

Stock Code: 000055, 200055 Stock ID: Fangda Group, Fangda B Announcement No. 2023-22

China Fangda Group Co., Ltd.

2023 First 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 Q1 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	Same period last year	Year-on-year change (%)
Turnover (yuan)	815,219,822.90	651,720,353.86	25.09%
Net profit attributable to shareholders of the listed company (yuan)	70,822,028.03	43,891,930.78	61.36%
Net profit attributable to the shareholders of the listed company and after deducting of non-recurring gain/loss (yuan)	68,478,134.64	39,236,476.80	74.53%
Net cash flow generated by business operation (yuan)	-143,876,246.96	-304,745,092.98	52.79%
Basic earnings per share (yuan/share)	0.07	0.04	75.00%
Diluted Earnings per share (yuan/share)	0.07	0.04	75.00%
Weighted average net income/asset ratio	1.22%	0.79%	0.43%
	End of the report period	End of last year	Year-on-year change (%)
Total asset (yuan)	12,497,446,327.39	12,745,185,294.02	-1.94%
Owners' equity attributable to the shareholders of the listed company (yuan)	5,767,286,804.16	5,749,940,874.92	0.30%

(2) Others accidental gain/loss item and amount

Applicable Inapplicable

In RMB

Item	Current period	Notes
Non-current asset disposal gain/loss (including the write-off part for which assets impairment provision is made)	744.51	
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.	2,116,351.16	
Gain/loss from change of fair value of transactional financial asset and liabilities, and investment gains 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	584,780.16	
Write-back of impairment provision of receivables for which impairment test is performed individually	250,000.00	
Gain/loss from change of fair value of investment property measured at fair value in follow-up measurement	40,081.47	
Other non-business income and expenditures other than the above	-126,099.08	
Less: Influenced amount of income tax	493,630.29	
Influenced amount of minority shareholders' equity (after-tax)	28,334.54	
Total	2,343,893.39	

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 March 31, 2023	Balance on December 31, 2022	YOY change (%)	Reason
Intangible assets	95,662,471.25	72,679,444.26	31.62%	Mainly due to the increase of land use right of Ganzhou low-carbon intelligent manufacturing Advanced Business Park
Employees' wage payable	31,800,167.78	67,150,863.91	-52.64%	Mainly due to the annual bonus paid
Item	Total amount in this year	Last period	YOY change (%)	Reason
Investment impairment loss ("-" for loss)	-3,988,423.28	7,793,708.99	-151.17%	Mainly due to the provision for impairment of contract assets in the current period
Net profit attributable to the shareholders of the parent company	70,822,028.03	43,891,930.78	61.36%	Mainly due to the increase in operating revenue and net profit of the company's rail transit screen door system business
Cash flow generated by business operations, net	-143,876,246.96	-304,745,092.98	52.79%	Mainly due to the Company's focus on collection management and a year-on-year increase in cash flow from operating activities in various major industries
Cash flow generated by investment activities, net	-72,662,339.95	-155,147,278.79	53.17%	Mainly due to a decrease in net expenditure on bank financial investment
Net cash flow generated by financing activities	-53,378,789.23	41,425,394.41	-228.86%	The net outflow from financing activities in this period is mainly due to the payment of dividends

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	54,201	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 (%)	Shareholding number	Conditional shares	Pledge, marking or freezing	
					Share status	Quantity
Shenzhen Banglin Technologies Development Co., Ltd.	Domestic non-state legal person	11.11%	119,332,846.00			
Shengjiu Investment Ltd.	Foreign legal person	10.11%	108,579,318.00			
Fang Wei	Domestic natural person	4.13%	44,390,497.00			
Gong Qing Cheng Shi Li He Investment Management Partnership	Domestic non-state legal person	1.48%	15,860,609.00			

