

China Fangda Group Co., Ltd.

2021 First Quarter Report

April 2021

I Important Statement

The members of the Board and the Company guarantee that the quarterly report 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. Xiong Jianming, 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

	This report period	Same period last year	Year-on-year change (%)
Turnover (yuan)	643,347,177.89	413,826,888.79	55.46%
Net profit attributable to shareholders of the listed company (yuan)	75,153,468.91	94,777,419.75	-20.71%
Net profit attributable to the shareholders of the listed company and after deducting of non-recurring gain/loss (yuan)	58,982,525.69	95,563,557.35	-38.28%
Net cash flow generated by business operation (yuan)	-423,296,463.74	-339,105,046.99	-24.83%
Basic earnings per share (yuan/share)	0.07	0.08	-12.50%
Diluted Earnings per share (yuan/share)	0.07	0.08	-12.50%
Weighted average net income/asset ratio	1.39%	1.81%	-0.42%
	End of the report period	End of last year	Year-on-year change
Total asset (yuan)	11,298,662,748.85	11,866,857,250.39	-4.79%
Net profit attributable to the shareholders of the listed company (RMB)	5,456,823,373.42	5,380,857,155.39	1.41%

The operating income for the current period increased by 55.46% over the same period of the previous year, and the net profit attributable to shareholders of the listed company decreased by 20.71% over the same period of the previous year. This was mainly due to the accounting for the expected credit loss rate of accounts receivable and contract assets in the same period last year. The estimated change resulted in an increase of TMB75,702,600 in recurring net profit in the first quarter of last year. After deducting the impact, the net profit attributable to shareholders of the listed company for the current period increased by 293.99% over the same period of the previous year.

Accidental gain/loss item and amount

Applicable Inapplicable

In RMB

Item	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)	-114,249.43	
Subsidies accounted into the current income account (except the	1,784,051.29	

government subsidy closely related to the enterprise's business and based on unified national standard quota)		
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	2,278,731.89	
Write-back of impairment provision of receivables and contract assets for which impairment test is performed individually	14,600,000.00	
Other non-business income and expenditures other than the above	706,830.36	
Less: Influenced amount of income tax	2,959,293.30	
Influenced amount of minority shareholders' equity (after-tax)	125,127.59	
Total	16,170,943.22	--

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	57,739	Number of shareholders of preferred stocks of which voting rights recovered in the report period	0			
Top 10 Shareholders						
Shareholder name	Nature of shareholder	Shareholding percentage	Shareholding number	Conditional shares	Pledging or freezing	
					Share status	Quantity
Shenzhen Banglin Technologies Development Co., Ltd.	Domestic non-state legal person	10.87%	118,307,546		Pledged	32,700,000
Shengjiu Investment Ltd.	Foreign legal person	9.66%	105,134,562			
Fang Wei	Domestic natural	2.90%	31,537,937			

	person					
Gong Qing Cheng Shi Li He Investment Management Partnership Enterprise (limited partner)	Domestic non-state legal person	1.46%	15,860,609			
VANGUARD EMERGING MARKETS STOCK INDEX FUND	Foreign legal person	0.58%	6,312,683			
VANGUARD TOTAL INTERNATION AL STOCK INDEX FUND	Foreign legal person	0.57%	6,247,740			
Shenwan Hongyuan Securities (Hong Kong) Co., Ltd.	Foreign legal person	0.53%	5,783,896			
Qu Chunlin	Domestic natural person	0.52%	5,666,861			
First Shanghai Securities Limited	Foreign legal person	0.36%	3,938,704			
Shanghai Silver Leaf Investment Co., Ltd.-Silver Leaf Quantitative Hedging Phase 1 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.	118,307,546	RMB common shares	118,307,546			
Shengjiu Investment Ltd.	105,134,562	Domestically	105,134,562			

		listed foreign shares	
Fang Wei	31,537,937	RMB common shares	31,537,937
Gong Qing Cheng Shi Li He Investment Management Partnership Enterprise (limited partner)	15,860,609	RMB common shares	15,860,609
VANGUARD EMERGING MARKETS STOCK INDEX FUND	6,312,683	Domestically listed foreign shares	6,312,683
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	6,247,740	Domestically listed foreign shares	6,247,740
Shenwan Hongyuan Securities (Hong Kong) Co., Ltd.	5,783,896	Domestically listed foreign shares	5,783,896
Qu Chunlin	5,666,861	RMB common shares	5,666,861
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	3,755,500	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.		
Explanation of the top 10 shareholders' participation in financing and securities lending business	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.		

