

Stock Code: 000055, 200055 Stock ID: Fangda Group, Fangda B Announcement No. 2024-05

China Fangda Group Co., Ltd. Annual Report 2023 Summary

I. Important Declaration The annual report summary is abstract from the annual report. Investors should read the annual report from the specified media to fully understand the Company's business achievements, financial status and future plans.

Table with 2 columns: Item and Value. Includes Stock Code (000055, 200055), Stock Exchange (Shenzhen Stock Exchange), and Contact Details (Name: Xiao Yangjin, Address: 39th Floor, Building T1, Fangda Town, No. 2, Longzhu 4th Road, Nanshan District, Shenzhen).

2. Business or products in the report period The Company mainly engages in high-end smart curtain wall systems and new materials, rail transit screen door equipment, new energy, and commercial real estate businesses.

(1) Smart curtain wall system and new materials (1) Industry development The main business of the Company belongs to the architectural curtain wall industry, and the architectural curtain wall industry is closely connected with the level of macroeconomic development.

(2) Main products and purposes Smart curtain wall is one of the Company's main products, widely used in high-end office buildings, corporate headquarters, urban complexes, hotels, large venues, urban public buildings, high-grade residential buildings and other buildings of the external wall or roof.

(3) Market competition pattern in which the Company is located and the Company's market position In recent years, the domestic industry innovation curtain wall market has gradually matured. Industrial competition has intensified, and the degree of industry concentration and scale will continue to deepen.

(4) Commercial real estate industry In recent years, the domestic commercial real estate projects in Shenzhen and Nanchang, Shenzhen, as a special economic zone and an advanced demonstration zone, has a relatively concentrated market heat and demand.

(5) Financial Highlight (1) Financial highlights in recent three years Whether the Company needs to make retroactive adjustment or restatement of financial data of previous years

in RMB

Table with 5 columns: Item, End of 2023, End of 2022, Increase/decrease from the end of last year, End of 2021. Includes Total assets (13,376,351,856.86), Net profit attributable to the shareholders of the listed company (5,960,140,567.07), Turnover (4,292,204,716.01), etc.

Note: The Company's operating income increased by 11.57% and net profit attributable to shareholders of the listed company decreased by 3.60% during the reporting period, which was mainly due to the decrease in net profit of commercial real estate business by RMB 37,041,800, and after deducting the impact of commercial real estate, the Company's operating income increased by 17.04% and net profit attributable to shareholders of the listed company increased by 13.65% during the reporting period.

Table with 5 columns: Item, Q1, Q2, Q3, Q4. Includes Turnover (815,219,822.90), Net profit attributable to the shareholders of the listed company (70,822,028.03), etc.

Note: The lower net profit of the Company in the fourth quarter as compared to the previous three quarters was mainly attributable to the decrease in revenue and gross profit due to settlement adjustments for the curtain wall system and rail transit screen door projects in the fourth quarter, as well as the loss arising from the fair value assessment of investment properties.

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

Table with 5 columns: Item, Value. Includes Number of shareholders of common shares at the end of the reporting period (50,570), Total number of ordinary share shareholders at the end of the reporting period (50,570), etc.

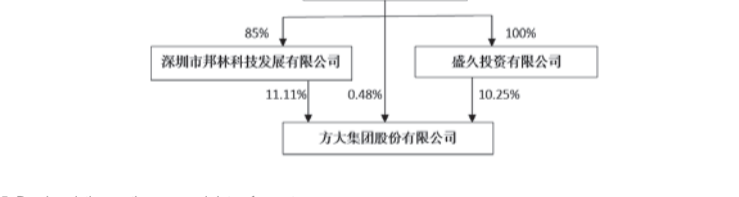
Table with 6 columns: Name of shareholder, Nature of shareholder, Shareholding percentage, Shareholding number, Conditional shares Share status, Pledge, marking or freezing. Lists top 10 shareholders including Shenzhen Banglin Technology Development Co., Ltd., Shengjiu Investment Ltd., Fang Wei, etc.

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.

Statement of shareholders participating in margin trade (if any) Wu Xiangdong holds 5,385,750 stocks of the Company through the Huixi Securities customer credit transaction guarantee securities account.

Note: As this report was disclosed on April 2, 2024, the number of shareholders of Company B shares as of March 29, 2024 (last trading day) cannot be obtained. Therefore, the total number of common shareholders in the previous month before the disclosure date of the annual report in the table above represents the total number of shareholders of Company A shares as of March 29, 2024 and B shares as of March 20, 2024 (last trading day).

