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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)

2025 FIRST 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 Organisation (Head of the Accounting Department) of the Company undertake that the financial information contained in this quarterly report are true, accurate and complete.

The first 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

	January – March 2025	January – March 2024	Change (%)
Operating revenue	717,806,101.77	493,440,384.78	45.47%
Net profit attributable to shareholders of the listed company	48,734,998.79	21,779,300.91	123.77%
Net profit after non-recurring gains and losses attributable to shareholders of the listed company	45,157,267.57	20,383,045.41	121.54%
Net cash flows from operating activities	75,905,954.92	4,182,677.79	1,714.77%
Basic earnings per share (RMB/share)	0.0592	0.0276	114.49%
Diluted earnings per share (RMB/share)	0.0592	0.0276	114.49%
Return on weighted average net assets	2.48%	1.47%	1.01%
	31 March 2025	31 December 2024	Change (%)
Total assets	3,289,665,874.93	3,264,667,069.57	0.77%
Net assets attributable to shareholders of the listed company	1,991,814,731.15	1,943,079,732.36	2.51%

Note: Any discrepancy between the total and the sum of the values of each item in this report is due to rounding.

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

Unit: RMB

Item	January – March 2025
Gain or loss on disposal of non-current assets, inclusive of write-off of impairment provision for assets	-65,908.69
Government grants (except for government grants which are closely related to the Company's ordinary business, conform with the national policies, enjoy in accordance with determined standards, have a lasting impact on the Company's profits and losses) recognized in gains or losses during the current period	1,815,923.36
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	1,592,293.97
Reversal of impairment provisions for receivables subject to individual impairment test	3,564.94
Other non-operating income and expenses other than the above	188,474.11
Less: Effect on enterprise income tax ("-" for decrease)	207,484.04
Effect on interest of minority shareholders (after tax)	-250,867.57
Total	3,577,731.22

The company does not have other gain and loss items conforming with the definition of non-recurring gains or 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) Material changes to major accounting information and financial indicators and their reasons

During the reporting period, benefiting from the overall well performance of automobile industry, the sales of Chinese brand passenger vehicles and new energy vehicles further increased, driving the Company's steering system product sales to maintain rapid growth. The Company recorded a revenue of RMB717,806,101.77, representing an increase of 45.47%.

During the reporting period, 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 RMB48,734,998.79 and RMB45,157,267.57 respectively, representing an increase of 123.77% and 121.854% 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.

With effect from 1 January 2024, the Company implemented the provisions of “Interpretation No.18 on ASBE”, “accounting treatment of quality guarantees other than single performance obligations”, and made retrospective adjustments to the information of comparable periods. Details of specific adjustments are as follows:

Report items of significant impact	Impact amount (RMB)	Remarks
Prior period amount (Income Statement)		
Operating costs	8,972,218.95	
Selling expenses	-8,972,218.95	

During the reporting period, the net cash flows from operating activities amounted to RMB75,905,954.92, representing an increase of 1,714.77% as compared with last year, which was mainly attributable to the increase in cash recovered from the sale of goods.

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	67,102	The total number of preference shareholders with voting rights restored at the end of the reporting period (if applicable)	0			
Shareholding of top ten shareholders (excluding lending shares through refinancing)						
Name of shareholders	Nature of shareholders	Shareholding percentage (%)	Number of shares held	Number of shares held with selling restrictions	Status on pledge, token or lock-up	
					Status	Number (shares)
Zhejiang Shibao Holding Group Co., Ltd.	Domestic non-state owned legal person	35.90%	295,336,898			
HKSCC Nominees Limited	Foreign legal person	26.54%	218,287,281			
Zhang Shi Quan	Domestic natural person	3.21%	26,391,580	19,793,685		
Sichuan Development Securities Investment Fund Management Co., Ltd. – Sichuan Capital Market Relief and Development of Securities Investment Fund Partnership (L.P.)	Other	0.22%	1,773,100			
Zhao Shengjia	Domestic natural person	0.20%	1,680,900			
Huang Zhiming	Domestic natural person	0.18%	1,470,000			
Lu Huaidong	Domestic natural person	0.13%	1,057,967			
Zhang Yulong	Domestic natural person	0.10%	853,100			
Peng Jun	Domestic natural person	0.09%	727,000			
Teng Lingfei	Domestic natural person	0.08%	673,000			