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	December 31, 2021	December 31, 2020	YOY change (%)	Reason
Transactional financial assets	51,205,573.26	4,051,015.05	1164.02%	Mainly due to increase in Closing balance bank borrowings
Construction in process	91,011,771.79	168,626,803.01	-46.03%	Mainly due to the completion of the renovation of the self-use part of Fangda Town No. 1 Building and the conversion to fixed assets
Employees' wage payable	26,000,808.23	60,188,812.64	-56.80%	Annual bonus paid
Taxes payable	31,636,000.44	358,662,944.42	-91.18%	Mainly due to the current liquidation declaration and payment of the Fangda Twon project land value-added tax
Other current liabilities	60,852,310.99	107,688,425.69	-43.49%	Mainly due to the decrease of untermiated notes receivable at the end of the period
Long-term loans	1,531,661,462.35	1,099,411,462.35	39.32%	Mainly due to long-term borrowing of the return portion of the current period
Item	Total amount in this year	Last period	YOY change (%)	Reason
Turnover	643,347,177.89	413,826,888.79	55.46%	With the gradual stabilization of the domestic epidemic, the Company's major industry revenues have increased significantly over the same period last year
Operating cost	482,994,905.47	314,413,603.27	53.62%	Mainly due to the substantial increase in revenue

Administrative expense	42,172,744.29	31,000,994.73	36.04%	Mainly due to the increase in related expenses
R&D cost	35,042,482.29	14,980,824.81	133.92%	Mainly due to increased investment in research and development
Credit impairment ("-" for loss)	19,539,581.61	54,750,204.80	-64.31%	Mainly due to changes in the accounting estimates of the expected credit loss rate in the same period last year
Investment impairment loss ("-" for loss)	22,587,469.07	38,328,588.76	-41.07%	
Cash flow generated by investment activities, net	-92,492,491.98	97,240,746.73	-195.12%	Mainly due to the current financial investment expenditure is greater than the recovery

2. Progress of key issues and its impacts and solutions

Applicable Inapplicable

Progress in the implementation of share repurchase

Applicable Inapplicable

The second meeting of the Ninth Board of Directors of the Company held on June 23, 2020 deliberated and approved the "Plan on Repurchase of Certain Domestically Listed Foreign Shares (B Shares) of the Company in 2020". In order to maintain the Company's value and shareholders' rights and interests, the Company decided to use its own funds to repurchase some domestically listed foreign shares (B shares) in a centralized bidding transaction.

From July 23, 2020 to September 22, 2020, the Company has cumulatively repurchased 14,404,724 B shares of the Company, accounting for 1.32% of the Company's total share capital. The highest purchase price was HK\$3.47 per share, and the lowest price was HK\$3.16 per share, the average purchase price is HK\$3.36 per share, and the actual cumulative payment for the repurchase of shares is HK\$48,359,819.24 (including transaction-related expenses).

On April 12, 2021, the Company held the 2020 Annual General Meeting of Shareholders, and reviewed and approved the "Proposal on Canceling the Repurchased B Shares in 2020 to Reduce the Registered Capital and Amend the Articles of Association." According to the resolution, the Company will cancel the 14,404,724 B shares repurchased in 2020 and reduce the Company's registered capital accordingly.

On April 23, 2021, the Company completed the share repurchase and cancellation procedures at the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd., and disclosed the "Announcement on Completion of Repurchase Shares Cancellation and Share Changes" on April 27, 2021.

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	8,112.09	Friday, April 17, 2020	Wednesday, March 31, 2021	8,112.09		4,637.29		3,474.8	0.64%	619.09
Banks	No	No	Forward foreign exchange	5,803.03	Wednesday, July 29, 2020	Wednesday, March 31, 2021	5,803.03		2,749.53		3,053.49	0.56%	84.54
Total				13,915.12	--	--	13,915.12	0	7,386.82	0	6,528.29	1.20%	703.63
Capital source				Self-owned fund									
Lawsuit involved				None									
Disclosure date of derivative investment approval by the Board of				Tuesday, March 23, 2021									
				Wednesday, October 21, 2020									

Directors	
Disclosure date of derivative investment approval by the shareholders' meeting	None
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 between January and June in 2021

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	77,235.1	5,120.56	0
Total		77,235.1	5,120.56	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
Thursday, March 25, 2021	Online	Others	Others	Online investors	For details, please refer to the Investor Relations Activity Record Sheet of Fangda Group Performance Presentation	Shenzhen Stock Exchange's interactive platform

IV Financial Statements

1. Financial statements

1. Consolidated Balance Sheet

Prepared by: China Fangda Group Co., Ltd.

