



HARBIN BOSHI AUTOMATION CO.,LTD.

**2021** SUMMARY OF  
THE THIRD QUARTER REPORT

October 2021

## **HARBIN BOSHI AUTOMATION CO., LTD. Interim Report for The Third Quarter 2021**

**The Company and whole members of the Board of Directors guarantee that the information disclosed is factual, accurate and complete, and there is no false record, misleading statement or material omission.**

**Important content reminder:**

**1.The Board of Directors, the Board of Supervisors as well as all the directors, supervisors and senior managers of HARBIN BOSHI AUTOMATION CO., LTD. (hereinafter referred to as “the Company”) warrant the factuality, accuracy and completeness of this Report and there is no false record, misleading statement or material omission. And they will be severally and jointly liable for this Report.**

**2.The person in charge of the Company, the person in charge of accounting work of the Company, and the person in charge of accounting department of the Company warrant that the financial information in this Report is factual, accurate and complete.**

**3. Whether this Third Interim Report has been audited by auditing firm or not?**

Yes No

### **I. Main financial data**

#### **1. Main accounting data and financial indicators**

Indicate by check mark if there is any retrospectively restated accounting data of previous years.

Yes No

## HARBIN BOSHI AUTOMATION CO., LTD. Interim Report for the Third Quarter 2021

	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 Revenue (Yuan)	545,964,086.79	28.64%	1,661,519,194.12	22.44%
Net profit attributable to parent company's shareholders (Yuan)	135,146,051.15	30.40%	421,833,630.05	27.83%
Net profit after deducting non-recurring profit or loss attributable to shareholders of the parent company (Yuan)	133,870,923.50	30.96%	403,601,547.60	27.23%
Net cash flow from operating activities (Yuan)	—	—	305,622,917.96	638.18%
Basic earnings per share (Yuan/share)	0.1322	30.37%	0.4125	27.83%
Diluted earnings per share (Yuan/share)	0.1322	30.37%	0.4125	27.83%
Weighted average return on equity	4.97%	0.65%	15.54%	1.71%
	End of the current reporting period	End of previous year	Increase/decrease at the period-end compared with the end of the previous year	
Total assets (Yuan)	4,752,186,444.79	4,576,810,168.61	3.83%	
Total equity attributable to shareholders of the parent company (Yuan)	2,788,526,827.37	2,568,750,413.53	8.56%	

**2. Non-recurring gains and losses**

√ Applicable □ Not applicable

Unit: Yuan

Item	Amount for the period	Amount from year-begin to period-end	Note
Profit or loss from disposal of non-current assets (including the write-off of accrued for impairment of assets)	-1,700,000.65	-1,934,024.53	
Governmental subsidy reckoned into current gains or losses (excluding the subsidy enjoyed in quota or ration according to the national policy regulations and certain standards, which are closely relevant to enterprise's business)	1,345,974.56	7,102,505.62	

Except for effectively hedging business related to normal business operations of the Company, profit or loss arising from the changes in the fair value of financial assets held for trading, financial liabilities held for trading, as well as investment income from the disposal of financial assets held for trading, financial liabilities held for trading, and investments in other debt obligations	4,367,720.58	18,257,755.42	Income from cash management
Other non-operating income and expenses other than the above	-2,320,043.12	-2,320,041.46	
Less: Impact on income tax	215,733.58	2,243,850.00	
Impact on minority shareholders' equity (after tax)	202,790.14	630,262.60	
Total	1,275,127.65	18,232,082.45	--

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.

