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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)

2026 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, Directors 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 2026	January – March 2025	Change (%)
Operating revenue	752,846,305.28	717,806,101.77	4.88%
Net profit attributable to shareholders of the listed company	41,867,949.76	48,734,998.79	-14.09%
Net profit after non-recurring gains and losses attributable to shareholders of the listed company	38,880,312.55	45,157,267.57	-13.90%
Net cash flows from operating activities	10,696,386.45	75,905,954.92	-85.91%
Basic earnings per share (RMB/share)	0.0509	0.0592	-14.02%
Diluted earnings per share (RMB/share)	0.0509	0.0592	-14.02%
Return on weighted average net assets	2.00%	2.48%	-0.48%
	31 March 2026	31 December 2025	Change (%)
Total assets	3,797,924,340.34	3,834,729,716.54	-0.96%
Net assets attributable to shareholders of the listed company	2,116,106,671.59	2,074,238,721.83	2.02%

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 2026
Gain or loss on disposal of non-current assets, inclusive of write-off of impairment provision for assets	-192,463.93
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	3,432,270.18
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	-18,733.73
Reversal of impairment provision for receivables subject to individual impairment test	29,423.19
Other non-operating income and expenses other than the above	25,014.53
Less: Effect on enterprise income tax (“-” for decrease)	460,415.17
Effect on interest of minority shareholders (after tax)	-172,542.14
Total	2,987,637.21

The Company does not have other gain and loss items conforming with the definition of non-recurring gains or losses.

The company does not have any situations where the non-recurring gains and losses items listed in the "Disclosure Explaining Announcement No.1 for Companies Offering Securities Publicly - Non-Recurring Gains and Losses" are defined as recurring gains and losses items.

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

During the reporting period, while China's automotive industry experienced a year-on-year decline in production and sales, sales of some of the Company's major customers bucked the trend, driving steady growth in the Company's steering system product sales. The Company achieved operating revenue of RMB752,846,305.28, representing year-on-year increase of 4.88%.

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 RMB41,867,949.76 and RMB38,880,312.55 respectively, representing year-on-year decreases of 14.09% and 13.90%. This was mainly due to increased sales and R&D expenses resulting from the Company's expansion into new markets and strengthening of its technological reserves.

During the reporting period, the net cash flows from operating activities amounted to RMB10,696,386.45, representing year-on-year decrease of 85.91%, mainly due to a decrease in cash received 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	116,207	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	32.90%	270,657,951	0	N/A	0
HKSCC Nominees Limited	Foreign legal person	26.64%	219,120,308	0	N/A	0
Zhang Shi Quan	Domestic natural person	3.21%	26,391,580	19,793,685	N/A	0
Peng Jun	Domestic natural person	0.35%	2,917,900	0	N/A	0
Xu Jianhong	Domestic natural person	0.20%	1,678,400	0	N/A	0
Goldman Sachs, LLC	Foreign legal person	0.16%	1,295,180	0	N/A	0
BARCLAYS BANK PLC	Foreign legal person	0.15%	1,242,696	0	N/A	0
J.P. Morgan Securities PLC - own funds	Foreign legal person	0.10%	851,327	0	N/A	0
UBS AG	Foreign legal person	0.10%	847,064	0	N/A	0
Teng Lingfei	Domestic natural person	0.10%	792,800	0	N/A	0

