

Shenzhen China Bicycle Company (Holdings) Limited The Third Quarterly Report for 2021

The Company and whole members of the BOD guarantee that the information disclosed is true, accurate and complete, and there are no any fictitious records, misleading statements or important omissions.

Important content reminder:

1. Board of Directors, Supervisory Committee, all directors, supervisors and senior executives of Shenzhen China Bicycle Company (Holdings) Limited (hereinafter referred to as the Company) hereby confirm that there are no any fictitious statements, misleading statements, or important omissions carried in this report, and shall take all responsibilities, individual and/or joint, for the reality, accuracy and completion of the whole contents.
2. Principal of the Company, Person in Charge of Accounting Works and Person in Charge of Accounting Organ (Accounting Officer) hereby confirm that the Financial Report of the Third Quarterly Report is authentic, accurate and complete.
3. Whether the Third Quarterly Report has been audited or not
 Yes No

I. Main financial data

(i) Main accounting data and financial indexes

Whether it has retroactive adjustment or re-statement on previous accounting data or not

Yes No

	Current period	Increase/decrease in the period compared with the same period of the previous year	Year-begin to period-end	Increase/decrease from year-begin to period-end compared with the same period of the previous year
Operating income (Yuan)	29,113,392.89	-27.61%	83,243,710.49	0.45%
Net profit attributable to shareholders of the listed company (Yuan)	575,788.96	-76.65%	1,941,282.30	-63.12%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (Yuan)	326,846.26	-86.26%	-89,748.03	-101.96%
Net cash flow arising from operating activities	—	—	-5,824,421.10	-281.09%

(Yuan)				
Basic earnings per share (Yuan /Share)	0.001	-77.78%	0.0035	-63.16%
Diluted earnings per share (Yuan /Share)	0.001	-77.78%	0.0035	-63.16%
Weighted average ROE	4.58%	-17.53%	16.35%	-37.63%
	End of current period	End of previous year	Increase/decrease at the period-end compared with the end of the previous year	
Total assets (Yuan)	95,740,667.64	91,742,769.99	4.36%	
Net assets attributable to shareholder of listed company (Yuan)	12,846,513.28	10,905,230.98	17.80%	

(ii) Items and amounts of non-recurring profit (gains)/losses

Applicable Not applicable

Unit: Yuan

Item	Amount for the period	Amount from year-begin to period-end	Note
Government subsidy recorded in current gains/losses (except those closely related to the Company's normal operation, and those continuously enjoyed on a fixed or quantitative basis with certain standards in accordance with national policy regulations)	97,500.00	397,500.00	
Reversal of the account receivable depreciation reserves subject to separate impairment test	60,000.00	1,417,466.13	
Other non-operating income and expenses other than the above	87,005.40	244,669.80	
Impact on minority shareholders' equity (post-tax)	-4,437.30	28,605.60	
Total	248,942.70	2,031,030.33	--

Other gain/loss items that qualified the definition of non-recurring profit (gains)/losses:

Applicable Not applicable

The Company does not have other gain/loss items that qualified the definition of non-recurring profit (gains)/losses

Explanation on those non-recurring gain/loss listed in the "Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss" defined as recurring gain/loss

Applicable Not applicable

The Company does not have the non-recurring gain/loss listed in the "Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss" defined as recurring gain/loss

(iii) Particulars about changes in items of main accounting data and financial index and explanations of reasons

