

Stock Code: 000026 200026

Short Form of Stock: FIYTA A, FIYTAB

Announcement No: 2019-054

FIYTA HOLDINGS LTD.

2019 Third Quarterly Report, Summary

Section 1 Important Notice

The Board of Directors, the Supervisory Committee, directors, supervisors and senior executives hereby individually and collectively accept responsibility for the correctness, accuracy and completeness of the contents of this report and confirm that there are neither material omissions nor errors which would render any statement misleading.

All the directors attended the board meeting for reviewing the Quarterly Report.

Huang Yongfeng, the Company leader, Chen Zhuo, chief financial officer, and Tian Hui, the manager of the accounting department (treasurer) hereby confirm the authenticity and completeness of the financial report enclosed in this Quarterly Report.

Section 2 Company Profile

I. Summary of Accounting/Financial Data

Does the Company need to make retroactive adjustment or restatement of the accounting data of the previous years

No

	End of the reporting period	End of the previous year	Increase/decrease at the end of the year over the end of the previous year	
Total assets (in CNY)	3,704,836,450.65	3,599,691,650.26	2.92%	
Net profit attributable to the Company's shareholders, in CNY	2,628,844,794.49	2,570,134,782.90	2.28%	
	Reporting period	Year-on-year increase/decrease in the reporting period	From the year beginning to the end of the reporting period	Decrease/Increase of the end of the reporting period over the end of the previous year
Revenue in CNY	954,666,662.24	9.88%	2,739,702,682.47	6.82%
Net profit attributable to the Company's shareholders, in CNY	55,235,304.47	9.83%	178,730,765.38	9.88%
Net profit attributable to the Company's shareholders less the non-recurring items, in CNY	55,447,049.05	14.51%	169,074,195.74	14.10%
Net cash flows arising from operating activities, in CNY	--	--	304,727,914.51	4.87%
Basic earning per share (CNY/share)	0.1251	9.16%	0.4039	8.96%
Diluted earning per share (CNY/share)	0.1251	9.16%	0.4039	8.96%
Return on equity, weighted average	2.05%	-2.06%	6.74%	2.90%

Non-recurring gain/loss items and the amount involved

In CNY

Items	Amount from the year beginning to the end of the reporting period	Note
Gain/loss from disposal of non-current assets, including the part offset from the provision for impairment of assets.	-883,236.65	
The government subsidies included in the profits and losses of the current period (excluding government grants which are closely related to the Company's business and conform with the national standard)	13,366,923.67	

amount or quantity)		
Other non-operating income and expenses other than the aforesaid items	-194,635.08	
Less: Amount affected by the income tax	2,632,482.30	
Total	9,656,569.64	--

For the Company's non-recurring gain/loss items as defined in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering their Securities to the Public – Non-recurring Gains and Losses and its non-recurring gain/loss items as illustrated in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering their Securities to the Public – Non-recurring Gains and Losses which have been defined as recurring gains and losses, it is necessary to explain the reason.

Inapplicable

II. Statement of total shareholders and shares held by the top 10 shareholders by the end of the reporting period

1. Statement of total ordinary shareholders and the preferred shareholders with voting power recovered and the shareholding by the top 10 shareholders

In shares

Total common shareholders at the end of the reporting period		32,680	Total preference shareholders with the voting power recovered at the end of the reporting period (if any)		0	
Shareholding by top 10 shareholders						
Names of the Shareholders	Nature of the shareholder	Shareholding proportion	Shareholding quantity	Number of the restricted shares held	Pledging or freezing	
					Status of the shares	Quantity
AVIC International Holding Limited	State corporate	36.79%	162,977,327	0		
#Yang Zugui	Domestic natural person	4.07%	18,013,506	0		
Chongqing International Trust Co., Ltd. - YUXIN No. 2 Trust	Domestic natural person	1.06%	4,695,982	0		
Jilin Risheng Investment	Domestic non-state-owne	0.70%	3,113,430	0		

Management Co., Ltd. - RISHENG FEIYUE DIANFENG Phase I Private-Placement Securities Investment Fund	Legal person					
National Social Security Fund 114 Portfolio	State-owned legal person	0.62%	2,754,493	0		
Shenzhen Heli Fengyuan Commerce & Trade Co., Ltd.	Domestic non-state-owned legal person	0.61%	2,704,000	0		
# Zhao Ce	Domestic natural person	0.30%	1,333,300	0		
Vanguard Investment Australia Ltd. - Vanguard Emerging Market Stock Index Fund (Stock Exchange)	Domestic non-state-owned legal person	0.27%	1,190,485	0		
Ma Xinting	Domestic natural person	0.26%	1,150,000	0		
CHINA MERCHANTS SECURITIES HK CO. LTD.	Overseas legal person	0.20%	904,371	0		
Shares held by top 10 shareholders of unrestricted shares						
Names of the Shareholders	Quantity of unrestricted shares held a	Share type				
		Share type	Quantity			
AVIC International Holding Limited	162,977,327	CNY ordinary shares	162,977,327			
#Yang Zugui	18,013,506	CNY ordinary shares	18,013,506			