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.	270,657,951	RMB-dominated ordinary shares	270,657,951
HKSCC Nominees Limited	219,120,308	Overseas listed foreign shares	216,510,290
		RMB-dominated ordinary shares	2,610,018
Zhang Shi Quan	6,597,895	RMB-dominated ordinary shares	6,597,895
Peng Jun	2,917,900	RMB-dominated ordinary shares	2,917,900
Xu Jianhong	1,678,400	RMB-dominated ordinary shares	1,678,400
Goldman Sachs, LLC	1,295,180	RMB-dominated ordinary shares	1,295,180
BARCLAYS BANK PLC	1,242,696	RMB-dominated ordinary shares	1,242,696
J.P. Morgan Securities PLC - own funds	851,327	RMB-dominated ordinary shares	851,327
UBS AG	847,064	RMB-dominated ordinary shares	847,064
Teng Lingfei	792,800	RMB-dominated ordinary shares	792,800
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 2026	31 December 2025
Current Assets:		
Cash on hand and at bank	516,489,295.13	488,868,474.45
Financial assets held for trading	1,464,200.00	1,846,700.00
Accounts receivable	944,978,183.52	1,161,637,660.14
Financing receivables	520,477,750.41	428,919,782.43
Prepayments	24,517,264.65	10,131,834.42
Other receivables	5,449,109.46	2,550,186.83
Inventories	525,785,717.81	505,959,202.27
Other current assets	33,340,953.14	27,366,793.18
Total current assets	2,572,502,474.12	2,627,280,633.72
Non-current Assets:		
Investment property	220,377,801.57	222,528,386.69
Fixed assets	692,654,964.84	676,599,101.48
Construction in progress	141,220,865.52	133,601,448.90
Right-of-use assets	7,240,994.22	7,086,427.58
Intangible assets	78,223,741.21	77,162,888.51
Deferred income tax assets	44,615,559.92	44,244,220.92
Other non-current assets	41,087,938.94	46,226,608.74
Total non-current assets	1,225,421,866.22	1,207,449,082.82
Total Assets	3,797,924,340.34	3,834,729,716.54

(1) Consolidated Balance Sheet (continued)

Unit: RMB

Item	31 March 2026	31 December 2025
Current Liabilities:		
Short-term borrowings	171,934,822.56	109,488,226.66
Notes payable	259,346,248.95	226,760,088.05
Accounts payable	971,211,918.46	1,130,764,560.89
Receipts in advance	4,637,743.04	4,250,507.11
Contract liabilities	13,492,128.57	15,366,470.31
Staff costs payable	34,601,641.04	52,838,819.88
Taxes payable	5,229,400.33	9,757,416.52
Other payables	4,345,115.06	4,014,527.25
Non-current liabilities due within one year	2,006,029.42	1,776,177.16
Other current liabilities	131,975,371.55	123,971,870.86
Total current liabilities	1,598,780,418.98	1,678,988,664.69
Non-current Liabilities:		
Lease liabilities	5,282,204.28	5,529,833.00
Deferred income	44,811,247.30	45,784,336.43
Deferred income tax liabilities	1,787,069.99	1,756,698.22
Total non-current liabilities	51,880,521.57	53,070,867.65
Total Liabilities	1,650,660,940.55	1,732,059,532.34
Shareholders' Equity:		
Share capital	822,632,384.00	822,632,384.00
Capital reserve	493,434,091.80	493,434,091.80
Surplus reserve	152,936,965.74	152,936,965.74
Retained earnings	647,103,230.05	605,235,280.29
Total equity attributable to equity holders of the parent	2,116,106,671.59	2,074,238,721.83
Minority Interests	31,156,728.20	28,431,462.37
Total Shareholders' Equity	2,147,263,399.79	2,102,670,184.20
Total Liabilities and Shareholders' Equity	3,797,924,340.34	3,834,729,716.54

