement on 2024 First Quarter 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 notice:

- Gross dividend per equity:

Cash dividend per share of CNY 0.032 for A shares

- Relevant dates:

| Stock type | Record date  | Ex-right (div) date | Cash dividend payment date |
|------------|--------------|---------------------|----------------------------|
| A-share    | 23 July 2024 | 24 July 2024        | 24 July 2024               |
| GDR        | 23 July 2024 | 22 July 2024        | 31 July 2024               |

- Differentiated Dividend Payout: Yes

### **I. Session and date of the shareholders' meeting at which the distribution proposal was adopted**

The profit distribution plan was deliberated and approved at the Fourth Extraordinary General Meeting of 2024 on 5 June 2024 of Fangda Carbon New Material Technology Company Limited (hereinafter referred to as the Company).

### **II. Allocation plan**

(I) Distribution year: First Quarter 2024

(II) Whom to distribute:

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

According to the "Self-Regulatory Guidelines for Listed Companies of the Shanghai Stock Exchange No. 7 - Repurchase of Shares" and other relevant regulations, the shares in the special securities account for the Company's repurchase shall not be entitled to rights such as distribution of profits and capitalisation of capital from provident fund. Repurchased shares deposited in the special securities account for repurchase of the Company will not participate in this profit distribution.

(III) Differentiated dividend distribution programme:

(i) Differentiated dividend distribution programme

Pursuant to the "Proposal for Profit Distribution for the First Quarter of 2024 and Follow-up Dividend Distribution for the Year 2024" deliberated and approved at the Fourth Extraordinary General Meeting of 2024 of the Company, the profit distribution shall be made on the basis of the total share capital of 4,025,970,368 Shares as registered on the Share Registration Date as determined in the Announcement on the Implementation of the Distribution of Equity Interests, less the shares in

the Company's repurchase dedicated securities account of 53,048,008 Shares That is to say, on the basis of 3,972,922,360 shares, a cash dividend of CNY 0.032 (including tax) per share will be paid, total cash dividend will be CNY 127,133,515.52 (including tax).

(ii) Criterion for calculating the ex-rights (dividend) for this differentiated dividend distribution

The Company calculates the ex-rights (dividend) opening reference price in accordance with 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 + proportion of change in outstanding shares)

According to the dividend distribution proposal deliberated and approved by the Fourth Extraordinary Shareholders' General Meeting of the Company in 2024, the profit distribution plan involves the distribution of cash dividend and does not implement other forms of distribution plan such as capitalisation of capital reserve to share capital, therefore the proportion 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, and after deducting 53,048,008 shares repurchased by the Company which were not involved in the distribution, the total share capital actually involved in the distribution was 3,972,922,360 shares.

Cash dividends to be distributed virtually = (Total share capital participating in the distribution × Cash dividends per share actually distributed) ÷ Total share capital = (3,972,922,360 × 0.032) ÷ 4,025,970,368 ≈ CNY0.032 per share.

In summary, the ex-rights (dividend) reference price of the equity distribution = (previous closing price - 0.032) ÷ (1+0) = previous closing price - CNY0.032/share.

### III. Relevant dates

| Stock type | Record date  | Ex-right (div) date | Cash dividend payment date |
|------------|--------------|---------------------|----------------------------|
| A-share    | 23 July 2024 | 24 July 2024        | 24 July 2024               |
| GDR        | 23 July 2024 | 22 July 2024        | 31 July 2024               |

### IV. Implementation methods

#### (I) Implementation method

The dividends of the shares with non-restriction selling conditions shall be entrusted to CSDC Shanghai Branch for distribution through its fund clearing system to the shareholders who have registered after the close of the Shanghai Stock Exchange on the share registration date and 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 recipients

Liaoning Fangda Group Industry Co., Ltd.

(III) Explanation of tax deduction

i. 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 of Differentiated Individual Income Tax on Dividends and Dividends of Listed Companies (Cai Shui [2015] No. 101) and the Circular on Issues Relating to the Implementation of the Policy of Differentiated Individual Income Tax on Dividends and Dividends of Listed Companies (Cai Shui [2012] No. 85), if the period of holding the 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%; For shares held for more than 1 month to 1 year (including 1 year), the dividend and bonus 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 CNY0.032. When individuals (including securities investment funds) transfer their 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 from the individuals' fund accounts and transfer the amount 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 make payment to the company within 5 working days of the following month, and the company shall declare the tax to the competent tax authority within the statutory declaration period of the month in which the tax is received.

ii. 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 at a rate of CNY0.0288 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.

iii. 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 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 Connected Mechanism for Trading in the Shanghai and Hong Kong Stock Markets" (Cai Shui [2014] No. 81), in the event that Hong Kong Securities Clearing Company Limited does not have the ability to provide the China Securities Depository and Clearing Company Limited with the investor identity and the relevant tax information. 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 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 CNY0.0288 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 dividend and bonus income tax rates lower than 10%, the enterprises or individuals may apply to the competent tax authorities for tax treaty treatment in accordance with the relevant tax agreements.

iv. 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 shall be distributed by the Company on behalf of China Securities Clearing Corporation, Shanghai Branch, to the nominal holders of the underlying A-shares in China corresponding to the GDRs. 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 at a rate of 10% will be withheld and paid on behalf of the investors. Since the acquisition of the GDR dividend income, if the GDR investors need to enjoy the treatment under 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 will be 23 July 2024 and 22 July 2024, respectively, and the payment date for the cash dividends will be 31 July 2024, which will be paid by Citibank, National Association through Euroclear Bank. National Association through Euroclear Bank SA/NV, Clearstream Banking, S.A. to GDR investors.

v. For other institutional investors and corporate shareholders holding shares in the Company, the Company will not withhold and pay corporate income tax on behalf of them, and their income tax on dividends and bonuses will be declared and paid by themselves in accordance with the provisions of the tax law, and the Company's actual distribution of cash dividends will be CNY 0.032 per share before tax.

## **V. Methods of Enquiry**

If you have any questions about the Equity Distribution, please do not hesitate to 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 Technology Co., Ltd.

Board of Directors

16th July, 2024