

China Fangda Group Co., Ltd.

**Announcement on the Inquiry Results of Insider Trading
of the Company's Shares During the Self-Inspection Period of Stock
Trading
from the Spin-Off of Its Subsidiary Fangda Zhiyuan Technology Co.,
Ltd. to the GEM**

The members of the Board and the Company acknowledge being responsible for the truthfulness, accuracy, and completeness of the announcement. Not any false record, misleading statement or significant omission carried in this announcement.

China Fangda Group Co., Ltd. (hereinafter referred to as the "Company", the "Listed Company" or "Fangda Group") intends to spin-off its holding subsidiary Fangda Zhiyuan Technology Co., Ltd. (hereinafter referred to as "Fangda Zhiyuan") to be listed on the Growth Enterprise Market of Shenzhen Stock Exchange (hereinafter refers to as the "Shenzhen Stock Exchange") (hereinafter refers to the "Spin-off Listing"). The Company convened the 8th meeting of the 9th of the Board of Directors on 14 May 2021, at which the *Proposal on Authorizing the Management of the Company to Initiate the Planning for the Spin-off and Domestic Listing of a Holding Subsidiary* was reviewed and approved. The Board of Directors authorized the management of the Company to initiate the preparatory work for the spin-off and domestic listing of Fangda Zhiyuan. The independent directors have expressed their independent opinions on the above matters. On August 26, 2022, the Company held the 15th meeting of the 9th Board of Directors, and reviewed and approved the *Proposal on the Initial Public Offering and Listing on the Growth Enterprise Market of the Spin-off Subsidiary Fangda Zhiyuan Technology Co., Ltd.* and the *Proposal on the Plan of Fangda Group Co., Ltd. on the Spin-off Subsidiary Fangda Zhiyuan Technology Co., Ltd.* On August 30, 2022, the Company disclosed the *Announcement of Resolutions of the 15th Meeting of the 9th Board of Directors, the Plan of China Fangda Group Co.,*

Ltd. on Spin-off of its Subsidiary Fangda Zhiyuan Technology Co., Ltd. to GEM Listing and related announcements.

In accordance with the *Securities Law of the People's Republic of China* (hereinafter referred to as the "Securities Law"), the *Rules for the Spin-off of Listed Companies* (Trial), the *Administrative Measures for the Material Asset Reorganization of Listed Companies*, the *Standards for the Contents and Forms of Information Disclosure by Companies Offering Securities to the Public No.26-Material Asset Reorganization of Listed Companies (Revised in 2022)* and the *Guidelines for the Supervision and Administration of Listed Company No.5-Administrative System for Registration of Insiders of Listed Companies*, the Company inquired about the trading of the Company's shares by the relevant insiders involved in the spin-off during the period from six months before Fangda Group first made a resolution of the Board of Directors agreeing to plan the spin-off to one day before the disclosure of the spin-off plan. It has recently obtained the inquiry results issued by Shenzhen Branch of China Securities Registration and Settlement Co., Ltd. The Company has verified the self-inspection report on insider trading related to the spin-off and listing and the inquiry results issued by Shenzhen Branch of China Securities Registration and Settlement Co., Ltd., and the verification results are as follows:

I. Self-inspection Period for Insider of the Spin-off and Listing

The self-inspection period of this spin-off and listing is six months before China Fangda Group first made a resolution of the Board of Directors to agree to plan this spin-off to the day before the disclosure of this spin-off plan (November 14, 2020 to August 29, 2022).

II. Self-inspection Scope of Insiders of the Spin-off and Listing

The scope of insider self-inspection for this spin-off and listing is as follows:

- (1) Fangda Group and its current directors, supervisors, senior managers and other relevant personnel;
- (2) Fangda Zhiyuan and its current directors, supervisors, senior managers and other relevant personnel;

(3) The actual controllers, controlling shareholders and their current directors, supervisors, senior managers and other relevant personnel of Fangda Group;

(4) Intermediary institutions related to the spin-off and listing and their specific handling personnel;

(5) Other institutions and personnel who know the inside information directly or indirectly;

(6) Immediate relatives of the above-mentioned insiders (referring to spouses, parents and adult children)

III. Trading of Shares by Relevant Entities in the Spin-Off and Listing

According to the relevant self-inspection report and the inquiry records issued by Shenzhen Branch of China Securities Registration and Settlement Co., Ltd, the situation of the personnel and institutions within the scope of the self-inspection of this spin-off and listing buying and selling the shares of Fangda Group during the self-inspection period is as follows:

