Zhejiang Shibao Company Limited*

浙江世寶股份有限公司

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

(Stock Code: 1057)

INSIDE INFORMATION
2020 FIRST QUARTERLY REPORT

This announcement is made pursuant to the disclosure requirements as set out in Rules 13.09(2)(a) and 13.10B of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The quarterly report (unaudited) contained in this announcement has been prepared in accordance with "China Accounting Standards of Business Enterprises" and in accordance with the requirements on preparation and disclosure of quarterly report issued by China Securities Regulatory Commission, and has been considered and approved by the Board of Directors of the Company.

(1) Important notice

The Board of Directors, Supervisory Committee, Directors, Supervisors and senior management of Zhejiang Shibao Company Limited (the "**Company**") undertake that this quarterly report is true, accurate and complete, and does not contain false accounting, misleading statements or material omissions, and jointly and severally accept full legal responsibilities for its contents.

Zhang Shi Quan, the Legal Representative, Zhang Lan Jun, the Person-in-Charge of Accounting Work, and Li Gen Mei, the Person-in-Charge of Accounting Organisation (Head of the Accounting Department), of the Company declare that the financial report contained in this quarterly report are true, accurate and complete.

All Directors were present at the Board meeting to consider and approve this quarterly report.

** For identification purpose only*

(2) Key financial information and changes in shareholders

1. Key accounting information and financial indicators

The Company had no retrospective adjustments or restatement of the financial data in the previous periods made in respect of change in accounting policies and correction of accounting errors.

Unit: RMB

	January - March 2020	January - March 2019	Change
Operating revenue	193,425,679.92	215,422,919.91	-10.21%
Net profit attributable to shareholders of listed company	-2,654,630.93	-11,219,820.98	76.34%
Net profit after non-recurring gains and losses attributable to shareholders of listed company	-6,643,788.68	-14,782,806.50	55.06%
Net cash flows from operating activities	22,198,458.81	-33,018,473.71	167.23%
Basic earnings per share (RMB/share)	-0.0034	-0.0142	76.06%
Diluted earnings per share (RMB/share)	-0.0034	-0.0142	76.06%
Weighted average returns on net assets (%)	-0.20%	-0.76%	0.56%
	31 March 2020	31 December 2019	Change
Total assets	1,966,287,540.94	1,975,196,092.31	-0.45%
Net assets attributable to shareholders of listed company	1,299,180,357.44	1,301,834,988.37	-0.20%

Items of non-recurring gains and losses and their amounts

Unit: RMB

Item	January - March 2020
Gain or loss on disposal of non-current assets (including those provision for asset impairment written off)	141,969.47
Government subsidy included in profit or loss for the period (except for those closely related to business of the Company and those granted by the government in fixed amount or quantity according to national standards)	3,748,931.84
Gain or loss on entrusted investment or asset management	212,057.40
Other non-operating income and expenses other than the above	27,820.48
Less: Effect on enterprise income tax	
Effect on interest of minority shareholders (after tax)	141,621.44
Total	3,989,157.75

Note: During the reporting period, there were no non-recurring gains and losses as defined and listed in the “Disclosure Explaining Announcement No.1 for Companies Offering Securities Publicly – Non-Recurring Gains and Losses”.

2. Total number of shareholders and list of shareholding for top ten shareholders as at the end of the reporting period

1) Number of shareholders and list of shareholding for top ten shareholders

Unit: Share

Total number of shareholders of ordinary shares as at the end of the reporting period						35,642
Shareholding of top ten shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage	Number of shares held	Number of shares held with selling restrictions	Status on pledge or lock-up	
					Status	Number
Zhejiang Shibao Holding Group Co., Ltd.	Domestic non-state owned legal person	43.28%	341,786,098			
HKSCC Nominees Limited	Foreign legal person	27.54%	217,441,611			
Zhang Shi Quan	Domestic natural person	3.34%	26,391,580	19,793,685		
Li Hong Quan	Domestic natural person	0.97%	7,632,463			
Gu Leiyong	Domestic natural person	0.37%	2,905,400			
Geng Hong	Domestic natural person	0.22%	1,714,675			
Yang Yanni	Domestic natural person	0.12%	930,000			
Chen Wenping	Domestic natural person	0.12%	920,755			
Lu Zhifen	Domestic natural person	0.11%	899,564			
Deng Jinhua	Domestic natural person	0.11%	885,550			

