



SHANGHAI JIAODA WITHUB
INFORMATION INDUSTRIAL COMPANY LIMITED*
上海交大慧谷信息產業股份有限公司

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

(Stock Code: 8205)

THIRD QUARTERLY REPORT 2021

** For identification purposes only*

CHARACTERISTICS OF THE GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and medium-sized companies to which a higher investment risk may be attached than other companies listed on the Main Board. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

The companies listed on GEM are mostly small and medium-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report for which the directors (the “Directors”) of Shanghai Jiaoda Withub Information Industrial Company Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rule Governing the Listing of Securities on GEM of the Stock Exchange (“GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report 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 report misleading.*

HIGHLIGHTS

- The Group recorded a turnover of approximately RMB28,876,000 for the nine months ended 30 September 2021 (2020: RMB27,453,000), representing an increase of approximately 5.18% as compared to the corresponding period in 2020.
- For the nine months ended 30 September 2021, the Group recorded a loss attributable to owners of the parent of approximately RMB10,823,000 (2020: approximately RMB13,069,000), representing a decrease of approximately 17.19% as compared to the corresponding period in 2020.
- The Board does not declare the payment of an interim dividend for the nine months ended 30 September 2021 (2020: Nil).

THIRD QUARTERLY RESULTS

The board (the “Board”) of directors (the “Directors”) of 上海交大慧谷信息產業股份有限公司 (Shanghai Jiaoda Withub Information Industrial Company Limited*) (the “Company”) hereby announces the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the three months and nine months ended 30 September 2021, together with the unaudited comparative figures for the corresponding periods in 2020 are as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

	Notes	For the three months ended 30 September		For the nine months ended 30 September	
		2021 RMB'000	2020 RMB'000	2021 RMB'000	2020 RMB'000
Turnover	2	5,781	15,770	28,876	27,453
Cost of sales		<u>(2,849)</u>	<u>(11,174)</u>	<u>(19,774)</u>	<u>(18,922)</u>
Gross profit		2,932	4,596	9,102	8,531
Other revenue		297	195	773	783
Distribution expenses		(2,746)	(1,989)	(8,962)	(8,520)
Research and development expenses		(1,700)	(1,648)	(4,934)	(4,102)
Administrative expenses		<u>(1,894)</u>	<u>(1,800)</u>	<u>(5,290)</u>	<u>(7,479)</u>
Loss before tax		(3,027)	(428)	(8,803)	(10,668)
Share of losses of associates		<u>(1,793)</u>	<u>(205)</u>	<u>(2,020)</u>	<u>(2,401)</u>
Loss before tax		<u>(4,820)</u>	<u>(633)</u>	<u>(10,823)</u>	<u>(13,069)</u>
Tax expenses	4	—	—	—	—
Loss for the period		<u><u>(4,820)</u></u>	<u><u>(633)</u></u>	<u><u>(10,823)</u></u>	<u><u>(13,069)</u></u>
Attributable to:					
– Owners of the parent		(4,820)	(633)	(10,823)	(13,069)
– Non-controlling interests		—	—	—	—
		<u><u>(4,820)</u></u>	<u><u>(633)</u></u>	<u><u>(10,823)</u></u>	<u><u>(13,069)</u></u>
Dividends	5	—	—	—	—
Loss per share (in RMB)					
– Basic	6	<u><u>(0.01)</u></u>	<u><u>(0.0013)</u></u>	<u><u>(0.0225)</u></u>	<u><u>(0.0272)</u></u>
– Diluted		<u><u>N/A</u></u>	<u><u>N/A</u></u>	<u><u>N/A</u></u>	<u><u>N/A</u></u>

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(UNAUDITED)**

	For the three months ended		For the nine months ended	
	30 September		30 September	
	2021	2020	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Loss for the period	(4,820)	(633)	(10,823)	(13,069)
Other comprehensive income:				
Exchange difference arising on translation of overseas operations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u>(4,820)</u>	<u>(633)</u>	<u>(10,823)</u>	<u>(13,069)</u>
Attributable to:				
Owners of the parent	<u>(4,820)</u>	<u>(633)</u>	<u>(10,823)</u>	<u>(13,069)</u>
Non-controlling interests	<u>-</u>	<u>-</u>	<u>(30)</u>	<u>(30)</u>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(UNAUDITED)**

