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China Fangda Group Co., Ltd.

2022 Third Quarter Report

The members of the Board and the Company acknowledge being responsible for the truthfulness, accuracy, and completeness of the announcement. No false record, misleading statement or significant omission is carried in this announcement.

Important information:

1. The members of the Board and the Company guarantee that the announcement is free from any false information, misleading statement or material omission and are jointly and severally liable for the information's truthfulness, accuracy and integrity.
2. The Chairman of Board, the Chief Financial Officer, and the manager of accounting department declare: the financial information contained in this report is authentic and completed.
3. Whether the Q3 report is audited

Yes No

I. Financial Highlights

(1) Financial highlight

Whether the Company needs to make retroactive adjustment or restatement of financial data of previous years

Yes No

	This report period	Year-on-year change (%)	Between beginning of the year to the end of the report period	Change from the same period last year
Turnover (yuan)	1,003,211,765.08	15.13%	2,616,275,080.38	7.22%
Net profit attributable to shareholders of the listed company (yuan)	101,410,271.52	54.73%	214,095,545.29	20.94%
Net profit attributable to the shareholders of the listed company and after deducting of non-recurring gain/loss (yuan)	89,949,879.19	57.37%	195,067,454.21	26.46%
Net cash flow generated by business operation (yuan)	-	-	-209,335,478.91	57.44%
Basic earnings per share (yuan/share)	0.09	57.39%	0.20	25.00%
Diluted Earnings per share (yuan/share)	0.09	57.39%	0.20	25.00%
Weighted average net income/asset ratio	1.80%	0.62%	3.82%	0.60%
	End of the report period	End of last year	Year-on-year change	
Total asset (yuan)	12,513,664,577.39	12,261,338,518.66	2.06%	
Owners' equity attributable to the shareholders of the listed company (yuan)	5,681,858,999.96	5,524,039,886.94	2.86%	

(2) Others accidental gain/loss item and amount

Applicable Inapplicable

In RMB

Item	Current period	Amount from beginning of the year to the end of the report period	Notes
Non-current asset disposal gain/loss (including the write-off part for which assets impairment provision is made)	23,838.53	-791,742.97	
Government subsidies accounted into current gain/loss account, other than those closely related to the Company's common business, comply with the national policy and continues to enjoy at certain fixed rate or amount.	2,934,096.62	7,668,654.33	
Capital using expense charged to non-financial enterprises and accounted into the current income account	1,881,408.14	5,335,753.59	
Gain/loss from change of fair value of transactional financial asset and liabilities, and investment gains	436,816.28	3,582,692.67	

from disposal of transactional financial assets and liabilities and sellable financial assets, other than valid period value instruments related to the Company's common businesses			
Write-back of impairment provision of receivables for which impairment test is performed individually	5,388,338.91	5,388,338.91	
Gain/loss from change of fair value of investment property measured at fair value in follow-up measurement	5,799,954.39	6,868,282.99	
Other non-business income and expenditures other than the above	-1,464,913.43	-3,596,527.92	
Other gain/loss items satisfying the definition of non-recurring gain/loss account	0.00	0.00	
Less: Influenced amount of income tax	3,486,007.77	5,301,764.16	
Influenced amount of minority shareholders' equity (after-tax)	53,139.34	125,596.36	
Total	11,460,392.33	19,028,091.08	--

Other gain/loss items satisfying the definition of non-recurring gain/loss account:

Applicable Inapplicable

The Company has no other gain/loss items satisfying the definition of non-recurring gain/loss account

Circumstance that should be defined as recurrent profit and loss to Explanation Announcement of Information Disclosure No. 1 - Non-recurring gain/loss

Applicable Inapplicable

The Company has no circumstance that should be defined as recurrent profit and loss to Explanation Announcement of Information Disclosure No. 1 - Non-recurring gain/loss

(3) Major changes in accounting items and accounting data in the report period and reasons

Applicable Inapplicable

Item	Balance on September 30, 2022	Balance on December 31, 2021	YOY change (%)	Reason
Transactional financial assets	0.00	25,135,241.89	-100.00%	Due to maturity of bank financing at the end of the period
Prepayment	37,777,980.90	23,022,485.03	64.09%	Mainly due to the increase in advance purchase payment
Construction in process	0.00	11,642,444.21	-100.00%	The main reason is that the self-use part of Nanchang Fangda Center project reached the expected usable state, and the construction in progress was converted to fixed assets.
Employees' wage payable	33,637,645.83	69,071,013.95	-51.30%	Mainly due to the annual bonus paid
Item	Total amount in this year	Last period	YOY change (%)	Reason
Investment impairment loss ("-" for loss)	-8,260,225.58	18,669,136.82	-144.25%	Mainly due to the provision for impairment of contract assets in the current period
After-tax net of other misc. income attributed to the shareholders of the parent company	-2,582,720.92	39,043,477.08	-106.61%	Mainly due to part of the inventory for sale of Nanchang Fangda Center project was transferred to investment real estate measured at fair value last year
Cash flow generated by business operations, net	-209,335,478.91	-491,893,360.03	57.44%	Mainly due to the increase in cash flow from real estate business activities

