SKYWORTH

SKYWORTH GROUP LIMITED
創 維 集 團 有 限 公 司
(Incorporated in Bermuda with limited liability)
(Stock Code: 00751)

OVERSEAS REGULATORY ANNOUNCEMENT FINANCIAL INFORMATION REGARDING A SUBSIDIARY OF THE COMPANY

This announcement is made by the board of directors (the "**Board**") of Skyworth Group Limited (the "**Company**") pursuant to Rules 13.09(2) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Skyworth Group Co., Ltd.* (創維集團有限公司), a wholly-owned subsidiary of the Company established under the laws of the People's Republic of China, has disclosed its an unaudited consolidated financial statements for the nine months ended 30 September 2021, which is reproduced in the appendix to this announcement.

The Subsidiary's financial information disclosed in this announcement is not an inducement to subscribe for or purchase any securities of the Company or other members of the Group, and no such inducement is intended. No investment decision should be based on such information.

By order of the Board
Skyworth Group Limited
Lai Weide
Chairman of the Board

Hong Kong, 26 October 2021

As at the date of this announcement, the Board of the Company comprises Mr. Lai Weide as the Chairman of the Board; Mr. Liu Tangzhi as executive director and the chief executive officer; Ms. Lin Wei Ping, Mr. Shi Chi, Mr. Lin Jin and Mr. Lam Shing Choi, Eric as executive directors; and Mr. Li Weibin, Mr. Cheong Ying Chew, Henry and Mr. Hung Ka Hai, Clement as independent non-executive directors.

* *For identification purpose only*

Appendix – the Subsidiary's financial information for nine months ended 30 September 2021

Consolidated Balance Sheet

Prepared by: 創維集團有限公司 As at 30 September 2021 Unit: RMB

Assets	Closing balance	Opening Balance	Liabilities and shareholders' equity	Closing balance	Opening Balance
Current Assets:			**Current Liabilities:**		
Bank balances and cash	6,377,585,089.19	6,289,452,755.70	Short-term loan	6,800,723,614.76	5,225,201,540.32
Balances with central bank	212,132,578.24	272,126,712.78	Borrowings from central bank	1,431,472,480.36	1,917,446,972.15
Placements with banks and other financial institutions	2,905,117,366.61	1,765,410,338.79	Deposits from customers and interbank	3,659,408.84	59,978,361.34
Financial assets held for trading	920,495,851.13	511,615,724.18	Interbank lending	-	-
Derivative financial assets	10,892,898.96	9,366,411.85	Derivative financial liabilities	30,259,627.45	48,335,243.53
Bills receivables	1,975,033,877.12	3,635,068,944.58	Financial liabilities held for trading	-	-
Trade receivables	10,868,334,620.51	9,588,775,997.63	Bills payables	2,190,938,869.93	1,829,262,292.41
Financing balance receivables	544,788,066.26	399,680,411.93	Trade payables	7,912,326,114.83	8,427,650,532.79
Prepayments	848,543,294.26	482,663,281.50	Receipts in advance	14,084,824.29	21,604,612.88
Other receivables	1,975,363,150.41	1,639,194,546.54	Contract liabilities	2,883,727,973.12	2,722,581,128.36
Redemptory monetary capital for sale	-	-	Wages and salaries payables	676,914,852.25	788,940,612.89
Inventories	12,150,103,354.24	10,519,644,166.21	Taxes and surcharges payables	358,363,404.99	323,239,136.21
Contract assets	-	-	Other payables	4,998,725,253.64	4,364,001,431.89
Held-for-sale assets	-	199,844,394.75	Held-for-sale liabilities	-	83,672,283.91
Non-current assets maturing within one year	960,052,460.60	1,129,946,758.04	Non-current liabilities maturing within one year	805,504,858.72	568,602,293.57
Other current assets	2,219,855,773.18	1,752,834,757.05	Other current liabilities	549,880,373.33	538,325,356.54
Total Current Assets	**41,968,298,380.71**	**38,195,625,201.53**	**Total Current Liabilities**	**28,656,581,656.51**	**26,918,841,798.79**
Non-current Assets:			**Non-current Liabilities:**		
Loan receivables	8,072,428.59	8,397,756.00	Long-term borrowings	4,697,020,823.56	3,057,535,075.69
Finance lease receivables	-	1,239,714.85	Bonds payables	1,742,783,721.96	1,709,827,642.13
Factoring loan receivable	-	-	Lease liabilities	778,383,616.68	772,547,594.43
Debt investments	270,000,000.00	589,242,712.90	Long-term payables	31,520.00	66,080.00
Other debt investment	-	-	Provisions liabilities	74,182,975.53	82,587,913.03
Long-term receivables	-	-	Deferred income	447,977,556.59	391,844,089.49
Long-term equity investments	466,171,597.13	415,119,064.24	Deferred tax liabilities	267,321,593.34	124,017,294.55
Other equity instrument investments	1,621,267,494.02	1,215,998,718.35	Other non-current liabilities	459,130,935.25	544,127,337.67
Other non-current financial assets	1,229,740,893.42	1,032,111,808.99	**Total Non-current Liabilities**	**8,466,832,742.91**	**6,682,553,026.99**
Investment properties	1,503,373,772.78	1,563,155,814.91	**Total Liabilities**	**37,123,414,399.42**	**33,601,394,825.78**
Fixed assets	3,426,927,889.38	3,427,451,177.54	**Owners' Equity:**		
Construction-in-progress	1,436,223,641.14	915,560,489.62	Paid-up capital (Share capital)	1,516,366,055.31	1,516,366,055.31
Right-of-use assets	792,261,855.78	869,695,787.69	Other equity instruments	-	-
Intangible assets	2,403,939,492.63	2,405,503,524.56	Capital reserve	2,495,628,436.60	2,498,826,013.37
Development costs	1,404,002.42	782,643.19	Less: Treasury stock	-	-
Goodwill	436,129,465.18	436,129,465.16	Other comprehensive income	398,863,434.57	157,751,648.57
Long-term deferred expenses	155,362,182.52	149,282,001.12	Surplus reserve	321,824,692.84	321,824,692.81
Deferred tax assets	618,643,167.74	485,476,666.03	Provision for general risk	117,281,131.04	117,281,131.04
Other non-current assets	397,240,063.27	223,566,270.78	Retained earnings/Undistributed profit	5,100,948,354.62	5,011,790,874.73
Total Non-current Assets	**14,766,757,946.00**	**13,738,713,615.93**	Total equity attributable to the owners of the company	9,950,912,104.98	9,623,840,415.83
			Non-controlling shareholders' equity	9,660,729,822.31	8,709,103,576.85
			Total Owners' Equity	**19,611,641,927.29**	**18,332,943,992.68**
Total Assets	**56,735,056,326.71**	**51,934,338,817.46**	**Total Liabilities and Owners' Equity**	**56,735,056,326.71**	**51,934,338,818.46**