Enterprise (limited partner)					
Shenwan Hongyuan Securities (Hong Kong) Co., Ltd.	Foreign legal person	0.51%	5,508,790.00		
VANGUARD EMERGING MARKETS STOCK INDEX FUND	Foreign legal person	0.50%	5,348,612.00		
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	Foreign legal person	0.48%	5,196,439.00		
Zhou Youming	Domestic natural person	0.48%	5,180,760.00		
Xiong Jianming	Domestic natural person	0.48%	5,110,257.00	3,832,693.00	
Wu Xuandong	Domestic natural person	0.44%	4,694,300.00		
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.	119,332,846.00	RMB common shares	119,332,846.00		
Shengjiu Investment Ltd.	108,579,318.00	Domestically listed foreign shares	108,579,318.00		
Fang Wei	44,390,497.00	RMB common shares	44,390,497.00		
Gong Qing Cheng Shi Li He Investment Management Partnership Enterprise (limited partner)	15,860,609.00	RMB common shares	15,860,609.00		
Shenwan Hongyuan Securities (Hong Kong) Co., Ltd.	5,508,790.00	Domestically listed foreign shares	5,508,790.00		
VANGUARD EMERGING MARKETS STOCK INDEX FUND	5,348,612.00	Domestically listed foreign shares	5,348,612.00		
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	5,196,439.00	Domestically listed foreign shares	5,196,439.00		
Zhou Youming	5,180,760.00	RMB common shares	5,180,760.00		
Wu Xuandong	4,694,300.00	RMB common shares	4,694,300.00		
Qu Chunlin	4,397,100.00	RMB common shares	4,397,100.00		
Notes to top ten shareholder relationship or "action in concert"	Among the shareholders, Shenzhen Banglin Technology Development Co., Ltd., Shengjiu Investment Co., Ltd. and Xiong Jianming are parties action-in-concert. Shenzhen Banglin Technology Development Co., Ltd. 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 of current shares.				

Explanation of the top 10 shareholders' participation in financing and securities lending business	Wu Xuandong holds 4,694,300 stocks of the Company through the Huaxi Securities customer credit transaction guarantee securities account.
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(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

IV. Quarterly Financial Statements

(1) Financial statements

1. Consolidated Balance Sheet

Prepared by: China Fangda Group Co., Ltd.

March 31, 2023

In RMB

Item	Closing balance	Opening balance
Current asset:		
Monetary capital	1,000,507,281.05	1,238,754,216.50
Settlement provision		
Outgoing call loan		
Transactional financial assets		
Derivative financial assets	1,247,926.26	789,205.34
Notes receivable	138,132,019.93	130,428,554.49
Account receivable	669,037,518.67	832,292,348.17
Receivable financing	9,800,000.00	1,338,202.01
Prepayment	22,214,583.46	20,631,650.59
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Other receivables	156,628,422.56	155,379,024.22
Including: interest receivable		
Dividend receivable		
Repurchasing of financial assets		
Inventory	751,047,430.09	710,532,397.32
Contract assets	2,219,816,701.96	2,158,860,658.43
Assets held for sales		
Non-current assets due in 1 year		
Other current assets	221,760,535.94	200,981,963.60
Total current assets	5,190,192,419.92	5,449,988,220.67
Non-current assets:		
Loan and advancement provided		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term share equity investment	54,969,116.41	54,969,042.14
Investment in other equity tools	11,968,973.86	11,968,973.86

