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China PengFei Group Limited

中国鹏飞集团有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3348)

DISCLOSEABLE TRANSACTIONS SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCTS

THE SUBSCRIPTION

The Board is pleased to announce that on 14 August 2024 (after trading hours), Jiangsu Pengfei, an indirect wholly-owned subsidiary of the Company, has entered into the BOC Wealth Management Product Agreements with BOC for the Subscription, namely the subscription of two wealth management products in the subscription amount of RMB52,000,000 (equivalent to approximately HK\$56,680,000) and RMB48,000,000 (equivalent to approximately HK\$52,320,000), respectively.

LISTING RULES IMPLICATIONS

As the Subscriptions have been entered into between the same parties, they will be aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules.

As one of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules in respect of the aggregate subscription amount of the Subscriptions is more than 5% but less than 25%, the Subscriptions contemplated under the BOC Wealth Management Product Agreements constitute discloseable transactions of the Company and are subject to the reporting and announcement requirements under Rule 14.33 of the Listing Rules.

THE SUBSCRIPTIONS

The Board is pleased to announce that on 14 August 2024 (after trading hours), Jiangsu Pengfei, an indirect wholly-owned subsidiary of the Company, has entered into the BOC Wealth Management Product Agreements with BOC for the Subscription, namely the subscription of two wealth management products in the subscription amount of RMB52,000,000 (equivalent to approximately HK\$56,680,000) and RMB48,000,000 (equivalent to approximately HK\$52,320,000), respectively. The Subscriptions were funded by the Group's idle funds.

FIRST BOC WEALTH MANAGEMENT PRODUCT AGREEMENT

A summary of the major terms of the First BOC Wealth Management Product Agreement is set out below:

- | | | |
|------|--|---|
| (1) | Date of subscription: | 14 August 2024 |
| (2) | Parties: | (i) BOC; and
(ii) Jiangsu Pengfei |
| (3) | Name of the First BOC Wealth Management Product: | BOC Linked Structured Deposit CSDVY202412685 (Institutional Customer)* (中國銀行掛鉤型結構性存款 CSDVY202412685 (機構客戶)) |
| (4) | Risk level: | Low risk (based on the internal risk assessment by BOC) |
| (5) | Type of product and return: | Principal-guaranteed with guaranteed minimum return |
| (6) | Product underlying link: | The linked indicator is the EUR/USD spot exchange rate |
| (7) | Risks associated with the product: | (i) policy risk; (ii) market risk; (iii) liquidity risk; (iv) credit risk; (v) early termination risk; (vi) information transmission risk; (vii) interest rate and inflation risk; and (viii) structured deposit product non-establishment risk |
| (8) | Subscription amount: | RMB52,000,000 (equivalent to approximately HK\$56,680,000) |
| (9) | Term of investment: | From 15 August 2024 to 20 February 2025 (189 days in total) |
| (10) | Expected rate of return: | 1.4% or 2.7891% per annum ^(Note) |
| (11) | Right of early termination or redemption: | The Subscriber does not have the right of early termination or redemption |

Note:

The Group expects to receive the principal amount and return of this product on 20 February 2025, being the maturity date. If the relevant linked indicator is lower than a set baseline at the observation time, the expected minimum rate of return will be 1.4% per annum, otherwise a maximum rate of return of 2.7891% per annum.

SECOND BOC WEALTH MANAGEMENT PRODUCT AGREEMENT

A summary of the major terms of the Second BOC Wealth Management Product Agreement is set out below:

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|---|---|
| (1) Date of subscription: | 14 August 2024 |
| (2) Parties: | (i) BOC; and
(ii) Jiangsu Pengfei |
| (3) Name of the Second BOC Wealth Management Product: | BOC Linked Structured Deposit CSDVY202412684 (Institutional Customer)* (中國銀行掛鉤型結構性存款 CSDVY202412684 (機構客戶)) |
| (4) Risk level: | Low risk (based on the internal risk assessment by BOC) |
| (5) Type of product and return: | Principal-guaranteed with guaranteed minimum return |
| (6) Product underlying link: | The linked indicator is the EUR/USD spot exchange rate |
| (7) Risks associated with the product: | (i) policy risk; (ii) market risk; (iii) liquidity risk; (iv) credit risk; (v) early termination risk; (vi) information transmission risk; (vii) interest rate and inflation risk; and (viii) structured deposit product non-establishment risk |
| (8) Subscription amount: | RMB48,000,000 (equivalent to approximately HK\$52,320,000) |
| (9) Term of investment: | From 15 August 2024 to 18 February 2025 (187 days in total) |
| (10) Expected rate of return: | 1.4% or 2.7991% per annum ^(Note) |
| (11) Right of early termination or redemption: | The Subscriber does not have the right of early termination or redemption |

Note:

The Group expects to receive the principal amount and return of this product on 18 February 2025, being the maturity date. If the relevant linked indicator is lower than a set baseline at the observation time, the expected minimum rate of return will be 1.4% per annum, otherwise a maximum rate of return of 2.7991% per annum.