(1) Information on the trading of shares of listed companies by natural persons

No.	Name	Affiliated unit/relationship	Accumulated shares purchased (shares)	Accumulated shares sold (shares)	Shareholdings at the end of the period (shares)
1	Xiong Jianming	Chairman, president and actual controller of Fangda Group	2,049,600	0	5,110,257
2	Peng Xuewu	Director of Fangda Zhiyuan	200,000	200,000	0
3	Ouyang Kehua	Director of Fangda Zhiyuan	1,700	140,900	0
4	Ye Zhiqing	Supervisor of Fangda Zhiyuan	34,900	25,000	29,000
5	Liu Ying	Spouse of Xiong Dongping, Supervisor of Fangda Zhiyuan	63,800	63,800	0
6	Weng Hongyong	Spouse of Jia Songtao, Supervisor of Fangda	250,000	263,000	0

		Zhiyuan			
7	Hu Jing	Spouse of Chen Hongzhong, CFO of Fangda Zhiyuan	67,100	67,100	0

Note: During the self-inspection period, the above natural persons purchased and sold the A-shares of Fangda Group (stock abbreviation: Fangda Group, stock code: 000055), and no B-shares of Fangda Group (stock abbreviation: Fangda B, stock code: 200055).

Xiong Jianming issued the following statement and commitment in response to the behavior of buying and selling Fangda Group's shares during the above self-inspection period:

"1. Based on the optimistic future development of Fangda Group, since 2011, I and Shenzhen Banglin Technology Development Co., Ltd. and Shengjiu Investment Co., Ltd. under my control have been increasing their holdings of Fangda Group shares, and have not reduced their holdings". My purchase of the shares of Fangda Group during the self-inspection period of the spin-off of Fangda Group is not related to the spin-off and listing. I did not use inside information to conduct transactions, and the increase in holdings during the self-inspection period has been disclosed before.

2. During the period from six months before the first board resolution of Fangda Group agreeing to plan the spin-off to the day before the disclosure of the spin-off plan (that is, from November 14, 2020 to August 29, 2022), I and my immediate family members have never disclosed relevant information to any person or proposed to buy or sell the shares of Fangda Group. Nor has anyone advised me and my immediate family members to buy the shares of Fangda Group. Except for the above situation of buying the shares of Fangda Group, I and my immediate family members have not purchased the shares of Fangda Group.

3. During the period from six months prior to the date when Fangda Group first made a resolution of the Board of Directors to agree to plan the spin-off to the completion of the implementation of the spin-off listing or Fangda Group announced the termination of the spin-off listing, I and my immediate family members will continue to strictly abide by the relevant laws and regulations and the regulatory

documents issued by the regulatory authorities to regulate stock trading, and not to use the relevant inside information to trade the shares of the listed company.

4. I promise that if my purchase of Fangda Group's shares is defined as insider trading by the securities regulatory authorities and relevant competent authorities, I am willing to transfer the corresponding gains obtained from the purchase of Fangda Group's shares and other transactions during the self-examination period to Fangda Group free of charge.

Peng Xuewu, Ouyang Kehua and Ye Zhiqing issued the following statements and commitments in response to the acts of buying and selling Fangda Group's shares during the above-mentioned self-inspection period:

"1. My purchase of the shares of Fangda Group is based on the publicly disclosed information of Fangda Group and my own analysis and judgment on the securities market, the development trend of the industry and the investment value of Fangda Group's shares. There is no relationship with this spin-off listing, and I do not use inside information to trade".

2. During the period from six months before the first board resolution of Fangda Group agreeing to plan the spin-off to the day before the disclosure of the spin-off plan (that is, from November 14, 2020 to August 29, 2022), I and my immediate family members have never disclosed relevant information to any person or proposed to buy or sell the shares of Fangda Group. Nor has anyone advised me and my immediate family members to buy the shares of Fangda Group. Except for the above situation of buying and selling the shares of Fangda Group, I and my immediate family members have not purchased the shares of Fangda Group.