Top-10 shareholders participating in the lending of shares through refinancing business



5. Bonds existing on the approval date of report

For details, please refer to Chapter 6 Important Matters in the full text of the Company's Annual Report 2023.

China Fangda Group Co., Ltd. Resolutions of the 7th Meeting of the 10th Board of Directors

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

The 7th meeting of the 10th Board of Directors of Fangda Group Co., Ltd. (hereinafter referred to as "the Company") was held by on-site combined communication in the conference room of the Company in the morning of March 29, 2024.

1. Chairman's Work Report for 2023: See Chapter 3 Management Discussion and Analysis in the Annual Report 2023. Voting results: 7 votes in favor, 0 votes against, and 0 abstentions.

2. The Board of Directors' Work Report 2023: See Chapter 3 Management Discussion and Analysis and Chapter 4 Corporate Governance in the Annual Report 2023. Voting results: 7 votes in favor, 0 votes against, and 0 abstentions.

3. Annual Report 2023 and the Summary: Voting results: 7 votes in favor, 0 votes against, and 0 abstentions.

4. Financial Settlement Report 2023: As audited by RSM China (limited liability partnership), the Company recorded an operating income of RMB272,758,249.50 in 2023, a net profit attributable to shareholders of RMB272,758,249.50. For details, please see Chapter 2.6 Financial Highlights and Chapter 10 Financial Statements of the 2023 Annual Report.

5. Proposal of dividend distribution for 2023: According to the audit conducted by RSM China (Special General Partnership), the net profit attributable to the parent company of the consolidated financial statements for the year 2023 is RMB272,758,249.50, and the net profit of the parent company's financial statements is RMB-11,766,883.17.

6. The Company's profit distribution plan for 2023 is as follows: Based on the total share capital of 1,073,874,227 shares on December 31, 2023, the Company plans to distribute cash dividends of 0.80 yuan (including tax) for every 10 shares to all shareholders, with a total of RMB85,909,938.16 in cash. No dividend share or capitalization share was issued in the year.

7. Proposal on applying for credit guarantee from banks and other financial institutions: To meet the capital needs for daily production and improve the decision-making efficiency, the Company plans to approve the application by the Company and its wholly-owned subsidiaries (including directly and indirectly held subsidiaries) for a total credit line of RMB7.8 billion from banks and approve guarantees made for a total credit line of no more than RMB7.8 billion (including various guarantee methods such as company-to-subsidiary guarantee, subsidiary-to-company guarantee, subsidiary-to-subsidiary guarantee, and company or subsidiary-provided own property mortgage guarantee).

8. The Board of Directors proposes that the general meeting of shareholders authorize the management to reasonably select banks and other financial institutions for credit guarantee cooperation and sign relevant agreements within the above-mentioned quota range. The authorization period is from the date of approval at the 2023 annual general meeting to the date of the 2024 annual general meeting.

The details of the credit line are shown in the following table:

Table with 8 columns: Guarantor, Beneficiary party, Shareholding percentage, Guaranteed party's most recent audited asset-liability ratio, Balance of guarantee (RMB100 million), Additional guarantee amount (in RMB100 million), The percentage of the guarantee amount in the latest audited net assets of the listed company, Whether it is a related party. Lists guarantors like Shenzhen Fangda Jianke Group Co., Ltd., Fangda Zhichuang Technology Co., Ltd., etc.

The newly added guarantee amount includes the amount of guarantee that needs to be renewed within the current guarantee balance and the new guarantee amount due to renew within the authorization period. The newly added guarantee amount can be recycled within the authorized period. Where the actual amount does not exceed the above-mentioned total amount, the credit line can be balanced among various guarantors and guarantees (including the Company and wholly-owned subsidiaries of the Company).

8. The Company's proposal on engaging of the CPA for year 2024: In order to keep the continuity and stability of external audit, the Auditing Committee proposes continuing to engage RSM China (joint stock partnership) as the auditor of financial statements and internal control for 2024 with an audit fee of RMB1.5 million and a term of one year. The audit fee for the annual report is RMB1.1 million, and the internal control audit fee is RMB400,000.

This proposal has been reviewed and approved by the Company's Board Audit Committee and agreed to be submitted for the board's and shareholder meeting's review.

9. The Company's 2023 Social Responsibility Report: Voting results: 7 votes in favor, 0 votes against, and 0 abstentions.