Consolidated income statement

Prepared by: 創維集團有限公司 For the 9 months ended 30 September 2021 Unit: RMB

Item	Current period	Same period of last year
1. Revenue	**32,264,593,918.00**	**25,211,987,023.88**
Less: Cost of sales	27,096,003,880.52	21,005,118,045.63
Taxes and surcharges	142,192,352.52	114,336,592.54
Selling expenses	2,200,413,828.90	1,896,023,827.18
General and administrative expenses	706,934,787.93	692,317,547.15
Research and development costs	1,389,323,963.72	1,211,033,047.83
Finance costs	281,755,422.84	351,295,639.40
Including: Interest expenses	377,922,854.72	416,851,911.05
Interest income	131,844,921.38	100,442,307.26
Add: Other income	387,018,340.24	411,776,850.17
Investment income	82,887,359.12	243,404,553.89
Including: Share of profits of associates and joint ventures	6,261,759.96	4,089,824.35
Income from derecognition of financial assets at amortised cost	(11,271,758.09)	128,704,835.75
Gain (loss) on fair values changes	587,443,193.08	256,185,643.97
Gain (loss) on credit impairment	(267,970,784.06)	(33,372,674.20)
Gain (loss) on impairment of assets	(122,495,485.75)	(21,693,865.74)
Gain (loss) on disposal of assets	63,751,359.61	(26,800,882.94)
2. Operating profit	**1,178,603,663.81**	**771,361,949.30**
Add: Non-operating income	73,900,880.69	23,149,042.42
Less: Non-operating expenses	24,017,610.93	14,895,181.56
3. Profit before tax	**1,228,486,933.57**	**779,615,810.16**
Less: Income tax expenses	249,878,575.84	183,124,946.40
4. Profit for the period	**978,608,357.73**	**596,490,863.76**
Profit attributable to equity owners of the company	636,494,721.03	242,382,097.04
Profit (loss) attributable to non-controlling interests	342,113,636.70	354,108,766.72
5. Net other comprehensive income after tax	**344,038,182.16**	**(443,535,575.14)**
Net other comprehensive income after tax attributable to owners of the parent company	241,111,785.97	(317,076,337.96)
(i) Other comprehensive income not to be reclassified to profit or loss	249,209,004.72	(317,675,036.94)
1. Changes in the fair values of other equity instrument investments	249,209,004.72	(317,675,036.94)
(ii) Other comprehensive income to be reclassified to profit or loss	(8,097,218.75)	598,698.98
1. Exchange differences arising on translation of financial statements denominated in foreign currencies	(6,465,587.10)	3,438,174.01
2. Others	(1,631,631.65)	(2,839,475.03)
Net other comprehensive income after tax attributable to non-controlling shareholders	102,926,396.19	(126,459,237.18)
6. Total comprehensive income	**1,322,646,539.89**	**152,955,288.62**
Total comprehensive income attributable to owners of the parent company	877,606,507.00	(74,694,240.92)
Total comprehensive income attributable to non-controlling shareholders	445,040,032.89	227,649,529.54