<table>
<tr><th colspan="4">Shareholding of top ten shareholders of ordinary shares without selling restrictions</th></tr>
<tr><th rowspan="2">Name of shareholder</th><th rowspan="2">Number of ordinary shares held without selling restrictions</th><th colspan="2">Types of shares</th></tr>
<tr><th>Types of shares</th><th>Number</th></tr>
<tr><td>Zhejiang Shibao Holding Group Co., Ltd.</td><td>341,786,098</td><td>RMB-dominated ordinary shares</td><td>341,786,098</td></tr>
<tr><td rowspan="2">HKSCC Nominees Limited</td><td rowspan="2">217,441,611</td><td>RMB-dominated ordinary shares</td><td>1,032,161</td></tr>
<tr><td>Overseas listed foreign shares</td><td>216,409,450</td></tr>
<tr><td>Li Hong Quan</td><td>7,632,463</td><td>RMB-dominated ordinary shares</td><td>7,632,463</td></tr>
<tr><td>Zhang Shi Quan</td><td>6,597,895</td><td>RMB-dominated ordinary shares</td><td>6,597,895</td></tr>
<tr><td>Gu Leiyong</td><td>2,905,400</td><td>RMB-dominated ordinary shares</td><td>2,905,400</td></tr>
<tr><td>Geng Hong</td><td>1,714,675</td><td>RMB-dominated ordinary shares</td><td>1,714,675</td></tr>
<tr><td>Yang Yanni</td><td>930,000</td><td>RMB-dominated ordinary shares</td><td>930,000</td></tr>
<tr><td>Chen Wenping</td><td>920,755</td><td>RMB-dominated ordinary shares</td><td>920,755</td></tr>
<tr><td>Lu Zhifen</td><td>899,564</td><td>RMB-dominated ordinary shares</td><td>899,564</td></tr>
<tr><td>Deng Jinhua</td><td>885,550</td><td>RMB-dominated ordinary shares</td><td>885,550</td></tr>
<tr><td>Illustrations on the connected relationship or acting in concert for the shareholders above</td><td colspan="3">Zhejiang Shibao Holding Group Co., Ltd. is the controlling shareholder of the Company and Zhang Shi Quan is the de facto controller of the Company. The Company is not aware of other shareholders who were connected or acted in concert with each other.</td></tr>
<tr><td>Margin trading and short selling by top ten shareholders of ordinary shares without selling restrictions (if any)</td><td colspan="3">No.</td></tr>
</table>

Note: None of the Company's top ten shareholders of ordinary shares and top ten shareholders of ordinary shares without selling restrictions has conducted agreed repurchase transactions during the reporting period.

(3) Significant events

1. Material changes to major accounting items and financial indicators during the reporting period and their reasons

1) Illustrations of items with significant movements in the consolidated balance sheet

As at the reporting period, there was no significant change in the asset composition of the Company. Details of changes in assets accounted for over 5% of the total assets are set out below.

