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 TRANSACTION
SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCT

THE SUBSCRIPTION

The Board is pleased to announce that on 6 August 2025 (after trading hours), China Heavy Equipment, an indirect wholly-owned subsidiary of the Company, subscribed for Huatai Wealth Management Product in an amount of HK$28,000,000 through the Distributor.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules in respect of the Subscription is more than 5% but less than 25%, the Subscription constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Rule 14.33 of the Listing Rules.

THE SUBSCRIPTION

The Board is pleased to announce that on 6 August 2025 (after trading hours), China Heavy Equipment, an indirect wholly-owned subsidiary of the Company, subscribed for the Huatai Wealth Management Product in an amount of HK$28,000,000. The Subscription was funded by the Group's idle funds.

A summary of the major terms of the Subscription is set out below:

1.	Date of subscription:	6 August 2025
2.	Name of the Wealth Management Product:	Class I HKD Units, Huatai HKD Money Market Fund
3.	Parties:	(i) The Distributor; and (ii) The Subscriber
4.	Currency of subscription:	HKD
5.	Type of the product and return:	Non-principal guaranteed with variable return

6.	Risk rating of the product level:	Low
7.	Principal amount of the subscription:	HKD28,000,000
8.	Term of Subscription:	No fixed term. Huatai Wealth Management Product subscribed by the Subscriber can be redeemed by it on any redemption day subject to compliance with the redemption procedures applicable thereto.
9.	Expected return:	The expected return of the Huatai Wealth Management Product is to be determined on the basis of the difference between the net asset value per unit of the Huatai Wealth Management Product on the redemption date and the initial subscription price, multiplied by the total unit of Huatai Wealth Management Product subscribed by the Subscriber.
10.	Comparative performance benchmarks:	Based on the historical cumulative return of the Huatai Wealth Management Product disclosed on the official website of Huatai Financial, the annualized rate of return of Class I HKD Units for one month, three months, six months, and since the adjusted inception date on 5 October 2023 was approximately 0.19%, 0.75%, 1.72%, and 7.56%, respectively as of 30 June 2025.
11.	Risks associated with the product:	Various risks including but not limited to short-term debt securities risk, credit/counterparty risk, credit rating agency risk, interest rate risk, credit rating downgrading risk, valuation risk, volatility and liquidity risk, sovereign debt risk and credit rating risk, concentration risk, currency/conversion risk, emerging market risk, and hedging risk, etc.
12.	Investment scope of product:	HKD denominated and settled short-term deposits and money market instruments issued by governments, corporations, quasi-governments, international organisations and financial institutions where money market instruments including but not limited to debt securities rated investment grade *(Note 1)* or issued/guaranteed by issuers/guarantors who are rated investment grade, commercial papers, certificate of deposits, short-term notes and commercial bills, etc.

Huatai HKD Money Market Fund may invest not less than 70% of its net asset value in HKD-denominated and settled short-term deposits and high quality money market instruments(Note 2) issued by governments, corporations, quasi-governments, international organisations and financial institutions; and not more than 30% of its net asset value in non-HKD-denominated deposits and high quality money market instruments(Note 2) where Huatai HKD Money Market Fund may invest up to 10% of its net asset value in money market funds authorised in Hong Kong by the SFC under the relevant SFC code or guideline governing, among others, unit trusts and mutual funds or regulated in a manner generally comparable with the requirements of the SFC and acceptable to the SFC; and up to 15% of its net asset value in asset backed securities, such as mortgage backed securities.

Note 1: *"Investment grade" means a short-term credit rating of A-2 or above by Standard & Poor's or equivalent rating as rated by one of the international credit rating agencies, or (in the absence of a short term credit rating only) a long-term credit rating of BBB or above by Standard & Poor's or equivalent rating as rated by one of the international credit rating agencies. For split credit ratings, the highest rating shall apply.*

Note 2: *"High quality money market instruments" include debt securities, commercial papers, certificates of deposits, short-term notes and commercial bills.*

BASIS OF DETERMINATION FOR THE CONSIDERATION

The Directors confirmed that the consideration of the Subscription was determined on the basis of general commercial terms negotiated at arm's length between the Subscriber and the Distributor, having considered the available idle funds of the Group for treasury management purpose.