Wednesday, March 31, 2021

In RMB

Item	Wednesday, March 31, 2021	Thursday, December 31, 2020
Current asset:		
Monetary capital	1,050,347,975.31	1,459,840,020.10
Settlement provision		
Outgoing call loan		
Transactional financial assets	51,205,573.26	4,051,015.05
Derivative financial assets	7,520,875.00	6,974,448.22
Notes receivable	181,149,565.46	207,145,563.97
Account receivable	452,811,227.09	616,195,129.40
Receivable financing	13,500,000.00	10,727,129.28
Prepayment	15,839,501.91	23,845,963.67
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Other receivables	164,422,400.16	162,145,236.85
Including: interest receivable		
Dividend receivable		
Repurchasing of financial assets		
Inventory	818,438,139.00	837,831,790.88
Contract assets	1,420,880,863.67	1,425,040,223.27
Assets held for sales		
Non-current assets due in 1 year	117,654,240.29	141,681,778.35
Other current assets	248,724,209.42	233,223,084.51
Total current assets	4,542,494,570.57	5,128,701,383.55

Non-current assets:		
Loan and advancement provided		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term share equity investment	55,616,828.32	55,902,377.95
Investment in other equity tools	17,506,572.52	17,628,307.59
Other non-current financial assets	5,025,885.00	5,025,186.16
Investment real estate	5,641,240,481.37	5,634,648,416.52
Fixed assets	560,717,417.41	483,161,673.38
Construction in process	91,011,771.79	168,626,803.01
Productive biological assets		
Gas & petrol		
Use right assets	6,681,205.46	
Intangible assets	76,697,231.79	77,192,825.83
R&D expense		
Goodwill		
Long-term amortizable expenses	4,520,479.46	4,581,487.32
Deferred income tax assets	180,563,589.26	186,649,335.96
Other non-current assets	116,586,715.90	104,739,453.12
Total of non-current assets	6,756,168,178.28	6,738,155,866.84
Total of assets	11,298,662,748.85	11,866,857,250.39
Current liabilities		
Short-term loans	816,676,597.11	1,048,250,327.62
Loans from Central Bank		
Call loan received		
Transactional financial liabilities		
Derivative financial liabilities	417,122.26	915,234.93
Notes payable	704,681,085.59	866,224,515.42
Account payable	1,040,826,381.61	1,279,434,551.95
Prepayment received	4,940,392.61	1,544,655.62
Contract liabilities	208,326,703.19	265,487,113.12
Selling of repurchased financial assets		

Deposit received and held for others		
Entrusted trading of securities		
Entrusted selling of securities		
Employees' wage payable	26,000,808.23	60,188,812.64
Taxes payable	31,636,000.44	358,662,944.42
Other payables	159,412,770.95	147,615,289.31
Including: interest payable		
Dividend payable		
Fees and commissions payable		
Reinsurance fee payable		
Liabilities held for sales		
Non-current liabilities due in 1 year	108,500,350.04	103,359,833.57
Other current liabilities	60,852,310.99	107,688,425.69
Total current liabilities	3,162,270,523.02	4,239,371,704.29
Non-current liabilities:		
Insurance contract provision		
Long-term loans	1,531,661,462.35	1,099,411,462.35
Bond payable		
Including: preferred stock		
Perpetual bond		
Lease liabilities	5,474,263.34	
Long-term payable		
Long-term employees' wage payable		
Anticipated liabilities	31,992,824.43	33,425,500.13
Deferred earning	9,053,366.84	9,168,492.17
Deferred income tax liabilities	1,037,058,135.50	1,038,084,099.97
Other non-current liabilities		
Total of non-current liabilities	2,615,240,052.46	2,180,089,554.62
Total liabilities	5,777,510,575.48	6,419,461,258.91
Owner's equity:		
Share capital	1,088,278,951.00	1,088,278,951.00
Other equity tools		

Including: preferred stock		
Perpetual bond		
Capital reserves	11,459,588.40	11,459,588.40
Less: Shares in stock	42,748,530.12	42,748,530.12
Other miscellaneous income	2,890,916.75	2,078,167.63
Special reserves		
Surplus reserve	106,783,436.96	106,783,436.96
Common risk provisions		
Retained profit	4,290,159,010.43	4,215,005,541.52
Total of owner's equity belong to the parent company	5,456,823,373.42	5,380,857,155.39
Minor shareholders' equity	64,328,799.95	66,538,836.09
Total of owners' equity	5,521,152,173.37	5,447,395,991.48
Total of liabilities and owner's interest	11,298,662,748.85	11,866,857,250.39

