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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)

VOLUNTARY ANNOUNCEMENT MODIFICATION OF EXISTING TREASURY MANAGEMENT PLAN

This announcement is made by China PengFei Group Limited (the “**Company**”, and together with its subsidiaries, collectively referred to as the “**Group**”) on a voluntary basis to keep the shareholders and potential investors informed of the latest business development of the Group.

The board of directors (the “**Board**”) of the Company wishes to announce that in view of the Group’s intention to strengthen its short-term cash flow management and the “Guiding Opinions on Regulating the Asset Management Business of Financial Institutions”* (《關於規範金融機構資產管理業務的指導意見》) jointly promulgated by the People’s Bank of China and other financial regulators in 2018 which expressly prohibits financial institution in the People’s Republic of China to guarantee principal and returns when conducting asset management business, the investment committee of the Board (the “**Investment Committee**”) and the Board considered it appropriate to modify the Group’s existing treasury management plan, details of which have been disclosed in the interim report of the Company for the six months ended 30 June 2021 published on 24 September 2021.

In light of the above, the Group has modified its existing treasury management plan on 15 October 2021 allowing it to invest not more than 30% of its cash-in-hand at any relevant time in financial assets limited to wealth management products issued by listed banks or their subsidiaries and subject to the following conditions:

- (a) all investments in wealth management products need not be principal guaranteed provided that the risk level (based on the internal risk assessment by the relevant issuing bank) of such wealth management products shall not be higher than “medium to low-risk”;
- (b) all wealth management products invested by the Group shall not exceed an investment period of six months (save for any extension of such period as a result of any public holidays);
- (c) the aggregate amount of funds to be invested by the Group in any wealth management product shall not exceed the cash flow needs of the Group for the next three months at any relevant time; and
- (d) detailed descriptions of the wealth management products shall be submitted for consideration and prior approval at the respective meetings of the Investment Committee and the Board.

Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

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

Hong Kong, 15 October 2021

* *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.