Unit: RMB

Item	31 March 2020		31 December 2019		Change
	Amount	Proportion to total assets	Amount	Proportion to total assets	
Cash on hand and at bank	209,164,861.91	10.64%	130,823,115.52	6.62%	4.02%
Accounts receivable	364,526,016.57	18.54%	398,848,776.89	20.19%	-1.65%
Accounts receivable financing	145,822,485.41	7.42%	141,483,082.75	7.16%	0.26%
Inventories	228,478,431.38	11.62%	216,838,013.54	10.98%	0.64%
Fixed assets	706,496,280.23	35.93%	716,268,848.51	36.26%	-0.33%
Construction in progress	127,282,849.05	6.47%	118,148,294.12	5.98%	0.49%
Short-term borrowings	150,289,864.51	7.64%	143,186,095.89	7.25%	0.39%
Notes payable	103,326,137.70	5.25%	78,049,284.98	3.95%	1.30%
Accounts payable	308,030,683.89	15.67%	353,444,997.15	17.89%	-2.22%

2) Illustrations of items with significant movements in the consolidated income statement

Unit: RMB

Item	January – March 2020	January – March 2019	Change
Revenue	193,425,679.92	215,422,919.91	-10.21%
Operating costs	158,679,807.48	177,864,567.32	-10.79%
Selling expenses	12,514,375.74	18,876,040.22	-33.70%
General and administrative expenses	13,645,911.00	17,766,143.56	-23.19%
Research and development expenses	13,846,145.67	14,582,465.53	-5.05%
Financial expenses	1,212,414.11	389,016.03	211.66%
Net profit attributable to equity holders of the parent	-2,654,630.93	-11,219,820.98	76.34%

The reasons for the increase/decrease of more than 30% in the figures for the reporting period compared to the corresponding period last year were analyzed as follows:

During the reporting period, the revenue of the Company decreased by 10.21% as compared to the corresponding period last year, mainly due to the adverse impact on its production and operation from the outbreak of COVID-19.

During the reporting period, the Company's selling expenses decreased by 33.70% as compared to the corresponding period last year, mainly due to the combined effect of a decrease in transportation and storage costs as a result of decrease in sales, a decrease in travelling expenses as a result of decrease in business activities being affected by the outbreak of COVID-19 and a decrease in warranty expenses.

During the reporting period, the general and administrative expenses by 23.19% as compared to the corresponding period last year, mainly due to the combined effect of the decrease in staff remuneration expenses as a result of the policy on reduction of social security expenses payable by the enterprises introduced by the government in response to the outbreak of the epidemic and the decrease in travelling expenses as a result of decrease in business activities being affected by the outbreak of COVID-19.

During the reporting period, the Company's financial expenses increased by 211.66%, Which was mainly due to the increase in bank borrowings leading to an increase in interest expenses.

In view of the above, during the reporting period, the Company recorded a net profit attributable to equity holders of the parent of RMB-2,654,630.93 (corresponding period of last year: RMB-11,219,820.98).

3) Illustrations of items with significant movements in the consolidated statement of cash flows

Unit: RMB

Item	January – March 2020	January – March 2019	Change
Sub-total of cash inflow from operating activities	146,135,518.50	161,682,602.98	-9.62%
Sub-total of cash outflow from operating activities	123,937,059.69	194,701,076.69	-36.34%
Net cash flows from operating activities	22,198,458.81	-33,018,473.71	167.23%
Sub-total of cash inflow from investing activities	99,585,246.23	60,297,957.53	65.16%
Sub-total of cash outflow from investing activities	53,154,674.83	79,035,533.46	-32.75%
Net cash flows from investing activities	46,430,571.40	-18,737,575.93	347.79%
Sub-total of cash inflow from financing activities	97,000,000.00	30,000,000.00	223.33%
Sub-total of cash outflow from financing activities	91,458,957.80	465,159.90	19561.83%
Net cash flows from financing activities	5,541,042.20	29,534,840.10	-81.24%
Net increase in cash and cash equivalents	74,442,876.74	-22,266,169.20	434.33%

The reasons for the increase/decrease of more than 30% in the figures for the reporting period compared to the corresponding period last year were analyzed as follows:

Net cash flows from operating activities increased by 167.23% as compared to the corresponding period last year, mainly due to the combined effect of a decrease in cash payment for materials purchases, a decrease in cash payment for selling expenses and a decrease in security deposits for banker’s acceptances.