### 3. Particulars about changes in items of main accounting data and financial index and explanations of reasons.

Applicable  Not applicable

Consolidated Balance Sheet items	Sep 30,2021	Dec 31,2020	Change	Reasons for the changes
	(RMB Yuan)	(RMB Yuan)		
Cash and cash equivalent	555,117,415.02	114,882,208.58	383.21%	Due to the increase in ending balance of bank savings.
Financial assets held for trading	569,241,548.95	925,736,671.99	-38.51%	Due to the decrease in the ending balance of financial assets holding for cash management.
Advance payments	156,009,551.53	49,361,424.98	216.06%	Mainly due to the increase of operating

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				prepayments of goods.
Contract assets	80,091,071.68		100.00%	Product quality margin.
Right-of-use assets	563,605.15		100.00%	Recognized right-of-use asset based on <i>The New Lease Accounting Standard</i> .
Advance from customers	191,475.98	64,999.97	194.58%	The rent received in advance for the lease activity from the subsidiary.
Employee benefits payable	21,119,473.59	52,359,540.74	-59.66%	The year-end bonus of 2020 accrued at the end of the previous period, which was paid in Feb, 2021, and the balance decreased.
Taxes payable	64,380,621.88	31,686,005.73	103.18%	Due to the increase in income tax and turnover tax accrued at the end of this period.
Other payables	1,084,485.01	1,618,618.55	-33.00%	Due to the change in performance bond from suppliers.
Non-current liabilities due within one year	22,168,048.60	14,364,107.49	54.33%	Due to the transfer from long term bank loan due within one year.
Long-term loans		15,000,000.00	-100.00%	Due to the transfer from long term bank loan due within one year to current liabilities.
Estimated liabilities	3,309,029.88		100.00%	Provision for after-sales service charge.
Consolidated Income Statement items from the beginning of the year to the end of the reporting period	Jan 1 to Sep 30, 2021	Jan 1 to Sep 30, 2020	Change	Reasons for the changes
	(RMB Yuan)	(RMB Yuan)		
Cost of sales	1,005,251,556.44	761,730,250.73	31.97%	The increase of operating revenue drives the increase of cost of sales, and the increase level of cost of sales is slightly higher than that of operating revenue.
Selling expenses	59,626,869.86	42,902,560.37	38.98%	Affected by the pandemic, the expenses of base period are low.
Financial expenses	-1,521,198.90	2,170,230.57	-170.09%	Mainly due to the increase in interest received from the bank in the current period.
Investment income (loss is stated with “-”)	24,903,387.39	19,091,512.26	30.44%	The investment income on equity method from associates and joint ventures increased year-on-year.
Gains from changes in fair value (loss is stated with “-”)	-2,435,123.04	-1,695,494.03	-43.62%	Mainly due to the impact on cash management activities.
Credit impairment losses (loss is stated with “-”)	2,324,765.40	-13,832,495.68	-116.81%	The provision for bad debts in the current period decreased.
Gains from disposal of assets (loss is stated with “-”)	-1,759,248.12	-287,063.70	-512.84%	The loss caused by the disposal of fixed assets in the current period increased.
Minority interests	21,774,070.89	56,771,058.77	-61.65%	The net profit of the holding subsidiary decreased

				year on year, and the proportion of interests shared by the minority shareholders of the subsidiary decreased.
Consolidated Cash Flow Statement items from the beginning of the year to the end of the reporting period	Jan 1 to Sep 30, 2021	Jan 1 to Sep 30, 2020	Change	Reasons for the changes
	(RMB Yuan)	(RMB Yuan)		
Net cash flows from operating activities	305,622,917.96	41,402,369.91	638.18%	The cash flows from same period of last year were affected by the pandemic, and that of the current period has returned to normal levels.
Net cash flows from investing activities	361,772,969.79	131,970,701.12	174.13%	Mainly due to the impact of cash management activities.
Net cash flows from financing activities	-223,281,375.29	-187,810,952.63	-18.89%	Due to the increase of cash dividends distributed in the current period.