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 2026	January – March 2025
1. Total operating revenue	752,846,305.28	717,806,101.77
Include: Operating revenue	752,846,305.28	717,806,101.77
2. Total operating costs	703,991,467.54	674,531,838.82
Include: Cost of sales	592,608,758.30	587,486,728.37
Taxes and surcharges	4,007,035.38	4,802,076.49
Selling expenses	17,467,033.86	12,402,340.42
General and administrative expenses	36,264,217.32	32,266,938.86
Research and development expenses	52,668,161.53	37,694,714.12
Financial expenses	976,261.15	-120,959.44
Include: Interest expenses	973,257.42	159,934.11
Interest income	621,244.24	699,456.14
Add : Other gains	7,913,333.89	13,491,409.50
Investment gains (“-” for loss)	236,478.77	2,092,944.80
Gains from fair value change (“-” for loss)	-382,500.00	-943,224.70
Credit impairment losses (“-” for loss)	-184,605.18	140,619.57
Assets impairment losses (“-” for loss)	-10,419,349.52	-6,228,114.67
Gains from disposal of assets (“-” for loss)	-124,386.47	35,009.41
3. Operating profit (“-” for loss)	45,893,809.23	51,862,906.86
Add : Non-operating income	134,951.58	293,468.79
Less : Non-operating expenses	336,768.59	417,437.77
4. Total profit (“-” for total loss)	45,691,992.22	51,738,937.88
Less : Income tax expenses	1,098,776.63	-1,207,373.87
5. Net profit (“-” for net loss)	44,593,215.59	52,946,311.75
(1) Classification by business continuity		
1. Net profit from continuing operations (“-” for net loss)	44,593,215.59	52,946,311.75
(2) Classification by ownership		
1. Net profit attributable to equity holders of the parent	41,867,949.76	48,734,998.79
2. Minority interests	2,725,265.83	4,211,312.96
6. Other comprehensive income, net of tax		

(2) Consolidated Income Statement (continued)

Unit: RMB

Item	January – March 2026	January – March 2025
7. Total comprehensive income	44,593,215.59	52,946,311.75
Total comprehensive income attributable to equity holders of the parent	41,867,949.76	48,734,998.79
Total comprehensive income attributable to minority shareholders	2,725,265.83	4,211,312.96
8. Earnings per share:		
(1) Basic earnings per share	0.0509	0.0592
(2) Diluted earnings per share	0.0509	0.0592

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 2026	January – March 2025
1. Cash flows from operating activities:		
Cash received from sale of goods or rendering of services	429,596,238.45	512,067,212.86
Return of taxes and levies	7,271,892.23	2,941,357.51
Cash received relating to other operating activities	90,805,670.35	43,783,966.93
Sub-total of cash inflow from operating activities	527,673,801.03	558,792,537.30
Cash paid for goods purchased and services accepted	274,119,194.51	274,373,329.75
Cash paid to and on behalf of employees	110,763,347.13	97,039,530.30
Payment of taxes and levies	20,071,765.79	25,554,266.64
Cash paid relating to other operating activities	112,023,107.15	85,919,455.69
Sub-total of cash outflow from operating activities	516,977,414.58	482,886,582.38
Net cash flows from operating activities	10,696,386.45	75,905,954.92
2. Cash flows from investing activities:		
Cash received from return of investments	171,991,473.00	138,250,196.15
Cash received from investment gains	363,766.27	2,795,095.28
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	681,947.30	2,697,015.59
Sub-total of cash inflow from investing activities	173,037,186.57	143,742,307.02
Cash paid to acquire fixed assets, intangible assets and other long-term assets	38,380,997.89	42,124,553.35
Cash paid for investments	171,991,473.00	165,000,000.00
Sub-total of cash outflow from investing activities	210,372,470.89	207,124,553.35
Net cash flows from investing activities	-37,335,284.32	-63,382,246.33
3. Cash flows from financing activities:		
Cash received from borrowings	78,812,155.90	
Sub-total of cash inflow from financing activities	78,812,155.90	
Cash paid for debt repayments	16,365,560.00	10,100,000.00
Cash paid for distribution of dividends, profit or interest expenses	895,953.00	85,760.56
Cash paid relating to other financing activities	523,618.20	523,618.20
Sub-total of cash outflow from financing activities	17,785,131.20	10,709,378.76
Net cash flows from financing activities	61,027,024.70	-10,709,378.76
4. Effect of changes in foreign exchange rate on cash and cash equivalents	-83,419.31	-161,978.44
5. Net increase in cash and cash equivalents	34,304,707.52	1,652,351.39
Add: Opening balance of cash and cash equivalents	304,145,318.69	212,968,954.82
6. Closing balance of cash and cash equivalents	338,450,026.21	214,621,306.21

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

27 April 2026

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; Mr. Wu Lang Ping as employee Director; and Mr. Gong Jun Jie, Mr. Min Haitao, Mr. Tsui Chun Shing and Mr. Li Xing Jian as independent non-executive Directors.