

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited (“Hong Kong Stock Exchange”) take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Zhejiang Shibao Company Limited*

浙江世寶股份有限公司

(a joint stock company incorporated in the People’s Republic of China with limited liability)

(Stock Code: 1057)

2021 THIRD QUARTERLY REPORT

This announcement is made by Zhejiang Shibao Company Limited (the “**Company**”) pursuant to the disclosure requirement under Rule 13.10B of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange.

The quarterly report (unaudited) contained in this announcement has been prepared in accordance with the “China Accounting Standards of Business Enterprises” and in accordance with the requirements on preparation and disclosure of quarterly report issued by China Securities Regulatory Commission, and has been considered and approved by the Board of Directors of the Company.

IMPORTANT NOTICE

The Board of Directors, Supervisory Committee, Directors, Supervisors and senior management of the Company undertake that this quarterly report is true, accurate and complete, and does not contain false accounting, misleading statements or material omissions, and jointly and severally accept full legal responsibilities for its contents.

The Legal Representative, the Person-in-Charge of Accounting Work and the Person-in-Charge of Accounting Organisation (Head of the Accounting Department) of the Company undertake that the financial information contained in this quarterly report are true, accurate and complete.

The third quarterly financial report of the Company is not audited.

** For identification purpose only*

1. KEY FINANCIAL INFORMATION

(1) Key accounting information and financial indicators

Unit: RMB

	July – September 2021	Change (%)	January – September 2021	Change (%)
Operating revenue	293,100,874.46	-6.94	866,107,941.76	7.96
Net profit attributable to shareholders of the listed company	7,953,339.58	-63.18	42,398,508.48	9.62
Net profit after non-recurring gains and losses attributable to shareholders of the listed company	1,572,274.28	-90.18	19,014,114.95	-21.04
Net cash flows from operating activities	N/A	N/A	77,377,543.20	-6.73
Basic earnings per share (RMB/share)	0.0101	-63.24	0.0537	9.59
Diluted earnings per share (RMB/share)	0.0101	-63.24	0.0537	9.59
Return on weighted average net assets (%)	0.58%	-1.04	3.11%	0.18
	30 September 2021	30 September 2020	Change (%)	
Total assets	1,996,702,293.78	1,976,246,329.85	1.04	
Net assets attributable to shareholders of the listed company	1,385,079,468.82	1,342,680,960.34	3.16	

(2) Items and amounts of non-recurring gains and losses

Unit: RMB

Item	July – September 2021	January – September 2021
Gain or loss on disposal of non-current assets (including those provision for asset impairment write-off)	234,535.79	5,762,018.57
Unauthorised approvals, or items without duly approved documents, or occasional tax rebate or tax credits	284,228.95	456,271.04
Government grants (except for government grants which are closely related to the Company's ordinary business and conforms with the national policies as well as standard amount and quantities or continuous government grants) recognized in gains or losses during the current period	3,359,966.17	13,888,403.89
Gain or loss on entrusted investment or asset management	459,123.29	568,356.94
Reversal of impairment provisions for accounts receivable and contract assets subject to individual impairment test	2,742,063.39	4,260,959.01
Other non-operating income and expenses other than the above	24,738.46	147,930.82
Less: Effect on enterprise income tax	249,639.10	620,055.41
Effect on interest of minority shareholders (after tax)	473,951.65	1,079,491.33
Total	6,381,065.30	23,384,393.53

(3) Material changes to major accounting information and financial indicators and their reasons

For July to September 2021, the net profit attributable to shareholders of listed company and net profit after non-recurring gains and losses attributable to shareholders of the listed company are RMB7,953,339.58 and RMB1,572,274.28 respectively, representing a decrease of 63.18% and 90.18% respectively as compared with the corresponding period of last year. The decrease is mainly attributable to the overall performance of the automotive industry was high in the early period and low in the latter period this year resulting in the Company's operating income from July to September 2021 decreased year-on-year, and also the increase in raw material prices resulting in higher costs.