√ Applicable □ Not applicable

Item	Period-end or the Period	Period-begin or last period	Year-on-year increase and decrease	Reason for change
Sales expense	1,386,181.37	2,414,925.52	-42.60%	The sales expense from jewelry business declined
R&D expenses	3,373,918.21	1,118,618.85	201.61%	R&D expenses for the jewelry & gold business increased
Credit impairment loss (loss is "-")	1,356,010.98	170,387.85	695.84%	The bad debt provision for account receivable recovered or reversed increased
Net profit	2,202,660.68	6,030,862.82	-63.48%	In the period, except for the jewelry & gold business, gross profit from other business income declined
Net profit attributable to shareholders of the parent company	1,941,282.30	5,263,215.15	-63.12%	In the period, except for the jewelry & gold business, gross profit from other business income declined
Net cash flow from operating activities	-5,824,421.10	3,216,397.73	-281.09%	Prepayments received in the prior period
Net cash flow from financing activities	0.00	9,825,000.00	-100.00%	Received minority shareholders investment from capital increase of subsidiary Xinsen Company in the prior period
Prepayments	2,425,878.95	816,541.52	197.09%	Prepayments for goods increased in the period
Other current assets	1,340,532.85	2,715,425.31	-50.63%	Retained VAT refund received in the period
Other non-current assets	1,135,849.05	400,000.00	183.96%	The intermediary fee for quantitative issuance increased in the period
Accounts payable	12,888,008.62	9,606,144.94	34.16%	Account payable for goods increased in the period
Employee compensation payable	796,081.92	1,459,244.07	-45.45%	The wages payable last year was paid in the period
Other current liabilities	134,108.10	1,175,251.38	-88.59%	The taxes corresponding to contractual liability decreased

II. Shareholders Information

(i) Total number of common shareholders and preference shareholders with voting rights recovered and top ten common shareholders

Unit: Share

Total common shareholders at the end of report period	40,343		Total preference shareholders with voting rights recovered at end of reporting period (if applicable)	0		
Top ten shareholders						
Shareholder's name	Nature of shareholder	Proportion of shares held	Amount of shares held	Amount of restricted shares held	Information of shares pledged, tagged or frozen	
					State of share	Amount
Shenzhen Guosheng Energy Investment Development Co., Ltd.	Domestic non-state-owned legal person	11.52%	63,508,747	0		

UOB Koy Hian (Hong Kong) Co., Ltd.	Foreign legal person	2.89%	15,907,850	0		
Guosen Securities (Hong Kong) brokerage Co., Ltd.	Foreign legal person	2.52%	13,909,425	0		
Shenwan Hongyuan Securities (Hong Kong) Co., Ltd.	Foreign legal person	1.50%	8,281,156	0		
Lhasa Xingqing Network Technology Co., Ltd.	Domestic non-state-owned legal person	0.83%	4,600,255	0		
Li Huili	Domestic nature person	0.71%	3,891,124	0		
Ge Zhiqiong	Domestic nature person	0.64%	3,525,152	0		
Xu Hongbo	Domestic nature person	0.53%	2,927,319	0		
China Merchants Securities Hong Kong Co., Ltd.	State-owned legal person	0.52%	2,894,135	0		
Shenzhen China Bicycle Company (Holdings) Limited -Special account for property disposal of bankrupt enterprise	Domestic non-state-owned legal person	0.47%	2,602,402	0		
Top ten shareholders with unrestricted shares held						
Shareholder's name	Amount of unrestricted shares held	Type of shares				
		Type	Amount			
Shenzhen Guosheng Energy Investment Development Co., Ltd.	63,508,747	RMB common shares	63,508,747			
UOB Koy Hian (Hong Kong) Co., Ltd.	15,907,850	Domestically listed foreign shares	15,907,850			
Guosen Securities (Hong Kong) brokerage Co., Ltd.	13,909,425	Domestically listed foreign shares	13,909,425			
Shenwan Hongyuan Securities (Hong Kong) Co., Ltd.	8,281,156	Domestically listed foreign shares	8,281,156			
Lhasa Xingqing Network Technology Co., Ltd.	4,600,255	RMB common shares	4,600,255			
Li Huili	3,891,124	Domestically listed foreign shares	3,891,124			
Ge Zhiqiong	3,525,152	RMB common shares	611,500			
		Domestically listed foreign shares	2,913,652			
Xu Hongbo	2,927,319	Domestically listed foreign	2,927,319			

		shares	
China Merchants Securities Hong Kong Co., Ltd.	2,894,135	Domestically listed foreign shares	2,894,135
Shenzhen China Bicycle Company (Holdings) Limited -Special account for property disposal of bankrupt enterprise	2,602,402	RMB common shares	1,383,313
		Domestically listed foreign shares	1,219,089
Explanation on associated relationship among the aforesaid shareholders	Li Huili, spouse of the Ji Hanfei, the actual controller of the Company- Shenzhen Guosheng Energy Investment Development Co., Ltd., holding B-share of the Company on behalf of Shenzhen Guosheng Energy Investment Development Co., Ltd., beyond that, the Company has no idea of whether other circulated shareholders belong to concerted action persons ruled in the Administration Norms for Information Disclosure of Change on Shareholding of Shareholders of Listed Companies.		
Explanation on top 10 shareholders involving margin business (if applicable)	N/A		