Cash flow generated by investment activities, net	-59,930,165.76	-44,474,619.35	-34.75%	The net investment expenditure of the current period is mainly caused by the Company's long-term asset purchase and construction expenditure and foreign borrowing and other net investment expenditure
Net cash flow generated by financing activities	21,325,490.69	-77,720,054.79	127.44%	Cash flow from financing activities in the current period is due to bank financing business

II. Shareholder Information

(1) Ordinary shareholders, preference shareholders with resumed voting rights and top 10 shareholders

In share

Number of shareholders of common shares at the end of the report period		61,083	Number of shareholders of preferred stocks of which voting rights recovered in the report period (if any)		0	
Top 10 Shareholders						
Shareholder name	Nature of shareholder	Shareholding percentage	Shareholding number	Conditional shares	Pledge, marking or freezing	
					Share status	Quantity
Shenzhen Banglin Technologies Development Co., Ltd.	Domestic non-state legal person	11.11%	119,332,846			
Shengjiu Investment Ltd.	Foreign legal person	10.11%	108,579,318			
Fang Wei	Domestic natural person	3.92%	42,058,488			
Gong Qing Cheng Shi Li He Investment Management Partnership Enterprise (limited partner)	Domestic non-state legal person	1.48%	15,860,609			
Shenwan Hongyuan Securities (Hong Kong) Co., Ltd.	Foreign legal person	0.51%	5,508,790			
VANGUARD EMERGING MARKETS STOCK INDEX FUND	Foreign legal person	0.51%	5,453,712			
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	Foreign legal person	0.49%	5,307,339			
Xiong Jianming	Domestic natural person	0.48%	5,110,257	3,832,693		
Qu Chunlin	Domestic natural person	0.41%	4,397,100			
First Shanghai Securities Limited	Foreign legal person	0.37%	3,938,704			
Top 10 holders of unconditional shares						

Shareholder name	Amount of shares without sales restriction	Category of shares	
		Category of shares	Quantity
Shenzhen Banglin Technologies Development Co., Ltd.	119,332,846	RMB common shares	119,332,846
Shengjiu Investment Ltd.	108,579,318	Domestically listed foreign shares	108,579,318
Fang Wei	42,058,488	RMB common shares	42,058,488
Gong Qing Cheng Shi Li He Investment Management Partnership Enterprise (limited partner)	15,860,609	RMB common shares	15,860,609
Shenwan Hongyuan Securities (Hong Kong) Co., Ltd.	5,508,790	Domestically listed foreign shares	5,508,790
VANGUARD EMERGING MARKETS STOCK INDEX FUND	5,453,712	Domestically listed foreign shares	5,453,712
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	5,307,339	Domestically listed foreign shares	5,307,339
Qu Chunlin	4,397,100	RMB common shares	4,397,100
First Shanghai Securities Limited	3,938,704	Domestically listed foreign shares	3,938,704
Shanghai Silver Leaf Investment Co., Ltd.-Silver Leaf Quantitative Hedging Phase 1 Private Securities Investment Fund	3,575,500	RMB common shares	3,575,500
Notes to top ten shareholder relationship or "action in concert"	Among the shareholders, Shenzhen Banglin Technology Development Co., Ltd. and Shengjiu Investment Co., Ltd. are parties action-in-concert with Xiong Jianming. Shenzhen Banglin Technology Development Co., Ltd. and its parties action-in-concert and Gong Qing Cheng Shi Li He Investment Management Partnership Enterprise are related parties. The Company is not notified of other action-in-concert or related parties among the other holders.		
Top-10 common share shareholders participating in margin trade (if any)	Shanghai Yinye Investment Co., Ltd. - Yinye quantitative hedge phase 1 private securities investment fund holds 3,575,500 shares of the company through the customer credit transaction guarantee securities account of Xiangcai Securities Co., Ltd.		

