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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)

2024 THIRD QUARTERLY REPORT

This announcement is made by Zhejiang Shibao Company Limited (the “**Company**”) pursuant to the disclosure requirement under Rule 13.10B of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange.

The quarterly report (unaudited) contained in this announcement has been prepared in accordance with the “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.

IMPORTANT NOTICE

The Board of Directors, Supervisory Committee, Directors, Supervisors and senior management of 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.

The Legal Representative, the Person-in-Charge of Accounting Work and the Person-in-Charge of Accounting Department (Head of the Accounting Department) of the Company declare: they guarantee the financial information contained in this quarterly report are true, accurate and complete.

The third quarterly financial report of the Company is not audited.

** For identification purpose only*

1. KEY FINANCIAL INFORMATION

(1) Key accounting information and financial indicators

Unit: RMB

	July – September 2024	Change (%)	January – September 2024	Change (%)
Operating revenue	691,206,782.78	54.09%	1,817,567,758.66	54.49%
Net profit attributable to shareholders of listed company	45,094,915.16	115.88%	111,982,671.15	174.96%
Net profit after non-recurring gains and losses attributable to shareholders of listed company	40,801,103.34	172.09%	104,798,552.20	345.89%
Net cash flows from operating activities	N/A	N/A	-4,820,372.51	76.62%
Basic earnings per share (RMB/share)	0.0550	107.55%	0.1380	167.44%
Diluted earnings per share (RMB/share)	0.0550	107.55%	0.1380	167.44%
Return on weighted average net assets (%)	2.39%	0.98%	6.38%	3.50%
	30 September 2024	31 December 2023	Change (%)	
Total assets	2,974,816,731.55	2,650,678,847.84	12.23%	
Net assets attributable to shareholders of listed company	1,905,938,636.75	1,469,865,219.48	29.67%	

(2) Items and amounts of non-recurring gains and losses

Unit: RMB

Item	July – September 2024	January – September 2024
Gain or loss on disposal of non-current assets, inclusive of provision for assets impairment write-off	-224,003.56	-2,133,791.92
Government grants (except for continuous government grants which are closely related to the Company's ordinary business and conforms with the national policies as well as in standard amount and quantities) recognized in gains or losses during the current period	2,215,847.92	4,861,611.34
Non-financial enterprises' gains and losses from changes in fair value arising from holding financial assets and financial liabilities and gains and losses arising from the disposal of financial assets and financial liabilities, except for the effective hedging business related to the Company's ordinary business	1,961,073.77	3,138,258.53
Reversal of impairment provisions for accounts receivable subject to individual impairment test	265,933.18	497,179.64
Other non-operating income and expenses other than the above	-70,193.83	126,456.04
Less: Effect on enterprise income tax (“-” as decrease)		
Effect on interest of minority shareholders (after tax)	-145,154.34	-694,405.32
Net non-recurring gains or losses attributable to equity holders of the parent	4,293,811.82	7,184,118.95

The Company has no other specific circumstances of profit and loss items that meet the definition of non-recurring profits and losses.

No non-recurring gains and losses defined and listed in the “Disclosure Explaining Announcement No.1 for Companies Offering Securities Publicly – Non-Recurring Gains and Losses” were defined as recurring gains and losses.

(3) Changes to major accounting information and financial indicators and their reasons

During the reporting period, the Company recorded a revenue of RMB1,817,567,758.66, representing an increase of 54.49%, which was mainly benefiting from the acceleration of trends in electrification, intelligentisation and globalization of automobiles, as well as the gradual increase in market share of China-brand passenger cars, the Company's sales of electrified and intelligent steering system products increased significantly. The net profit attributable to shareholders of listed company and the net profit after non-recurring gains and losses attributable to shareholders of listed company were RMB111,982,671.15 and RMB104,798,552.20 respectively, representing an increase of 174.96% and 345.89% respectively, which was mainly due to the overall gross profit growth brought about by the growth of the Company's revenue and the decrease in the proportion of expenses to revenue during the period.

During the reporting period, the net cash flows from operating activities amounted to RMB-4,820,372.51, representing an increase of 76.62% as compared with last year, which was mainly attributable to the increase in cash recovered from the sale of goods.

(Note) According to the “Compilation of Application Guidelines for Accounting Standards for Business Enterprises 2024” (《企業會計準則應用指南匯編2024》) issued by the Ministry of Finance, during the current period, the Company reported the warranty expenses of RMB34,972,612.42, which was originally reported under “selling expenses”, under “operating costs”, while adjusting the comparative data for the corresponding period last year.

