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China Fangda Group Co., Ltd.
Announcement on Investment and Construction of Fangda
(Ganzhou) Low Carbon Intelligent Manufacturing Headquarters
Base

associated relationship with the People's Government of Zhanggong District, Ganzhou City, and has not had similar transactions with it in the past three years.

III. Main Content of the Investment Contract

Party A: People's Government of Zhanggong District, Ganzhou City

Party B: China Fangda Group Co., Ltd.

- (一) Project name: Fangda (Ganzhou) Low Carbon Intelligent Manufacturing Headquarters Base.
- (二) Investment content: mainly produce PVDF aluminum veneer, nano aluminum veneer and other new materials, smart curtain wall system, BIPV photovoltaic building integration system, aluminum alloy components, and precision steel components.
- (三) Investment scale: The total planned investment is RMB2.2 billion, including RMB1.2 billion for the first phase of the project, RMB660 million for fixed assets (land, equipment, plant, etc.), and RMB540 million for working capital.
- (四) Annual production target: 2 million square meters of PVDF aluminum veneer, 1.2 million square meters of smart curtain wall and BIPV system, 15,000 tons of aluminum alloy precision machining, 20,000 tons of precision steel structure, etc.
- (五) Company registration: Party B shall establish a project company in Zhanggong High tech Zone.
- (六) Intended site: Located in Shuixi Industrial Park, Zhanggong High tech Zone, the first phase covers an area of 258 mu, with a plot ratio of 1.5-2.5. The specific boundary site and parcel area are subject to the *State-owned Construction Land Use Right Transfer Contract* for the transferred land of the contract project. The land transfer is in the form of public bidding, auction and listing, and Party B is responsible for bidding matters.
- (七) Land supply conditions: Party A provides Party B with land with the

2 Other policies:

Party A shall give Party B subsidies for infrastructure construction, equipment relocation, productive equipment, economic contribution, and loan discount.

(十一) Rights and obligations of Party A

1. Provide Party B with high-quality services and a good investment and development environment, and maintain Party B's normal production and operation order;

2. Assist Party B to go through the formalities of industrial and commercial registration and tax registration;

3. Coordinate with relevant departments to supervise and manage Party B's project construction, production and operation;

4. Party A supports Party B's declaration of energy consumption (water, electricity, natural gas, etc.) and environment (waste water, waste gas, etc.) indicators that meet relevant national standards within the scope of production capacity;

5. Party A provides support for the recruitment of employees, and provides special recruitment information docking services for universities, secondary vocational schools and vocational schools.

(十二) Rights and obligations of Party B

1. Have the property rights, business autonomy, labor autonomy and other rights granted by law;

2. Ensure that the business objectives of the investment project under this contract reach the agreement of this contract;

3. According to the approved planning and building scheme, the construction shall be started and completed and put into operation within the time limit agreed in the contract, and all construction of the project land shall be completed to ensure that the project investment agreed in the contract is in place;

4. Without the written consent of Party A, the project shall not be transferred in whole or in part to a third party; The rights and obligations under this Contract shall not be transferred in whole or in part to a third party without authorization; It is not allowed to arbitrarily change the production projects, business scope, investment content, industrial land and plant use as agreed in this contract;

5. Promise that the project company's registered place and main production and operation sites shall not move out of Zhanggong High tech Industrial Park within 10 years, and shall not stop production or business without legal reasons;

6. Party B shall not remove the equipment enjoying the equipment subsidy under this

contract from the project in Zhanggong District, Ganzhou;

7. In addition to the relevant preferential conditions agreed herein, Party B shall still enjoy other preferential policies of Jiangxi Province, Ganzhou City and Party A on the premise of meeting the conditions.

(十三) Liability for breach of contract

1. Party A's liability for breach of contract

After Party B transfers the land, Party A shall have the right to require Party A to take remedial measures or terminate the contract under any of the following circumstances:

(1) Without the consent of Party B, Party A makes major adjustments to the land area of the project.

(2) Without the consent of Party B, Party A uses the project land agreed in the contract for other purposes.

If Party B chooses to terminate this contract due to the aforementioned breach of contract by Party A, it shall be handled according to the following provisions:

(1) Party A shall return the transfer fee (without interest) paid by Party B for the adjusted part of the land to Party B.

(2) In addition to the responsibilities agreed in the contract, Party B shall also compensate for the relevant direct economic losses caused to Party B due to breach of contract.

2. Party B's liability for breach of contract

less than one-third of the total area of land for development and construction to be started,
or the amount of investment accounts for less th

board of directors of Party B and signed and sealed by both parties.

IV. Purpose of Foreign Investment and Its Impact on the Company

The external investment coincides with with the Company's strategic plan. If the project goes ahead smoothly, it will further promote the development of the Company's intelligent curtain wall system manufacturing business, PVDF aluminum veneer and other new material businesses, enhance the Company's competitiveness and sustainable development capabilities, and will benefit the Company's future development. The construction period of this project is long, and it will not have a significant impact on the company's financial

(2) Investment Contract for Industrial Projects.

The above is for the attention of the shareholders.

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

December 17, 2022