2. SHAREHOLDERS' INFORMATION

(1) Total number of shareholders of ordinary shares and shareholding for top ten shareholders

Unit: Share

Total number of shareholders of ordinary shares as at the end of the reporting period	29,555					
Shareholding of top ten shareholders						
Name of shareholders	Nature of shareholders	Shareholding percentage (%)	Number of shares held	Number of shares held with selling restrictions	Status on pledge or lock-up	
					Status	Number
Zhejiang Shibao Holding Group Co., Ltd.	Domestic non-state owned legal person	43.28	341,786,098			
HKSCC Nominees Limited	Foreign legal person	27.46	216,825,657			
Zhang Shi Quan	Domestic natural person	3.34	26,391,580	19,793,685		
Huang Chao	Domestic natural person	0.24	1,889,990			
Li Hong	Domestic natural person	0.20	1,602,500			
Zhang Jie	Domestic natural person	0.15	1,159,200			
He Zhengxing	Domestic natural person	0.13	993,300			
Ying Yingying	Domestic natural person	0.12	920,000			
Zheng Qunzhang	Domestic natural person	0.12	910,650			
Duan Xiaoyi	Domestic natural person	0.11	862,200			

Shareholding of top ten shareholders without selling restrictions			
Name of shareholders	Number of ordinary shares held without selling restrictions	Types of shares	
		Types of shares	Number
Zhejiang Shibao Holding Group Co., Ltd.	341,786,098	RMB-dominated ordinary shares	341,786,098
HKSCC Nominees Limited	216,825,657	Overseas listed foreign shares	216,452,450
		RMB-dominated ordinary shares	373,207
Zhang Shi Quan	6,597,895	RMB-dominated ordinary shares	6,597,895
Huang Chao	1,889,990	RMB-dominated ordinary shares	1,889,990
Li Hong	1,602,500	RMB-dominated ordinary shares	1,602,500
Zhang Jie	1,159,200	RMB-dominated ordinary shares	1,159,200
He Zhengxing	993,300	RMB-dominated ordinary shares	993,300
Ying Yingying	920,000	RMB-dominated ordinary shares	920,000
Zheng Qunzhang	910,650	RMB-dominated ordinary shares	910,650
Duan Xiaoyi	862,200	RMB-dominated ordinary shares	862,200
Illustrations on the connected relationship or acting in concert for the shareholders above	Zhejiang Shibao Holding Group Co., Ltd. is the controlling shareholder of the Company and Zhang Shi Quan is the de facto controller of the Company. The Company is not aware of other shareholders who were connected or acted in concert with each other.		
Margin trading and short selling by top ten shareholders of ordinary shares without selling restrictions (if any)	Nil.		

3. OTHER SIGNIFICANT EVENTS

There were no other significant events during the reporting period.

4. QUARTERLY FINANCIAL STATEMENTS

(1) Consolidated Balance Sheet

Unit: RMB

Item	30 September 2021	31 December 2020
Current Assets:		
Cash on hand and at bank	146,397,967.86	166,389,726.85
Financial assets held for trading	72,592,540.92	904,073.28
Notes receivable		239,784.00
Accounts receivable	319,421,036.47	325,598,747.08
Financing receivable	135,495,449.94	187,274,526.18
Prepayments	17,659,557.72	21,628,201.14
Other receivables	8,271,527.48	9,867,974.89
Inventories	329,094,690.96	254,371,320.73
Other current assets	13,462,453.14	14,077,655.52
Total current assets	1,042,395,224.49	980,352,009.67
Non-current Assets:		
Investment property	173,941,448.40	175,565,178.66
Fixed assets	615,165,881.20	668,272,431.63
Construction in progress	44,878,814.63	48,682,196.11
Intangible assets	80,613,778.25	81,281,828.17
Deferred income tax assets	12,206,183.65	12,805,998.28
Other non-current assets	27,500,963.16	9,286,687.33
Total non-current assets	954,307,069.29	995,894,320.18
Total Assets	1,996,702,293.78	1,976,246,329.85