INFORMATION ON THE COMPANY, THE SUBSCRIBER AND BOC

The Company is a company incorporated in the Cayman Islands with limited liability and, together with its subsidiaries, are principally engaged in the production and sale of complete sets of equipment, construction of production line and provision of installation services.

The Subscriber, an indirect wholly-owned subsidiary of the Company, is a limited liability company incorporated in the PRC and is principally engaged in production and sale of equipment, construction of production line and installation services.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, BOC is a licensed bank incorporated under the laws of the PRC and engaged in the provision of banking and related financial services and the shares of which are listed on the Stock Exchange and the Shanghai Stock Exchange and each of BOC and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SUBSCRIPTIONS

The Subscriptions were made by the Group for treasury management purpose in order to enhance the utilisation of capital and with an aim to maximising the income from its idle funds while minimising risk and without affecting the Group's operational liquidity and fund security. The Subscriptions are funded by the Group's idle funds and will not affect the working capital needs of the Company.

Both the First BOC Wealth Management Product and the Second BOC Wealth Management Product have a low risk exposure and are expected to provide a better yield compared to current deposit interest rates offered by commercial banks in the PRC.

In view of the above, both the members of the Investment Committee and the Directors consider that the terms of the BOC Wealth Management Product Agreements including the subscription amount are on normal commercial terms negotiated at arm's length and are fair and reasonable and in the interests of the Company and the Shareholders as a whole having considered the available idle funds of the Group for treasury management purpose.

LISTING RULES IMPLICATIONS

As the Subscriptions have been entered into by the Company with the same party, they will be aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules.

As one of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules in respect of the subscription amount of the Subscriptions in aggregate is more than 5% but less than 25%, the Subscriptions contemplated under the BOC Wealth Management Product Agreements constitute discloseable transactions of the Company and is subject to the reporting and announcement requirements under Rule 14.33 of the Listing Rules.

DEFINITIONS

“Board”	the board of Directors
“BOC”	Bank of China, a licensed bank established under the laws of the PRC
“BOC Wealth Management Product Agreements”	First BOC Wealth Management Product Agreement and the Second BOC Wealth Management Product Agreement
“Company”	China PengFei Group Limited (Stock Code: 3348), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	director(s) of the Company
“EUR”	European dollars, the lawful currency in the European Union
“EUR/USD”	the rate of exchange between EUR and USD (expressed as the number of units of USD per 1 unit of EUR)
“First BOC Wealth Management Product”	the wealth management product named BOC Linked Structured Deposit CSDVY202412685 (Institutional Customer)* (中國銀行掛鉤型結構性存款 CSDVY202412685 (機構客戶)) subscribed by the Subscriber under the First BOC Wealth Management Product Agreement
“First BOC Wealth Management Product Agreement”	the wealth management product agreement entered into between the Subscriber and BOC dated 14 August 2024 supplemented by the product specification endorsed by the Subscriber and BOC in relation to the subscription of the First BOC Wealth Management Product
“Group”	the Company and its subsidiaries
“HK\$” or “HKD”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China and for the purpose of this announcement, does not include the Hong Kong Special Administrative Region, the Macao Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC

“Second BOC Wealth Management Product”	the wealth management product named BOC Linked Structured Deposit CSDVY202412684 (Institutional Customer)* (中國銀行掛鈎型結構性存款 CSDVY202412684 (機構客戶)) subscribed by the Subscriber under the Second BOC Wealth Management Product Agreement
“Second BOC Wealth Management Product Agreement”	the wealth management product agreement entered into between the Subscriber and BOC dated 14 August 2024 supplemented by the product specification endorsed by the Subscriber and BOC in relation to the subscription of the Second BOC Wealth Management Product
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber” or “Jiangsu Pengfei”	Jiangsu Pengfei Group Limited* (江蘇鵬飛集團股份有限公司), a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company
“Subscription(s)”	the subscription(s) of the First BOC Wealth Management Product by the Subscriber in an amount of RMB52,000,000 and/or the Second BOC Wealth Management Product by the Subscriber in an amount of RMB48,000,000 pursuant to the BOC Wealth Management Product Agreements on 14 August 2024
“USD”	United States dollar, the lawful currency of the United States of America
“%”	per cent

In this announcement, amounts denominated in RMB have been converted into HK\$ at the rate of RMB1 = HK\$1.09 for illustration purpose only. No representation is made to the effect that any amount in RMB or HK\$ have been, could have been or could be converted at the above rate or at any other rates or at all.

By order of the Board
China PengFei Group Limited
WANG Jiaan
Chairman and Executive Director

Hong Kong, 14 August 2024

* For identification only

As of the date of this announcement, the Board comprises Mr. Wang Jiaan, Mr. Zhou Yinbiao, Mr. Dai Xianru, and Mr. Ben Daolin as executive directors, and Ms. Zhang Lanrong, Mr. Ding Zaiguo, and Mr. Mak Hing Keung, Thomas as independent non-executive directors.