Consolidated statement of cash flows

Prepared by: 創維集團有限公司 For the 9 months ended 30 September 2021 Unit: RMB

Cash flow items	Current period	Same period of last year
1. Cash flows from operating activities		
Proceeds from sales of commodities and rendering of services	39,698,627,952.22	30,115,107,615.99
Net increase in customer deposits and interbank deposits	59,937,964.95	95,674,317.14
Net increase in loan from other financial institutions	-	-
Interests, service charges and commission received	53,372,996.11	54,851,766.25
Taxes and surcharges refunded	1,124,529,445.05	744,147,593.53
Cash received from other operating activities	3,206,847,244.58	4,419,930,262.14
Subtotal of cash generated from operating activities	**44,143,315,602.91**	**35,429,711,555.05**
Payments for commodities and services	35,643,122,195.46	22,743,538,176.99
Net increase in customer deposits received and interbank deposits	55,727,947.11	898,466,718.77
Net increase in borrowings from central bank	485,557,085.95	39,424,096.33
Net increase/(decrease) in loans and advances to customers	(300,820,385.74)	574,551,769.15
Interests, service charges and commission paid	42,710,554.50	33,818,253.23
Cash paid to and for employees	3,027,516,849.66	2,521,892,144.75
Taxes and surcharges paid	1,232,068,185.48	1,044,702,975.39
Cash used in other operating activities	4,757,208,706.31	6,567,002,800.74
Subtotal of cash used in operating activities	**44,943,091,138.73**	**34,423,396,935.35**
Net cash flows (for)/from operating activities	**(799,775,535.82)**	**1,006,314,619.70**
2. Cash flows from investing activities		
Proceeds from realisation of investment	966,967,940.05	2,029,211,275.49
Proceeds from returns on investments	208,998,491.70	149,544,086.60
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets	16,740,112.15	84,096,148.20
Net proceeds from disposal of subsidiaries and other operating units	10,492.85	200,565,124.44
Cash received from other investing activities	317,253,168.17	16,898,348.74
Subtotal of cash generated from investing activities	**1,509,970,204.92**	**2,480,314,983.47**
Payments for acquisition of fixed assets, intangible assets and other long-term assets	1,146,389,779.59	870,542,066.92
Payments for investments	1,266,629,901.19	2,325,510,950.78
Net increase in pledged loan	-	-
Payments for acquisition of subsidiaries and other operating units	-	-
Cash used in other investing activities	201,435,410.00	21,013,696.48
Subtotal of cash used in investing activities	**2,614,455,090.78**	**3,217,066,714.18**
Net cash flows for investing activities	**(1,104,484,885.86)**	**(736,751,730.71)**
3. Cash flows from financing activities		
Cash received from capital contribution	449,878,068.20	35,120,000.00
Cash received from borrowings	10,631,045,867.43	12,901,405,136.14
Cash received from other financing activities	268,002,822.62	956,432,813.16
Subtotal of cash generated from financing activities	**11,348,926,758.25**	**13,892,957,949.30**
Repayment of borrowings	7,380,561,763.40	9,495,087,946.87
Distribution of dividends or profits and payments for interest expenses	683,434,971.24	415,751,072.77
Cash used in other financing activities	389,458,583.59	2,991,841,413.90
Subtotal of cash used in financing activities	**8,453,455,318.23**	**12,902,680,433.54**
Net cash flows from financing activities	**2,895,471,440.02**	**990,277,515.76**
4. Effect of foreign exchange rate changes	(27,312,875.49)	7,211,047.03
5. Net increase in cash and cash equivalents	**963,898,142.85**	**1,267,051,451.78**
Add: Cash and cash equivalents at beginning of the period	6,930,131,728.29	4,068,030,758.83
6. Cash and cash equivalents at end of the period	**7,894,029,871.14**	**5,335,082,210.61**