## II. Shareholders Information

### 1. Total number of common shareholders and preference shareholders with voting rights recovered and top ten common shareholders

Unit: Share

Total number of shareholders of common stocks at the end of the reporting period	23,649	Total preference shareholders with voting rights recovered at end of reporting period	0			
Top 10 shareholders						
Name	Nature	Ownership	Amount of shares held	Amount of restricted shares held	Pledged or frozen stocks	
					Status	Amount
Unicom Kaixing Equity Investment Management (Zhuhai Hengqin) Limited - Lianchuang Weilai (Wuhan) Intelligent Manufacturing Industrial Investment Partnership (Limited Partnership)	Others	17.11%	175,007,500			
Deng Xijun	Domestic natural person	9.31%	95,206,362	71,404,772		
Zhang Yuchun	Domestic natural person	8.09%	82,696,357	62,022,268	Pledged	4,770,000
Wang Chungang	Domestic natural person	5.61%	57,394,047	43,045,535		
Harbin Institute of Technology Asset Investment Management Co. Ltd	Domestic state-owned corporate	5.00%	51,127,500			
Cai Zhihong	Domestic natural person	4.96%	50,677,029			
Cai Hegao	Domestic natural person	4.89%	50,000,000	50,000,000		
Sealand Securities - SPDB - Guohai Securities Lvyuan No. 1058 Collective Asset	Others	2.00%	20,450,000			

Management Plan					
Tan Jianxun	Domestic natural person	1.51%	15,432,533		
Cheng Fang	Domestic natural person	1.50%	15,310,338		
Top 10 shareholders with unrestricted shares held					
Name	Amount of unrestricted shares held	Type of shares			
		Type	Amount		
Unicom Kaixing Equity Investment Management (Zhuhai Hengqin) Limited - Lianchuang Weilai (Wuhan) Intelligent Manufacturing Industrial Investment Partnership (Limited Partnership)	175,007,500	RMB ordinary shares	175,007,500		
Harbin Institute of Technology Asset Investment Management Co. Ltd	51,127,500	RMB ordinary shares	51,127,500		
Cai Zhihong	50,677,029	RMB ordinary shares	50,677,029		
Deng Xijun	23,801,590	RMB ordinary shares	23,801,590		
Zhang Yuchun	20,674,089	RMB ordinary shares	20,674,089		
Sealand Securities - SPDB - Guohai Securities Lvyuan No. 1058 Collective Asset Management Plan	20,450,000	RMB ordinary shares	20,450,000		
Tan Jianxun	15,432,533	RMB ordinary shares	15,432,533		
Cheng Fang	15,310,338	RMB ordinary shares	15,310,338		
Hong Kong Securities Clearing Company Ltd. (HKSCC)	14,913,690	RMB ordinary shares	14,913,690		
Bank of China Co., Ltd.-China Merchant Ruiwen Hybrid Securities Investment Fund	14,463,320	RMB ordinary shares	14,463,320		
Explanation on the above-mentioned shareholders' affiliated relationship or concerted action	Deng Xijun, Zhang Yuchun, Wang Chungang, and Cai Hegao keep concerted action through the <i>Concerted Action Agreement</i> and jointly control the Company at the end of the reporting period; Cai Zhihong is the son of Cai Hegao, he independently exercised shareholder rights based on his personal wishes, he has not signed concerted action agreement or reached a similar agreement or arrangement with Cai Hegao, nor has other concerted action plan, they are not persons acting in concert; Cheng Fang and Tan Jianxun are the sponsors of shareholders. Cheng Fang is the sister of Wang Chungang 's wife. In addition, the Company is not made aware whether there is any affiliated relationship between the above-mentioned shareholders or whether they are persons acting in concert as defined in <i>Administrative Measures for the Acquisition of Listed Companies</i> .				
Explanation on top 10 shareholders that are engaged in margin trading business	Not applicable				

## 2.The total number of preferred shareholders and the top 10 preferred shareholders' shareholdings of the Company

Applicable Not applicable

**III. Other Significant Events**

□Applicable √Not applicable

**IV. Quarterly Financial Statements****1. Financial statements****(1) Consolidated Balance Sheet**

Prepared by HARBIN BOSHI AUTOMATION CO., LTD.

