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山西長城微光器材股份有限公司  
**SHANXI CHANGCHENG MICROLIGHT EQUIPMENT CO. LTD.\***

*(a joint stock limited company incorporated in the People's Republic of China)*

**(Stock Code: 8286)**

**SUPPLEMENTAL ANNOUNCEMENT  
IN RELATION TO THE DIFFERENCES BETWEEN  
THE UNAUDITED RESULTS ANNOUNCEMENT AND  
THE AUDITED RESULTS ANNOUNCEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

Reference is made to the unaudited annual results announcement of Shanxi Changcheng Microlight Equipment Co., Ltd. (the “**Company**”) for the financial year ended 31 December 2021 (the “**2021 Unaudited Annual Results Announcement**”) dated 28 March 2022 and the annual results announcement of the Company for the financial year ended 31 December 2021 (the “**2021 Audited Annual Results Announcement**”) dated 10 June 2022. Unless otherwise specified, capitalise terms used in this announcement shall have the same meanings as defined in the 2021 Audited Annual Results Announcement. The Company and the Board of Directors warrant that the information disclosed is true, accurate and complete, and there are no false records, misleading statements or material omissions. After verification, the differences between the 2021 Unaudited Annual Results Announcement and the 2021 Audited Annual Results Announcement are as follows:

**I. Analysis of the differences between the audited and unaudited consolidated statement of financial position**

**1. Each Item comparison:**

No.	Item	Unit: RMB Thousand Yuan		
		2021 Audited Annual Results Announcement (1)	2021 Unaudited Annual Results Announcement (2)	Difference (3) = (1) - (2)
<b>Non-current assets</b>				
1.	Property, plant and equipment	114,212	118,264	-4,052
2.	Right-of-use assets	9,658	9,646	12
	Interests in associates	-	-	-
		123,870	127,910	-4,040
<b>Current assets</b>				
3.	Inventories	10,455	15,400	-4,945
4.	Trade and bills receivables	8,486	14,757	-6,271
5.	Prepayments, deposits and other receivables	5,295	5,404	-109
	Cash and cash equivalents	399	399	-
		24,635	35,960	-11,325
<b>Current liabilities</b>				
	Trade payables	8,638	8,638	-
6.	Accruals and other payables	110,374	106,438	3,936
	Contract liabilities	5,522	5,522	-
7.	Deferred government grants	2,250	-	2,250
8.	Amount due to shareholders	20,284	22,341	-2,057
9.	Banks and other borrowings	93,708	89,332	4,376
		240,776	232,271	8,505
	Net current liabilities	-216,141	-196,311	-19,830
	Total assets less current liabilities	-92,271	-68,401	-23,870
<b>Non-current liabilities</b>				
10.	Deferred government grants	19,767	22,072	-2,305
11.	Amount due to shareholders	2,382	-	2,382
	Bank and other borrowings	-	-	-
		22,149	22,072	77
	Net liabilities	-114,420	-90,473	-23,947
<b>Equity</b>				
	Share capital	30,886	30,886	-
12.	Reserves	-145,190	-121,310	-23,880
		-114,304	-90,424	-23,880
13.	Non-controlling interests	-116	-49	-67
14.	Total equity	-114,420	-90,473	-23,947

## 2. Cause analysis of difference Item:

- (1) “Property, plant and equipment” item:

The audited amount was reduced by RMB4,052,000. This included a provision of approximately RMB5,210,000 based on the appraisal of individual assets of plant and equipment in the Assets Appraisal Report and a reduction in depreciation of RMB1,158,000 based on HKFRSs.

- (2) “Right-of-use assets” item:

The audited amount was calculated in accordance with HKFRS, and the accumulated amortization of land was reversed by RMB12,000.

- (3) “Inventories” item:

The audited amount was reduced by RMB4,945,000 in the provision for depreciation of inventories, including the provision for depreciation of RMB4,000,000 for inventory work-in-progress.

- (4) “Trade and bills receivables” item:

The audited amount was reduced by RMB6,271,000, including an increase in impairment of trade receivables of approximately RMB4,440,000 by the auditor on a prudent basis.

- (5) “Prepayments, deposits and other receivables” item:

The audited amount was reduced by RMB109,000 and reclassifications.