3. During the period from six months prior to the date when Fangda Group first made a resolution of the Board of Directors to agree to plan the spin-off to the completion of the implementation of the spin-off listing or Fangda Group announced the termination of the spin-off listing, I and my immediate family members will continue to strictly abide by the relevant laws and regulations and the regulatory

documents issued by the regulatory authorities to regulate stock trading, and not to use the relevant inside information to trade the shares of the listed company.

4. I promise that if my purchase and sales of Fangda Group's shares is defined as insider trading by the securities regulatory authorities and relevant competent authorities, I am willing to transfer the corresponding gains obtained from the purchase and sales of Fangda Group's shares and other transactions during the self-examination period to Fangda Group free of charge.

Liu Ying, Weng Hongyong and Hu Jing issued the following statement and commitment in response to the behavior of buying and selling Fangda Group's shares during the above self-inspection period:

"1. I did not participate in the planning and decision-making process of the spin-off and listing of Fangda Group, and I was not aware of the spin-off and listing before the disclosure of the indicative announcement date". Based on the judgment of the public market information, I buy and sell the shares of Fangda Group, which has nothing to do with this spin-off listing, and does not involve the use of insider information for stock trading. My spouse has not disclosed any insider information of this spin-off or listing to me, and there is no use of insider information for stock trading.

2. During the period from six months before the date of the first board resolution of Fangda Group agreeing to plan the spin-off to the day before the disclosure of the spin-off plan (from November 14, 2020 to August 29, 2022), I have never directly or indirectly advised others to buy or sell Fangda Group's shares, except in the case of the above-mentioned buyer and seller's shares. I have not bought the shares of Fangda Group with my real name or non-real name account, and there is no use of insider information for stock trading.

3. During the period from six months prior to the date when Fangda Group first made a resolution of the Board of Directors to agree to plan the spin-off to the completion of the implementation of the spin-off listing or Fangda Group announced the termination of the spin-off listing, I will continue to strictly abide by the relevant

laws and regulations and the regulatory documents issued by the regulatory authorities to regulate stock trading, and not to use the relevant inside information to trade the shares of the listed company.

4. I promise that if my purchase and sales of Fangda Group's shares is defined as insider trading by the securities regulatory authorities and relevant competent authorities, I am willing to transfer the corresponding gains obtained from the purchase and sales of Fangda Group's shares and other transactions during the self-examination period to Fangda Group free of charge.

In addition to the above natural persons, other natural persons with inside information and their immediate relatives have not purchased or sold Fangda Group's shares during the self-examination period.

(2) Information on the trading of shares of the listed company by legal persons

1. Trading of shares of the listed company by Banglin Technology and Shengjiu Investment

Shenzhen Banglin Technology Development Co., Ltd. (hereinafter referred to as "Banglin Technology") is the controlling shareholder of Fangda Group, and Shengjiu Investment Co., Ltd. (hereinafter referred to as "Shengjiu Investment") and Banglin Technology are persons acting in concert. During the self-inspection period, the buying and selling the shares of Fangda Group in the secondary market is as follows:

Legal person	Accumulated shares purchased (shares)	Accumulated shares sold (shares)	Shareholdings at the end of the period (shares)
Banglin Technology	2,149,800	0	119,332,846
Shengjiu Co.	3,444,756	0	108,579,318

Note: During the self-inspection period, Banglin Technology purchased and sold the A-shares of Fangda Group (stock abbreviation: Fangda Group, stock code: 000055), and has not purchased or sold B-shares of Fangda Group (stock abbreviation: Fangda B, stock code: 200055); During the self-inspection period, Shengjiu Investment purchased and sold B shares of Fangda Group (stock abbreviation: Fangda B, stock code: 200055), and has not purchased or sold A shares of Fangda Group (stock abbreviation: Fangda Group, stock code: 000055).

With respect to the trading of shares of the listed company during the above period, Banglin Technology and Shengjiu Investment issued the following statements and commitments:

"1. The stock account for the above transaction is opened by the Company in the name of the company". The Company confirms that the Company's trading of shares of Fangda Group is consistent with the inquiry results of Fangda Group in Shenzhen Branch of China Securities Depository and Clearing Corporation Limited.