(1) Consolidated Balance Sheet (continued)

Unit: RMB

Item	30 September 2021	31 December 2020
Current Liabilities:		
Short-term borrowings	93,099,752.06	98,116,784.10
Notes payable	110,899,451.46	86,570,132.09
Accounts payable	293,147,835.79	318,745,234.60
Receipts in advance	4,488,169.04	14,978,858.81
Contract liabilities	9,289,841.36	9,954,761.23
Staff costs payable	17,744,693.33	20,138,767.07
Taxes payable	6,284,047.56	8,337,187.92
Other payables	3,251,792.38	2,740,953.52
Other current liabilities	32,156,049.01	30,200,975.06
Total current liabilities	570,361,631.99	589,783,654.40
Non-current Liabilities:		
Long-term borrowings	18,811,465.75	8,800,000.00
Deferred income	37,186,835.66	45,985,366.36
Deferred income tax liabilities	2,319,610.05	2,438,113.16
Total non-current liabilities	58,317,911.46	57,223,479.52
Total Liabilities	628,679,543.45	647,007,133.92
Shareholders' Equity:		
Share capital	789,644,637.00	789,644,637.00
Capital reserve	182,334,093.78	182,334,093.78
Surplus reserve	135,379,620.20	135,379,620.20
Retained earnings	277,721,117.84	235,322,609.36
Total equity attributable to equity holders of the parent	1,385,079,468.82	1,342,680,960.34
Minority Interests	-17,056,718.49	-13,441,764.41
Total Shareholders' Equity	1,368,022,750.33	1,329,239,195.93
Total Liabilities and Shareholders' Equity	1,996,702,293.78	1,976,246,329.85

Legal Representative: Zhang Shi Quan

Chief Financial Officer: Zhang Lan Jun

Head of Finance Section: Li Gen Mei

(2) Consolidated Income Statement from the beginning of the year to the end of the reporting period

Unit: RMB

Item	January – September 2021	January – September 2020
1. Total operating revenue	866,107,941.76	802,228,479.88
Including: Operating revenue	866,107,941.76	802,228,479.88
2. Total operating costs	843,730,600.86	772,040,576.81
Including: Operating costs	663,700,863.58	614,103,537.86
Taxes and surcharges	5,803,912.15	7,830,222.72
Selling expenses	53,933,303.82	51,783,622.85
General and administrative expenses	59,186,652.62	46,186,446.03
Research and development expenses	57,048,327.80	48,999,934.54
Financial expenses	4,057,540.89	3,136,812.81
Including: Interest expenses	4,199,245.68	4,012,378.64
Interest income	947,262.14	1,345,228.48
Add : Other gains	14,344,674.93	11,948,925.02
Investment gains (“-” for loss)	568,356.94	223,619.99
Gains on fair value change (“-” for loss)	1,382,483.33	
Credit impairment losses (“-” for loss)	4,974,120.70	2,317,030.93
Assets impairment losses (“-” for loss)	-8,526,517.74	-9,489,071.01
Gains from disposal of assets (“-” for loss)	5,762,018.57	660,660.26
3. Operating profit (“-” for loss)	40,882,477.63	35,849,068.26
Add : Non-operating income	163,721.09	54,779.02
Less : Non-operating expenses	164,172.25	166,496.59
4. Total profit (“-” for total loss)	40,882,026.47	35,737,350.69
Less : Income tax expenses	2,098,472.07	1,693,654.84
5. Net profit (“-” for net loss)	38,783,554.40	34,043,695.85
(1) Classification by business continuity		
1. Net profit from continuing operation (“-” for net loss)	38,783,554.40	34,043,695.85
(2) Classification by ownership		
1. Net profit attributable to equity holders of the parent	42,398,508.48	38,676,123.24
2. Minority interests	-3,614,954.08	-4,632,427.39
6. Other comprehensive income after tax, net		