Legal representative: Xiong Jianming

CFO: Lin Kebing

Accounting Manager: Wu Bohua

2. Balance Sheet of the Parent Company

In RMB

Item	Wednesday, March 31, 2021	Thursday, December 31, 2020
Current asset:		
Monetary capital	24,753,184.02	204,828,995.78
Transactional financial assets		
Derivative financial assets		
Notes receivable		
Account receivable	671,542.60	885,849.08
Receivable financing		
Prepayment	660,304.84	1,323,361.34
Other receivables	1,401,224,399.72	1,156,802,204.91
Including: interest receivable		
Dividend receivable		
Inventory		
Contract assets		
Assets held for sales		
Non-current assets due in 1 year		

Other current assets	1,124,624.60	1,071,138.13
Total current assets	1,428,434,055.78	1,364,911,549.24
Non-current assets:		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term share equity investment	1,196,831,253.00	1,196,831,253.00
Investment in other equity tools	16,392,331.44	16,392,331.44
Other non-current financial assets	30,000,001.00	30,000,001.00
Investment real estate	334,498,436.00	334,498,436.00
Fixed assets	64,692,915.48	65,157,481.98
Construction in process		
Productive biological assets		
Gas & petrol		
Use right assets		
Intangible assets	1,444,285.35	1,521,975.72
R&D expense		
Goodwill		
Long-term amortizable expenses	555,171.41	687,202.16
Deferred income tax assets	27,340,270.29	26,592,617.26
Other non-current assets		
Total of non-current assets	1,671,754,663.97	1,671,681,298.56
Total of assets	3,100,188,719.75	3,036,592,847.80
Current liabilities		
Short-term loans	490,523,263.90	491,503,263.89
Transactional financial liabilities		
Derivative financial liabilities		
Notes payable		
Account payable	606,941.85	606,941.85
Prepayment received	723,098.39	927,674.32
Contract liabilities		
Employees' wage payable	1,273,149.41	3,440,073.04
Taxes payable	3,065,122.39	2,993,196.12
Other payables	63,857,788.94	28,068,648.70

Including: interest payable		
Dividend payable		
Liabilities held for sales		
Non-current liabilities due in 1 year		
Other current liabilities		
Total current liabilities	560,049,364.88	527,539,797.92
Non-current liabilities:		
Long-term loans		
Bond payable		
Including: preferred stock		
Perpetual bond		
Lease liabilities		
Long-term payable		
Long-term employees' wage payable		
Anticipated liabilities		
Deferred earning		
Deferred income tax liabilities	73,762,656.21	73,837,511.85
Other non-current liabilities		
Total of non-current liabilities	73,762,656.21	73,837,511.85
Total liabilities	633,812,021.09	601,377,309.77
Owner's equity:		
Share capital	1,088,278,951.00	1,088,278,951.00
Other equity tools		
Including: preferred stock		
Perpetual bond		
Capital reserves	360,835.52	360,835.52
Less: Shares in stock	42,748,530.12	42,748,530.12
Other miscellaneous income	-371,129.71	-371,129.71
Special reserves		
Surplus reserve	106,783,436.96	106,783,436.96
Retained profit	1,314,073,135.01	1,282,911,974.38
Total of owners' equity	2,466,376,698.66	2,435,215,538.03
Total of liabilities and owner's interest	3,100,188,719.75	3,036,592,847.80

3. Consolidated Income Statement

In RMB

Item	Amount occurred in the current period	Occurred in previous period
1. Total revenue	643,347,177.89	413,826,888.79
Incl. Business income	643,347,177.89	413,826,888.79
Interest income		
Insurance fee earned		
Fee and commission received		
2. Total business cost	598,103,967.00	394,659,366.67
Incl. Business cost	482,994,905.47	314,413,603.27
Interest expense		
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Net insurance policy responsibility contract reserves provided		
Insurance policy dividend paid		
Reinsurance expenses		
Taxes and surcharges	7,222,382.29	3,390,682.90
Sales expense	10,158,035.76	8,076,166.66
Administrative expense	42,172,744.29	31,000,994.73
R&D cost	35,042,482.29	14,980,824.81
Financial expenses	20,513,416.90	22,797,094.30
Including: interest cost	17,542,167.55	22,193,016.28
Interest income	2,952,322.09	2,199,503.22
Add: other gains	3,743,091.62	1,234,219.99
Investment gains ("-" for loss)	41,032.31	241,358.65
Incl. Investment gains from affiliates and joint ventures	-285,549.63	-168,943.59
Financial assets derecognised as a result of amortized cost	-1,951,451.11	
Exchange gains ("- " for loss)		
Net open hedge gains ("-" for		

