

Stock Code: 000055, 200055

Stock ID: Fangda Group, Fangda B

Announcement No. 2020-51

China Fangda Group Co., Ltd. 2020 Q3 Report

I Important Statement

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.

All the Directors have attended the meeting of the board meeting at which this report was examined.

Mr. XiongJianming, the Chairman of Board, Mr. Lin Kebin, the Chief Financial Officer, and Mr. Wu Bohua, the manager of accounting department declare: the Financial Report carried in this report is authentic and completed.

II. General Information

1. Financial Highlight

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

Yes No

	End of the report period	End of last year	Year-on-year change	
Total asset (RMB)	11,906,374,078.74	11,369,964,580.11	4.72%	
Net profit attributable to the shareholders of the listed company (RMB)	5,204,160,939.88	5,182,795,079.67	0.41%	
	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)	848,436,105.17	21.34%	2,100,044,169.59	-1.18%
Net profit attributable to shareholders of the listed company (yuan)	68,793,891.42	150.45%	215,633,776.00	38.18%
Net profit attributable to the shareholders of the listed company and after deducting of non-recurring gain/loss (RMB)	54,966,749.35	250.97%	201,259,597.30	55.97%
Net cash flow generated by business operation (RMB)	316,947,166.56	987.05%	179,961,687.16	144.06%
Basic earnings per share (yuan/share)	0.06	200.00%	0.20	42.86%
Diluted Earnings per share (yuan/share)	0.06	200.00%	0.20	42.86%
Weighted average net income/asset ratio	1.32%	Increased by 0.77 percentage points	4.13%	Increased by 1.02 percentage points

Note: Due to changes in the accounting estimates of the expected credit loss rate of accounts receivable and contract assets in 2020, the net profit from January to September 2020 will increase by RMB 84,734,058.68.

Accidental gain/loss item and amount

Applicable Inapplicable

In RMB

Item	Amount from beginning of the year to the end of the	Notes

	report period	
Non-current asset disposal gain/loss (including the write-off part for which assets impairment provision is made)	10,159,456.23	
Subsidies accounted into the current income account (except the government subsidy closely related to the enterprise's business and based on unified national standard quota)	7,433,515.71	
Gain/loss from change of fair value of transactional financial asset and liabilities, and investment gains from disposal of transactional and derivative financial assets and liabilities and sellable financial assets, other than valid period value instruments related to the Company's common businesses	5,211,270.22	
Gain/loss from commissioned loans	397,420.84	
Gain/loss from change of fair value of investment property measured at fair value in follow-up measurement	174,286.01	
Other non-business income and expenditures other than the above	-5,875,702.70	
Less: Influenced amount of income tax	3,052,223.50	
Influenced amount of minority shareholders' equity (after-tax)	73,844.11	
Total	14,374,178.70	--

Explanation statement should be made for accidental gain/loss items defined and accidental gain/loss items defined as regular gain/loss items according to the Explanation Announcement of Information Disclosure No. 1 - Non-recurring gain/loss mentioned.

Applicable Inapplicable

No circumstance that should be defined as recurrent profit and loss according to Explanation Announcement of Information Disclosure No. 1 - Non-recurring gain/loss occurs in the report period.

2. Total number of shareholders and shareholding of top 10 shareholders by the end of the report period

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	61,688	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	Pledging or freezing	
					Share status	Quantity
Shenzhen Banglin Technolo	Domestic non-state legal	10.77%	117,183,046		Pledged	32,700,000

gies Development Co., Ltd.	person					
Shengjiu Investment Ltd.	Foreign legal person	9.66%	105,134,562			
Fang Wei	Domestic natural person	2.79%	30,322,437			
Gong Qing Cheng Shi Li He Investment Management Partnership Enterprise (limited partner)	Domestic non-state legal person	2.46%	26,791,488			
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	Foreign legal person	0.64%	6,962,407			
VANGUARD EMERGING MARKETS STOCK INDEX FUND	Foreign legal person	0.58%	6,312,683			
ShenwanHongyu Securities (Hong Kong) Co., Ltd.	Foreign legal person	0.52%	5,705,823			
Qu Chunlin	Domestic natural person	0.51%	5,557,161			
First Shanghai Securities Limited	Foreign legal person	0.36%	3,938,704			
Shanghai Silver Leaf Investment Co., Ltd.-Silver Leaf Quantitative Hedging Phase 2 Private Securities Investment Fund	Others	0.35%	3,755,500			
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.	117,183,046	RMB common shares	117,183,046
Shengjiu Investment Ltd.	105,134,562	Domestically listed foreign shares	105,134,562
Fang Wei	30,322,437	RMB common shares	30,322,437
Gong Qing Cheng Shi Li He Investment Management Partnership Enterprise (limited partner)	26,791,488	RMB common shares	26,791,488
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	6,962,407	Domestically listed foreign shares	6,962,407
VANGUARD EMERGING MARKETS STOCK INDEX FUND	6,312,683	Domestically listed foreign shares	6,312,683
ShenwanHongyuan Securities (Hong Kong) Co., Ltd.	5,705,823	Domestically listed foreign shares	5,705,823
Qu Chunlin	5,557,161	RMB common shares	5,557,161
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 2 Private Securities Investment Fund	3,755,500	RMB common shares	3,755,500
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. 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.		
Top-10 common share shareholders participating in margin trade (if any)	Shenzhen Banglin Technology Development Co., Ltd. holds 55,000,000 shares of the Company through the customer credit transaction guarantee securities account of Ping An Securities Co., Ltd., and Shanghai YinYe Investment Co., Ltd.-YinYe Quantitative Hedging Phase 2 Private Securities Investment Fund through Xiangcai Securities Co., Ltd. The customer credit transaction guarantee securities account holds 3,755,500 shares of the		