Chongqing International Trust Co., Ltd. - YUXIN No. 2 Trust	4,695,982	CNY ordinary shares	4,695,982
Jilin Risheng Investment Management Co., Ltd. - RISHENG FEIYUE DIANFENG Phase I Private-Placement Securities Investment Fund	3,113,430	CNY ordinary shares	3,113,430
National Social Security Fund 114 Portfolio	2,754,493	CNY ordinary shares	2,754,493
Shenzhen Heli Fengyuan Commerce & Trade Co., Ltd.	2,704,000	CNY ordinary shares	2,704,000
# Zhao Ce	1,333,300	CNY ordinary shares	1,333,300
Vanguard Investment Australia Ltd. - Vanguard Emerging Market Stock Index Fund (Stock Exchange)	1,190,485	CNY ordinary shares	1,190,485
Ma Xinting	1,150,000	CNY ordinary shares	1,150,000
CHINA MERCHANTS SECURITIES HK CO. LTD.	904,371	Foreign invested shares listed in Mainland China	904,371
Explanation on associated relationship or consistent action of the above shareholders	Inapplicable		
Note to the top 10 shareholders involved in margin financing & securities lending (if any)	Inapplicable		

Did the top ten common shareholders or top ten shareholders of unrestricted common shares conduct contractual repurchase during the reporting period?

No

2. Total preferred shareholders and the shares held by the top 10 preferred shareholders

Inapplicable

Section 3 Significant Events

Changes of the major financial data and financial indicators during the reporting period and the causes

I. Changes of the major financial data and financial indicators during the reporting period and the causes

(I) Balance sheet items

Items	Ending balance	Opening balance	Variation proportion	Cause of the movement
Monetary capital	271,288,310.87	164,828,059.97	64.59%	Mainly due to net flow-in from operating activities
Advance payments	25,118,168.82	13,666,816.33	83.79%	Mainly due to increase of advance payment for purchase of accessories
Other receivables	63,638,680.84	45,870,582.26	38.74%	Mainly due to increase of the deposit for shopping mail, etc.
Advance receipts	32,519,488.14	16,459,445.00	97.57%	Mainly due to increase of the advance payment received
Other payables	122,637,010.50	71,819,930.30	70.76%	Mainly due to the increase of the equity incentive money payable to employees, refurbishment deposit and the down payment for lease.
Other comprehensive income	-1,354,800.31	-5,442,139.78	75.11%	Mainly due to movement of the translation reserve

(II) Items of the profit statement in the reporting period

Items	Amount incurred in the reporting period	Amount incurred in the previous period	Variation proportion	Cause of the movement
Other income	321,181.31	2,360,867.19	-86.40%	Mainly due to the decrease of government subsidies received in the reporting period.
Loss from impairment of credit	-5,221,223.17	-2,676,174.68	-95.10%	Mainly due to the increase of the provision for bad debt during the reporting period.
Loss from impairment of assets	-298,243.29	2,407,321.13	-112.39%	Mainly due to the partial inventory assets being written off after clearing in the previous period.
Income from disposal of assets	-671,226.52	-12,324.44	-5346.30%	Mainly due to increase of the loss arising from disposal of equipment in the reporting period.
Net of other comprehensive income after tax	2,338,089.70	9,644,276.18	-75.76%	Mainly due to movement of the translation difference of the foreign currency statements in the reporting period.

(III) Items of the profit statement from the year beginning to the end of the reporting period

Items	Amount incurred in the reporting period	Amount incurred in the previous period	Variation proportion	Cause of the movement
-------	---	--	----------------------	-----------------------

Other income	13,366,923.67	8,857,885.99	50.90%	Mainly due to the increase of the government subsidies received in the reporting period
Return on investment	1,531,310.06	93,013.38	1546.33%	Mainly due to the influence from the profit increase of Shanghai Watch Industry in the current year.
Loss from impairment of credit	-8,302,992.06	2,502,625.73	-431.77%	Mainly due to increase of provision of the accounts receivable from some customers in the current year.
Loss from impairment of assets	2,216,497.57	641,520.83	245.51%	Mainly due to increase of partial inventory assets written off after clearing in the current year.
Income from disposal of assets	-883,236.65	-66,731.60	-1223.57%	Mainly due to the increase of the loss arising from the disposal of equipment in the current year.
Net of other comprehensive income after tax	4,087,510.57	8,251,321.19	-50.46%	Mainly due to the movement of the translation difference of the foreign currency statements in the current year.

(IV) Items of the cash flow statement from the year beginning to the end of the reporting period

Items	Amount incurred in the reporting period	Amount incurred in the previous period	Variation proportion	Cause of the movement
Other operation activity related cash receipts	62,653,660.31	34,995,312.97	79.03%	Mainly due to the increase of the government subsidy and down payment for lease received in the current year.
Cash paid for purchase/construction of fixed assets, intangible assets and other long term assets	120,991,258.41	88,993,938.27	35.95%	Mainly due to increase of the project payment of FIYTA Watch Building in the current year.
Net cash flow arising from financing activities	-77,815,694.22	-191,101,925.83	59.28%	Mainly due to the decrease of the bank loans over the same period of the previous year in the current year.
Net increase of cash and cash equivalents	106,460,250.90	11,243,794.77	846.84%	Mainly due to the decrease of the bank loans over the same period of the previous year in the current year.