INFORMATION ON THE COMPANY, THE SUBSCRIBER, THE DISTRIBUTOR, THE MANAGER, AND THE TRUSTEE

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 is a limited liability company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company principally engaged in investment holding business.

The Distributor is also the Manager of Huatai Wealth Management Product. It is a limited liability company incorporated in Hong Kong and an overseas wholly-owned or controlled subsidiary of Huatai Securities Co., Ltd., an integrated securities group in the PRC. The Distributor, which is also the Manager, is licensed by the SFC to carry out Type 1, Type 2, Type 3, Type 4, Type 6, Type 7, and Type 9 regulated activities in Hong Kong.

The Trustee is a registered trust company in Hong Kong and a wholly-owned subsidiary of Bank of Communications Co., Ltd. that provides services, including trustee services, retirement services, custodian services, will and estate administration services and other financial services.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Distributor, the Manager, the Trustee, and their respective ultimate beneficial owner(s) are not connected persons of the Company and are third parties independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The Subscription was 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 Subscription, which is expected to be short-term and funded by the Group's idle funds, will not affect the working capital needs of the Company. Huatai Wealth Management Product being a money market fund allows the Company to invest in short-term wealth management product with a low risk exposure enhancing the utilisation of capital and increasing income from idle funds of the Company. In view of the above, both the members of the Investment Committee and the Directors consider that the terms of Subscription 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.

INTERNAL CONTROL MEASURES

The Board has taken internal control measures in relation to the Subscription. Before the Subscription, the Board conducted risk assessment of Huatai Wealth Management Product taking into account the performance and track record of Huatai Financial as well as the portfolio and diversity of assets under Huatai Wealth Management Product. The Board considered that Huatai Wealth Management Product's main investment had a low-risk profile and a relatively low default probability, which is in line with the strategy adopted by the Company pursuant to its treasury management plan.

After Subscription, the Board will implement an internal control procedure to assess Huatai Wealth Management Product's risk profile by setting a pre-determined redemption threshold at an annualised rate of return of 0.3% before exercising its redemption right of the Huatai Wealth Management Product subscribed by the Subscriber and such threshold was determined with reference to the average rate of return of deposits available to onshore companies in the lending market in China.

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DEFINITIONS

"Board"	the board of Directors
"China Heavy Equipment" or "Subscriber"	China Heavy Equipment Engineering Limited (中國重器工程有限公司), a limited liability company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
"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
"Distributor"	Huatai Financial
"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

"SFC"	the Securities and Futures Commission
"Shareholder(s)"	the shareholder(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription"	the subscription of the Huatai Wealth Management Product by the Subscriber in a total subscription amount of HKD28,000,000 on the date of this announcement
"Huatai Financial" or "Manager""	Huatai Financial Holdings (Hong Kong) Limited, the manager of Huatai Global Investment Fund, including the Huatei Wealth Management Product
"Huatai Wealth Management Product"	the wealth management product of Huatai Global Investment Fund, which is known as "Class I HKD Units", Huatai HKD Money Market Fund pursuant to the explanatory memorandum of Huatai HKD Money Market Fund which is a sub-fund of Huatai Global Investment Fund, an open-ended unit trust established as an umbrella fund pursuant to the trust deed dated 25 July 2023 between the Manager and the Trustee
"Trustee"	Bank of Communication Trustee Limited
"%"	per cent

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

Hong Kong, 6 August 2025

As of the date of this announcement, the Board comprises Mr. Wang Jiaan, Mr. Zhou Yinbiao, Mr. Xu Ruidong, 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.