loss)		
Gains from change of fair value ("-" for loss)	698.84	4,128.92
Credit impairment ("-" for loss)	19,539,581.61	54,750,204.80
Investment impairment loss ("-" for loss)	22,587,469.07	38,328,588.76
Investment gains ("-" for loss)	-114,249.43	
3. Operational profit ("-" for loss)	91,040,834.91	113,726,023.24
Plus: non-operational income	883,540.49	106,391.56
Less: non-operational expenditure	176,710.13	3,026,114.28
4. Gross profit ("-" for loss)	91,747,665.27	110,806,300.52
Less: Income tax expenses	14,783,162.05	16,037,544.87
5. Net profit ("-" for net loss)	76,964,503.22	94,768,755.65
(1) By operating consistency		
1. Net profit from continuous operation ("-" for net loss)	76,964,503.22	94,768,755.65
2. Net profit from discontinuous operation ("-" for net loss)		
(2) By ownership		
1. Net profit attributable to the shareholders of the parent company	75,153,468.91	94,777,419.75
2. Minor shareholders' equity	1,811,034.31	-8,664.10
6. After-tax net amount of other misc. incomes	781,394.67	-13,049,080.39
After-tax net amount of other misc. incomes attributed to parent's owner	812,749.12	-13,049,080.39
(1) Other misc. incomes that cannot be re-classified into gain and loss	-121,735.07	
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	-121,735.07	
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	934,484.19	-13,049,080.39
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	920,482.22	-12,650,960.02
6. Translation difference of foreign exchange statement	14,001.97	-398,120.37
7. Others		
After-tax net of other misc. income attributed to minority shareholders	-31,354.45	
7. Total of misc. incomes	77,745,897.89	81,719,675.26
Total of misc. incomes attributable to the owners of the parent company	75,966,218.03	81,728,339.36
Total misc gains attributable to the minor shareholders	1,779,679.86	-8,664.10
8. Earnings per share:		
(1) Basic earnings per share	0.07	0.08
(2) Diluted earnings per share	0.07	0.08

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

4. Income Statement of the Parent Company

In RMB

Item	Amount occurred in the current period	Occurred in previous period
1. Turnover	6,059,661.51	6,518,715.41

Less: Operation cost	79,702.77	38,161.28
Taxes and surcharges	69,555.62	320,625.81
Sales expense		
Administrative expense	6,163,118.29	6,007,355.43
R&D cost		
Financial expenses	3,347,465.47	9,528,622.34
Including: interest cost	3,301,250.01	10,094,338.89
Interest income	220,423.32	571,446.30
Add: other gains	77,100.49	70,235.05
Investment gains (“-” for loss)	33,862,460.96	125,658.72
Incl. Investment gains from affiliates and joint ventures		
Financial assets derecognised as a result of amortized cost (“-” for loss)		
Net open hedge gains (“-” for loss)		
Gains from change of fair value (“-” for loss)		
Credit impairment (“-” for loss)	700.20	-6,241.41
Investment impairment loss (“-” for loss)		
Investment gains (“-” for loss)		
2. Operational profit (“-” for loss)	30,340,081.01	-9,186,397.09
Plus: non-operational income		
Less: non-operational expenditure	1,429.05	
3. Gross profit (“-” for loss)	30,338,651.96	-9,186,397.09
Less: Income tax expenses	-822,508.67	-2,278,347.27
4. Net profit (“-” for net loss)	31,161,160.63	-6,908,049.82
(1) Net profit from continuous operation (“-” for net loss)	31,161,160.63	-6,908,049.82
(2) Net profit from discontinuous operation (“-” for net loss)		
5. After-tax net amount of other misc. incomes		

(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		
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		
6. Translation difference of foreign exchange statement		
7. Others		
6. Total of misc. incomes	31,161,160.63	-6,908,049.82
7. Earnings per share:		
(1) Basic earnings per share		
(2) Diluted earnings per share		