(2) Total number of preferred shareholders and shareholding of top 10 preferred shareholders by the end of the report period

Applicable Inapplicable

III. Other Material Events

Applicable Inapplicable

According to the Company's development strategy and in combination with the development needs of the holding subsidiary Fangda Zhichuang Technology Rail Transit Platform Door System Industry, the company plans to split its subsidiary Fangda Zhiyuan Technology Co., Ltd. to be listed on the Shenzhen Stock Exchange Growth Enterprise Market. During the reporting

period, the 15th meeting of the 9th Board of Directors and the first extraordinary general meeting of shareholders in 2022 reviewed and approved the proposal on the split up of the subsidiary Fangda Zhiyuan Technology Co., Ltd.'s initial public offering and listing on the GEM. For details, please refer to the Plan of Fangda Group Co., Ltd. on Splitting its Subsidiary Fangda Zhiyuan Technology Co., Ltd. to be Listed on the GEM, the Announcement of the Resolution of the First Extraordinary General Meeting of Shareholders in 2022 and relevant announcements disclosed by the Company on August 30, 2022 and September 15, 2022. As for the follow-up work of the listing of the split holding subsidiary, the Company will perform the information disclosure obligation according to the progress of the project.

IV. Quarterly Financial Statements

(1) Financial statements

1. Consolidated Balance Sheet

Prepared by: China Fangda Group Co., Ltd.

September 30, 2022

In RMB

Item	September 30, 2022	January 1, 2022
Current asset:		
Monetary capital	1,124,709,019.62	1,287,563,759.32
Settlement provision		
Outgoing call loan		
Transactional financial assets		25,135,241.89
Derivative financial assets	1,758,810.39	1,069,587.62
Notes receivable	169,859,203.47	166,377,880.01
Account receivable	508,660,764.20	556,453,824.20
Receivable financing	2,100,000.00	4,263,500.00
Prepayment	37,777,980.90	23,022,485.03
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Other receivables	180,468,564.39	165,093,406.23
Including: interest receivable		
Dividend receivable		
Repurchasing of financial assets		
Inventory	710,148,147.89	733,280,924.98
Contract assets	2,307,528,372.47	1,782,947,673.13
Assets held for sales		
Non-current assets due in 1 year		
Other current assets	223,282,081.78	264,786,506.29
Total current assets	5,266,292,945.11	5,009,994,788.70
Non-current assets:		
Loan and advancement provided		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term share equity investment	54,990,289.99	55,218,946.14
Investment in other equity tools	14,180,652.65	14,180,652.65
Other non-current financial assets	7,501,007.26	7,525,408.24
Investment real estate	5,782,145,759.22	5,765,352,393.13
Fixed assets	655,872,366.51	663,414,297.61
Construction in process		11,642,444.21

Productive biological assets		
Gas & petrol		
Use right assets	22,764,630.73	31,440,856.54
Intangible assets	72,942,040.52	75,199,712.83
R&D expense		
Goodwill		
Long-term amortizable expenses	5,002,993.32	5,388,770.22
Deferred income tax assets	224,246,858.17	214,123,733.00
Other non-current assets	407,725,033.91	407,856,515.39
Total of non-current assets	7,247,371,632.28	7,251,343,729.96
Total of assets	12,513,664,577.39	12,261,338,518.66
Current liabilities		
Short-term loans	1,555,866,346.26	1,287,474,398.65
Loans from Central Bank		
Call loan received		
Transactional financial liabilities		
Derivative financial liabilities	2,243,866.51	11,871.20
Notes payable	748,995,357.63	849,445,299.09
Account payable	1,360,389,503.91	1,343,123,485.97
Prepayment received	1,638,508.85	1,280,482.93
Contract liabilities	182,511,559.70	180,186,877.15
Selling of repurchased financial assets		
Deposit received and held for others		
Entrusted trading of securities		
Entrusted selling of securities		
Employees' wage payable	33,637,645.83	69,071,013.95
Taxes payable	65,949,559.34	67,280,647.22
Other payables	110,587,459.68	126,903,098.08
Including: interest payable		
Dividend payable		
Fees and commissions payable		
Reinsurance fee payable		
Liabilities held for sales		
Non-current liabilities due in 1 year	83,724,470.70	78,418,557.76
Other current liabilities	54,955,072.40	48,098,361.77
Total current liabilities	4,200,499,350.81	4,051,294,093.77
Non-current liabilities:		
Insurance contract provision		
Long-term loans	1,281,000,000.00	1,333,500,000.00
Bond payable		
Including: preferred stock		
Perpetual bond		
Lease liabilities	11,515,480.97	19,152,093.31
Long-term payable	194,140,219.18	183,640,219.18
Long-term employees' wage payable		
Anticipated liabilities	2,689,352.40	6,347,809.40
Deferred earning	9,141,541.73	9,566,525.60
Deferred income tax liabilities	1,063,173,380.26	1,066,631,858.80
Other non-current liabilities		
Total of non-current liabilities	2,561,659,974.54	2,618,838,506.29
Total liabilities	6,762,159,325.35	6,670,132,600.06
Owner's equity:		
Share capital	1,073,874,227.00	1,073,874,227.00
Other equity tools		
Including: preferred stock		
Perpetual bond		