Other non-current financial assets	7,513,697.05	7,507,434.68
Investment real estate	5,760,405,272.73	5,760,517,577.11
Fixed assets	641,629,473.99	646,812,853.36
Construction in process		
Productive biological assets		
Gas & petrol		
Use right assets	19,755,772.46	19,449,693.40
Intangible assets	95,662,471.25	72,679,444.26
R&D expense		
Goodwill		
Long-term amortizable expenses	9,066,308.87	9,744,661.01
Deferred income tax assets	221,787,761.80	220,060,976.88
Other non-current assets	484,495,059.05	491,486,416.65
Total of non-current assets	7,307,253,907.47	7,295,197,073.35
Total of assets	12,497,446,327.39	12,745,185,294.02
Current liabilities		
Short-term loans	1,380,984,428.12	1,318,238,522.78
Loans from Central Bank		
Call loan received		
Transactional financial liabilities		
Derivative financial liabilities		293,400.00
Notes payable	671,038,554.77	734,890,208.56
Account payable	1,547,016,360.05	1,718,036,375.78
Prepayment received	3,529,864.48	1,439,653.84
Contract liabilities	173,777,112.86	207,993,671.55
Selling of repurchased financial assets		
Deposit received and held for others		
Entrusted trading of securities		
Entrusted selling of securities		
Employees' wage payable	31,800,167.78	67,150,863.91
Taxes payable	67,098,503.21	85,827,331.09
Other payables	111,678,765.61	113,425,377.70
Including: interest payable		
Dividend payable		
Fees and commissions payable		
Reinsurance fee payable		
Liabilities held for sales		
Non-current liabilities due in 1 year	84,610,446.60	83,778,647.06
Other current liabilities	57,769,963.85	48,133,198.49
Total current liabilities	4,129,304,167.33	4,379,207,250.76
Non-current liabilities:		
Insurance contract provision		
Long-term loans	1,246,000,000.00	1,263,500,000.00
Bond payable		
Including: preferred stock		
Perpetual bond		
Lease liabilities	7,741,256.74	6,907,456.55
Long-term payable	201,140,219.18	197,640,219.18
Long-term employees' wage payable		
Anticipated liabilities	2,967,290.19	3,372,553.84
Deferred earning	8,858,219.15	8,999,880.44
Deferred income tax liabilities	1,061,561,958.02	1,065,172,771.00
Other non-current liabilities		
Total of non-current liabilities	2,528,268,943.28	2,545,592,881.01
Total liabilities	6,657,573,110.61	6,924,800,131.77
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	32,204,329.35	31,986,716.79
Special reserves		
Surplus reserve	79,324,940.43	79,324,940.43
Common risk provisions		
Retained profit	4,570,423,718.98	4,553,295,402.30
Total of owner's equity belong to the parent company	5,767,286,804.16	5,749,940,874.92
Minor shareholders' equity	72,586,412.62	70,444,287.33
Total of owners' equity	5,839,873,216.78	5,820,385,162.25
Total of liabilities and owner's interest	12,497,446,327.39	12,745,185,294.02

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

2. Consolidated Income Statement

In RMB

Item	Amount occurred in the current period	Occurred in previous period
1. Total revenue	815,219,822.90	651,720,353.86
Incl. Business income	815,219,822.90	651,720,353.86
Interest income		
Insurance fee earned		
Fee and commission received		
2. Total business cost	739,158,328.46	615,157,375.52
Incl. Business cost	619,537,779.13	497,841,198.63
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	11,938,688.94	8,192,265.51
Sales expense	12,592,760.16	8,375,766.91
Administrative expense	36,597,484.72	38,469,218.46
R&D cost	34,608,478.49	35,588,159.99
Financial expenses	23,883,137.02	26,690,766.03
Including: interest cost	23,681,505.78	24,949,475.24
Interest income	6,302,923.42	4,126,023.02
Add: other gains	2,410,664.48	3,102,569.75
Investment gains ("-" for loss)	-913,958.34	2,831,124.39
Incl. Investment gains from affiliates and joint ventures	74.27	-19,576.55
Financial assets derecognised as a result of amortized	-1,492,550.40	-680,617.43

