

Stock Code: 601231

Abbreviated Name: USI

Convertible Bond Code:113045

Abbreviated Name: USI Convertible Bond

Universal Scientific Industrial (Shanghai) Co., Ltd.

Quarterly Report for Q3 2024

The Board of Directors and directors of the Company hereby assure that the content set out in the announcement is true, accurate and complete, and free from any false record, misleading representation or material omission, and are individually and collectively responsible for the content set out therein.

Important Notice

The Board of Directors, the Board of Supervisors, directors, supervisors and senior management of the Company hereby assure that the content set out in the annual report is truthful, accurate and complete and complete, and contains no misrepresentations, misleading statements or material omissions, and are individually and collectively responsible for the content set out therein.

The Company's legal representative, chief financial officer and the person in charge of the accounting department (accounting officer) hereby guarantee that the financial statements set out in the quarterly report are true, accurate and complete.

The third quarter financial statements are unaudited.

I. Key accounting and financial performance indicators

(I) Key Financial Performance Indicators

Unit: 10,000					Currency: RMB			
Items	Q3 2024	Q3 2023		YoY (%)	January – September 2024	January – September 2023		YoY (%)
		After adjustment	Before adjustment	After adjustment		Before adjustment	Before adjustment	Before adjustment
Revenue	1,662,109.72	1,619,137.16	1,619,137.16	2.65	4,400,670.76	4,305,700.58	4,305,700.58	2.21

Net profits attributable to shareholders of the listed company	51,252.50	62,525.32	62,525.32	-18.03	129,692.88	139,252.10	139,252.10	-6.86
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses	45,258.07	58,078.82	58,078.82	-22.07	105,439.97	127,464.42	127,464.42	-17.28
Net cash flows from operating activities	N/A	N/A	N/A	N/A	199,851.16	414,030.53	414,030.53	-51.73
Basic EPS (yuan per share)	0.23	0.29	0.29	-20.69	0.59	0.64	0.64	-7.81
Diluted EPS (yuan per share)	0.23	0.28	0.28	-17.86	0.59	0.63	0.63	-6.35
Weighted average return on equity (%)	2.95	3.90	3.90	Down 0.95 pct.	7.53	8.71	8.71	Down 1.18 pct.
	September 30, 2024	December 31, 2023				Change (%)		
		After adjustment		Before adjustment		Before adjustment		
Total assets	4,072,936.99	3,930,638.29		3,940,429.58		3.36		
Owners' equity attributable to shareholders of the list company	1,749,406.90	1,699,040.76		1,699,306.84		2.95		

Reasons for adjustment or restatement

The Company completed the combination of Hirschmann Car Communication Holding S.a.r.l. into the Company's consolidated financial statements in the fourth quarter of 2023. As the fair value assessment was not completed, the identifiable assets, liabilities, and contingent liabilities obtained from the business combination was recorded at provisional estimated value at the end of the period. In the third quarter of 2024, the fair value of related assets and liabilities was confirmed, and the company retrospectively adjusted the beginning balance of this reporting period in accordance with the requirements of the Enterprise Accounting Standards.

(II) Non-recurring profit or loss

√Applicable □ Not Applicable

Unit: yuan Currency: RMB

Items of non-recurring gains/losses	Q3 2024	January – September 2024	Note
Gains and losses on disposal of non-current assets, including the write-off of asset impairment provisions	1,346,107.66	4,724,901.43	

Government grants recognized in profit or loss (other than grants which are closely related to the Company's business, have a lasting impact on the Company's profits and losses and are either in fixed amounts or determined under quantitative methods in accordance with the national standard)	19,736,864.43	29,308,061.78	
Profit or loss on changes in the fair value of financial assets and financial liabilities and investment income on disposal of financial assets and financial liabilities held by non-financial companies, other than those used in the effective hedging activities relating to normal operating business	44,325,384.91	206,294,056.65	Mainly due to the realized gains of financial derivatives related to foreign exchange hedging.
Write-back of provisions for receivables impairment subject to separate impairment tests	4,045,105.99	4,398,660.20	
One-time costs incurred by enterprises due to the fact that the relevant business activities are no longer sustainable, such as expenses for relocating employees	-	15,092.81	
The impact of one-time adjustment of current profit and loss in accordance with tax, accounting and other laws and regulations	-2,002,995.45	-2,002,995.45	
Other non-operating income or expenses other than the above	3,305,034.42	16,623,889.99	
Less: tax effects	10,683,534.91	16,599,742.81	
Effects attributable to minority interests (After tax)	127,627.14	232,779.02	
Total	59,944,339.91	242,529,145.58	