	Company.
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Agreed re-purchasing by the Company's top 10 shareholders of common shares and top 10 shareholders of unconditional common shares in the report period

Yes No

No agreed re-purchasing by the Company's top 10 shareholders of common shares and top 10 shareholders of unconditional common shares in the report period

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

Applicable Inapplicable

III Significant Events

1. Major changes in accounting items and financial data in the report period and reasons

√ Applicable □ Inapplicable

Item	September 30, 2020	December 31, 2019	YOY change (%)	Reason
Transactional financial assets	83,641,134.43	10,330,062.18	709.69%	Mainly due to increase in Closing balance bank borrowings
Notes receivable	154,118,383.63	305,070,930.97	-49.48%	Mainly due to the decrease of untermiated notes receivable
Account receivable	477,375,042.94	1,956,191,307.07	-75.60%	Mainly due to the implementation of the new revenue standard to classify some accounts receivable under the old standard into contract assets
Contract assets	1,828,732,752.68	0.00		
Short-term loans	1,485,747,404.29	724,618,197.34	105.04%	Mainly due to increase in bank borrowings
Notes payable	758,920,601.25	578,816,027.44	31.12%	Mainly due to increased payment of bills
Prepayment received	1,333,551.23	136,340,104.73	-99.02%	Mainly due to the implementation of the new revenue standards to classify advance receipts under the old standards into contract liabilities; at the same time, the growth of the subway screen door business during the current period and the pre-sale of the Fangda Center project resulted in an increase in contract liabilities compared to the advance receipts at the end of the previous year
Contract liabilities	197,366,616.18	0.00		
Employees' wage payable	23,115,171.51	55,847,134.20	-58.61%	Annual bonus paid
Taxes payable	30,336,924.01	17,848,987.68	69.96%	Mainly due to relevant taxes and fees accrued at the end of the period
Non-current liabilities due in 1 year	95,219,592.88	922,346,563.72	-89.68%	Repayment of long-term loans due within 1 year

Other current liabilities	58,941,182.96	181,694,574.47	-67.56%	Mainly due to the decrease of untermiated notes receivable
Long-term loans	1,117,411,462.35	546,501,491.56	104.47%	Mainly due to increase in bank borrowings
Shares in stock	42,748,530.12	0.00		It is the repurchase cost of B shares that have not yet been cancelled in the current period
Surplus reserve	95,525,281.06	159,805,930.34	-40.22%	Caused by the repurchase and cancellation of B shares in the current period
Minor shareholders' equity	68,338,731.91	48,410,009.60	41.17%	Mainly due to the transfer of part of the equity of the subsidiary in the current period
Item	Total amount in this year	Last period	YOY change (%)	Reason
Taxes and surcharges	13,933,300.17	47,749,346.11	-70.82%	Mainly due to the decrease in real estate income which is due to the decrease in provision of the land VAT.
Sales expense	27,726,818.37	40,738,405.49	-31.94%	Main due to decrease in Expense
R&D cost	96,985,432.54	35,163,348.44	175.81%	Mainly due to increased investment in research and development
Credit impairment loss	84,166,868.00	-22,736,143.99	470.19%	Mainly due to changes in accounting estimates for accounts receivable and expected credit loss rate of contract assets in the current period
Income tax expenses	27,941,944.61	14,924,568.34	87.22%	Mainly due to the increase in profits which is due to the increase in income tax
Net profit attributable to the owners of parent company	215,633,776.00	156,050,013.39	38.18%	Mainly due to the increase in the net profit of the subway screen door business in the current period and the increase in the net profit due to the change in the accounting estimate of the expected credit loss rate
Cash flow generated by business operations, net	179,961,687.16	-408,455,390.94	144.06%	It is mainly due to the increase in cash flow of operating activities due to the gradual recovery of mortgage bonds in the current period and the decrease in tax and

				expense.
Cash flow generated by investment activities, net	-170,657,974.82	-398,879,702.81	57.22%	The net investment expenditure in the current period was mainly due to the increase in the company's production base, fixed assets and investment real estate construction investment and the increase in net wealth management expenditure
Net cash flow generated by financing activities	95,892,601.44	232,130,880.90	-58.69%	Mainly due to the increase in bank loans and the payment of cash dividends, and repurchase of B-shares in the current period.