5. 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	841,141,839.35	552,621,802.47
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	12,748,845.37	1,811,320.46
Other cash received from business operation	70,643,051.32	72,333,751.51
Sub-total of cash inflow from business operations	924,533,736.04	626,766,874.44
Cash paid for purchasing products and services	786,329,162.59	606,808,963.41
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	109,277,627.51	99,253,547.69
Taxes paid	367,577,705.38	31,853,052.06
Other cash paid for business activities	84,645,704.30	227,956,358.27
Sub-total of cash outflow from business operations	1,347,830,199.78	965,871,921.43
Cash flow generated by business operations, net	-423,296,463.74	-339,105,046.99
2. Cash flow generated by investment:		
Cash received from investment recovery	1,687,886,805.14	1,344,500,000.00
Cash received as investment profit	2,096,669.70	8,789,161.18
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	194.69	
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received		250.00
Sub-total of cash inflow generated from investment	1,689,983,669.53	1,353,289,411.18
Cash paid for construction of fixed assets, intangible assets and other long-term assets	47,616,161.51	59,588,664.45
Cash paid as investment	1,734,860,000.00	1,196,460,000.00
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	1,782,476,161.51	1,256,048,664.45
Cash flow generated by investment activities, net	-92,492,491.98	97,240,746.73
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	470,000,000.00	1,725,388,124.18
Other cash received from financing activities		
Subtotal of cash inflow from financing activities	470,000,000.00	1,725,388,124.18
Cash paid to repay debts	78,249,952.00	1,403,978,153.39
Cash paid as dividend, profit, or interests	24,136,165.50	24,999,493.27
Incl. Dividend and profit paid by subsidiaries to minority shareholders		
Other cash paid for financing activities	148,275,409.77	
Subtotal of cash outflow from financing activities	250,661,527.27	1,428,977,646.66
Net cash flow generated by financing activities	219,338,472.73	296,410,477.52
4. Influence of exchange rate changes on cash and cash equivalents	-1,062,752.02	467,765.09
5. Net increase in cash and cash equivalents	-297,513,235.01	55,013,942.35
Plus: Balance of cash and cash equivalents at the beginning of term	1,024,252,387.39	725,269,902.90
6. Balance of cash and cash equivalents at the end of the period	726,739,152.38	780,283,845.25

6. Cash Flow Statement of the Parent Company

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	6,294,925.95	3,513,156.36
Tax refunded		
Other cash received from business	826,433,373.37	2,136,488,278.30

operation		
Sub-total of cash inflow from business operations	832,728,299.32	2,140,001,434.66
Cash paid for purchasing products and services	216,123.22	29,756.47
Cash paid to and for the staff	6,686,301.30	6,328,845.37
Taxes paid	354,839.22	399,458.88
Other cash paid for business activities	1,034,995,313.64	1,707,124,112.24
Sub-total of cash outflow from business operations	1,042,252,577.38	1,713,882,172.96
Cash flow generated by business operations, net	-209,524,278.06	426,119,261.70
2. Cash flow generated by investment:		
Cash received from investment recovery	285,000,000.00	364,500,000.00
Cash received as investment profit	33,862,460.96	125,658.72
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets		
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received		
Sub-total of cash inflow generated from investment	318,862,460.96	364,625,658.72
Cash paid for construction of fixed assets, intangible assets and other long-term assets	132,744.66	6,250.00
Cash paid as investment	285,000,000.00	364,500,000.00
Net cash paid for acquiring subsidiaries and other operational units		
Other cash paid for investment		
Subtotal of cash outflows	285,132,744.66	364,506,250.00
Cash flow generated by investment activities, net	33,729,716.30	119,408.72
3. Cash flow generated by financing activities:		

Cash received from investment		
Cash received from borrowed loans		200,000,000.00
Other cash received from financing activities		
Subtotal of cash inflow from financing activities		200,000,000.00
Cash paid to repay debts		510,000,000.00
Cash paid as dividend, profit, or interests	4,281,250.00	10,580,009.03
Other cash paid for financing activities		
Subtotal of cash outflow from financing activities	4,281,250.00	520,580,009.03
Net cash flow generated by financing activities	-4,281,250.00	-320,580,009.03
4. Influence of exchange rate changes on cash and cash equivalents		
5. Net increase in cash and cash equivalents	-180,075,811.76	105,658,661.39
Plus: Balance of cash and cash equivalents at the beginning of term	204,578,995.78	175,341,953.63
6. Balance of cash and cash equivalents at the end of the period	24,503,184.02	281,000,615.02

II. Financial Statement Adjustment

1. The first implementation of the new financial instruments guidelines, new lease standards, adjustments the first implementation of the financial statements at the beginning of the year 2021

Applicable Inapplicable

Whether to adjust the balance sheet accounts at the beginning of the year

Yes No

Consolidated Balance Sheet

In RMB

Item	Thursday, December 31, 2020	Friday, January 1, 2021	Adjustment
Current asset:			
Monetary capital	1,459,840,020.10	1,459,840,020.10	0.00
Settlement provision		0.00	0.00

