

Ad hoc announcement pursuant to Art.53 LR

Fangda Carbon New Materials Co., Ltd.

Announcement Regarding Termination of Participation in the Substantive Merger and Restructuring of Shanshan Group and Its Wholly-Owned Subsidiaries

The Board of Directors and all directors of the Company hereby confirm that this announcement contains no false statements, misleading information or material omissions, and assume legal responsibility for the authenticity, accuracy and completeness of its contents.

I. Overview of the Transaction

Fangda Carbon New Material Co., Ltd. (hereinafter referred to as "Fangda Carbon" or "the Company") convened the Fourteenth Extraordinary Meeting of the Ninth Board of Directors on 24 November 2025. The meeting deliberated and approved the the "Proposal on Intending to Participate in the Recruitment of Investors for the Substantive Merger and Restructuring of Shanshan Group and its Wholly-Owned Subsidiaries". The Company agreed to participate in the recruitment of investors for the substantive merger and restructuring of Shanshan Group Co., Ltd. (hereinafter referred to as "Shanshan Group") and its wholly-owned subsidiary, Ningbo Pengze Trading Co., Ltd. The Board also authorised the Company's management to act on behalf of the Company in preparing and submitting the application materials for the restructuring investment, signing the due diligence confidentiality agreement, conducting due diligence, and submitting the "Restructuring Investment Plan", among other tasks. For detailed information, please refer to the "Announcement by Fangda Carbon Regarding Proposed Participation in the Recruitment of Investors for the Substantive Consolidated Reorganisation of Shanshan Group and Its Wholly-Owned Subsidiary" (Announcement No.: 2025-050) disclosed by the Company on 25 November 2025 in the Shanghai Securities News, China Securities Journal, Securities Times, and on the Shanghai Stock Exchange website (<http://www.sse.com.cn>).

II. Progress of the Transaction

In accordance with the announcement issued by the administrator of Shanshan Group, the Company submitted its application materials, paid a due diligence deposit of RMB 50 million, signed a due diligence confidentiality agreement, and commenced due diligence. Multiple discussions were held with the administrator regarding key matters including the scope of due diligence, industrial synergies, strategic planning, and valuation of the target assets. Owing to the limited timeframe and insufficient scope of the due diligence process, it proved impossible to arrive at a reasonable valuation of the target assets. Based on a prudent assessment of post-integration risk factors, and in alignment with Fangda Carbon's strategic planning within the new materials and new energy sectors, the Company has, after careful deliberation and with a view to safeguarding the interests of the listed company and its investors, resolved to withdraw from participation in the substantive merger and restructuring of Shanshan Group and its wholly-owned subsidiaries.

III. Impact on the Company

The Company's withdrawal from the restructuring proceedings will not adversely affect its production operations or financial position, nor will it prejudice the interests of the Company or its minority shareholders. Moving forward, the Company will continue to pursue its established strategic objectives through orderly operational management, actively seek investment and

collaboration opportunities, implement multiple measures to enhance performance, and diligently safeguard the interests of all shareholders.

Hereby announced

Fangda Carbon New Materials Technology Co., Ltd.

Board of Directors

5 January 2026