10. Proposal regarding the election of Vice Chairman of the Board of Directors: In order to improve the corporate governance structure of the Company and enhance the operational efficiency of the Board of Directors, in accordance with the Company Law and the Articles of Association of the Company, the Board of Directors hereby elects Mr. Xiong Xi as the Vice Chairman of the 10th Board of Directors of the Company, the term of office shall commence from the date of approval by the Board of Directors and continue until the expiration of the term of the 10th Board of Directors of the Company. The resume is attached.

11. Proposal on changing the use of partial premises: Due to the operational and development needs of the company, the following changes in the use of properties are proposed: (1) The entire 33rd floor and a portion of the 14th floor (total area: 2,599.01m²) of Building T1 in Fangda Town, Nanshan District, Shenzhen, currently used for external rental, will be converted for self-use.

(2) The entire 3rd and 5th floors and a portion of the 8th and 9th floors (total area: 4,044.57m²) of Fangda Science and Technology Building in Nanshan District, Shenzhen, currently used for self-use, will be converted for external rental. Additionally, the 15th floor (total area: 1,305.18m²) of the same building, currently used for external rental, will be converted for self-use.

12. The proposal of convening the 2023 Shareholders' Meeting: The Company will hold the 2023 general shareholders' meeting on Monday, April 22, 2024 (Monday). The voting methods of the meeting are onsite voting and online voting. See the Notice on Convening the 2023 Shareholders' Meeting for details.

The Company's annual report 2023, the summary of the annual report 2023, the self-evaluation report on internal control 2023, the social responsibility report 2023, the announcement on applying for credit guarantee from banks and other financial institutions, the announcement on hiring an audit institution 2024, and the notice on convening the 2023 annual general meeting of shareholders are detailed in the Company's website on April 02, 2024 (http://www.cninfo.com.cn).

The proposals 2, 5, 7 and 8 are submitted to the 2023 Shareholders' Meeting for review. The above is for the attention of the shareholders.

Annex: Biography of Xiong Xi, Vice Chairman of the 10th Board of Directors: Xiong Xi: Male, 42 years old, Master's degree. He is currently a director and president of the Company, chairman of Fangda Zhichuang Technology Co., Ltd. and a member of the Seventh Shenzhen Chinese People's Political Consultative Conference.

The members of the Supervisory Committee and the Company acknowledge being responsible for the truthfulness, accuracy, and completeness of the announcement. Not any false record, misleading statement or significant omission carried in this announcement. The 7th meeting of the 10th Supervisory Committee of China Fangda Group Co., Ltd. (hereinafter referred to as "the Company") was held in the conference room of the Company on the afternoon of March 29, 2024. The notice of the meeting was delivered in writing on March 18, 2024. The meeting was presided over by the convener of the Supervisory Committee. The meeting should be attended by three supervisors and actually three supervisors, which is in line with the provisions of the Company Law and the Articles of Association. The following resolutions were reviewed and according to approved:

1. The Supervisory Committee' Work Report 2023; See VIII Supervisory Committee's Work in Chapter 4 Corporate Governance of the Annual Report 2023. Voting results: 3 votes in favor, 0 votes against, and 0 abstentions.

2. Annual Report 2023 and the Summary; The Supervisory Committee believes that the preparation process of the 2023 Annual Report by China Fangda Group Co., Ltd. complies with laws, regulations and requirements of the CSRC. The report truly, accurately and completely reflects the Company's actual conditions without any false or misleading statement or significant omission. Voting results: 3 votes in favor, 0 votes against, and 0 abstentions.

3. Financial Settlement Report 2023: As audited by RSM China (limited liability partnership), the Company recorded an operating income of RMB272,758,249.50 in 2023, a net profit attributable to shareholders of RMB272,758,249.50. For details, please see Chapter 2.6 Financial Highlights and Chapter 10 Financial Statements of the 2023 Annual Report.

4. Proposal of dividend distribution for 2023: According to the audit conducted by RSM China (Special General Partnership), the net profit attributable to the parent company of the consolidated financial statements for the year 2023 is RMB272,758,249.50, and the net profit of the parent company's financial statements is RMB-11,766,883.17.

5. The Company's profit distribution plan for 2023 is as follows: Based on the total share capital of 1,073,874,227 shares on December 31, 2023, the Company plans to distribute cash dividends of 0.80 yuan (including tax) for every 10 shares to all shareholders, with a total of RMB85,909,938.16 in cash. No dividend share or capitalization share was issued in the year.