cost		
Exchange gains ("-" for loss)		
Net open hedge gains ("-" for loss)		
Gains from change of fair value ("-" for loss)	46,343.84	261,217.51
Credit impairment ("-" for loss)	8,858,797.15	2,899,003.35
Investment impairment loss ("-" for loss)	-3,988,423.28	7,793,708.99
Investment gains ("-" for loss)	744.51	184,376.62
3. Operational profit ("-" for loss)	82,475,662.80	53,634,978.95
Plus: non-operational income	86,977.15	47,300.04
Less: non-operational expenditure	213,076.23	704,877.03
4. Gross profit ("-" for loss)	82,349,563.72	52,977,401.96
Less: Income tax expenses	9,377,019.66	8,541,997.07
5. Net profit ("-" for net loss)	72,972,544.06	44,435,404.89
(1) By operating consistency		
1. Net profit from continuous operation ("-" for net loss)	72,972,544.06	44,435,404.89
2. Net profit from discontinuous operation ("-" for net loss)		
(2) By ownership		
1. Net profit attributable to the owners of parent company	70,822,028.03	43,891,930.78
2. Minor shareholders' equity	2,150,516.03	543,474.11
6. After-tax net amount of other misc. incomes	209,221.81	143,531.89
After-tax net amount of other misc. incomes attributed to parent's owner	217,612.56	147,229.45
(1) Other misc. incomes that cannot be re-classified into gain and loss		
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		
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	217,612.56	147,229.45
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	639,302.78	-46,070.72
6. Translation difference of foreign exchange statement	-421,690.22	193,300.17

7. Others		
After-tax net of other misc. income attributed to minority shareholders	-8,390.75	-3,697.56
7. Total of misc. incomes	73,181,765.87	44,578,936.78
Total of misc. incomes attributable to the owners of the parent company	71,039,640.59	44,039,160.23
Total misc gains attributable to the minor shareholders	2,142,125.28	539,776.55
8. Earnings per share:		
(1) Basic earnings per share	0.07	0.04
(2) Diluted earnings per share	0.07	0.04

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 Kebing Accounting Manager: Wu Bohua

3. Consolidated Cash Flow Statement

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	924,493,673.95	653,472,296.91
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	3,830,268.63	5,897,270.98
Other cash received from business operation	53,323,261.65	44,868,737.78
Sub-total of cash inflow from business operations	981,647,204.23	704,238,305.67
Cash paid for purchasing products and services	765,417,931.43	714,536,986.15
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	135,190,979.89	133,012,314.42
Taxes paid	69,586,773.80	31,085,324.63
Other cash paid for business activities	155,327,766.07	130,348,773.45
Sub-total of cash outflow from business operations	1,125,523,451.19	1,008,983,398.65
Cash flow generated by business operations, net	-143,876,246.96	-304,745,092.98
2. Cash flow generated by investment:		
Cash received from investment recovery		1,091,248,408.66
Cash received as investment profit	578,517.79	1,662,194.32
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	1,600.00	634,500.00
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received		
Sub-total of cash inflow generated from investment	580,117.79	1,093,545,102.98
Cash paid for construction of fixed assets, intangible assets and other long-term assets	53,241,547.74	15,438,381.77
Cash paid as investment	20,000,910.00	1,233,254,000.00
Net increase of loan against pledge		
Net cash paid for acquiring subsidiaries and other operational units		
Other cash paid for investment		
Subtotal of cash outflows	73,242,457.74	1,248,692,381.77
Cash flow generated by investment activities, net	-72,662,339.95	-155,147,278.79
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	433,001,196.87	311,103,606.96
Other cash received from financing activities		
Subtotal of cash inflow from financing activities	433,001,196.87	311,103,606.96
Cash paid to repay debts	387,500,000.00	11,000,000.00
Cash paid as dividend, profit, or interests	72,235,424.63	27,020,611.15
Incl. Dividend and profit paid by subsidiaries to minority shareholders		
Other cash paid for financing activities	26,644,561.47	231,657,601.40
Subtotal of cash outflow from financing activities	486,379,986.10	269,678,212.55
Net cash flow generated by financing	-53,378,789.23	41,425,394.41

activities		
4. Influence of exchange rate changes on cash and cash equivalents	-2,477,386.22	-67,966.44
5. Net increase in cash and cash equivalents	-272,394,762.36	-418,534,943.80
Plus: Balance of cash and cash equivalents at the beginning of term	783,677,929.06	892,251,071.59
6. Balance of cash and cash equivalents at the end of the period	511,283,166.70	473,716,127.79

(2) Auditor's report

Whether the Q1 report is audited

Yes No

The Q1 Report is not audited.

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

April 25, 2023