Net cash flows from investing activities increased by 347.79% as compared to the corresponding period last year, mainly due to the combined effect of an increase in cash inflows from redemption of bank wealth management products at maturity, a decrease in cash payment for purchase of bank wealth management products and a decrease in cash payment for equipment purchase.

Net cash flows from financing activities decreased by 81.24% as compared to the corresponding period last year, mainly due to the repayment of some of the bank borrowings.

In view of the above, the net cash and cash equivalents increased by 434.33% as compared to the corresponding period last year.

2. Progress of important events and their impact and solutions

The company has no significant events that need to be explained during the reporting period

3. Undertakings has been fulfilled during the reporting period and has not been fulfilled at the end of the reporting period by the Company, shareholders, de facto controllers, acquirers, directors, supervisors, senior management or other related parties

Undertaking	Party involved in undertaking	Type of undertaking	Details of undertaking	Undertaking date	Term for undertaking	Particulars on the performance
Undertaking made on initial public offering or refinancing	Zhejiang Shibao Holding Group Co., Ltd.	Undertaking on shares with selling restrictions	Zhejiang Shibao Holding Group Co., Ltd., the controlling shareholder of the Company, undertakes that within 36 months from the date the A Shares issued under the issue are listed, no transfer or no entrust others to manage the A Shares held by it, and no purchase of these shares by the Company. After the above period is expired, no transfer of more than 25% of the total A Shares held by it each year.	2 November 2012	On and after 2 November 2015 of being a controlling shareholder of the Company	In progress
	Zhang Shi Quan (Note), Zhang Bao Yi, Tang Hao Han, Zhang Lan Jun, Zhang Shi Zhong	Undertaking on shares with selling restrictions	Zhang Shi Quan, Zhang Bao Yi, Tang Hao Han, Zhang Lan Jun and Zhang Shi Zhong, the de facto controllers of the Company, undertake that within 36 months from the date the A Shares issued under the issue are listed, no transfer of paid capital in Shibao Holding. After the above period is expired, no transfer of more than 25% of the total paid capital held by him/her each year during his/her term of office; no transfer of the total paid capital held by him/her within 6 months after he/she leaves the post as the Company's director and senior management.	2 November 2012	On and after 2 November 2015 of being a de facto controller, director and senior management of the Company	In progress
	Zhang Shi Quan	Undertaking on shares with selling restrictions	Zhang Shi Quan, a shareholder of the Company, undertakes that within 36 months from the date the A Shares issued under the issue are listed, no transfer or no entrust others to manage the A Shares held by him, and no purchase of these shares by the Company. As a director and senior management of the Company, after the above period is expired, no transfer of more than 25% of the total A Shares held by him each year during his term of office; no transfer of the A Shares held by him within 6 months after he leaves the post.	2 November 2012	On and after 2 November 2015 of being a de facto controller, director and senior management of the Company	In progress
Whether undertaking was fulfilled on time	Yes					

[Note]: As considered and approved by the shareholders at the first extraordinary general meeting of the Company in 2020 which was held on 13 January 2020, the waiver for the voluntary share lock-up undertaking of "the capital contribution to Shibao Holding which is transferred in each year during his/her term of office shall not exceed 25% of capital contributions held by him/her in Shibao Holding" given by Mr. Zhang Shi Quan in the capacity of the de facto controller of the issuer was granted, while the other share lock-up undertakings given by the de factor controller of the issuer remained unchanged.

4. Information on securities investment

During the reporting period, there was no investment in securities.

5. Entrusted wealth management

Unit: RMB ten thousands

Type	Source of funds for entrusted wealth management	Amount of entrusted wealth management	Unexpired balance	Overdue amount not recovered
Bank wealth management product	Own capital	2,720.00		
Total		2,720.00		

6. Information on derivatives investment

During the reporting period, there was no investment in derivatives.

7. Information on illegal external guarantees

During the reporting period, the Company had no illegal external guarantee.

