

China Fangda Group Co., Ltd.
Announcement Regarding the Signing of the Framework Agreement
on Cooperation between Wan'an and Fangda
in Photovoltaic Building Integration (BIPV) and Distributed
Photovoltaic Power Generation Project

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.

Special Prompts

1. The two parties have reached an agreement on a framework for strategic cooperation. However, there are uncertainties regarding the specific implementation and execution of the project. Investors are kindly requested to pay attention to investment risks.

2. There is no specific amount involved in this agreement, and the signing of the agreement will not have a significant impact on the Company's financial status and operating results for this year. The Company undertakes to perform the appropriate approval procedures and information disclosure obligations in accordance with applicable law and regulation, as well as the relevant provisions of the *Articles of Association*.

3. Please refer to VI. Other Related Explanations in this announcement for information regarding the framework agreement and its implementation status disclosed by the company in the last three years.

I. Signing of the Investment Agreement

In order to promote the development of green energy, realize the national carbon peak and carbon neutral strategy, and help rural revitalization, China Fangda Group Co., Ltd. (hereinafter referred to as the "Company") and the People's Government of Wan'an County, Jiangxi Province (hereinafter referred to as The People's Government") signed the Framework Agreement on Cooperation between Wan'an and Fangda in Photovoltaic Building Integration (BIPV) and Distributed Photovoltaic Power Generation Project (hereinafter referred to as the "Cooperation Agreement") on October 22, 2021.

A strategic cooperation framework agreement does not involve a specific amount, does not constitute a related party transaction, and does not qualify as a major asset

reorganization under the *Management Measures for the Major Asset Reorganization of Listed Companies*. Based on the specific cooperation matters and the specific amounts involved, the company will implement appropriate decision-making procedures and disclosure obligations.

II. Introduction to the Counterparty

The current partner of the company is the People's Government of Wan'an County, Jiangxi Province. The company does not have any affiliation with the People's Government of Wan'an County, and it has not concluded a similar transaction with it in the past three years.

III. Cooperation Agreement

Party A: Wan'an County People's Government

Party B: China Fangda Group Co., Ltd.

(1) Cooperation content and project scope

Party A determines that Party B is one of the strategic partners for the construction of BIPV and distributed photovoltaic projects. Together, the two parties are eager to capitalize on their complementary advantages in order to develop the solar power generation projects of the Wan'an County Building-Integrated Photovoltaic (BIPV) and the photovoltaic industry and jointly contribute to the development of Wan'an County.

Scope of project development: The area within Wan'an County that can be designated by Party A for photovoltaic power generation development (hereinafter collectively referred to as the agreed area), and the specific scale is subject to actual completion.

(2) Rights and Obligations

1. Party A's rights and obligations

(1) Support and coordinate the development and operation of the resources of BIPV and distributed photovoltaic power generation in the agreed area by Party B.

(2) Assist Party B in handling the relevant procedures in respect of the project company's industrial and commercial tax registration, filing, construction report, and power grid connection approval.

(3) After Party B confirms that the proposed project can be developed, Party A or the unit designated by Party A will sign a separate agreement to specify the project's size, address range, development time, commissioning time, and liability in the event that the project is not completed as scheduled.

As soon as Party B has determined the feasible projects, it will assist Party B in handling matters such as land application approval, land acquisition, or lease. The project

land includes land for power generation equipment, land for substations, land for management organizations, land for access roads, and land for power lines, among other things. The scale of land use is determined according to actual needs. Levy and lease must comply with applicable laws, regulations, and policy requirements, and are subject to approval in accordance with the appropriate procedures.

(4) Assist Party B to establish connections with higher-level government agencies and to help develop policies to support the development of BIPV and distributed photovoltaics.

(5) Provide or coordinate the implementation of BIPV and distributed photovoltaic power grid access and consumption work.

(6) Perform well in project construction and operations, as well as protecting the legitimate rights and interests of Party B.

2. Rights and Obligations of Party B

(1) Party B shall register a project company with independent legal personality in the administrative area of Party A, and pay taxes within the territory of Wan'an County.

