

## **China Fangda Group Co., Ltd.**

### **Public Notice on Extraordinary Fluctuation of Stock Price**

*The members of the Board and the Company acknowledge being responsible for the truthfulness, accuracy, and completeness of the announcement. Not any false record, misleading statement or significant omission carried in this announcement.*

#### **I. Briefing the extraordinary fluctuation of stock price**

The price of the Company's A shares (stock code: 000055) has been fluctuating for successively three trading days (September 6, 7, 10, 2012), and the accumulated scale of change has been 20%. It is regarded as extraordinary fluctuation according to the Share Trading Rules of Shenzhen Stock Exchange, therefore trading of the Company's shares will be suspended for one hour since opening of the stock exchange in the morning of September 11, 2012.

#### **II. Verification of the situation by the Company**

The Board of Directors verified the related issues through telephone and onsite survey:

1. No issued to be represented or supplemented with the information disclosed previously by the Company;
2. No information other than the following which is disclosed by public medias, that may or has made major influence on the price of the shares.

On September 5, 2012, National Development & Reformation Committee has released multiple approvals regarding railway construction projects and feasible reports. Some 25 railway projects in 19 cities were approved. For related information please find the news at <http://www.sdpc.gov.cn/xmsphz/default.htm>. And "National Investment of RMB800 billion on Railway Construction Projects in Multiple Cities" available at [http://news.xinhuanet.com/politics/2012-09/06/c\\_112975421.htm](http://news.xinhuanet.com/politics/2012-09/06/c_112975421.htm).

Developing, designing, sales and installation of screen door systems in railway transportations is one of the Company's main businesses, accounting 7.58% of the Company annual turnover in 2011 with gross profit ratio of 25.32%. The above issues may influence the development of industry of the Company, but for the construction periods of the railway system usually last for several years. And the actual influence on the Company's business performance is

dependent on the bidding process, construction period, clearance terms, and market share of the Company. Therefore there is great uncertainty with the future performance and competition edge of the Company.

On September 7, 2012, the Company released the information about winning of bidding competition amounted to RMB328 million, including the PSD system of Line R2 of Dongguan City.

3. No major change happened to the Company internally or externally.

4. No major issues with the Company, the holding shareholder, or substantial controller of the Company that should have been disclosed or anything under planning.

5. No trading of the Company's shares by the holding shareholder or the substantial controller of the Company during the period of extraordinary fluctuation.

### III. Statement on no information that should be disclosed but not disclosed

The Board confirms that there was not any issues, or related plans, negotiations, intentions, agreements that hasn't been disclosed, which should has been disclosed according to the "Share Listing Rules of Shenzhen Stock Exchange" and relative regulations. The Board was not informed with any information that is making major influence on the Company's stock and its extension financial instruments that hasn't been disclosed, which should has been disclosed according to the "Share Listing Rules of Shenzhen Stock Exchange" and relative regulations.

### IV. Prompt of risks

1. No major asset reorganizing, acquisition, or acquisition by share placing occurred with the Company, and the Company promises no such plans will be raised in three months since then.

2. No action violating the information disclosing fairness was found in the self-investigation.

3. The Company is expecting a continuous significant declining in Jan-Sept 2012, which has been described in the Interim Report 2012. Details are:

	Jan 1 – Sept 30 2012	Same period last year	Changed by (%)	
Predicted number of accumulative net profit (RMB0,000)	1,600-2,600	5,305	Decline	51.99%-69.84%
Basic earnings per share (Yuan/share)	0.02-0.03	0.07	Decline	57.14%-71.43%
Remarks on the prediction	It is caused by providing of asset impairment of Shenyang Fangda, which was closed up.			

3. Securities Times, China Securities Journal, Shanghai Securities Daily, Hong Kong Commercial Daily (English), and <http://www.cninfo.com.cn> are the official information disclosing media of the Company. All information about the Company are disclosed by these media. Investors please be aware of the risks attached to the issues.

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**The Board of Directors**

**September 11, 2012**