8. Information on the non-operating use of funds of the Company by the controlling shareholder and its related parties

During the reporting period, there was no non-operating use of funds of the Company by the controlling shareholder of the Company and its related parties.

9. Registration form for hosting researchers, communications and interviews during the reporting period

During the reporting period, there was no hosting of researchers, communications and interviews.

(4) Financial Statements

1. Financial Statements

1) Consolidated Balance Sheet

Unit: RMB

Item	31 March 2020	31 December 2019
Current Assets:		
Cash on hand and at bank	209,164,861.91	130,823,115.52
Financial assets held for trading		71,000,000.00
Accounts receivable	364,526,016.57	398,848,776.89
Accounts receivable financing	145,822,485.41	141,483,082.75
Prepayments	7,519,513.29	6,563,922.61
Other receivables	7,635,624.46	6,624,835.27
Inventories	228,478,431.38	216,838,013.54
Other current assets	20,086,618.68	18,876,728.92
Total current assets	983,233,551.70	991,058,475.50
Non-current Assets:		
Investment property	43,442,594.26	45,608,029.75
Fixed assets	706,496,280.23	716,268,848.51
Construction in progress	127,282,849.05	118,148,294.12
Intangible assets	82,119,351.24	83,246,762.75
Deferred income tax assets	11,763,363.20	11,644,197.00
Other non-current assets	11,949,551.26	9,221,484.68
Total non-current assets	983,053,989.24	984,137,616.81
Total Assets	1,966,287,540.94	1,975,196,092.31

1) Consolidated Balance Sheet (continued)

Unit: RMB

Item	31 March 2020	31 December 2019
Current Liabilities:		
Short-term borrowings	150,289,864.51	143,186,095.89
Notes payable	103,326,137.70	78,049,284.98
Accounts payable	308,030,683.89	353,444,997.15
Receipts in advance	3,749,921.21	5,180,624.33
Contract liabilities	13,033,882.79	3,296,944.39
Staff costs payable	11,989,093.52	12,942,278.97
Taxes payables	4,185,399.72	2,615,274.29
Other payables	1,496,879.03	1,780,936.38
Other current liabilities	27,222,533.02	24,922,573.49
Total current liabilities	623,324,395.39	625,419,009.87
Non-current Liabilities:		
Long-term borrowings	8,800,000.00	8,800,000.00
Deferred income	41,111,921.97	43,582,481.56
Deferred income tax liabilities	2,668,762.15	2,756,325.71
Total non-current liabilities	52,580,684.12	55,138,807.27
Total Liabilities	675,905,079.51	680,557,817.14
Shareholders' Equity:		
Share capital	789,644,637.00	789,644,637.00
Capital reserve	182,334,093.78	182,334,093.78
Surplus reserve	135,379,620.20	135,379,620.20
Retained earnings	191,822,006.46	194,476,637.39
Equity attributable to equity holders of the parent	1,299,180,357.44	1,301,834,988.37
Minority interests	-8,797,896.01	-7,196,713.20
Total Shareholders' Equity	1,290,382,461.43	1,294,638,275.17
Total Liabilities and Shareholders' Equity	1,966,287,540.94	1,975,196,092.31

Legal Representative: Zhang Shi Quan   Chief Financial Officer: Zhang Lan Jun   Head of Finance Section: Li Gen Mei