Explanations for significant amount of extraordinary gain or loss items identified by the Company but not listed in the “Explanatory Announcement No.1 for Public Company Information Disclosures – Extraordinary Gains or Losses”, and recurring gain or loss items identified by the Company which are listed as extraordinary gain or loss items in the “Explanatory Announcement No.1 for Public Company Information Disclosures – Extraordinary Gains or Losses”.

☐ Applicable ☒ Not Applicable

(III) Major changes in the Company's key accounting indicators and the reasons

☒ Applicable ☐ Not Applicable

Name of project	Change (%)	Main reasons
Net cash flows from operating activities_January – September 2024	-51.73	Mainly due to higher amount of receivables collections in same period the previous year and the increase in purchase amount in the current period.

II. Shareholder Information

(I) Total number of common shareholders and preferred shareholders whose voting rights have been restored by the period-end

Unit: Share

Total number of common shareholders by the period-end	39,023	Total number of preferred shareholders whose voting rights have been restored as of the end of the reporting period			0	
Shareholdings of the top ten shareholders (Excluding share lending through refinancing business)						
Name of shareholder	Nature of shareholder	Shares held	%	Restricted shares held	Pledge, marking or freezing	
					Share status	Number
USI Enterprise Limited	Foreign legal person	1,683,749,126	76.12	0	None	
Hong Kong Securities Clearing Company Ltd.	Foreign legal person	115,968,482	5.24	0	Unknown	
China Securities Finance Co., Ltd.	State-owned legal person	22,917,636	1.04	0	Unknown	
ASE (Shanghai) Inc.	Domestic non-state-owned legal person	18,098,476	0.82	0	None	
CSI 500 Exchange Traded fund - Agricultural Bank of China	Other information	11,145,700	0.50	0	Unknown	
Taikang Life Insurance Co., Ltd.- Traditional - General Insurance Products - 005L - CT001 Shanghai	Others	6,840,043	0.31	0	Unknown	
Golden Eagle Technical Innovation Stock Securities Investment Fund - Industrial and Commercial Bank of China limited	Others	5,670,000	0.26	0	Unknown	

Fullgoal CSI 500 Enhanced Index Fund - Agricultural Bank of China	Others	3,894,299	0.18	0	Unkn own	
Bank of Communications Co., Ltd.: Golden Eagle Dividend Value Dynamic Asset Allocation Hybrid Securities Investment Fund	Others	3,882,400	0.18	0	Unkn own	
ChinaAMC CSI 5G Communication Theme ETF - Bank of China Limited	Others	3,455,069	0.16	0	Unkn own	
Shareholdings of the top ten shareholders subject to no selling restrictions (Excluding share lending through refinancing business)						
Name of shareholder	Number of tradable shares held not subject to selling restrictions	Type and number of shares				
		Type	Number			
USI Enterprise Limited	1,683,749,126	RMB ordinary shares	1,683,749,126			
Hong Kong Securities Clearing Company Ltd.	115,968,482	RMB ordinary shares	115,968,482			
China Securities Finance Co., Ltd.	22,917,636	RMB ordinary shares	22,917,636			
ASE (Shanghai) Inc.	18,098,476	RMB ordinary shares	18,098,476			
CSI 500 Exchange Traded fund - Agricultural Bank of China	11,145,700	RMB ordinary shares	11,145,700			
Taikang Life Insurance Co., Ltd.- Traditional - General Insurance Products - 005L - CT001 Shanghai	6,840,043	RMB ordinary shares	6,840,043			
Golden Eagle Technical Innovation Stock Securities Investment Fund - Industrial and Commercial Bank of China limited	5,670,000	RMB ordinary shares	5,670,000			
Fullgoal CSI 500 Enhanced Index Fund - Agricultural Bank of China	3,894,299	RMB ordinary shares	3,894,299			