2. Being optimistic about the future development of Fangda Group, since 2011, Mr. Xiong Jianming, the actual controller of Fangda Group and the controlling shareholder of the Company, and Shengjiu Investment Co., Ltd. and Shenzhen Banglin Technology Development Co., Ltd. controlled by him have been increasing their holdings of shares in Fangda Group and have not reduced their holdings. The company's purchase of the shares of Fangda Group during the self-inspection period of the spin-off of Fangda Group is not related to the spin-off and listing, nor is there any acquisition or use of inside information for trading, disclosure of inside information or advice to others to use inside information for trading, nor is there any motivation to acquire or use inside information for stock investment. The increase in holdings during the self-examination period has been previously disclosed.

3. During the period of six months prior to the date when Fangda Group first made a resolution of the Board of Directors to agree to plan the spin-off to the completion of the implementation of the spin-off listing or Fangda Group announced the termination of the spin-off listing, the company will continue to strictly abide by the relevant laws and regulations and the regulatory documents issued by the regulatory authorities to regulate stock trading, and not to use the relevant inside information to trade the shares of the listed company. If the above act of purchasing the shares of Fangda Group is found to be improper by the relevant authorities, the company will bear the corresponding legal liability in accordance with the law.

4. The company promise that if the company's purchase of Fangda Group's shares

is defined as insider trading by the securities regulatory authorities and relevant competent authorities, the company is willing to transfer the corresponding gains obtained from the purchase of Fangda Group's shares and other transactions during the self-examination period to Fangda Group free of charge.

(2) CITIC Securities' trading of shares of the listed company

As the independent financial adviser of this spin-off and listing, during the self-inspection period, CITIC Securities Co., Ltd. (hereinafter referred to as "CITIC Securities") bought and sold the shares of Fangda Group in the secondary market as follows:

Legal person	Stock account	Accumulated shares purchased (shares)	Accumulated shares sold (shares)	Shareholdings at the end of the period (shares)
CITIC Securities	Proprietary stock account	2,787,100	2,647,439	155,000
	Asset management stock account	259,300	259,300	0
	Special account for credit securities lending	0	0	0

Note: During the self-inspection period, the CITIC Securities purchased and sold the A-shares of Fangda Group (stock abbreviation: Fangda Group, stock code: 000055), and no B-shares of Fangda Group (stock abbreviation: Fangda B, stock code: 200055).

CITIC Securities issued the following statements and commitments on the trading of shares of the listed company during the self-inspection period:

"The company has established the information separation wall system, the unpublished information insider registration system and other systems. The investment bank of the company, by itself, is independently produced and managed in terms of department, people, money and account number. Offices are isolated from each other, which can effectively isolate the conflicts of interest between inside information and other unpublished information in the company, control the improper flow and use of the above information, prevent the occurrence of insider trading, and avoid conflicts of interest between the company and customers, customers and customers, and workers and companies and customers. The Company's proprietary business stock account and asset management business stock account are normal business activities and have no direct relationship with this spin-off project. The Company does not disclose or divulge any relevant information, nor

does it have any insider trading or market manipulation."

In addition to the above circumstances, other insider information institutions do not have the situation of buying and selling the shares of Fangda Group during the period of self-examination.

IV. Conclusion

In respect of the spin-off, the Company adopted strict confidentiality measures, restricted the scope of insiders, emphasized the confidentiality requirements with relevant parties, and fulfilled the relevant information disclosure obligations. There was no selective information disclosure or early disclosure of information, and there was no trading by relevant insiders using the inside information of the spin-off.

V, Verification Opinions of the Independent Financial Consultant

CITIC Securities, the independent financial adviser, is of the view that, according to the inquiry results of Shenzhen Branch of China Securities Registration and Settlement Co., Ltd, the registration form of insiders of the listed company, the self-inspection reports and relevant statements and commitments issued by the aforementioned natural persons and institutions, the purchases and sales of the shares of the listed company by the above natural persons and institutions during the self-inspection period do not fall within the insider's use of inside information to engage in securities trading as stipulated in the *Securities Law of the People's Republic of China* and other relevant laws and regulations, and do not have a material impact on the spin-off and listing.

VI. Special Verification Opinions Issued by the Lawyer

Beijing Junhe Law Firm is of the view that: during the self-inspection period, the acts of the above relevant natural persons and institutions in buying and selling the shares of Fangda Group are not the acts of insiders using inside information to engage in securities trading as stipulated in the *Securities Law of the People's Republic of China* and other relevant laws and regulations, and do not constitute a legal obstacle to

this spin-off.

The above is for the attention of the shareholders.

China Fangda Group Co., Ltd.

September 10, 2022