Shareholding of top ten shareholders without selling restrictions (excluding lending shares through refinancing and senior executives' lock-up shares)			
Name of shareholders	Number of ordinary shares held without selling restrictions (shares)	Types of shares	
		Types of shares	Number (shares)
Zhejiang Shibao Holding Group Co., Ltd.	295,336,898	RMB-dominated ordinary shares	295,336,898
HKSCC Nominees Limited	218,287,281	Overseas listed foreign shares	216,500,650
		RMB-dominated ordinary shares	1,786,631
Zhang Shi Quan	6,597,895	RMB-dominated ordinary shares	6,597,895
Sichuan Development Securities Investment Fund Management Co., Ltd. – Sichuan Capital Market Relief and Development of Securities Investment Fund Partnership (L.P.)	1,773,100	RMB-dominated ordinary shares	1,773,100
Zhao Shengjia	1,680,900	RMB-dominated ordinary shares	1,680,900
Huang Zhiming	1,470,000	RMB-dominated ordinary shares	1,470,000
Lu Huaidong	1,057,967	RMB-dominated ordinary shares	1,057,967
Zhang Yulong	853,100	RMB-dominated ordinary shares	853,100
Peng Jun	727,000	RMB-dominated ordinary shares	727,000
Teng Lingfei	673,000	RMB-dominated ordinary shares	673,000
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.		
Disclosure on margin financing and securities lending activities participated by the top 10 ordinary shareholders (if applicable)	No		

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	31 March 2025	31 December 2024
Current Assets:		
Cash on hand and at bank	424,160,927.60	418,548,313.18
Financial assets held for trading	105,433,200.00	70,320,157.90
Accounts receivable	1,065,499,775.34	1,133,978,505.17
Financing receivable	121,059,292.83	123,464,687.88
Prepayments	9,541,388.96	9,913,788.78
Other receivables	7,137,049.24	6,266,926.01
Inventories	506,173,147.67	501,868,958.32
Other current assets	9,079,375.47	8,507,715.67
Total current assets	2,248,084,157.11	2,272,869,052.91
Non-current Assets:		
Investment property	158,114,715.12	164,715,894.70
Fixed assets	651,648,515.96	662,650,542.16
Construction in progress	79,240,044.75	62,754,082.74
Right-of-use assets	8,415,132.76	
Intangible assets	61,318,430.99	60,380,816.45
Deferred income tax assets	30,726,079.00	28,627,520.47
Other non-current assets	52,118,799.24	12,669,160.14
Total non-current assets	1,041,581,717.82	991,798,016.66
Total Assets	3,289,665,874.93	3,264,667,069.57

(1) Consolidated Balance Sheet (continued)

Unit: RMB

Item	31 March 2025	31 December 2024
Current Liabilities:		
Short-term borrowings	71,009,472.22	81,109,472.22
Notes payable	201,578,539.98	177,951,622.68
Accounts payable	816,562,393.55	863,178,853.54
Receipts in advance	7,701,153.51	10,983,541.16
Contract liabilities	18,796,346.78	15,309,798.11
Staff costs payable	34,967,898.45	43,260,364.73
Taxes payable	6,078,406.00	14,409,372.05
Other payables	2,858,398.54	3,384,762.15
Non-current liabilities due within one year	1,549,875.19	
Other current liabilities	83,099,391.82	67,510,953.24
Total current liabilities	1,244,201,876.04	1,277,098,739.88
Non-current Liabilities:		
Lease liabilities	6,883,648.84	
Deferred income	32,928,666.64	34,840,812.04
Deferred income tax liabilities	1,824,326.95	1,846,472.94
Total non-current liabilities	41,636,642.43	36,687,284.98
Total Liabilities	1,285,838,518.47	1,313,786,024.86
Shareholders' Equity:		
Share capital	822,632,384.00	822,632,384.00
Capital reserve	493,434,091.80	493,434,091.80
Surplus reserve	147,118,034.42	147,118,034.42
Retained earnings	528,630,220.93	479,895,222.14
Total equity attributable to equity holders of the parent	1,991,814,731.15	1,943,079,732.36
Minority Interests	12,012,625.31	7,801,312.35
Total Shareholders' Equity	2,003,827,356.46	1,950,881,044.71
Total Liabilities and Shareholders' Equity	3,289,665,874.93	3,264,667,069.57