Outgoing call loan		0.00	0.00
Transactional financial assets	4,051,015.05	4,051,015.05	0.00
Derivative financial assets	6,974,448.22	6,974,448.22	0.00
Notes receivable	207,145,563.97	207,145,563.97	0.00
Account receivable	616,195,129.40	616,195,129.40	0.00
Receivable financing	10,727,129.28	10,727,129.28	0.00
Prepayment	23,845,963.67	23,845,963.67	0.00
Insurance receivable		0.00	0.00
Reinsurance receivable		0.00	0.00
Provisions of Reinsurance contracts receivable		0.00	0.00
Other receivables	162,145,236.85	162,145,236.85	0.00
Including: interest receivable		0.00	0.00
Dividend receivable		0.00	0.00
Repurchasing of financial assets		0.00	0.00
Inventory	837,831,790.88	837,831,790.88	0.00
Contract assets	1,425,040,223.27	1,425,040,223.27	0.00
Assets held for sales		0.00	0.00
Non-current assets due in 1 year	141,681,778.35	141,681,778.35	0.00
Other current assets	233,223,084.51	233,223,084.51	0.00
Total current assets	5,128,701,383.55	5,128,701,383.55	0.00
Non-current assets:			
Loan and advancement provided		0.00	0.00
Debt investment		0.00	0.00
Other debt investment		0.00	0.00
Long-term receivables		0.00	0.00
Long-term share equity investment	55,902,377.95	55,902,377.95	0.00

Investment in other equity tools	17,628,307.59	17,628,307.59	0.00
Other non-current financial assets	5,025,186.16	5,025,186.16	0.00
Investment real estate	5,634,648,416.52	5,634,648,416.52	0.00
Fixed assets	483,161,673.38	483,161,673.38	0.00
Construction in process	168,626,803.01	168,626,803.01	0.00
Productive biological assets		0.00	0.00
Gas & petrol		0.00	0.00
Use right assets		7,208,915.40	7,208,915.40
Intangible assets	77,192,825.83	77,192,825.83	0.00
R&D expense		0.00	0.00
Goodwill		0.00	0.00
Long-term amortizable expenses	4,581,487.32	4,581,487.32	0.00
Deferred income tax assets	186,649,335.96	186,649,335.96	0.00
Other non-current assets	104,739,453.12	104,739,453.12	0.00
Total of non-current assets	6,738,155,866.84	6,745,364,782.24	7,208,915.40
Total of assets	11,866,857,250.39	11,874,066,165.79	7,208,915.40
Current liabilities			
Short-term loans	1,048,250,327.62	1,048,250,327.62	0.00
Loans from Central Bank		0.00	0.00
Call loan received		0.00	0.00
Transactional financial liabilities		0.00	0.00
Derivative financial liabilities	915,234.93	915,234.93	0.00
Notes payable	866,224,515.42	866,224,515.42	0.00
Account payable	1,279,434,551.95	1,279,434,551.95	0.00
Prepayment received	1,544,655.62	1,544,655.62	0.00
Contract liabilities	265,487,113.12	265,487,113.12	0.00
Selling of repurchased financial assets		0.00	0.00

Deposit received and held for others		0.00	0.00
Entrusted trading of securities		0.00	0.00
Entrusted selling of securities		0.00	0.00
Employees' wage payable	60,188,812.64	60,188,812.64	0.00
Taxes payable	358,662,944.42	358,662,944.42	0.00
Other payables	147,615,289.31	147,615,289.31	0.00
Including: interest payable		0.00	0.00
Dividend payable		0.00	0.00
Fees and commissions payable		0.00	0.00
Reinsurance fee payable		0.00	0.00
Liabilities held for sales		0.00	0.00
Non-current liabilities due in 1 year	103,359,833.57	105,466,746.78	2,106,913.21
Other current liabilities	107,688,425.69	107,688,425.69	0.00
Total current liabilities	4,239,371,704.29	4,241,478,617.50	2,106,913.21
Non-current liabilities:			
Insurance contract provision		0.00	0.00
Long-term loans	1,099,411,462.35	1,099,411,462.35	0.00
Bond payable		0.00	0.00
Including: preferred stock		0.00	0.00
Perpetual bond		0.00	0.00
Lease liabilities		5,102,002.19	5,102,002.19
Long-term payable		0.00	0.00
Long-term employees' wage payable		0.00	0.00
Anticipated liabilities	33,425,500.13	33,425,500.13	0.00
Deferred earning	9,168,492.17	9,168,492.17	0.00