(ii) Total shareholders with preferred stock held and shares held by top ten shareholders with preferred stock held

Applicable Not applicable

III. Other significant events

Applicable Not applicable

1. Planning the non-public offering of the shares

On December 30, 2020, the company held the third extraordinary shareholders' meeting of 2020, which deliberated and approved the new plan of non-public offering of A-shares, the total amount of funds to be raised from Wansheng Industrial Company through non-public offering of shares will not exceed 293,600,000 yuan, which will be used to supplement working capital after deducting the issuance expenses. The offering will result in a change in control of the company. On 25 October 2021, the issue review committee of China Securities Regulatory Commission (hereinafter referred to as CSRC) reviewed the application for the non-public offering of A share under the name of Shenzhen China Bicycle Company (Holdings) Limited (hereinafter referred to as the Company). According to the review results, the application of non-public offering of A share is approved. Currently, the Company has not received the written approval document yet from CSRC, and will make another announcement after the official document received from CSRC, investors are advised to be aware of the risks of investment.

2. Termination of the “Urban Renewal Project Cooperation Contract of Zhonghua Garden Phase II”

In view of the fact that in the course of the urban renewal project of Zhonghua Garden Phase II, on 1 March 2021, the standing committee of Shenzhen Municipal People’s Congress introduced and implemented the “Regulations on Urban Renewal of Shenzhen Special Economic Zone”, which requires the proportion of household’s willingness to update should be increased to 95% before declaring the demolition of urban renewal unit plans that reconstructed, this leads to a high degree of uncertainty in the project. Based on the long-term development of the Company, and in order to better solve the problems of handing the property certificate issues left by history for residents of the Zhonghua Garden Phase II at the same time, the Company held the 32nd session (extraordinary) of 10th BOD and First Extraordinary Shareholders General Meeting of 2021 respectively dated 24 September 2021 and 12 October, to deliberate and approved the “proposal on termination of the Urban Renewal Project Cooperation Contract of Zhonghua Garden Phase II”, and decided to terminated the Cooperation Contract with Jianzhi Industrial, CBC ceased to be the partner of the renewal project of Zhonghua Garden Phase II.

IV. Quarterly financial statements

(i) Financial statement

1. Consolidate balance sheet

Prepared by Shenzhen China Bicycle Company (Holdings) Limited

September 30, 2021

Unit: Yuan

Item	September 30, 2021	December 31, 2020
Current assets:		
Monetary fund	14,057,598.96	19,887,978.05
Settlement provisions		
Capital lent		
Trading financial assets		
Derivative financial assets		
Note receivable	100,000.00	
Account receivable	64,540,892.85	55,031,424.70
Receivable financing		
Accounts paid in advance	2,425,878.95	816,541.52
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Other account receivable	614,844.05	576,770.36
Including: Interest receivable		
Dividend receivable		
Buying back the sale of financial assets		
Inventories	7,212,442.76	7,729,325.94
Contractual assets		
Assets held for sale		
Non-current asset due within one year		
Other current assets	1,340,532.85	2,715,425.31
Total current assets	90,292,190.42	86,757,465.88
Non-current assets:		
Loans and payments on behalf		
Debt investment		
Other debt investment		
Long-term account receivable		
Long-term equity investment		
Investment in other equity instrument		
Other non-current financial assets		
Investment real estate		
Fixed assets	3,519,457.42	3,792,133.36
Construction in progress		
Productive biological asset		