Capital reserves	11,459,588.40	11,459,588.40
Less: Shares in stock		
Other miscellaneous income	32,743,150.86	35,325,871.78
Special reserves		
Surplus reserve	79,324,940.43	79,324,940.43
Common risk provisions		
Retained profit	4,484,457,093.27	4,324,055,259.33
Total of owner's equity belong to the parent company	5,681,858,999.96	5,524,039,886.94
Minor shareholders' equity	69,646,252.08	67,166,031.66
Total of owners' equity	5,751,505,252.04	5,591,205,918.60
Total of liabilities and owner's interest	12,513,664,577.39	12,261,338,518.66

Legal representative: Xiong Jianming CFO: Lin Kebing Accounting Manager: Wu Bohua

2. Consolidated Income Statement Between the Beginning of the Year and End of the Report Period

In RMB

Item	Amount occurred in the current period	Occurred in previous period
1. Total revenue	2,616,275,080.38	2,440,132,035.71
Incl. Business income	2,616,275,080.38	2,440,132,035.71
Interest income		
Insurance fee earned		
Fee and commission received		
2. Total business cost	2,380,673,213.84	2,259,453,596.06
Incl. Business cost	2,024,938,023.78	1,881,981,594.60
Interest expense		
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Net insurance policy responsibility reserves provided		
Insurance policy dividend paid		
Reinsurance expenses		
Taxes and surcharges	33,877,901.93	42,605,856.40
Sales expense	36,407,446.10	36,934,565.60
Administrative expense	113,890,248.47	112,528,612.45
R&D cost	112,565,728.12	115,626,071.44
Financial expenses	58,993,865.44	69,776,895.57
Including: interest cost	75,542,489.47	66,347,206.99
Interest income	26,342,446.74	12,172,540.69
Add: other gains	10,627,149.35	12,311,647.25
Investment gains ("-" for loss)	5,720,200.04	-1,514,996.87
Incl. Investment gains from affiliates and joint ventures	-228,656.15	-610,182.35
Financial assets derecognised as a result of amortized cost	-2,993,991.05	-5,074,940.86
Exchange gains ("-" for loss)		
Net open hedge gains ("-" for loss)		

Gains from change of fair value ("-" for loss)	6,843,882.01	3,537,907.89
Credit impairment ("-" for loss)	1,014,258.00	-823,986.28
Investment impairment loss ("-" for loss)	-8,260,225.58	18,669,136.82
Investment gains ("-" for loss)	-791,742.97	-2,078,383.51
3. Operational profit ("-" for loss)	250,755,387.39	210,779,764.95
Plus: non-operational income	1,015,175.63	1,376,938.98
Less: non-operational expenditure	4,611,703.55	4,203,234.41
4. Gross profit ("-" for loss)	247,158,859.47	207,953,469.52
Less: Income tax expenses	30,635,733.71	21,609,456.54
5. Net profit ("-" for net loss)	216,523,125.76	186,344,012.98
(1) By operating consistency		
1. Net profit from continuous operation ("-" for net loss)	216,523,125.76	186,344,012.98
2. Net profit from discontinuous operation ("-" for net loss)		
(2) By ownership		
1. Net profit attributable to the shareholders of the parent company	214,095,545.29	177,028,283.49
2. Gains and losses of minority shareholders (net losses are shown in "-")	2,427,580.47	9,315,729.49
6. After-tax net amount of other misc. incomes	-2,530,080.97	39,025,333.85
After-tax net amount of other misc. incomes attributed to parent's owner	-2,582,720.92	39,043,477.08
(1) Other misc. incomes that cannot be re-classified into gain and loss		-341,002.54
1. Re-measure the change in the defined benefit plan		
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method		
3. Fair value change of investment in other equity tools		-341,002.54
4. Fair value change of the Company's credit risk		
5. Others		
(2) Other misc. incomes that will be re-classified into gain and loss	-2,582,720.92	39,384,479.62
1. Other comprehensive income that can be transferred to profit or loss under the equity method		
2. Fair value change of other debt investment		
3. Gains and losses from changes in fair value of available-for-sale financial assets		
4. Other credit investment credit impairment provisions		
5. Cash flow hedge reserve	-1,311,356.67	-1,331,360.51
6. Translation difference of foreign exchange statement	1,247,788.43	-884,201.82
7. Others	-2,519,152.68	41,600,041.95
After-tax net of other misc. income attributed to minority shareholders	52,639.95	-18,143.23
7. Total of misc. incomes	213,993,044.79	225,369,346.83
(1) Total of misc. incomes attributable to the owners of the parent company	211,512,824.37	216,071,760.57
(2) Total misc gains attributable to the minor shareholders	2,480,220.42	9,297,586.26
8. Earnings per share:		
(1) Basic earnings per share	0.20	0.16
(2) Diluted earnings per share	0.20	0.16

