

China Fangda Group Co., Ltd.

Announcement on 2022 Equity Distribution

The members of the Board and the Company acknowledge being responsible for the truthfulness, accuracy, and completeness of the announcement. No false record, misleading statement or significant omission is carried in this announcement.

The 2022 equity distribution plan of China Fangda Group Co., Ltd. (the Company) has been approved at the 2022 General Shareholders' Meeting held on Monday, March 20, 2023. The details of the distribution are announced as follows:

I. Reviewing of equity distribution by the general shareholders' meeting

1. The specific content of the Company's profit distribution plan in 2022 is as follows: the Company takes the total share capital of 1,073,874,227 shares as the base, distributes cash dividends of RMB0.50 yuan (including tax) to all shareholders for every 10 shares, does not give bonus shares, and does not convert capital reserve into share capital. If there is any change in the total capital stock from the time the Company's profit distribution plan is announced to the time of implementation, it shall be adjusted based on the total capital stock after the closing of the stock market on the date of equity registration when the profit distribution plan is implemented in accordance with the principle of "paying cash dividends of RMB 0.50 per 10 shares (including tax)".

2. From the disclosure of the 2022 profit distribution plan to the implementation period, the Company's total share capital has not changed.

3. The distribution plan implemented this time is consistent with the distribution plan approved at the shareholders meeting.

4. The time for the implementation of the distribution plan from the shareholders meeting was not more than two months.

II. Implementation of the equity distribution plan

The implementation plan of the Company's annual equity distribution in 2022 is: Based on the Company's existing total share capital of 1,073,874,227 shares, pay RMB0.50 yuan in cash (including tax) to all shareholders for every 10 shares; after tax deduction, RMB0.45 yuan will be paid for every 10 shares of A-share QFII, RQFII and individuals holding pre-IPO restricted shares and securities investment funds; the individual dividend tax on A-share holding non-tradable shares will be levied at a differentiated tax rate of RMB0.50 yuan for every 10 shares; after the equity registration date, the tax will be paid according to the actual holding period according to the reduction of shares held by investors [note]; The dividend profit tax involved in securities investment funds with A-shares holding non-tradable shares shall be levied at 10% on the fund units held by Hong Kong investors and at a differentiated tax rate on the fund shares held by Chinese

mainland investors; B-share non-resident enterprises will pay RMB0.45 in cash for every 10 shares after tax deduction. The dividend tax of domestic (foreign) individual shareholders holding non tradable shares will be levied at a differentiated tax rate. First, RMB0.50 will be paid for every 10 shares, and then the tax will be paid according to the actual holding period after the equity registration date.

[Note: The shareholding period is calculated based on investors' securities accounts and the first-in-first-out principle. The tax for every 10 shares is RMB0.10 for shares held for 1 month or less; RMB0.05 for shares held for more than 1 month but no more than 1 year. No tax will be deducted for shares held for more than 1 year.

Special note: As the Company is a Sino-foreign joint venture, overseas individual shareholders do not need to pay the dividend income tax temporarily.

The exchange rate for the cash dividends paid to shareholders of B-shares is the middle rate of the exchange rate (HKD:RMB=1:0.8772) between RMB and HKD announced by the People's Bank of China on the first working day after the resolution date of the shareholders' meeting, that is March 21, 2023.

III. Equity Registration and Ex-Dividend Date

The A-share registration date is March 31, 2023 and the Ex-dividend date is April 03, 2023.

The last transaction date for B-shares is March 31, 2023. The equity registration date is April 3, 2023. The Ex-dividend date is April 6, 2023.

IV. Equity Distribution Participants

The participants in the distribution are all the A-share holders of the Company registered at China Securities Depository and Clearing Corporation Limited, Shenzhen Branch ("China Shenzhen Securities Depository and Clearing") after the closing of the Shenzhen Stock Exchange on March 31, 2023, afternoon; all the B-share holders of the Company registered at China Shenzhen Securities Depository and Clearing after the closing of the Shenzhen Stock Exchange on April 6, 2023 (last trading day is March 31, 2023).

V. Equity Distribution Method

1. The Company authorizes China Shenzhen Securities Depository and Clearing to distribute the cash dividend for A-share shareholders on April 3, 2023 to their fund accounts through their entrusted securities companies (or other entrusted bodies).

The cash dividend for B-share shareholders will be distributed on April 06, 2023 through their entrusted securities companies or entrusted banks to their fund accounts. If a B-share shareholder changes the entrusted body on April 06, 2023, the cash dividend will be distributed through the original securities company or bank.

2. Cash dividend for the following A-share holder will be distributed by the Company:

No.	Shareholder number	Shareholder name
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1	08*****976	Shenzhen Banglin Technologies Development Co., Ltd.
2	08*****962	Shenzhen Banglin Technologies Development Co., Ltd.

In the period of application for the equity distribution business (application date: March 22, 2023 to equity registration date: April 3, 2023), if the number of shares in the self-distributed shareholder's securities account decreased, it entrusted the China Clearing Shenzhen Branch to act on behalf of the company. If the cash dividend is insufficient, all legal responsibilities and consequences will be borne by the Company.

VI. Other Matters

If income tax is deducted for a B-share shareholder who is not a domestic individual or non-resident enterprise, please contact the Company before April 30, 2023 (inclusive) and provide related support materials. The tax will be refunded if the tax payment is verified.

VII. Information Consulting

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VIII. Reference

1. China Securities Depository and Clearing Co., Ltd. Shenzhen Branch's specific time schedule for dividend payment;
2. Resolutions of the 18th Meeting of the 9th Board of Directors;
3. Resolutions of the 2022 Annual Shareholders' Meeting.

The above is for the attention of the shareholders.

China Fangda Group Co., Ltd.
Board of Directors
March 27, 2023