Oil and gas asset		
Right-of-use assets		
Intangible assets		
Expense on Research and Development		
Goodwill		
Long-term expenses to be apportioned		
Deferred income tax asset	793,170.75	793,170.75
Other non-current asset	1,135,849.05	400,000.00
Total non-current asset	5,448,477.22	4,985,304.11
Total assets	95,740,667.64	91,742,769.99
Current liabilities:		
Short-term loans		
Loan from central bank		
Capital borrowed		
Trading financial liability		
Derivative financial liability		
Note payable		
Account payable	12,888,008.62	9,606,144.94
Accounts received in advance		
Contractual liability	16,385,928.38	15,254,713.38
Selling financial asset of repurchase		
Absorbing deposit and interbank deposit		
Security trading of agency		
Security sales of agency		
Wage payable	796,081.92	1,459,244.07
Taxes payable	688,681.19	722,321.02
Other account payable	37,002,909.07	37,882,805.52
Including: Interest payable		
Dividend payable		
Commission charge and commission payable		
Reinsurance payable		
Liability held for sale		
Non-current liabilities due within one year		
Other current liabilities	134,108.10	1,175,251.38
Total current liabilities	67,895,717.28	66,100,480.31
Non-current liabilities:		
Insurance contract reserve		
Long-term loans		
Bonds payable		
Including: Preferred stock		
Perpetual capital securities		
Lease liability		

Long-term account payable		
Long-term wages payable		
Accrual liability		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities		
Total liabilities	67,895,717.28	66,100,480.31
Owner's equity:		
Share capital	551,347,947.00	551,347,947.00
Other equity instrument		
Including: Preferred stock		
Perpetual capital securities		
Capital public reserve	627,834,297.85	627,834,297.85
Less: Inventory shares		
Other comprehensive income		
Reasonable reserve		
Surplus public reserve	32,673,227.01	32,673,227.01
Provision of general risk		
Retained profit	-1,199,008,958.58	-1,200,950,240.88
Total owner's equity attributable to parent company	12,846,513.28	10,905,230.98
Minority interests	14,998,437.08	14,737,058.70
Total owner's equity	27,844,950.36	25,642,289.68
Total liabilities and owner's equity	95,740,667.64	91,742,769.99

Legal Representative: Li Hai

Person in charge of Accounting Works: Sun Longlong

Person in charge of Accounting Institution: Zhong Xiaojin

2. Consolidated Profit Statement (from the year-begin to the period-end)

Unit: Yuan

Item	Current period	Last period
I. Total operating income	83,243,710.49	82,873,336.15
Including: Operating income	83,243,710.49	82,873,336.15
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	82,925,156.41	77,676,054.36
Including: Operating cost	74,415,444.07	70,342,296.05
Interest expense		
Commission charge and commission expense		
Cash surrender value		

Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expense		
Tax and extras	55,786.17	69,177.87
Sales expense	1,386,181.37	2,414,925.52
Administrative expense	3,765,804.02	3,775,988.47
R&D expense	3,373,918.21	1,118,618.85
Financial expense	-71,977.43	-44,952.40
Including: Interest expenses		
Interest income	-97,043.54	-60,866.79
Add: other income	2,516.00	10,105.77
Investment income (Loss is listed with “-”)		
Including: Investment income on affiliated company and joint venture		
The termination of income recognition for financial assets measured by amortized cost (Loss is listed with “-”)		
Exchange income (Loss is listed with “-”)		
Net exposure hedging income (Loss is listed with “-”)		
Income from change of fair value (Loss is listed with “-”)		
Loss of credit impairment (Loss is listed with “-”)	1,356,010.98	170,387.85
Losses of devaluation of asset (Loss is listed with “-”)	60,509.73	
Income from assets disposal (Loss is listed with “-”)		24,936.44
III. Operating profit (Loss is listed with “-”)	1,737,590.79	5,402,711.85
Add: Non-operating income	724,960.80	859,828.49
Less: Non-operating expense	82,791.00	2,727.32
IV. Total profit (Loss is listed with “-”)	2,379,760.59	6,259,813.02
Less: Income tax expense	177,099.91	228,950.20
V. Net profit (Net loss is listed with “-”)	2,202,660.68	6,030,862.82
(i) Classify by business continuity		
1.continuous operating net profit (net loss listed with “-”)	2,202,660.68	6,030,862.82
2.termination of net profit (net loss listed with “-”)		
(ii) Classify by ownership		
1.Net profit attributable to owner’s of parent company	1,941,282.30	5,263,215.15
2.Minority shareholders’ gains and losses	261,378.38	767,647.67