2. SHAREHOLDERS' INFORMATION

(1) Total number of shareholders of ordinary shares and shareholding for top ten shareholders

Unit: Share

Total number of shareholders of ordinary shares as at the end of the reporting period		75,663	Total number of shareholders of preference shares whose voting rights were restored at the end of the reporting period (if any)		0	
Shareholding of top ten shareholders (excluding shares lent through refinancing)						
Name of shareholders	Nature of shareholders	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	35.90%	295,336,898			
HKSCC Nominees Limited	Foreign legal person	26.88%	221,109,038			
Zhang Shi Quan	Domestic natural person	3.21%	26,391,580	19,793,685		
Guotai Junan Securities Co., Ltd.	State-owned legal person	0.70%	5,786,490	5,372,290		
Great Wall Securities Co., Ltd.	State-owned legal person	0.60%	4,901,036	4,901,036		
UBS AG	Foreign legal person	0.40%	3,254,318	3,204,524		
J. P. Morgan Securities PLC – own fund	Foreign legal person	0.26%	2,159,914	1,885,014		
Zhou Haihong	Domestic natural person	0.23%	1,885,014	1,885,014		
Industrial and Commercial Bank of China Co., Ltd. - Caitong Dingxin Quantitative Stock Selection 18-month regular opening of hybrid securities investment funds	Other	0.15%	1,226,202	1,226,202		
Lord Fund - Huatai Securities Co., Ltd. - Lord Fund Pujiang No. 120 Single Asset Management Plan	Other	0.13%	1,054,430	1,054,430		

Shareholding of top ten shareholders without selling restrictions (excluding shares lent through refinancing and shares locked by executives)			
Name of shareholders	Number of ordinary shares held without selling restrictions	Types of shares	
		Types of shares	Number
Zhejiang Shibao Holding Group Co., Ltd.	295,336,898	RMB-dominated ordinary shares	295,336,898
HKSCC Nominees Limited	221,109,038	Overseas listed foreign shares	216,435,650
		RMB-dominated ordinary shares	4,673,388
Guotai Junan Securities Co., Ltd.	5,786,490	RMB-dominated ordinary shares	5,786,490
Great Wall Securities Co., Ltd.	4,901,036	RMB-dominated ordinary shares	4,901,036
UBS AG	3,254,318	RMB-dominated ordinary shares	3,254,318
J. P. Morgan Securities PLC— own fund	2,159,914	RMB-dominated ordinary shares	2,159,914
Zhou Haihong	1,885,014	RMB-dominated ordinary shares	1,885,014
Industrial and Commercial Bank of China Co., Ltd. - Caitong Dingxin Quantitative Stock Selection 18-month regular opening of hybrid securities investment funds	1,226,202	RMB-dominated ordinary shares	1,226,202
Lord Fund - Huatai Securities Co., Ltd. - Lord Fund Pujiang No. 120 Single Asset Management Plan	1,054,430	RMB-dominated ordinary shares	1,054,430
Caitong Fund - Guosen Securities Co., Ltd. - Caitong Fund Yuquan No. 986 Single Asset Management Plan	942,507	RMB-dominated ordinary shares	942,507
Illustrations on the connected relationship or acting in concert for the shareholders above	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.		
Margin trading and short selling by top ten shareholders of ordinary shares without selling restrictions (if any)	Zhejiang Shibao Holding Group Co., Ltd.'s lending of 7,896,400 A Shares of the Company held by it were returned upon expiration on 10 January 2024.		

Unit : Share

Top ten shareholders participating in lending shares through refinancing								
Name of shareholder (Full name)	Shareholding in ordinary accounts and credit accounts at the beginning of the period		Shares lent through refinancing and not returned at the beginning of the period		Shareholding in ordinary accounts and credit accounts at the end of the period		Shares lent through refinancing and not returned at the end of the period	
	Total quantity	Proportion to total share capital	Total quantity	Proportion to total share capital	Total quantity	Proportion to total share capital	Total quantity	Proportion to total share capital
Zhejiang Shibao Holding Group Co., Ltd.	287,440,498.00	34.94%	7,896,400.00	0.96%	295,336,898.00	35.90%	—	—

3. OTHER SIGNIFICANT EVENTS

There were no other significant events during the reporting period.