2) Balance Sheet of the Parent

Unit: RMB

Item	31 March 2020	31 December 2019
Current Assets:		
Cash on hand and at bank	82,581,831.95	26,952,396.30
Financial assets held for trading		70,000,000.00
Accounts receivable	57,430,609.72	61,656,182.68
Accounts receivable financing	500,000.00	100,000.00
Prepayments	1,022,882.54	1,379,388.83
Other receivables	377,051,010.23	375,049,048.10
Inventories	10,595,699.56	9,800,764.24
Other current assets	11,766,033.33	9,259,046.14
Total current assets	540,948,067.33	554,196,826.29
Non-current Assets:		
Long-term receivables	288,000,000.00	288,000,000.00
Long-term equity investments	185,159,214.87	185,159,214.87
Investment property	23,864,091.20	24,233,182.56
Fixed assets	115,377,253.12	115,934,448.50
Construction in progress	83,866,347.07	67,873,473.29
Intangible assets	29,811,996.14	29,999,762.48
Deferred income tax assets	287,162.13	287,091.12
Other non-current assets	255,195.35	52,500.00
Total non-current assets	726,621,259.88	711,539,672.82
Total Assets	1,267,569,327.21	1,265,736,499.11

2) Balance Sheet of the Parent (continued)

Item	31 March 2020	31 December 2019
Current Liabilities:		
Short-term borrowings	143,289,864.51	143,186,095.89
Notes payable	9,040,000.00	5,860,000.00
Accounts payable	18,924,444.53	15,096,104.26
Receipts in advance	2,906,061.88	3,928,598.33
Contract liabilities	4,867.26	4,867.26
Staff costs payable	948,286.28	1,448,585.24
Taxes payable	48,157.60	57,512.09
Other payables	688,501.73	701,819.56
Other current liabilities	1,100,632.74	880,632.74
Total current liabilities	176,950,816.53	171,164,215.37
Non-current Liabilities:		
Total non-current liabilities		
Total Liabilities	176,950,816.53	171,164,215.37
Shareholders' Equity:		
Share capital	789,644,637.00	789,644,637.00
Capital reserve	187,767,058.72	187,767,058.72
Surplus reserve	74,376,643.16	74,376,643.16
Retained earnings	38,830,171.80	42,783,944.86
Total Shareholders' Equity	1,090,618,510.68	1,094,572,283.74
Total Liabilities and Shareholders' Equity	1,267,569,327.21	1,265,736,499.11

Legal Representative: Zhang Shi Quan Chief Financial Officer: Zhang Lan Jun Head of Finance Section: Li Gen Mei

3) Consolidated Income Statement

Unit: RMB

Item	January – March 2020	January – March 2019
1. Total revenue	193,425,679.92	215,422,919.91
Including: Revenue	193,425,679.92	215,422,919.91
2. Total operating costs	201,570,002.61	231,327,595.46
Including: Operating costs	158,679,807.48	177,864,567.32
Taxes and surcharges	1,671,348.61	1,849,362.80
Selling expenses	12,514,375.74	18,876,040.22
General and administrative expenses	13,645,911.00	17,766,143.56
Research and development expenses	13,846,145.67	14,582,465.53
Financial expenses	1,212,414.11	389,016.03
Including : Interest expenses	1,562,726.42	495,716.67
Interest income	319,595.04	404,586.05
Add : Other gains	3,748,931.84	3,375,101.31
Investment gains (“-” for loss)	212,057.40	264,771.25
Credit impairment losses (“-” for loss)	-153,488.87	-28,670.14
Asset impairment losses (“-” for loss)	-291,313.65	-1,174,461.58
Gains from disposal of assets (“-” for loss)	141,969.47	10,520.60
3. Operating profit (“-” for loss)	-4,486,166.50	-13,457,414.11
Add : Non-operating income	29,913.08	23,757.20
Less : Non-operating expenses	6,290.08	136,687.79
4. Total profit (“-” for total loss)	-4,462,543.50	-13,570,344.70
Less : Income tax expenses	-206,729.76	-366,974.76
5. Net profit (“-” for net loss)	-4,255,813.74	-13,203,369.94
(1) Classification by business continuity		
1. Net profit from continuing operations (“-” for net loss)	-4,255,813.74	-13,203,369.94
(2) Classification by ownership		
1. Net profit attributable to equity holders of the parent	-2,654,630.93	-11,219,820.98
2. Minority interests	-1,601,182.81	-1,983,548.96
6. Net total comprehensive income after tax		
7. Total comprehensive income	-4,255,813.74	-13,203,369.94
Total comprehensive income attributable to equity holders of the parent	-2,654,630.93	-11,219,820.98
Total comprehensive income attributable to minority interests	-1,601,182.81	-1,983,548.96
8. Earnings per share:		
(1) Basic earnings per share	-0.0034	-0.0142
(2) Diluted earnings per share	-0.0034	-0.0142