	Equity attributable to owners of the parent							Non- controlling interests	Total
	Share Capital	Share premium	Capital reserve	Statutory reserve	Translation reserve	Accumulated losses	Total		
	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000		
At 1 January 2020	<u>48,000</u>	<u>61,068</u>	<u>16,240</u>	<u>223</u>	<u>1,528</u>	<u>(51,344)</u>	<u>75,715</u>	<u>(30)</u>	<u>75,685</u>
Net loss for the period	-	-	-	-	-	(13,069)	-	-	-
Exchange difference arising on translation of an overseas subsidiary	-	-	-	-	-	-	-	-	-
At 30 September 2020	<u>48,000</u>	<u>61,068</u>	<u>16,240</u>	<u>223</u>	<u>1,528</u>	<u>(64,413)</u>	<u>62,646</u>	<u>(30)</u>	<u>62,616</u>
At 1 January 2021	<u>48,000</u>	<u>61,068</u>	<u>16,240</u>	<u>223</u>	<u>1,382</u>	<u>(75,015)</u>	<u>51,898</u>	<u>(30)</u>	<u>51,868</u>
Net loss for the period	-	-	-	-	-	(10,823)	-	-	-
Exchange difference arising on translation of an overseas subsidiary	-	-	-	-	-	-	-	-	-
At 30 September 2021	<u>48,060</u>	<u>61,068</u>	<u>16,240</u>	<u>223</u>	<u>1,328</u>	<u>(85,838)</u>	<u>41,075</u>	<u>(30)</u>	<u>(41,045)</u>

Notes:

1. BASIS OF PRESENTATION

The Financial statements has been prepared on the going-concern basis and transactions and events actually occurred in accordance with the “Accounting Standards for Business Enterprises” promulgated by the Ministry of Finance of the People’s Republic of China and relevant requirements (Collectively “Accounting Standards for Business Enterprises”), and China Securities Regulatory Commission’s “Compilation Rules for Information Disclosure by Companies Offering Securities to the Public No. 15 – General Provisions on Financial Reports (2014 Revision)” and the provisions regarding disclosure pursuant to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Companies Ordinance of Hong Kong, as well as the accounting policies and estimation as stated in “4. Significant Accounting Policies and Accounting Estimation” under this section.

2. TURNOVER

Turnover represents revenue from the development and provision of business application solutions and application software, the installation and maintenance of network and data security products, and the sales of electrical products and accessories.

An analysis of the Group’s revenue for the quarter is as follows:

	For the three months ended		For the nine months ended	
	30 September		30 September	
	2021	2020	2021	2020
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Business application solution	4,216	14,894	18,395	22,406
Installation and maintenance of network and data security products	1,474	568	5,486	3,383
Sales of electrical products and accessories	91	308	4,995	1,664
	<u>5,781</u>	<u>15,770</u>	<u>28,876</u>	<u>27,453</u>

All of the Group’s activities are conducted in the PRC. Turnover as disclosed above is net of applicable PRC tax revenue.

3. LOSS BEFORE TAX

Loss before tax has been arrived after charging:

	For the nine months ended	
	30 September	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
Staff costs (including Directors' emoluments) comprises:		
Salaries, wages and other benefits	11,362	13,738
Contributions to retirement benefit scheme	3,554	1,469
	14,916	15,207
Cost of inventories recognised as an expense	19,774	18,922

4. TAX EXPENSES

(a) The amount of tax expenses in the consolidated income statement represents:

	For the three months ended		For the nine months ended	
	30 September		30 September	
	2021	2020	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Current tax – PRC				
– tax for the period	-	-	-	-
– over-provision in respect of prior years	-	-	-	-
Tax expenses for the period	-	-	-	-

Under the Law of the People’s Republic of China on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the Company and its subsidiaries have been 15% and 25% respectively since 1 January 2017.

No provision for Hong Kong Profits Tax has been made as the Group’s income neither arises in nor is derived from Hong Kong.

- (b) There is no significant unprovided deferred tax for the nine months ended 30 September 2021 (2020: Nil).

5. DIVIDEND

The Board does not declare the payment of an interim dividend for the nine months ended 30 September 2021 (2020: Nil).