4. QUARTERLY FINANCIAL STATEMENTS

(1) Consolidated Balance Sheet

Unit: RMB

Item	30 September 2024	31 December 2023
Current Assets:		
Cash on hand and at bank	273,810,233.49	158,481,484.94
Financial assets held for trading	133,353,082.48	110,253,432.83
Accounts receivable	963,215,179.74	717,577,606.43
Financing receivable	92,095,902.90	199,966,034.43
Prepayments	12,554,248.85	8,861,720.75
Other receivables	7,034,714.74	3,499,432.17
Inventories	511,567,895.23	478,208,228.06
Other current assets	2,348,068.03	5,310,713.41
Total current assets	1,995,979,325.46	1,682,158,653.02
Non-current Assets:		
Investment property	177,720,240.24	181,278,705.33
Fixed assets	641,432,796.85	682,550,682.51
Construction in progress	53,132,479.31	29,028,326.22
Intangible assets	58,422,509.24	59,264,173.40
Deferred income tax assets	18,399,864.53	11,828,529.38
Other non-current assets	29,729,515.92	4,569,777.98
Total non-current assets	978,837,406.09	968,520,194.82
Total Assets	2,974,816,731.55	2,650,678,847.84

(1) Consolidated Balance Sheet (continued)

Unit: RMB

Item	30 September 2024	31 December 2023
Current Liabilities:		
Short-term borrowings	61,109,342.47	147,820,497.81
Notes payable	113,080,471.49	191,745,893.38
Accounts payable	723,132,946.37	652,464,245.78
Receipts in advance	7,442,946.08	9,292,437.66
Contract liabilities	16,135,413.91	18,649,684.46
Staff costs payable	36,831,615.49	28,730,734.85
Taxes payable	7,671,273.85	7,706,796.87
Other payables	3,087,904.85	2,834,268.68
Non-current liabilities due within 1 year		25,084,088.74
Other current liabilities	66,430,105.28	38,905,444.96
Total current liabilities	1,034,922,019.79	1,123,234,093.19
Non-current Liabilities:		
Long-term borrowings		34,836,594.99
Deferred income	28,653,921.82	32,680,455.22
Deferred income tax liabilities	1,845,597.60	1,964,100.71
Total non-current liabilities	30,499,519.42	69,481,150.92
Total Liabilities	1,065,421,539.21	1,192,715,244.11
Shareholders' Equity:		
Share capital	822,632,384.00	789,644,637.00
Capital reserve	493,434,091.80	182,334,093.78
Surplus reserve	139,259,335.05	139,259,335.05
Retained earnings	450,612,825.90	358,627,153.65
Total equity attributable to equity holders of the parent	1,905,938,636.75	1,469,865,219.48
Minority Interests	3,456,555.59	-11,901,615.75
Total Shareholders' Equity	1,909,395,192.34	1,457,963,603.73
Total Liabilities and Shareholders' Equity	2,974,816,731.55	2,650,678,847.84

Legal Representative:

Zhang Shi Quan

Person-in-Charge of Accounting Work:

Zhang Lan Jun

Person-in-Charge of Accounting Department:

Li Gen Mei

(2) Consolidated Income Statement from the beginning of the year to the end of the reporting period

Unit: RMB

Item	January – September 2024	January – September 2023
1. Total operating revenue	1,817,567,758.66	1,176,522,433.74
Including: Operating revenue	1,817,567,758.66	1,176,522,433.74
2. Total operating costs	1,701,232,030.19	1,146,106,492.73
Including: Operating costs	1,459,492,084.01	952,310,111.45
Taxes and surcharges	10,845,266.06	8,676,905.86
Selling expenses	35,239,243.39	28,159,276.01
General and administrative expenses	93,977,219.15	72,958,410.92
Research and development expenses	100,595,342.38	79,309,832.33
Financial expenses	1,082,875.20	4,691,956.16
Including: Interest expenses	3,899,089.46	5,910,309.05
Interest income	3,354,242.44	1,283,103.21
Add : Other gains	22,619,532.40	14,451,545.38
Investment gains (“-” for loss)	2,184,146.50	1,044,834.10
Gains on fair value change (“-” for loss)	509,694.60	-160,372.15
Credit impairment losses (“-” for loss)	-7,714,750.34	3,159,118.45
Assets impairment losses (“-” for loss)	-10,811,665.71	-6,730,481.51
Gains from disposal of assets (“-” for loss)	-1,517,699.33	-1,012,830.77
3. Operating profit (“-” for loss)	121,604,986.59	41,167,754.51
Add : Non-operating income	644,384.46	189,309.10
Less : Non-operating expenses	1,701,127.00	871,764.22
4. Total profit (“-” for total loss)	120,548,244.05	40,485,299.39
Less : Income tax expenses	-6,792,598.44	-1,971,885.42
5. Net profit (“-” for net loss)	127,340,842.49	42,457,184.81
(1) Classification by business continuity		
1. Net profit from continuing operation (“-” for net loss)	127,340,842.49	42,457,184.81
(2) Classification by ownership		
1. Net profit attributable to equity holders of the parent	111,982,671.15	40,726,450.14
2. Minority interests	15,358,171.34	1,730,734.67
6. Other comprehensive income after tax, net		