Legal Representative: Zhang Shi Quan Chief Financial Officer: Zhang Lan Jun Head of Finance Section: Li Gen Mei

4) Income Statement of the Parent

Unit: RMB

Item	January – March 2020	January – March 2019
1. Revenue	9,148,985.99	8,853,649.87
Less : Operating costs	8,872,885.64	9,260,116.87
Taxes and surcharges	2,218.80	75,888.47
Selling expenses	232,870.09	267,101.43
General and administrative expenses	3,098,803.50	3,420,249.21
Research and development expenses	1,123,568.61	1,133,859.96
Financial expenses	1,245,799.05	-1,006,240.87
Including : Interest expenses	1,295,415.69	289,990.07
Interest income	61,166.50	1,302,128.15
Add : Other gains	119,910.00	
Investment gains (“-” for loss)	1,354,939.67	159,317.65
Credit impairment losses (“-” for loss)	-284.04	-0.33
Gains from disposal of assets (“-” for loss)		11,503.60
2. Operating profit (“-” for loss)	-3,952,594.07	-4,126,504.28
Add : Non-operating income		400.00
Less : Non-operating expenses	1,250.00	4,750.00
3. Total profit (“-” for total loss)	-3,953,844.07	-4,130,854.28
Less : Income tax expenses	-71.01	-0.08
4. Net profit (“-” for net loss)	-3,953,773.06	-4,130,854.20
(1) Net profit from continuing operations (“-” for net loss)	-3,953,773.06	-4,130,854.20
5. Net total comprehensive income after tax		
6. Total comprehensive income	-3,953,773.06	-4,130,854.20
7. Earnings per share:		

Legal Representative: Zhang Shi Quan   Chief Financial Officer: Zhang Lan Jun   Head of Finance Section: Li Gen Mei

5) Consolidated Statement of Cash Flows

Unit: RMB

Item	January – March 2020	January – March 2019
1. Cash flows from operating activities:		
Cash received from sale of goods or rendering of services	130,293,281.31	141,531,964.57
Return of taxes and levies	2,462,537.10	
Cash received relating to other operating activities	13,379,700.09	20,150,638.41
Sub-total of cash inflow from operating activities	146,135,518.50	161,682,602.98
Cash paid for goods purchased and services accepted	60,320,383.38	93,649,305.69
Cash paid to and on behalf of employees	33,688,865.13	46,430,794.86
Payment of taxes and levies	6,676,659.67	11,223,061.25
Cash paid relating to other operating activities	23,251,151.51	43,397,914.89
Sub-total of cash outflow from operating activities	123,937,059.69	194,701,076.69
Net cash flows from operating activities	22,198,458.81	-33,018,473.71
2. Cash flows from investing activities:		
Cash received from return of investments	98,200,000.00	60,000,000.00
Cash received from investment gains	224,780.85	280,657.53
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	1,160,465.38	17,300.00
Sub-total of cash inflow from investing activities	99,585,246.23	60,297,957.53
Cash paid to acquire fixed assets, intangible assets and other long-term assets	25,954,674.83	39,035,533.46
Cash paid for investments	27,200,000.00	40,000,000.00
Sub-total of cash outflow from investing activities	53,154,674.83	79,035,533.46
Net cash flows from investing activities	46,430,571.40	-18,737,575.93
3. Cash flows from financing activities:		
Cash received from borrowings	97,000,000.00	30,000,000.00
Sub-total of cash inflow from financing activities	97,000,000.00	30,000,000.00
Cash paid for repayment of debts	90,000,000.00	
Cash paid for distribution of dividends, profit or interest expenses	1,458,957.80	465,159.90
Sub-total of cash outflow from financing activities	91,458,957.80	465,159.90
Net cash flows from financing activities	5,541,042.20	29,534,840.10
4. Effect of changes in foreign exchange rate on cash and cash equivalents	272,804.33	-44,959.66
5. Net increase in cash and cash equivalents	74,442,876.74	-22,266,169.20
Add: Opening balance of cash and cash equivalents	117,113,481.79	120,293,184.97
6. Closing balance of cash and cash equivalents	191,556,358.53	98,027,015.77