Unit: Yuan

Item	Sep 30 ,2021	Dec 31, 2020
<b>Current assets:</b>		
Cash and cash equivalent	555,117,415.02	114,882,208.58
Financial assets held for trading	569,241,548.95	925,736,671.99
Derivative financial assets		
Notes receivable	333,557,115.41	451,042,158.41
Accounts receivable	727,531,640.36	697,718,969.34
Financing receivable		
Advance payment	156,009,551.53	49,361,424.98
Other receivables	13,753,666.42	12,814,291.13
Thereof: Interest receivable		
Dividend receivable		
Inventories	1,519,656,775.69	1,510,919,027.41
Contract assets	80,091,071.68	
Assets held for sale		
Non-current assets due within one year		
Other current assets	31,514,606.32	32,990,507.69
<b>Total current assets</b>	<b>3,986,473,391.38</b>	<b>3,795,465,259.53</b>
<b>Non-current assets:</b>		
Debt investments		
Other debt investments		
Long-term receivable		
Long-term equity investment	343,211,591.48	344,094,650.83



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Investment in other equity instruments	42,056,000.00	35,000,000.00
Other non-current financial assets		
Investment real estate	6,864,280.48	7,159,198.06
Fixed assets	220,749,517.67	235,572,771.55
Construction in progress	4,692,261.79	4,099,390.68
Productive biological assets		
Oil and gas assets		
Right-of-use assets	563,605.15	
Intangible assets	58,754,842.43	62,601,735.18
Development expenditure		
Goodwill	60,028,374.91	63,225,965.69
Long-term deferred expenses		6,416.02
Deferred income tax assets	28,792,579.50	29,584,781.07
Other non-current assets		
<b>Total non-current assets</b>	<b>765,713,053.41</b>	<b>781,344,909.08</b>
<b>Total assets</b>	<b>4,752,186,444.79</b>	<b>4,576,810,168.61</b>
<b>Current liabilities:</b>		
Short-term loans	22,130,000.00	20,000,000.00
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable		
Accounts payable	138,348,427.05	176,663,766.15
Advance from customers	191,475.98	64,999.97
Contract liabilities	1,387,004,910.43	1,414,586,745.15
Employee benefits payable	21,119,473.59	52,359,540.74
Taxes payable	64,380,621.88	31,686,005.73
Other payables	1,084,485.01	1,618,618.55
Thereof: Interest payable		
Dividend payable		
Liabilities held for sale		
Non-current liabilities due within one year	22,168,048.60	14,364,107.49
Other current liabilities	115,960,098.31	108,007,436.68
<b>Total current liabilities</b>	<b>1,772,387,540.85</b>	<b>1,819,351,220.46</b>
<b>Non-current liabilities:</b>		

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Long-term loans		15,000,000.00
Bonds payable		
Thereof: Preferred stock		
Perpetual debt		
Lease liabilities	58,182.41	
Long-term payables	6,000,000.00	6,168,966.21
Long-term employee benefits payable		
Estimated liabilities	3,309,029.88	
Deferred income	9,393,531.30	12,464,554.00
Deferred income tax liability	10,493,268.50	8,298,154.76
Other non-current liabilities		
<b>Total non-current liabilities</b>	<b>29,254,012.09</b>	<b>41,931,674.97</b>
<b>Total Liabilities</b>	<b>1,801,641,552.94</b>	<b>1,861,282,895.43</b>
<b>Shareholders' equity:</b>		
Share capital	1,022,550,000.00	1,022,550,000.00
Other equity instruments		
Thereof: Preferred stock		
Perpetual debt		
Capital reserve	153,268,980.49	154,755,282.47
Minus: treasury shares		
Other comprehensive income	8,450,512.30	7,113,828.84
Special reserve	25,399,924.45	22,797,522.14
Surplus reserve	209,534,453.40	209,534,453.40
General risk reserve		
Retained earnings	1,369,322,956.73	1,151,999,326.68
Total equity attributable to shareholders of parent company	2,788,526,827.37	2,568,750,413.53
Minority shareholder equity	162,018,064.48	146,776,859.65
<b>Total shareholders' equity</b>	<b>2,950,544,891.85</b>	<b>2,715,527,273.18</b>
<b>Total liabilities and shareholders' equity</b>	<b>4,752,186,444.79</b>	<b>4,576,810,168.61</b>