2. Progress of key issues and its impacts and solutions

Applicable Inapplicable

Progress in the implementation of share repurchase

Applicable Inapplicable

1. The company repurchased some 35,105,238 shares of domestically listed foreign shares (B shares) in 2019. The repurchase and cancellation procedures were completed on May 20, 2020. For details, please refer to the company's "About Repurchase of Shares" disclosed on May 22, 2020. Announcement of completion of cancellation."

2. As of September 22, 2020, the Company's 2020 repurchase period for some domestically listed foreign shares (B shares) has expired. A total 14,404,724 B shares have been repurchased. The highest price of repurchase is HK\$3.47 per share. The lowest price is HK\$3.16 per share, and the cumulative payment of HK\$48,359,819.24 (including transaction-related expenses). The company has disclosed the "Announcement on the Expiry of the Repurchase Period and the Implementation Results of Share Repurchase" on September 24, 2020. The repurchased shares shall be cancelled and the registered capital shall be reduced after being reviewed and approved by the general meeting of shareholders within three years after the announcement of the repurchase results is disclosed; if the Company's shareholders' meeting does not pass the review, the shares that have been repurchased will be transferred within three years according to relevant regulations.

Progress in the implementation of the reduction of shareholding shares by means of centralized bidding

Applicable Inapplicable

3. Commitments that have not been fulfilled by actual controller, shareholders, related parties, acquirers of the Company

Applicable Inapplicable

There is no commitment that has not been fulfilled by actual controller, shareholders, related parties, acquirers of the Company

4. Financial assets investment

1. Securities investment

Applicable Inapplicable

The Company made no investment in securities in the report period

2. Derivative investment

Applicable Inapplicable

In RMB10,000

Derivative investment operator name	Relationship	Related transaction	Type	Initial amount	Start date	End date	Initial investment amount	Amount in this period	Amount sold in this period	Impairment provision (if any)	Closing investment amount	Proportion of closing investment amount in the closing net assets in the report period	Actual gain/loss in the report period
Shanghai Futures Exchange	No	No	Shanghai aluminum		06 February 2020	30 September 2020		17,686.43	11,799.08		5,887.35	1.13%	217.69
Banks	No	No	Forward foreign exchange	2,166	2 August 2019	30 September 2020	2,166	7,248.49	5,467.07		3,947.42	0.76%	-13.02
Total				2,166	--	--	2,166	24,934.92	17,266.15		9,834.77	1.89%	204.67
Capital source	Self-owned fund												
Lawsuit (if any)	None												
Disclosure date of derivative investment approval by the Board of Directors (if any)	16 April 2020												
Disclosure date of derivative investment approval by the													

Shareholders' Meeting (if any)	
Risk analysis and control measures for the derivative holding in the report period (including without limitation market, liquidity, credit, operation and legal risks)	The company's aluminum futures hedging and foreign exchange derivatives trading business are all derivatives investment business. The company has established and implemented the "Derivatives Investment Business Management Measures" and "Commodity Futures Hedging Business Internal Control and Risk Management System". It has made clear regulations on the approval authority, business management, risk management, information disclosure and file management of derivatives trading business, which can effectively control the risk of the company's derivatives holding positions.
Changes in the market price or fair value of the derivative in the report period, the analysis of the derivative's fair value should disclose the method used and related assumptions and parameters.	Fair value of derivatives are measured at open prices in the open market
Material changes in the accounting policies and rules related to the derivative in the report period compared to last period	None
Opinions of independent directors on the Company's derivative investment and risk controlling	None

5. Progress of investment projects with raised funds

Applicable Inapplicable

6. Forecast of operating performance in 2020

Warning and reasons of possible net loss or substantial change from the last period between the beginning of the year and the end of the next report period

Applicable Inapplicable

7. Major contracts for daily operations

Applicable Inapplicable

8. Entrusted wealth management

Applicable Inapplicable

In RMB10,000

Type	Source of fund	Amount	Undue balance	Due balance to be recovered

Bank financial products	Self-owned fund	61,664.52	8,364.11	0
Total		61,664.52	8,364.11	0

Specific circumstances of high-risk entrusted financing with large individual amount or low security, poor liquidity, and no cost protection

Applicable Inapplicable

Entrusted financial management expected to fail to recover the principal or likely result in impairment

Applicable Inapplicable

9. Incompliant external guarantee

Applicable Inapplicable

The Company made no incompliant external guarantee in the report period.