VI. Net after-tax of other comprehensive income		
Net after-tax of other comprehensive income attributable to owners of parent company		
(i) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1.Changes of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5. Other		
(ii) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of other debt investment		
3.Amount of financial assets re-classify to other comprehensive income		
4.Credit impairment provision for other debt investment		
5.Cash flow hedging reserve		
6.Translation differences arising on translation of foreign currency financial statements		
7.Other		
Net after-tax of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	2,202,660.68	6,030,862.82
Total comprehensive income attributable to owners of parent Company	1,941,282.30	5,263,215.15
Total comprehensive income attributable to minority shareholders	261,378.38	767,647.67
VIII. Earnings per share:		
(i) Basic earnings per share	0.0035	0.0095
(ii) Diluted earnings per share	0.0035	0.0095

Enterprise combine under the same control in the Period, the combined party realized net profit of 0.00 Yuan before combination, and realized 0.00 Yuan at last period for combined party

Legal Representative: Li Hai

Person in charge of Accounting Works: Sun Longlong

Person in charge of Accounting Institution: Zhong Xiaojin

3. Consolidated Cash Flow Statement (from the year-begin to the period-end)

Unit: Yuan

Item	Current period	Last period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	77,209,161.86	47,915,952.15
Net increase of customer deposit and interbank deposit		
Net increase of loan from central bank		
Net increase of capital borrowed from other financial institution		
Cash received from original insurance contract fee		
Net cash received from reinsurance business		
Net increase of insured savings and investment		
Cash received from interest, commission charge and commission		
Net increase of capital borrowed		
Net increase of returned business capital		
Net cash received by agents in sale and purchase of securities		
Write-back of tax received	1,653,129.81	46,490.80
Other cash received concerning operating activities	9,798,843.06	32,533,907.14
Subtotal of cash inflow arising from operating activities	88,661,134.73	80,496,350.09
Cash paid for purchasing commodities and receiving labor service	73,582,783.96	54,238,192.62
Net increase of customer loans and advances		
Net increase of deposits in central bank and interbank		
Cash paid for original insurance contract compensation		
Net increase of capital lent		
Cash paid for interest, commission charge and commission		
Cash paid for bonus of guarantee slip		
Cash paid to/for staff and workers	6,471,234.93	4,386,729.44
Taxes paid	731,237.64	795,786.18
Other cash paid concerning operating activities	13,700,299.30	17,859,244.12
Subtotal of cash outflow arising from operating activities	94,485,555.83	77,279,952.36
Net cash flows arising from operating	-5,824,421.10	3,216,397.73

activities		
II. Cash flows arising from investing activities:		
Cash received from recovering investment		
Cash received from investment income		
Net cash received from disposal of fixed, intangible and other long-term assets		64,500.00
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities		64,500.00
Cash paid for purchasing fixed, intangible and other long-term assets	5,957.99	
Cash paid for investment		
Net increase of mortgaged loans		
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities	5,957.99	
Net cash flows arising from investing activities	-5,957.99	64,500.00
III. Cash flows arising from financing activities		
Cash received from absorbing investment		9,825,000.00
Including: Cash received from absorbing minority shareholders' investment by subsidiaries		9,825,000.00
Cash received from loans		
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities		9,825,000.00
Cash paid for settling debts		
Cash paid for dividend and profit distributing or interest paying		
Including: Dividend and profit of minority shareholder paid by subsidiaries		
Other cash paid concerning financing activities		
Subtotal of cash outflow from financing activities		
Net cash flows arising from financing activities		9,825,000.00
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate		

V. Net increase of cash and cash equivalents	-5,830,379.09	13,105,897.73
Add: Balance of cash and cash equivalents at the period-begin	19,887,978.05	6,074,367.91
VI. Balance of cash and cash equivalents at the period-end	14,057,598.96	19,180,265.64

(ii) Explanation on financial statement adjustment

1. Financial statement adjustment at the beginning of the first year when implementation of new leasing standards from 2021

Applicable Not applicable

2. Retrospective adjustment of the comparative data for initial implementation of new leasing standards from 2021

Applicable Not applicable

(iii) Audit report

Whether the 3rd quarterly report has been audited or not

Yes No

The 3rd quarterly report of the Company has not been audited.

**Board of Directors of
Shenzhen China Bicycle Company (Holdings) Limited
October 26, 2021**