- (6) “Accruals and other payables” item:

The audited amount was increased by RMB3,936,000, which mainly included a bad debt accrual of approximately RMB5,120,000 for pending litigation, a reduction of RMB1,980,000 for employee salary payable, an adjustment of RMB528,000 for audit fees, and reclassifications on a prudent basis by the auditors.

- (7) “Deferred government grants” item:

The audited statement reclassified RMB2,250,000 of “deferred government grants” from non-current liabilities to current liabilities.

- (8) “Amount due to shareholders” item:

The audited statements reclassified RMB2,057,000.

- (9) The item “Bank and other borrowings” in the audited and unaudited consolidated statements of financial position:

RMB4,376,000 is mainly reclassified.

- (10) “Deferred government grants” item:

Same reasons for differences as (7)

- (11) “Amounts due to shareholders” item:

Same reasons for differences as (8)

- (12) “Reserves” item:

The audited amount was reduced by RMB23,880,000, mainly due to the audit reduction of the current profit.

- (13) “Non-controlling interests” item:

The audited amount was reduced by RMB67,000, which was mainly inconsistent with the audited criteria.

- (14) “Total equity” item:

The audited amount was reduced by RMB23,947,000, which was due to the audit reduction of current profit.

## II. Analysis of the differences between the audited and unaudited consolidated income statement

### 1. Each Item comparison:

No.	Item	Unit: RMB Thousand Yuan		
		2021 Audited Annual Results Announcement (1)	2021 Unaudited Annual Results Announcement (2)	Difference (3) = (1) – (2)
1.	Returns	3,316.85	3,317.00	-0.15
	Revenue	18,416.85	18,417.00	-0.15
	Cost of sales and services	15,100.00	15,100.00	-
2.	Other income	2,854.36	2,819.00	35.36
3.	Selling and distribution expenses	353.31	379.00	-25.69
4.	Administrative and other operating expenses	37,868.35	13,533.00	24,335.35
5.	Interest expenses	8,405.91	8,730.00	-324.09
6.	Net profit	-40,456.36	-16,506.00	-23,950.36

### 2. Cause analysis of difference Item:

(1) “Returns” item:

The audited amount was reduced by RMB150,000.

(2) “Other income” item:

The audited amount was increased by RMB35,360, mainly including RMB23,000 in rental income and RMB12,000 in government subsidies.

(3) “Selling and distribution expenses” item:

The audited amount was reduced by RMB25,690.

(4) “Administrative and other operating expenses” item:

The audited amount was increased by RMB24,335,350. The adjustments consisted mainly of the following:

- i. The provision for inventory decline in the audited statements was RMB4,000,000;

- ii. The provision for impairment of PPE assets in the audited statements was RMB5,210,000;
- iii. The provision for impairment of trade receivables in the audited statements was RMB4,440,000;
- iv. The provision for the impairment of other receivables in the audited statements was RMB5,000,000;
- v. The provision for potential expenses arising from pending litigation in the audited statements was RMB5,120,000; and
- vi. The provision for the audit fees in the audited statements was RMB528,000.

(5) “Interest expenses” item:

The audited amount of interest expenses was reduced by RMB324,090.

(6) “Net income” item:

Due to the cumulative differences of the above items, the audited amount of net income was reduced by RMB23,950,360.

Except for the above supplementary contents, the other contents of the Company’s Annual Report 2021 remain unchanged.

## **CONTINUED SUSPENSION OF TRADING**

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 13 June 2022 and will remain suspended until further notice.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

By order of the Board  
**Shanxi Changcheng Microlight Equipment Co. Ltd.**  
**Wu Bo**  
*Chairman*

Taiyuan City, Shanxi Province, the PRC, 20 September 2022

*As at the date of this announcement, the Board comprises nine directors, of which four are executive directors, namely Mr. Zhao Zhi, Mr. Song Zhenglai, Mr. Jiao Baoguo and Ms. Wang Lingling; two non-executive directors, namely Mr. Wu Bo and Mr. Yuan Guoliang; and three independent non-executive directors, namely Mr. Xu Yongfeng, Mr. Wang Weizhong and Mr. Rong Fei.*

*This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

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*\* For identification purpose only*