10. Non-operating capital use by the controlling shareholder or related parties in the reporting term

Applicable Inapplicable

The controlling shareholder and its affiliates occupied no capital for non-operating purpose of the Company during the report period.

XI. Reception of investigations, communications, or interviews in the reporting period

Applicable Inapplicable

Time/date	Place	Way	Visitor	Visitor	Main content involved and materials provided	Disclosure of information
30 September 2020	Shenzhen Fangda Town Meeting room	Onsite investigation	Institution	GuotaiJunan Securities Co., Ltd., Shenzhen Cyberna Capital Management Partnership (Limited Partnership), Shenzhen Dexun Investment Co., Ltd., Shenzhen QianhaiPai Asset Management Co., Ltd., Shenzhen QianhaiHongxin	Business and future development	Investor Relationship Record Form on www.cninfo.com.cn

				g Investment Co., Ltd., Qianhai Yangtze River Fund Management (Shenzhen) Co., Ltd., Shenzhen Zhongna Capital Investment Management Co., Ltd., Shenzhen QianhaiDaqianH uayan Investment Co., Ltd., Shenzhen QianhaiLeying Investment Management Co., Ltd., Shenzhen Daqin Fund Management Co., Ltd., Shenzhen Private Equity Chamber of Commerce		
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12. Donations

In the first three quarters of 2020, the Company and its employees donated a total of RMB7,772,160 for epidemic prevention and control and targeted poverty alleviation. The main items are as follows:

1. In order to prevent and control the new crown epidemic, the Company supports medical staff who are on the front line of the epidemic, respectively donating RMB2 million to the Wuhan Red Cross Society and RMB1 million to the Jiangxi Red Cross Foundation for the purchase of prevention and control materials, motivate frontline medical staff;
2. Period To help the large tenants in Shenzhen, the Company has reduced the rent by RMB2.52 million;
3. The Company donated RMB2 million to the Jiangxi Red Cross Foundation to support poverty alleviation in Aktao County, Xinjiang;
4. The Company organized party members and employees to donate RMB120,500 to fight the epidemic;
5. The Company donated 50,000 masks to the new district of Nanchang City, equivalent to RMB112,500 in capital;

The Company will continue to fulfill its social responsibility for precision poverty alleviation, and make donations from time to time based on business development.

13. Others

1. New bids and contracted orders

(1) High-end curtain wall system and material industry: In the first three quarters of 2020, the total amount of bids and orders signed was RMB2.385 billion, and the order reserve was RMB3.433 billion, which was 2.35 times the operating income of the high-end curtain wall system and material industry in the first three quarters.

(2) Rail transit screen door equipment industry: In the first three quarters of 2020, the total amount of winning bids and signing orders is RMB734 million, and the order reserve is RMB1.545 billion, which is 3.02 times the operating income of the rail transit screen door industry in the first three quarters.

2. Real estate:

(1) Shenzhen Fangda Town Project: The remaining small area of the project is for sale. The sales business at the end of this year was affected by the epidemic. In the first three quarters, the subscribed sales area was 1,754.31 square meters, and the remaining area for sale of the project was 5,849.94 square meters; the commercial occupancy rate Reached 99.46%; the newly rented area of office buildings in the first three quarters was 12,588.86 square meters, and the occupancy rate reached 50%.

(2) Nanchang Fangda Center: The project is located in the Fenghuangzhou District of the New District of Honggutan, Nanchang City. It covers a total area of 16,600 square metres and has a total building area of 66,432.61 square metres. It is a small and medium-sized commercial complex integrated with office, apartment, shopping, leisure and entertainment. The project is mainly sold and leased, with a sales area of 32,460.11 square metres. It was pre-sold on 28 December 2019. In the first three quarters, the pre-sale area was 2,818.52 square meters.

3. Shenzhen FangdaBangshen Industrial Park: The project is located in Fuyong, Bao'an District, Shenzhen. It covers an area of 20,714.9 square meters and is currently an industrial plant. The project was approved in July 2019. During the reporting period, the company is actively promoting the special plan of FangdaBongShen project.

(4) Urban renewal project along the Dagang River in Henggang, Shenzhen: The project is located in Dakang Village, Yuanshan Street, Longgang District, Shenzhen. The area of the project to be demolished is about 72,000 square meters. The update direction is mainly residential function, and finally subject to government approval. The Company is currently pushing forward the approval progress of the urban renovation project.

China Fangda Group Co., Ltd.

Assistant representative: XiongJianming

October 21, 2020