(2) Consolidated Income Statement from the beginning of the year to the end of the reporting period (continued)

Unit: RMB

Item	January – September 2024	January – September 2023
7. Total comprehensive income	127,340,842.49	42,457,184.81
Total comprehensive income attributable to equity holders of the parent	111,982,671.15	40,726,450.14
Total comprehensive income attributable to minority interests	15,358,171.34	1,730,734.67
8. Earnings per share:		
(1) Basic earnings per share	0.1380	0.0516
(2) Diluted earnings per share	0.1380	0.0516

Legal Representative: Zhang Shi Quan Person-in-Charge of Accounting Work: Zhang Lan Jun Person-in-Charge of Accounting Department: Li Gen Mei

(3) Consolidated Statement of Cash Flows from the beginning of the year to the end of the reporting period

Unit: RMB

Item	January – September 2024	January – September 2023
1. Cash flows from operating activities:		
Cash received from sale of goods or rendering of services	822,011,907.59	603,286,312.44
Return of taxes and levies	9,151,575.93	6,597,552.72
Cash received relating to other operating activities	62,598,220.68	102,743,333.45
Sub-total of cash inflow from operating activities	893,761,704.20	712,627,198.61
Cash paid for goods purchased and services accepted	514,943,241.84	398,623,449.68
Cash paid to and on behalf of employees	210,537,270.49	170,648,323.96
Payment of taxes and levies	37,968,634.33	35,865,364.59
Cash paid relating to other operating activities	135,132,930.05	128,109,791.18
Sub-total of cash outflow from operating activities	898,582,076.71	733,246,929.41
Net cash flows from operating activities	-4,820,372.51	-20,619,730.80
2. Cash flows from investing activities:		
Cash received from return of investments	462,000,000.00	238,160,000.00
Cash received from investment gains	3,080,080.06	3,365,450.80
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	3,527,500.50	1,135,287.25
Sub-total of cash inflow from investing activities	468,607,580.56	242,660,738.05
Cash paid to acquire fixed assets, intangible assets and other long-term assets	49,890,546.98	55,873,184.98
Cash paid for investments	485,000,000.00	228,000,000.00
Sub-total of cash outflow from investing activities	534,890,546.98	283,873,184.98
Net cash flows from investing activities	-66,282,966.42	-41,212,446.93
3. Cash flows from financing activities:		
Cash received from equity investments	344,087,745.02	
Cash received from borrowings	144,400,000.00	158,000,000.00
Sub-total of cash inflow from financing activities	488,487,745.02	158,000,000.00
Cash paid for debt repayments	290,840,000.00	153,020,002.62
Cash paid for distribution of dividends, profit or interest expenses	24,087,927.43	5,943,421.82
Cash paid relating to other financing activities	970,276.55	923,696.46
Sub-total of cash outflow from financing activities	315,898,203.98	159,887,120.90
Net cash flows from financing activities	172,589,541.04	-1,887,120.90
4. Effect of changes in foreign exchange rate on cash and cash equivalents	-48,044.02	154,273.69
5. Net increase in cash and cash equivalents	101,438,158.09	-63,565,024.94
Add: Opening balance of cash and cash equivalents	119,831,809.48	155,644,045.68
6. Closing balance of cash and cash equivalents	221,269,967.57	92,079,020.74

Legal Representative:

Zhang Shi Quan

Person-in-Charge of Accounting Work:

Zhang Lan Jun

Person-in-Charge of Accounting Department:

Li Gen Mei

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

Hangzhou, Zhejiang, the PRC
29 October 2024

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 Mr. Zhou Yu as executive Directors; Mr. Zhang Shi Quan and Mr. Zhang Shi Zhong as non-executive Directors; and Mr. Gong Jun Jie, Mr. Min Haitao and Mr. Tsui Chun Shing as independent non-executive Directors.