Legal Representative: Zhang Shi Quan

Chief Financial Officer: Zhang Lan Jun

Head of Finance Section: Li Gen Mei

(2) Consolidated Income Statement

Unit: RMB

Item	January – March 2025	January – March 2024
1. Total operating revenue	717,806,101.77	493,440,384.78
Including: Operating revenue	717,806,101.77	493,440,384.78
2. Total operating costs	674,531,838.82	470,146,944.79
Including: Operating costs	587,486,728.37	400,297,876.70
Taxes and surcharges	4,802,076.49	2,894,497.64
Selling expenses	12,402,340.42	10,264,141.89
General and administrative expenses	32,266,938.86	29,045,043.17
Research and development expenses	37,694,714.12	25,779,797.06
Financial expenses	-120,959.44	1,865,588.33
Including: Interest expenses	159,934.11	2,191,377.82
Interest income	699,456.14	606,120.37
Add : Other gains	13,491,409.50	7,737,577.06
Investment gains (“-” for loss)	2,092,944.80	277,067.19
Gains on fair value change (“-” for loss)	-943,224.70	-364,634.40
Credit impairment losses (“-” for loss)	140,619.57	-374,437.78
Assets impairment losses (“-” for loss)	-6,228,114.67	-5,600,039.36
Gains on disposal of assets (“-” for loss)	35,009.41	-290,659.94
3. Operating profit (“-” for loss)	51,862,906.86	24,678,312.76
Add : Non-operating income	293,468.79	326,636.00
Less : Non-operating expenses	417,437.77	145,350.36
4. Total profit (“-” for total loss)	51,738,937.88	24,859,598.40
Less : Income tax expenses	-1,207,373.87	-716,445.70
5. Net profit (“-” for net loss)	52,946,311.75	25,576,044.10
(1) Classification by business continuity		
1. Net profit from continuing operation (“-” for net loss)	52,946,311.75	25,576,044.10
(2) Classification by ownership		
1. Net profit attributable to equity holders of the parent	48,734,998.79	21,779,300.91
2. Minority interests	4,211,312.96	3,796,743.19
6. Other comprehensive income, net of tax		

(2) Consolidated Income Statement (continued)

Unit: RMB

Item	January – March 2025	January – March 2024
7. Total comprehensive income	52,946,311.75	25,576,044.10
Total comprehensive income attributable to equity holders of the parent	48,734,998.79	21,779,300.91
Total comprehensive income attributable to minority interests	4,211,312.96	3,796,743.19
8. Earnings per share:		
(1) Basic earnings per share	0.0592	0.0276
(2) Diluted earnings per share	0.0592	0.0276

Legal Representative: Zhang Shi Quan

Chief Financial Officer: Zhang Lan Jun

Head of Finance Section: Li Gen Mei

(3) Consolidated Statement of Cash Flows

Unit: RMB

Item	January – March 2025	January – March 2024
1. Cash flows from operating activities:		
Cash received from sale of goods or rendering of services	512,067,212.86	258,138,891.46
Return of taxes and levies	2,941,357.51	2,306,395.62
Cash received relating to other operating activities	43,783,966.93	44,858,831.22
Sub-total of cash inflow from operating activities	558,792,537.30	305,304,118.30
Cash paid for goods purchased and services accepted	274,373,329.75	166,693,471.64
Cash paid to and on behalf of employees	97,039,530.30	68,582,208.70
Payment of taxes and levies	25,554,266.64	12,247,656.98
Cash paid relating to other operating activities	85,919,455.69	53,598,103.19
Sub-total of cash outflow from operating activities	482,886,582.38	301,121,440.51
Net cash flows from operating activities	75,905,954.92	4,182,677.79
2. Cash flows from investing activities:		
Cash received from return of investments	138,250,196.15	70,000,000.00
Cash received from investment gains	2,795,095.28	894,992.72
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	2,697,015.59	63,000.00
Sub-total of cash inflow from investing activities	143,742,307.02	70,957,992.72
Cash paid to acquire fixed assets, intangible assets and other long-term assets	42,124,553.35	15,279,224.82
Cash paid for investments	165,000,000.00	50,000,000.00
Sub-total of cash outflow from investing activities	207,124,553.35	65,279,224.82
Net cash flows from investing activities	-63,382,246.33	5,678,767.90
3. Cash flows from financing activities:		
Cash received from absorb investments		344,087,745.02
Cash received from borrowings		83,300,000.00
Sub-total of cash inflow from financing activities		427,387,745.02
Cash paid for debt repayments	10,100,000.00	92,930,000.00
Cash paid for distribution of dividends, profit or interest expenses	85,760.56	2,209,756.31
Cash paid relating to other financing activities	523,618.20	901,000.00
Sub-total of cash outflow from financing activities	10,709,378.76	96,040,756.31
Net cash flows from financing activities	-10,709,378.76	331,346,988.71
4. Effect of changes in foreign exchange rate on cash and cash equivalents	-161,978.44	-89,710.14
5. Net increase in cash and cash equivalents	1,652,351.39	341,118,724.26
Add: Opening balance of cash and cash equivalents	212,968,954.82	119,831,810.10
6. Closing balance of cash and cash equivalents	214,621,306.21	460,950,534.36

Legal Representative: Zhang Shi Quan

Chief Financial Officer: Zhang Lan Jun

Head of Finance Section: Li Gen Mei

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

Hangzhou, Zhejiang, the PRC
22 April 2025

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.