6. LOSS PER SHARE

The calculation of the basic loss per share for the nine months ended 30 September 2021 is based on the unaudited loss attributable to owners of the parent of approximately RMB10,823,000 (2020: loss attributable to owners of the parent of approximately RMB13,069,000) and the weighted average number of 480,000,000 shares during the nine months ended 30 September 2021 (nine months ended 30 September 2020: 480,000,000 shares).

The calculation of the basic loss per share for the three months ended 30 September 2021 is based on the unaudited loss attributable to owners of the parent of approximately RMB4,820,000 (2020: loss attributable to owners of the parent of approximately RMB633,000) and the weighted average number of 480,000,000 shares during the three months ended 30 September 2021 (three months ended 30 September 2020: 480,000,000 shares).

Diluted loss per share is not presented for the three months and nine months ended 30 September 2021 and 2020 as there were no potential dilutive shares in issue during the relevant periods.

7. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform the presentation for the current accounting period.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the nine months ended 30 September 2021, the Group recorded a turnover of approximately RMB28,876,000 (2020: approximately RMB27,453,000), representing an increase of approximately RMB1,423,000 or 5.18% as compared to the corresponding period of last year. The Group recorded a loss of RMB10,823,000.

BUSINESS REVIEW AND FUTURE PROSPECTS

In the sales review, income is mainly generated from the sales of electrical products and accessories. The sales amounted to approximately RMB4,995,000, representing an increase of approximately RMB3,331,000 or 200.18% as compared with approximately RMB1,664,000 of the corresponding period in last year.

Secondly, for the sales of the business application solution and application software, its sales decreased from approximately RMB22,406,000 to approximately RMB18,395,000, representing a decrease of approximately 17.90% over the corresponding period of last year.

In terms of the sales of installation and maintenance of network and data security products, its sales increased from approximately RMB3,383,000 to approximately RMB5,487,000, representing an increase of approximately 62.19% over the corresponding period of last year. In terms of the sales of business application solutions and application software, the Company provides corresponding installation and maintenance services for the customers on a continuous basis.

For the expenses management and control, administrative expenses amounted to approximately RMB5,290,000, representing a decrease of approximately RMB2,189,000 over the corresponding period of last year; and the expenses of marketing and sales amounted to approximately RMB8,961,000, representing an increase of approximately RMB441,000 over the corresponding period of last year. The expenses of research and development amounted to approximately RMB4,994,000, representing an increase of approximately RMB892,000 over the corresponding period of last year.

In conclusion, the Company will take necessary proactive steps to monitor its financial condition. Meanwhile, it will also maintain its focus on cost control with the attempt to expand new market areas, including acquiring new clients through the referrals by the existing clients and marketing initiatives by the management, so as to secure higher business volumes.

In conclusion, the financial results of the nine months ended 30 September 2021 have decreased in a year-on-year basis. The Company will put more efforts in cost control. The management will endeavour to minimize unnecessary expenses and to improve the productivity of the management staff. Active measures will be launched to monitor the financial position of the Company in order to continuously monitor the cost in achieving the targeted profit.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2021, none of the Directors, the supervisors of the Company (as if the requirements applicable to the Directors under the Securities and Futures Ordinance (“SFO”) had applied to the supervisors) or chief executives of the Company have any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the SFO) as recorded in the Company’s register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rule 5.46 of the GEM Listing Rules.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' RIGHTS TO ACQUIRE H SHARES

As at 30 September 2021, none of the Directors, supervisors and chief executives of the Company was granted options to subscribe for H shares of the Company. As at 30 September 2021, none of the Directors, supervisors and chief executives of the Company had any rights to acquire H shares in the Company.

SUBSTANTIAL SHAREHOLDERS’ AND OTHER PERSONS’ INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES IN THE COMPANY

A. Substantial shareholders

As at 30 September 2021, the following shareholders (other than the Directors, the supervisors (as if the requirements applicable to the Directors under the SFO had applied to the supervisors) or chief executives of the Company) had an interest or a short position in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO and were directly or indirectly interested in 10 percent or more of the Shares:

Name of shareholders	Capacity and nature	Number and class of shares (Note 1)	Approximate percentage of interest
State-owned Assets Supervision and Administration Commission of Shanghai	Interest of a controlled corporation (Note 2)	114,000,000 domestic shares (L)	23.75%
Shanghai Jiaoda Industrial Investment Management (Group) Limited	Beneficial owner	114,000,000 domestic shares (L)	23.75%
Shanghai Xin Xuhui (Group) Company Limited	Beneficial owner	60,000,000 domestic shares (L)	12.50%
Xuhui District Industrial Association	Interest of a controlled corporation (Note 3)	60,000,000 domestic shares (L)	12.50%
Shanghai Huixin Investment Operation Company Limited	Beneficial owner	57,000,000 domestic shares (L)	11.88%
Shanghai Technology Venture Capital Management Company Limited	Beneficial owner	57,000,000 domestic shares (L)	11.88%

Notes:

1. The letter “L” represents the entity’s interest in the shares of the Company.
2. These 114,000,000 domestic shares are registered and owned by Shanghai Jiaoda Industrial Investment Management (Group) Limited (“Jiaoda Industrial”) (Shanghai Jiaoda Science and Technology Park Limited transferred these domestic shares to Jiaoda Industrial at the end of June 2020). 90% of registered capital of Jiaoda Industrial is owned by the State-owned Assets Supervision and Administration Commission of Shanghai. State-owned Assets Supervision and Administration Commission of Shanghai is deemed to be interested in the aggregate of 114,000,000 domestic shares held by Jiaoda Industrial under the SFO.
3. These 60,000,000 domestic shares are registered and owned by Shanghai Xin Xuhui (Group) Company Limited, the registered capital of which will be owned as to approximately 88.57% by Xuhui District Industrial Association after the completion of certain capital reorganisation as referred to in the Prospectus. Xuhui District Industrial Association is deemed to be interested in the 60,000,000 domestic shares held by Shanghai Xin Xuhui (Group) Company Limited under the SFO.

B. Other persons who are required to disclose their interests pursuant to Divisions 2 and 3 of Part XV of the SFO

As at 30 September 2021, save as the persons/entities disclosed in sub-section A above, the following person/entity had an interest or a short position in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of shareholder	Capacity and nature	Number and class of shares <i>(Note 1)</i>	Approximate percentage of interest
Chen Jianbo	Beneficial owner	24,300,000 domestic shares (L)	5.06%

Note 1: The letter “L” represents the entity’s interest in the shares of the Company.

Save as disclosed above, as at 30 September 2021, the Directors are not aware of any other person (other than the Directors, supervisors and chief executive of the Company) who has interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provision of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

COMPETING INTERESTS

None of the Directors or the management shareholders (as defined under the GEM Listing Rules) of the Company had any interest in a business which competes or may compete with the business of the Group.

PRACTICE AND PROCEDURES OF THE BOARD

Throughout the nine months ended 30 September 2021, the Company was in compliance with the Board Practices and Procedures as set out in Rule 5.34 of the GEM Listing Rules.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY THE DIRECTORS

The Company had adopted a code of conduct regarding securities transactions by the Directors and supervisors on terms no less exacting than Rules 5.48 to 5.67 of the GEM Listing Rules. The Company had made specific enquiry of all Directors and supervisors and the Company was not aware of any non-compliance by any Directors and supervisors with the Stock Exchange's required standard of dealings and its code of conduct regarding securities transactions by the Directors and supervisors throughout the nine months ended 30 September 2021.

AUDIT COMMITTEE

The Company established an audit committee (the "Audit Committee") on 7 July 2002 with written terms of reference for the purpose of reviewing and supervising the Group's financial reporting, risk management and internal control procedures. The Audit Committee comprises three independent non-executive Directors, Mr. Yuan Shumin, Dr. Ni Jing and Mr. Zhou Guolai. The Audit Committee has reviewed the unaudited results of the Company for the nine months ended 30 September 2021.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company during the nine months ended 30 September 2021.

CORPORATE GOVERNANCE

The Board considers that the Company has complied with the code provisions of the Code on Corporate Governance Practices as set out in Appendix 15 of the GEM Listing Rules (the “CG Code”) throughout the nine months ended 30 September 2021.

By Order of the Board
Shanghai Jiaoda Withub Information Industrial Company Limited*
Chang Jiang
Chairman

Shanghai, the PRC, 5 November 2021

As at the date of this report, the Directors of the Company are as follows:

Executive Directors Chang Jiang, Shuai Ge, Shang Ling,
Hu Lunjie, Gu Xiaomin and Chen Guoliang

**Independent Non-executive
Directors** Yuan Shumin, Liu Feng and Zhou Guolai

This report will remain on the “Latest Company Reports” page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting.