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 issued an announcement relating to its audited annual results for the year ended 31 December 2021 (the "**Announcement**"). Set out in the Appendix hereto is an extract of certain information in the Announcement.

Shareholders of the Company and potential investors should take note that the Announcement and full version of the annual report of the Subsidiary in Chinese has been published on the information website of the Beijing Financial Assets Exchange (https://www.cfae.cn/).

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, 22 March 2022

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 purposes only*

Appendix – the Subsidiary's financial information for the year ended 31 December 2021

Consolidated Balance Sheet
31 December 2021

	31 December 2021 RMB	31 December 2020 RMB
Assets		
Current Assets:		
Bank balances and cash	7,159,001,531.26	6,289,452,755.70
Balances with central bank	312,263,955.62	272,126,712.78
Placements with banks and other financial institutions	3,812,698,900.99	1,765,410,338.79
Financial assets held for trading	1,289,273,606.72	511,615,724.18
Derivative financial assets	12,088,559.03	9,366,411.85
Bills receivables	2,514,514,048.85	3,635,068,944.58
Trade receivables	9,637,411,900.74	9,588,775,997.63
Financing balance receivables	557,115,434.68	399,680,411.93
Prepayments	862,307,232.06	482,663,281.50
Other receivables	2,158,268,438.44	1,639,194,546.54
Inventories	12,472,817,302.02	10,519,644,166.21
Held-for-sale assets	-	199,844,394.75
Non-current assets maturing within one year	1,031,718,065.63	1,129,946,758.04
Other current assets	1,931,436,165.71	1,752,834,757.05
Total Current Assets	43,750,915,141.75	38,195,625,201.53
Non-current Assets:		
Loan and advances to customers and other parties	12,512,040.40	8,397,756.00
Finance lease receivables	-	1,239,714.85
Debt investments	12,032,270.82	589,242,712.90
Long-term equity investments	508,756,141.77	415,119,064.24
Other equity instrument investments	1,592,538,713.88	1,215,998,718.35
Other non-current financial assets	1,318,088,526.12	1,032,111,808.99
Investment properties	1,483,497,444.78	1,563,155,814.91
Fixed assets	3,609,191,170.49	3,427,451,177.54
Construction-in-progress	1,710,968,864.13	915,560,489.62
Right-of-use assets	725,083,640.32	869,695,787.69
Intangible assets	2,529,381,343.83	2,405,503,524.56
Development costs	1,588,468.44	782,643.19
Goodwill	461,461,066.56	436,129,465.16
Long-term deferred expenses	145,348,329.11	149,282,001.12
Deferred tax assets	643,852,925.90	485,476,666.03
Other non-current assets	735,298,645.18	223,566,270.78
Total Non-current Assets	15,489,599,591.73	13,738,713,615.93
Total Assets	59,240,514,733.48	51,934,338,817.46

Consolidated Balance Sheet - continued
31 December 2021

	31 December 2021 RMB	31 December 2020 RMB (Restated)
Liabilities and Owners' equity		
Current Liabilities:		
Short-term loan	6,527,427,653.49	5,225,201,540.32
Borrowing from central bank	1,285,290,458.17	1,917,446,972.15
Derivative financial liabilities	30,745,714.28	48,335,243.53
Deposits from customers and interbank	3,326,689.18	59,978,361.34
Bills payables	1,833,784,508.28	1,829,262,292.41
Trade payables	8,440,473,892.65	8,427,650,531.79
Receipts in advance	9,907,267.52	21,604,612.88
Contract liabilities	2,872,583,623.81	2,722,581,128.36
Wages and salaries payables	895,235,507.00	788,940,612.89
Taxes payables	319,907,249.61	323,239,136.21
Other payables	5,780,950,130.26	4,364,001,431.89
Held-for-sale liabilities	-	83,672,283.91
Non-current liabilities maturing within one year	1,278,794,228.35	568,602,293.57
Other current liabilities	501,044,915.21	538,325,356.54
Total Current Liabilities	29,779,471,837.81	26,918,841,797.79
Non-current Liabilities:		
Long-term borrowings	4,620,078,744.15	3,057,535,075.69
Bonds payables	1,753,639,662.69	1,709,827,642.13
Lease liabilities	638,495,729.70	772,547,594.43
Long-term payables	31,520.00	66,080.00
Provisions liabilities	200,733,408.42	82,587,913.03
Deferred income	423,438,414.91	391,844,089.49
Deferred tax liabilities	394,066,647.82	124,017,294.55
Other non-current liabilities	715,718,888.13	544,127,337.67
Total Non-current Liabilities	8,746,203,015.82	6,682,553,026.99
Total Liabilities	38,525,674,853.63	33,601,394,824.78
Owners' Equity:		
Paid-up capital	1,830,000,000.00	1,516,366,055.31
Capital reserve	2,203,839,020.22	2,498,826,013.37
Other comprehensive income	386,508,467.02	157,751,648.57
Surplus reserve	387,232,278.83	321,824,692.81
Provision for general risk	71,169,585.52	117,281,131.04
Retained earnings/Undistributed profit	5,854,485,427.03	5,011,790,874.73
Total equity attributable to the owners of the company	10,733,234,778.62	9,623,840,415.83
Non-controlling shareholders' equity	9,981,605,101.23	8,709,103,576.85
Total Owners' Equity	20,714,839,879.85	18,332,943,992.68
Total Liabilities and Owners' Equity	59,240,514,733.48	51,934,338,817.46

Consolidated income statement

For the year ended 31 December 2021

	Accumulated amount for the year RMB	Accumulated amount for last year RMB
1. Revenue	45,694,951,967.35	35,861,615,556.67
Less: Cost of sales	38,196,010,908.96	29,734,632,883.24
Tax and surcharges	202,320,519.40	164,088,795.70
Selling expenses	3,054,178,998.18	2,721,016,903.25
General and administrative expenses	1,071,112,319.96	1,066,515,211.37
Research and development costs	1,979,438,678.15	1,781,532,354.43
Finance costs	375,741,967.55	360,695,719.27
Including: Interest expenses	473,847,997.86	447,782,846.19
Interest income	181,232,408.34	132,010,674.73
Add: Other income	636,092,781.69	724,181,002.34
Investment income	177,731,574.19	949,459,568.68
Including: Share of profits of associated and joint ventures	54,054,881.65	64,824,456.46
Loss from derecognition of financial assets at amortised cost	(20,702,217.74)	(32,351,204.20)
Gain on fair values changes	1,173,080,874.50	287,193,990.70
Loss on credit impairment	(299,252,848.24)	(171,721,369.71)
Loss on impairment of assets	(99,547,582.84)	(85,109,723.87)
Gain (loss) on disposal of assets	67,681,639.18	(27,789,154.89)
2. Operating Profit	2,471,935,013.63	1,709,348,002.66
Add: Non-operating income	100,359,197.29	58,060,640.26
Less: Non-operating expenses	31,482,287.73	66,522,653.19
3. Profit before tax	2,540,811,923.19	1,700,885,989.73
Less: Income tax expenses	466,152,053.29	285,058,278.37
4. Profit for the period	2,074,659,869.90	1,415,827,711.36
(1) Classification according to the continuity of operations:		
1. Net profit from continuing operations	2,074,659,869.90	1,415,827,711.36
2. Net profit from discontinued operations	-	-
(2) Classification according to ownership:		
1. Profit attributable to equity owners of the company	1,409,664,509.36	774,206,771.66
Including: Realised net profit of the merged parties before the merge	-	19,360,403.63
2. Profit attributable to non-controlling interests	664,995,360.54	641,620,939.70

Consolidated income statement - continued

For the year ended 31 December 2021

	Accumulated amount for the year RMB	Accumulated amount for last year RMB
5. Net other comprehensive income after tax	333,690,102.51	(212,277,254.49)
Net other comprehensive income after tax attributable to owners of the parent company	228,756,818.45	(175,159,142.44)
(1) Other comprehensive income not to be reclassified to profit or loss	235,802,931.33	(185,847,971.66)
1. Change in fair value of other equity instrument investments	235,802,931.33	(185,847,971.66)
(2) Other comprehensive income to be reclassified to profit or loss	(7,046,112.88)	10,688,829.22
1. Exchange differences arising on translation of financial statements denominated in foreign currencies	(10,352,121.96)	15,274,168.11
2. Other comprehensive income to be reclassified to profit or loss under equity method	-	4,339.00
3. Others	3,306,009.08	(4,589,677.89)
Net other comprehensive income after tax attributable to non-controlling shareholders	104,933,284.06	(37,118,112.05)
6. Total comprehensive income	2,408,349,972.40	1,203,550,456.87
Total comprehensive income attributable to owners of the parent company	1,638,421,327.81	599,047,629.22
Total comprehensive income attributable to non-controlling shareholders	769,928,644.59	604,502,827.65

Consolidated statement of cash flows

For the year ended 31 December 2021

	Accumulated amount for the year RMB	Accumulated amount for last year RMB
1. Cash flows from operating activities:		
Cash received from sales of commodities and rendering of services	56,504,420,693.58	42,141,001,604.84
Net decrease in customer deposits and interbank deposits	(56,060,542.15)	(448,019,198.34)
Net increase in loan from central bank	(634,865,520.61)	802,727,674.88
Interests, service charges and commission received	71,743,418.32	67,239,529.96
Taxes refunded	1,402,831,759.44	1,041,300,505.11
Cash generated from other operating activities	3,759,094,120.04	3,329,059,600.92
Subtotal of cash generated from operating activities	61,047,163,928.62	46,933,309,717.37
Payments for commodities and services	48,197,398,408.23	32,639,896,312.26
Net increase in loans and advances to customers	(360,435,041.57)	(96,091,895.24)
Net decrease in deposits in central bank and interbank	(51,351,819.76)	(130,112,669.50)
Interests, service charges and commission paid	49,824,204.57	43,524,704.35
Cash paid to and for employees	4,055,158,617.88	3,576,936,310.76
Taxes paid	1,717,381,734.94	1,479,182,207.65
Cash used in other operating activities	6,473,526,252.41	6,019,225,897.96
Subtotal of cash used in operating activities	60,081,502,356.70	43,532,560,868.24
Net cash flows from operating activities	965,661,571.92	3,400,748,849.13
2. Cash flows from investing activities:		
Cash received from realisation of investment	1,651,781,794.23	3,029,801,721.84
Cash received from returns on investments	260,557,362.71	199,949,665.27
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	20,475,349.94	5,264,938.41
Net cash received from disposal of subsidiaries and other operating units	-	853,395,296.88
Cash generated from other investing activities	330,401,553.52	179,325,872.21
Subtotal of cash generated from investing activities	2,263,216,060.40	4,267,737,494.61
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	1,726,898,567.80	1,248,776,236.60
Cash paid for investments	1,606,494,552.20	2,735,788,649.91
Net cash payment for purchase of subsidiaries and other business units	29,121,450.06	-
Cash used in other investing activities	151,435,870.50	222,771,655.21
Subtotal of cash used in investing activities	3,513,950,440.56	4,207,336,541.72
Net cash flows (for) from investing activities	(1,250,734,380.16)	60,400,952.89

Consolidated statement of cash flows - continued

For the year ended 31 December 2021

	Accumulated amount for the year RMB	Accumulated amount for last year RMB
3. Cash flows from financing activities：		
Cash received from capital contribution	464,050,068.20	375,387,975.71
Cash received from borrowings	12,942,166,900.55	14,537,830,046.23
Cash received from other financing activities	635,833,938.40	992,627,685.47
Subtotal of cash generated from financing activities	14,042,050,907.15	15,905,845,707.41
Cash paid for repayment of borrowings	9,552,653,785.00	12,191,808,263.15
Cash paid for distribution of dividends, profits and interest	755,322,184.69	934,838,501.12
Including: Payments for dividends or profits to non-controlling shareholders of subsidiaries	296,152,633.26	-
Cash used in other financing activities	677,490,755.99	3,366,682,246.33
Subtotal of cash used in financing activities	10,985,466,725.68	16,493,329,010.60
Net cash flows from (for) financing activities	3,056,584,181.47	(587,483,303.19)
4. Effect of foreign exchange rate changes on cash and cash equivalents	(40,797,403.99)	(11,594,073.81)
5. Net increase in cash and cash equivalents	2,730,713,969.24	2,862,072,425.02
Add: Cash and cash equivalents at the beginning of the year	6,930,131,728.29	4,068,059,303.27
6. Cash and cash equivalents at the end of the year	9,660,845,697.53	6,930,131,728.29