II. Progress of significant events, their effects and analysis on the solutions**1. Appointment of deputy GMs of the Company**

The 11th session of the Ninth Board of Directors held on September 29, 2019 reviewed and approved the Proposal on Appointment of Deputy GMs of the Company decided to appoint Mr. Tang Haiyuan and Mr. Xu Chuangyue as deputy GMs of the Company with the tenure from the date when the said Board meeting to the date when the Ninth Board of Directors ends. For the detail, refer to the Announcement on the Resolution of the 11th Session of the Ninth Board of Directors No. 2019-047 disclosed on the Securities Times, Hong Kong Commercial Daily and www.cninfo.com.cn.

2. Change of the controlling shareholder's equity

On October 2, 2019, the Company received a notice from AVIC International Holdings Limited, the Company's controlling shareholder, according to which AVIC International Holding Corporation, AVIC International Shenzhen Company Limited

and AVIC International Holdings Limited are going to be merged. After the merging, AVIC International Holding Corporation shall directly hold 162,977,327 shares in the Company (taking 36.79% of the Company's total shares) and become the controlling shareholder of the Company. For the detail, refer to the Indicative Announcement on the Movement of the Equity of the Controlling Shareholder No. 2019-049 and the Acquisition Report, Summary 2019-050 published on the Securities Times, Hong Kong Commercial Daily and www.cninfo.com.cn.

3. Replacement of the Accounting Firm

The 12th session of the Ninth Board of Directors held on October 16, 2019 reviewed and approved the Proposal on the Replacement of the Accounting Firm is going to appoint Grant Thornton Certified Public Accountants (Special General Partnership) as the Company's auditor of the Financial Report 2019 and the internal control to replace Ruihua Certified Public Accountants (Special General Partnership) for a term of one year. The said proposal on the replacement of the accounting firm is subject to review and approval of the General Meeting. For the detail, refer to the Announcement on the Resolution of the 12th Session of the Ninth Board of Directors No. 2019-052 and the Announcement on the Replacement of the Accounting Firm No. 2019-055 disclosed on the Securities Times, Hong Kong Commercial Daily and www.cninfo.com.cn.

General on Significant Events	Date of disclosure	Inquiry index of the provisional reports disclosed in the website.
Appointment of deputy GMs of the Company	October 8, 2019	www.cninfo.com.cn
Change of the controlling shareholder's equity	October 8, 2019	www.cninfo.com.cn
Replacement of the Accounting Firm	October 18, 2019	www.cninfo.com.cn

Progress of implementation of the stock repurchase

The 7th session of the Ninth Board of Directors held on April 4, 2019 and 2019 2nd Extraordinary General Meeting held on April 23, 2019, reviewed and approved the "Proposal for the Repurchase of Partial Domestically Listed Foreign Shares in the Company (B-shares), and subsequently the Company disclosed the repurchase report and published a series of announcements on the progress in accordance with relevant regulations. For detail of the above, please refer to the relevant announcements disclosed by the Company in the Securities Times, Hong Kong Commercial Daily and www.cninfo.com.cn.

As at the end of the reporting period, the Company repurchased 7,420,000 shares in the Company by way of centralized bidding, accounting for 1.68% of the Company's total capital stock; the highest transaction price of the repurchased shares was HK\$6.29 per share, and the lowest transaction price was HK\$5.71/share, the total amount paid has been HK\$44,698,010.62 (excluding transaction fees such as stamp duty, commission, etc.) The Company's repurchase of the shares was in compliance with the relevant laws and regulations and in line with the Company's established repurchase program.

Progress of implementation of reduction of the holding size of the shares repurchased by centralized bidding

Inapplicable

III. Commitments unfinished in implementation by the Company's actual controller, shareholders, related parties, acquirer and the Company, etc. in the reporting period

Inapplicable

IV. Portfolio investment

Inapplicable

V. Entrusted financial management

Inapplicable

VI. Investment in derivatives

Inapplicable

VII. Registration Form of Activities of Reception for Investigation and Survey, Communications, Interviews, etc. in the Reporting Period

Time of Reception	Way of Reception	Types of Visitors Received	Index of Basic Information on the Investigation and Survey
Friday, June 21, 2019	Field survey	Institution	https://view.officeapps.live.com/op/view.aspx?src=http%3A%2Fstatic.cninfo.com.cn%2Ffinalpage%2F2019-06-21%2F1206378240.doc

VIII. Outward guarantee against regulations

Inapplicable

IX. Non-operational Occupancy of the Company's Capital by the Controlling Shareholder and its Related Parties

Inapplicable

The Board of Directors of FIYTA HOLDINGS LTD.

October 18, 2019