Deferred income tax liabilities	1,038,084,099.97	1,038,084,099.97	0.00
Other non-current liabilities		0.00	0.00
Total of non-current liabilities	2,180,089,554.62	2,185,191,556.81	5,102,002.19
Total liabilities	6,419,461,258.91	6,426,670,174.31	7,208,915.40
Owner's equity:			
Share capital	1,088,278,951.00	1,088,278,951.00	0.00
Other equity tools		0.00	0.00
Including: preferred stock		0.00	0.00
Perpetual bond		0.00	0.00
Capital reserves	11,459,588.40	11,459,588.40	0.00
Less: Shares in stock	42,748,530.12	42,748,530.12	0.00
Other miscellaneous income	2,078,167.63	2,078,167.63	0.00
Special reserves		0.00	0.00
Surplus reserve	106,783,436.96	106,783,436.96	0.00
Common risk provisions		0.00	0.00
Retained profit	4,215,005,541.52	4,215,005,541.52	0.00
Total of owner's equity belong to the parent company	5,380,857,155.39	5,380,857,155.39	0.00
Minor shareholders' equity	66,538,836.09	66,538,836.09	0.00
Total of owners' equity	5,447,395,991.48	5,447,395,991.48	0.00
Total of liabilities and owner's interest	11,866,857,250.39	11,874,066,165.79	7,208,915.40

About the adjustment:

According to the requirements of the new lease standard, the Company will recognize all leased assets (except short-term leases and low-value asset leases that choose simplified processing) to recognize right-of-use assets and lease liabilities from January 1, 2021, and recognize depreciation and interest expenses respectively.

In the standard convergence policy, simplified treatment is selected, that is, the lease liabilities are equal to the present value of the remaining lease payment, and the right-of-use asset is equal to the amount of the lease liabilities and necessary adjustments are made. Using this method will not affect the company's retained earnings at the beginning of 2021.

Balance Sheet of the Parent Company

In RMB

Item	Thursday, December 31, 2020	Friday, January 1, 2021	Adjustment
Current asset:			
Monetary capital	204,828,995.78	204,828,995.78	
Account receivable	885,849.08	885,849.08	
Prepayment	1,323,361.34	1,323,361.34	
Other receivables	1,156,802,204.91	1,156,802,204.91	
Other current assets	1,071,138.13	1,071,138.13	
Total current assets	1,364,911,549.24	1,364,911,549.24	
Non-current assets:			
Long-term share equity investment	1,196,831,253.00	1,196,831,253.00	
Investment in other equity tools	16,392,331.44	16,392,331.44	
Other non-current financial assets	30,000,001.00	30,000,001.00	
Investment real estate	334,498,436.00	334,498,436.00	
Fixed assets	65,157,481.98	65,157,481.98	
Intangible assets	1,521,975.72	1,521,975.72	
Long-term amortizable expenses	687,202.16	687,202.16	
Deferred income tax assets	26,592,617.26	26,592,617.26	
Total of non-current assets	1,671,681,298.56	1,671,681,298.56	
Total of assets	3,036,592,847.80	3,036,592,847.80	
Current liabilities			
Short-term loans	491,503,263.89	491,503,263.89	
Account payable	606,941.85	606,941.85	
Prepayment received	927,674.32	927,674.32	
Employees' wage payable	3,440,073.04	3,440,073.04	
Taxes payable	2,993,196.12	2,993,196.12	
Other payables	28,068,648.70	28,068,648.70	
Total current liabilities	527,539,797.92	527,539,797.92	
Non-current liabilities:			
Deferred income tax	73,837,511.85	73,837,511.85	

liabilities			
Total of non-current liabilities	73,837,511.85	73,837,511.85	
Total liabilities	601,377,309.77	601,377,309.77	
Owner's equity:			
Share capital	1,088,278,951.00	1,088,278,951.00	
Capital reserves	360,835.52	360,835.52	
Less: Shares in stock	42,748,530.12	42,748,530.12	
Other miscellaneous income	-371,129.71	-371,129.71	
Surplus reserve	106,783,436.96	106,783,436.96	
Retained profit	1,282,911,974.38	1,282,911,974.38	
Total of owners' equity	2,435,215,538.03	2,435,215,538.03	
Total of liabilities and owner's interest	3,036,592,847.80	3,036,592,847.80	

About the adjustment:

The parent company of the Company has no leases other than short-term leases and leases of low-value assets. Therefore, the implementation of the new lease standards has no impact on the balance sheet of the parent company at the beginning of 2021.

2. Description of the 2021 first implementation of the new lease standard retrospective adjustment of the previous period comparison data

Applicable Inapplicable

3. Auditor's Report

Whether the Q1 report is audited

Yes No

The Q2 Report is not audited.

China Fangda Group Co., Ltd.
 Legal representative: Xiong Jianming
 Wednesday, April 28, 2021