(2) The project company of Party B is responsible for the approval, approval, investment, development, construction, grid connection and operation management of the photovoltaic power generation project under this agreement, and the whole process must comply with relevant national laws and regulations to ensure quality and safety.

(3) Party B is responsible for the preliminary work and construction and operation expenses of the project, and pay taxes and fees in accordance with relevant policies.

(4) After Party B determines the implementation of the project, it shall organize the construction in time according to the specific requirements of each project to ensure that it is connected to the grid on time.

(3) Liability for breach of contract and others

1. Disputes arising from or related to this agreement shall be resolved through friendly negotiations between the parties. If the negotiations fail, the people's court in the place where Party A is located shall have jurisdiction.

2. In the event that one of the parties breaches the contract, it will be responsible for the breach to the observant party. In the event Party A breaches the contract, Party B is entitled to send a written notice to Party A requesting that it corrects the breach from the date it learns of the breach, and may require Party A to bear any liability for the breach. When Party B fails to perform the works and implement construction within the time frame

stipulated in this agreement, without good reason, Party A has the right to recover free of charge the investment and development rights of the project, and requires Party B to bear the responsibility for a breach of contract.

(4) Others

1. The agreement is effective as of the date of signing.

2. In the event that Party B does not actually invest in the development of the project within two years of signing this agreement, either party may unilaterally terminate this agreement.

IV. Impact of the Cooperation Agreement on the Company

The Company is an early developer of BIPV and photovoltaic power generation system design, manufacturing, integration and operation, with mature technology. Wan'an County has abundant photovoltaic development resources. The Company reached a strategic cooperation with the People's Government of Wan'an County to jointly promote BIPV and photovoltaic industry development. This pilot project implements the national "carbon peak" and "carbon neutral" initiatives, which will be beneficial to the Company's new energy industry development and will be in line with the Company's long-term development strategy.

The Company does not have an associated relationship with the People's Government of Wan'an County, and the performance of the cooperation agreement does not negatively impact its independence.

V. Risks

1. There will not be a significant impact on the company's financial status and operating results this year due to this strategic cooperation framework. Implementing the project will affect future annual operating results.

2. Considering that this agreement is a framework agreement, there are uncertainties regarding how the project will be implemented and executed. In accordance with the relevant regulations, the company will perform the corresponding approval procedures and disclosure obligations for the implementation of follow-up cooperation matters. Investors are kindly requested to pay attention to investment risks.

VI. Others

1. The framework agreement disclosed by the company in the last three years and its implementation includes:

An announcement regarding the signing of a project investment framework agreement

was published on www.cninfo.com.cn on May 22, 2021. The Company and the People's Government of Xiegang Town, Dongguan City, Guangdong Province signed an "Investment Framework Agreement" on May 21, 2021. The Company plans to invest in the development of the Fangda Bay Area headquarters in Xiegang Town, Dongguan City, Guangdong province.

If a formal project investment agreement is not executed within three months of signing the agreement, this agreement will terminate automatically at its expiration date, and neither party will proceed against the other.

Presently, the validity period of the agreement has expired, however, the two parties are still actively promoting the signing of the formal agreement on the specifics of their cooperation. In accordance with applicable laws and regulations and the Articles of Association, the Company will perform the corresponding approval procedures and fulfill its disclosure obligations for the follow-up of the project.

2. Within three months of the signing of this agreement, the company's actual controller, shareholders holding more than 5% of the shares, and directors, supervisors, and senior executives have no changes in shareholding; within the next three months, the company's actual controller, shareholders holding more than 5% of the shares, and directors, supervisors, and senior executives have no changes in shareholding; The directors, supervisors, and senior executives are not in a position where the restricted shares are about to be lifted; as of the disclosure date of this announcement, the company had not received plans for actual controllers, shareholders holding more than 5% of the shares, and directors, supervisors, and senior executives to reduce their shareholding.

VII. Reference

Framework Agreement on Cooperation between Wan'an and Fangda in Photovoltaic Building Integration (BIPV) and Distributed Photovoltaic Power Generation Project

The above is for the attention of the shareholders.

Board of Directors of China Fangda Group Co., Ltd.

October 25, 2021