Legal Representative: Zhang Shi Quan Chief Financial Officer: Zhang Lan Jun Head of Finance Section: Li Gen Mei

6) Statement of Cash Flows of the Parent

Unit: RMB

Item	January – March 2020	January – March 2019
1. Cash flows from operating activities:		
Cash received from sale of goods or rendering of services	16,120,904.80	11,997,602.36
Cash received relating to other operating activities	490,716.96	139,867.54
Sub-total of cash inflow from operating activities	16,611,621.76	12,137,469.90
Cash paid for goods purchased and services accepted	4,190,905.26	14,628,396.23
Cash paid to and on behalf of employees	3,597,423.73	3,968,060.78
Payment of taxes and levies	235,617.91	1,449,031.86
Cash paid relating to other operating activities	3,121,956.59	14,081,706.75
Sub-total of cash outflow from operating activities	11,145,903.49	34,127,195.62
Net cash flows from operating activities	5,465,718.27	-21,989,725.72
2. Cash flows from investing activities:		
Cash received from return of investments	70,000,000.00	20,000,000.00
Cash received from investment gains	160,054.80	168,876.71
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		17,300.00
Cash received relating to other investing activities	80,000,000.00	
Sub-total of cash inflow from investing activities	150,160,054.80	20,186,176.71
Cash paid to acquire fixed assets, intangible assets and other long-term assets	19,756,718.89	14,615,527.41
Cash paid relating to other investing activities	80,000,000.00	
Sub-total of cash outflow from investing activities	99,756,718.89	14,615,527.41
Net cash flows from investing activities	50,403,335.91	5,570,649.30
3. Cash flows from financing activities:		
Cash received from borrowings	90,000,000.00	30,000,000.00
Sub-total of cash inflow from financing activities	90,000,000.00	30,000,000.00
Cash paid for repayment of debts	90,000,000.00	
Cash paid for distribution of dividends, profit or interest expenses	1,191,647.07	256,287.50
Cash paid relating to other financing activities		
Sub-total of cash outflow from financing activities	91,191,647.07	256,287.50
Net cash flows from financing activities	-1,191,647.07	29,743,712.50
4. Effect of changes in foreign exchange rate on cash and cash equivalents	-1,971.46	
5. Net increase in cash and cash equivalents	54,675,435.65	13,324,636.08
Add: Opening balance of cash and cash equivalents	25,194,396.30	37,383,008.66
6. Closing balance of cash and cash equivalents	79,869,831.95	50,707,644.74

Legal Representative: Zhang Shi Quan Chief Financial Officer: Zhang Lan Jun Head of Finance Section: Li Gen Mei

2. Audit Report

The financial statements of the Company for the first quarter is not audited.

By order of the Board
Zhejiang Shibao Company Limited
Zhang Shi Quan
Chairman

Hangzhou, Zhejiang, the PRC
28 April 2020

As at the date of this announcement, the board of directors of the Company comprises Mr. Zhang Bao Yi, Mr. Tang Hao Han, Ms. Zhang Lan Jun and Ms. Liu Xiao Ping as executive directors; Mr. Zhang Shi Quan and Mr. Zhang Shi Zhong as non-executive directors; and Mr. Lin Yi, Mr. Guo Kong Hui and Mr. Shum Shing Kei as independent non-executive directors.