**(2) Consolidated Income Statement from the beginning of the year to the end of the reporting period
(continued)**

Unit: RMB

Item	January – September 2021	January – September 2020
7. Total comprehensive income	38,783,554.40	34,043,695.85
Total comprehensive income attributable to equity holders of the parent	42,398,508.48	38,676,123.24
Total comprehensive income attributable to minority interests	-3,614,954.08	-4,632,427.39
8. Earnings per share:		
(1) Basic earnings per share	0.0537	0.0490
(2) Diluted earnings per share	0.0537	0.0490

Legal Representative: Zhang Shi Quan

Chief Financial Officer: Zhang Lan Jun

Head of Finance Section: Li Gen Mei

(3) Consolidated Statement of Cash Flows from the beginning of the year to the end of the reporting period

Unit: RMB

Item	January – September 2021	January – September 2020
1. Cash flows from operating activities:		
Cash received from sale of goods or rendering of services	545,150,197.14	434,917,199.39
Return of taxes and levies	15,842,075.01	8,213,839.98
Cash received relating to other operating activities	40,707,085.04	41,103,952.64
Sub-total of cash inflow from operating activities	601,699,357.19	484,234,992.01
Cash paid for goods purchased and services accepted	273,087,504.37	192,571,725.59
Cash paid to and on behalf of employees	144,617,128.71	109,790,042.09
Payment of taxes and levies	29,935,398.98	27,234,234.97
Cash paid relating to other operating activities	76,681,781.93	71,679,010.26
Sub-total of cash outflow from operating activities	524,321,813.99	401,275,012.91
Net cash flows from operating activities	77,377,543.20	82,959,979.10
2. Cash flows from investing activities:		
Cash received from return of investments	150,000,000.00	101,200,000.00
Cash received from investment gains	577,687.27	236,343.44
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	22,474,651.57	6,270,113.20
Sub-total of cash inflow from investing activities	173,052,338.84	107,706,456.64
Cash paid to acquire fixed assets, intangible assets and other long-term assets	50,878,670.15	91,527,578.65
Cash paid for investments	218,000,000.00	30,200,000.00
Sub-total of cash outflow from investing activities	268,878,670.15	121,727,578.65
Net cash flows from investing activities	-95,826,331.31	-14,021,122.01
3. Cash flows from financing activities:		
Cash received from borrowings	128,000,000.00	225,000,000.00
Sub-total of cash inflow from financing activities	128,000,000.00	225,000,000.00
Cash paid for debt repayments	123,000,000.00	270,000,000.00
Cash paid for distribution of dividends, profit or interest expenses	4,204,811.97	4,095,289.12
Sub-total of cash outflow from financing activities	127,204,811.97	274,095,289.12
Net cash flows from financing activities	795,188.03	-49,095,289.12
4. Effect of changes in foreign exchange rate on cash and cash equivalents	-612,169.40	65,981.72
5. Net increase in cash and cash equivalents	-18,265,769.48	19,909,549.69
Add: Opening balance of cash and cash equivalents	145,050,218.49	117,113,481.79
6. Closing balance of cash and cash equivalents	126,784,449.01	137,023,031.48

Legal Representative: Zhang Shi Quan

Chief Financial Officer: Zhang Lan Jun

Head of Finance Section: Li Gen Mei

By order of the Board
Zhejiang Shibao Company Limited
Zhang Shi Quan
Chairman

Hangzhou, Zhejiang, the PRC

28 October 2021

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Zhang Bao Yi, Mr. Tang Hao Han, Ms. Zhang Lan Jun and Ms. Liu Xiao Ping as executive Directors; Mr. Zhang Shi Quan and Mr. Zhang Shi Zhong as non-executive Directors; and Mr. Gong Jun Jie, Mr. Lin Yi and Mr. Tsui Chun Shing as independent non-executive Directors.