Net profit contributed by entities merged under common control in the report period was RMB0.00, net profit realized by parties merged during the previous period is RMB0.00.

Legal representative: Xiong Jianming CFO: Lin Keping Accounting Manager: Wu Bohua

3. Consolidated Cash Flow Statement Between the Beginning of the Year and End of the Report Period

In RMB

Item	Amount occurred in the current period	Occurred in previous period
1. Net cash flow from business operations:		
Cash received from sales of products and providing of services	2,275,484,659.74	2,380,701,066.94
Net increase of customer deposits and capital kept for brother company		
Net increase of loans from central bank		
Net increase of inter-bank loans from other financial bodies		
Cash received against original insurance contract		
Net cash received from reinsurance business		
Net increase of client deposit and investment		
Cash received as interest, processing fee, and commission		
Net increase of inter-bank fund received		
Net increase of repurchasing business		
Net cash received from trading securities		
Tax refunded	98,454,542.41	18,803,693.23
Other cash received from business operation	158,343,412.91	125,951,280.14
Sub-total of cash inflow from business operations	2,532,282,615.06	2,525,456,040.31
Cash paid for purchasing products and services	1,803,324,185.00	1,944,909,082.93
Net increase of client trade and advance		
Net increase of savings in central bank and brother company		
Cash paid for original contract claim		
Net increase in funds dismantled		
Cash paid for interest, processing fee and commission		
Cash paid for policy dividend		
Cash paid to and for the staff	328,227,321.29	284,134,957.35
Taxes paid	132,932,694.67	464,021,370.51
Other cash paid for business activities	477,133,893.01	324,283,989.55
Sub-total of cash outflow from business operations	2,741,618,093.97	3,017,349,400.34

Cash flow generated by business operations, net	-209,335,478.91	-491,893,360.03
2. Cash flow generated by investment:		
Cash received from investment recovery	2,855,345,770.15	2,453,319,773.84
Cash received as investment profit	6,199,699.05	3,940,337.42
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	2,095,120.00	475,111.29
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received		
Sub-total of cash inflow generated from investment	2,863,640,589.20	2,457,735,222.55
Cash paid for construction of fixed assets, intangible assets and other long-term assets	39,205,290.96	67,847,095.60
Cash paid as investment	2,884,365,464.00	2,294,960,000.00
Net increase of loan against pledge		
Net cash paid for acquiring subsidiaries and other operational units		125,388,100.00
Other cash paid for investment		14,014,646.30
Subtotal of cash outflows	2,923,570,754.96	2,502,209,841.90
Cash flow generated by investment activities, net	-59,930,165.76	-44,474,619.35
3. Cash flow generated by financing activities:		
Cash received from investment		
Incl. Cash received from investment attracted by subsidiaries from minority shareholders		
Cash received from borrowed loans	1,327,803,289.77	1,467,255,619.10
Other cash received from financing activities		
Subtotal of cash inflow from financing activities	1,327,803,289.77	1,467,255,619.10
Cash paid to repay debts	408,000,000.00	649,443,747.68
Cash paid as dividend, profit, or interests	128,419,383.60	90,573,088.35
Incl. Dividend and profit paid by subsidiaries to minority shareholders		4,560,100.00
Other cash paid for financing activities	770,058,415.48	804,958,837.86
Subtotal of cash outflow from financing activities	1,306,477,799.08	1,544,975,673.89
Net cash flow generated by financing activities	21,325,490.69	-77,720,054.79
4. Influence of exchange rate changes on cash and cash equivalents	8,218,991.07	-2,257,877.64
5. Net increase in cash and cash equivalents	-239,721,162.91	-616,345,911.81
Plus: Balance of cash and cash equivalents at the beginning of term	892,251,071.59	1,028,386,529.73
6. Balance of cash and cash equivalents at the end of the period	652,529,908.68	412,040,617.92

(2) Auditor's report

Whether the Q3 report is audited

Yes No

The Q3 Report is not audited.

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

October 28, 2022