6. After the announcement of the Company's profit distribution plan to the time of implementation, if the total share capital changes, in accordance with the principle of "distributing cash dividends of RMB 0.80 (tax included) for every 10 shares", the total share capital after the market closes on the equity registration date when the profit distribution plan is implemented shall be used. The total amount of cash dividends will be disclosed in the Company's profit distribution implementation announcement.

The profit distribution plan of the Company complies with the provisions of the Company Law, the Notice on Further Implementation of Cash Dividends for Listed Companies by the China Securities Regulatory Commission, the Shenzhen Stock Exchange Listing Rules for Self-Regulation of Listed Companies on the Main Board, and the Company's Articles of Association. The cash dividends of the Company do not significantly differ from the average level of listed companies in the industry.

The Supervisory Committee believes that the profit distribution in this plan is in line with the Company's development and growth. The distribution proposal is in accordance with the actual situation of the Company, does not harm the interests of shareholders, especially small and medium-sized shareholders, and does not exceed the range of distributable profits. It complies with the relevant regulations of the China Securities Regulatory Commission and is beneficial to the normal operation and healthy development of the Company. The Company's profit distribution plan for 2023 was reviewed and approved by the general meeting of shareholders.

Voting results: 3 votes in favor, 0 votes against, and 0 abstentions.

5. The Company's proposal on engaging of the CPA for year 2024: The Auditing Committee proposes continuing to engage RSM China (joint stock partnership) as the auditor of financial statements and internal control for 2024 with an audit fee of RMB1.5 million and a term of one year. The audit fee for the annual report is RMB1.1 million, and the internal control audit fee is RMB400,000.

6. The Supervisory Committee believes that the existing internal control system of the Company can meet the requirements of regulated operation and operation management and complies with legal, regulatory and securities supervisory requirements. The Internal Self-evaluation Report 2023 of the Company truthfully, completely and fairly reflects the Company's internal control and can ensure the legal compliance of the Company and implementation of the internal rules and disciplines. The evaluation of the internal control is truthful, objective and accurate.

Voting results: 3 votes in favor, 0 votes against, and 0 abstentions.

The full text of the Annual Report 2023, Summary of the Annual Report 2023, Announcement on Engaging 2024 Audit Institutions and the Self-Evaluation Report On Internal Control in 2023 are published on http://www.cninfo.com.cn on April 02, 2024.

The proposals 1-5 are submitted to the 2023 Shareholders' Meeting for review. The above is for the attention of the shareholders.

China Fangda Group Co., Ltd. Notice on Convening the 2023 General Shareholders' Meeting

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

1. Details of the meeting (1) Session: 2023 Shareholders' Meeting (2) Convener: The Board of Directors of the Company. The convening of this general meeting of shareholders has been deliberated and approved at the 7th meeting of the 10th Board of Directors of the Company.

(3) Legal compliance of the meeting: The convening of the shareholders' meeting complies with laws, administrative regulations, department rules, regulatory documents and Articles of Association of the Company.

(4) Time: 1. Meeting time: Monday, April 22, 2024, PM 02:45, the meeting will last for half a day. 2. Online voting time: Monday, April 22, 2024. Among them, the specific time of voting through the trading system of Shenzhen Stock Exchange is 9:15-9:25, 9:30-11:30 and 13:00-15:00 on April 22, 2024. The specific time of voting through the Internet voting system of Shenzhen Stock Exchange is any time from 9:15 to 15:00 on April 22, 2024.

(5) Holding method: field and online voting The Company will provide an online voting platform for shareholders via the Shenzhen Stock Exchange's transaction system and Internet voting system. Shareholders can exercise their voting rights through the systems in the voting time. The same voting right can only be exercised through either on-site voting or online voting. In case of repeated voting for the same voting right, the first voting right shall prevail.

(6) A-share registration date, B-share last trading date: April 11, 2024 B-share shareholders should buy the Company's share on April 11, 2024 or earlier to attend the meeting. (7) People qualified for the meeting:

1. As of the end of the afternoon on Thursday, April 11, 2024 (the last trading day of B shares), all shareholders of the Company registered with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. have the right to attend the general meeting of shareholders and may entrust proxies in writing (see appendix 1 for the power of attorney) to attend the on-site meeting and participates in voting. The shareholder proxy does not need to be a shareholder of the Company.

2. Directors, supervisors and executives of the Company; 3. Lawyers engaged by the Company; (8) Venue of the meeting: The Multifunction Conference Room, 1/F Fangda Building, Kejian Road 12, Southern High & New Tech Zone, Shenzhen.

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