Legal representative: Deng Xijun

Director of Finance: Sun Zhiqiang

Prepared by: Wang Peihua

**(2) Consolidated Income Statement (from the year-begin to the period-end)**

Unit: Yuan

Item	Current period	Last period
1. Total revenue	1,661,519,194.12	1,357,054,385.31
Thereof : Operating revenue	1,661,519,194.12	1,357,054,385.31
2. Total cost	1,204,982,098.68	930,753,140.13
Thereof: Cost of sales	1,005,251,556.44	761,730,250.73
Taxes and surcharges	12,732,695.51	12,095,168.29
Selling expenses	59,626,869.86	42,902,560.37
General and administrative expenses	77,384,495.97	65,714,133.21
Research and development expenses	51,507,679.80	46,140,796.96
Financial expenses	-1,521,198.90	2,170,230.57
Thereof : Interest expenses	1,143,467.93	1,479,835.06
Interest income	2,818,266.92	411,772.49
Add: Other income	43,804,215.60	35,225,573.66
Investment income (loss is stated with “-”)	24,903,387.39	19,091,512.26
Thereof: Investment income from associates and joint ventures	4,210,508.93	748,676.25
Gain from the derecognition of the financial assets measured at amortized cost		
Exchange income (Loss is listed with “-”)		
Gains from changes in fair value (loss is stated with “-”)	-2,435,123.04	-1,695,494.03
Credit impairment losses (loss is stated with “-”)	2,324,765.40	-13,832,495.68
Asset impairment losses (loss is stated with “-”)	-2,680,549.74	-2,608,501.13
Gains from disposal of assets (loss is stated with “-”)	-1,759,248.12	-287,063.70
3. Operating profit (loss is stated with “-”)	520,694,542.93	462,194,776.56
Add: Non-operating income	1.66	37,944.09
Less: Non-operating expenses	2,494,819.53	2,571,048.93
4. Total profit (loss is stated with “-”)	518,199,725.06	459,661,671.72
Less: Income tax expenses	74,592,024.12	72,895,068.53
5. Net profit (loss is stated with “-”)	443,607,700.94	386,766,603.19
(1) Classified by continuity of operations		
Net profit from continuing operations(loss is stated with “-”)	443,607,700.94	386,766,603.19
Net profit from discontinued operations(loss is stated with “-”)		
(2) Classified by ownership of the equity		

Attributable to shareholders of the Parent Company	421,833,630.05	329,995,544.42
Minority interests	21,774,070.89	56,771,058.77
6. Other comprehensive income, net of tax	-2,463,522.62	1,954,989.53
Other comprehensive income attributable to shareholders of the Parent Company, net of tax	1,336,683.46	997,044.67
(1) Other comprehensive income items which will not be reclassified subsequently to profit or loss	5,292,000.00	
1) Changes arising from re-measurement of defined benefit plan		
2) Other comprehensive income that will not be transferred subsequently to profit or loss under the equity method		
3) Changes in the fair value of the investment in other equity instruments	5,292,000.00	
4) Changes in the fair value of the Company's own credit risk		
5) Others		
(2) Other comprehensive income items which will be reclassified subsequently to profit or loss	-3,955,316.54	997,044.67
1) Other comprehensive income that will be transferred subsequently to profit or loss under the equity method		
2) Changes in the fair value of other debt investments		
3) Amount of financial assets reclassified and included in other comprehensive income		
4) Credit impairment reserves for other debt investment		
5) Cash flow hedging reserve		
6) Translation differences arising from translation of foreign currency financial statements	-3,955,316.54	997,044.67
7) Others		
Other comprehensive income attributable to minority shareholders, net of tax	-3,800,206.08	957,944.86
7. Total comprehensive income	441,144,178.32	388,721,592.72
Attributable to shareholders of the Parent Company	423,170,313.51	330,992,589.09
Minority interests	17,973,864.81	57,729,003.63
8. Earnings per share		
(1) Basic earnings per share	0.4125	0.3227
(2) Diluted earnings per share	0.4125	0.3227

Legal representative: Deng Xijun

Director of Finance: Sun Zhiqiang

Prepared by: Wang Peihua

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

Unit: Yuan

Item	Current period	Last period
<b>1. Cash flows from operating activities</b>		
Cash received from sales of goods or rendering of services	1,577,357,927.97	1,021,011,092.04
Refund of taxes and surcharges	45,559,498.71	33,624,891.22
Other cash receipts relating to operating activities	10,575,863.14	13,864,035.90
Sub-total of cash inflows from operating activities	1,633,493,289.82	1,068,500,019.16
Cash paid for goods and services	813,436,252.38	595,613,404.33
Cash paid to employees and paid on behalf of employees	288,936,672.13	210,656,785.77
Payments of taxes and surcharges	138,723,542.05	141,659,422.82
Other cash payments relating to operating activities	86,773,905.30	79,168,036.33
Sub-total of cash outflows from operating activities	1,327,870,371.86	1,027,097,649.25
Net cash flows from operating activities	305,622,917.96	41,402,369.91
<b>2. Cash flows from investing activities</b>		
Cash received from withdrawing investments	2,568,200,000.00	2,066,334,379.92
Cash received from investment income	20,692,878.46	18,905,109.04
Net cash received from disposal of fixed assets, intangible assets and other long term assets	1,135,231.14	333,333.51
Net cash received from disposal of subsidiaries and other operating units		
Other cash receipts relating to investing activities		
Sub-total of cash inflows from investing activities	2,590,028,109.60	2,085,572,822.47
Cash paid to acquire fixed assets, intangible assets and other long-term assets	13,088,120.24	22,952,388.18
Cash paid to acquire investments	2,214,140,000.00	1,930,140,000.00
Net increase of mortgaged loans		
Net cash paid to acquire subsidiaries and other operating units	1,027,019.57	
Other cash payments relating to investing activities		509,733.17
Sub-total of cash outflows from investing activities	2,228,255,139.81	1,953,602,121.35
Net cash flows from investing activities	361,772,969.79	131,970,701.12
<b>3. Cash flows from financing activities</b>		
Cash received from capital contributions		
Thereof: Cash received by subsidiaries from minority shareholders' capital contributions		

Cash received from borrowings	15,000,000.00	15,000,000.00
Other cash receipts from financing activities		
Sub-total of cash inflows from financing activities	15,000,000.00	15,000,000.00
Cash repayments of borrowings	25,310,647.81	16,307,495.49
Distribution of dividends or profits and payments for interest expenses	212,961,736.65	186,491,016.12
Thereof: Cash payments for dividends or profit to minority shareholders by subsidiaries	7,350,000.00	1,200,000.00
Other cash payments relating to financing activities	8,990.83	12,441.02
Sub-total of cash outflows from financing activities	238,281,375.29	202,810,952.63
Net cash flows from financing activities	-223,281,375.29	-187,810,952.63
4. Effect of foreign exchange rate changes on cash and cash equivalents	-3,076,526.80	991,249.86
5. Net increase in cash and cash equivalents	441,037,985.66	-13,446,631.74
Add: Cash and cash equivalents at the beginning of period	113,464,591.58	143,233,966.52
6. Cash and cash equivalents at the end of period	554,502,577.24	129,787,334.78

## 2. Auditor's report

Whether this Third Interim Report has been audited by auditing firm or not?

Yes No

The Third Interim Report has not been audited by auditing firm.

**Board of Directors**

**HARBIN BOSHI AUTOMATION CO., LTD.**

**October 30<sup>th</sup>, 2021**