Golden Eagle Dividend Value Dynamic Asset Allocation Hybrid Securities Investment Fund - Bank of Communications Co., Ltd.	3,882,400	RMB ordinary shares	3,882,400
ChinaAMC CSI 5G Communication Theme ETF - Bank of China Limited	3,455,069	RMB ordinary shares	3,455,069
Related or concert parties among the shareholders above	The actual controllers of the Company are Mr. Jason C.S. Chang and Mr. Richard H.P. Chang, who are brothers and ultimately control the Company through indirect shareholding by controlling USI Enterprise Limited and ASE (Shanghai) Inc., two of the Company's shareholders. The Company does not know whether there are related relationships and concerted actions among other shareholders.		
Shareholding by margin trading of the top 10 shareholders and top 10 shareholders subject to no selling restrictions	None		

Note: The Company held 30,085,945 shares on its securities account for buy-back, with a shareholding ratio of 1.36%, which is not included in the list of the top 10 shareholders.

Shareholder holding more than 5% of the Company's shares, top ten shareholders and top ten shareholders subject to no selling restrictions participating in share lending through refinancing business
☒ Applicable ☐ Not Applicable

Unit: share

Shareholder holding more than 5% of the Company's shares, top ten shareholders and top ten shareholders subject to no selling restrictions participating in share lending through refinancing business								
Shareholder name	Number of shares held in shareholders' general accounts and credit accounts at the beginning of the period		Number of shares lent through refinancing and not yet returned at the beginning of the period		Number of shares held in shareholders' general accounts and credit accounts at the end of the period		Number of shares lent through refinancing and not yet returned at the end of the period	
	Total	Proportion (%)	Total	Proportion (%)	Total	Proportion (%)	Total	Proportion (%)
CSI 500 Exchange Traded fund - Agricultural Bank of China	7,456,300	0.34	286,100	0.01	11,145,700	0.50	0	0

Top ten shareholders and top ten shareholders subject to no selling restrictions changed due to lending and returning of shares

☐ Applicable ☒ Not Applicable

III. Other notable issues

(I) Other important information on the Company's operation during the reporting period that investors should pay attention to

☒ Applicable ☐ Not Applicable

Revenue breakdown by product category in Q1 to Q3 2024

Unit: RMB 10,000 yuan

Product Category	January – September 2023	January – September 2024	Change	YoY (%)
Communication electronics	1,479,190.42	1,497,466.18	18,275.76	1.24
Consumer electronics	1,426,072.03	1,364,957.49	-61,114.54	-4.29
Industrial products	619,015.95	526,481.17	-92,534.78	-14.95
Cloud and storage products	347,128.01	453,215.06	106,087.05	30.56
Automotive electronics	359,162.88	468,146.32	108,983.44	30.34
Medical electronics	25,900.85	25,709.29	-191.56	-0.74
Others	49,230.44	64,695.25	15,464.81	31.41
Total	4,305,700.58	4,400,670.76	94,970.18	2.21

(II) Guidance for Q4 2024

The expected quarterly revenue for the fourth quarter is expected to decrease by about 5% compared to the previous quarter; The operating profit margin is expected to decrease by around 1 percentage point quarter-on-quarter due to the decline in operating revenue and high operating costs.

Note: the guidance for the Q4 2024 is the company's plan and outlook according to its development strategy, business plan and market and business development status. The implementation of the plan and the realization of the targets are based on the premise of the improvement of the global pandemic situation, the stability of the International trade, the healthy development of the electronic manufacturing service industry, market expansion and order execution within expectations. Therefore, whether the operational targets can be realized in the future is uncertain. The operational targets do not constitute the company's substantial commitment to its investors. Please be aware of investment risks and do not make investment decisions simply based on the guidance.

IV. Quarterly financial statements

(I) Type of auditor's opinion

☐ Applicable ☒ Not Applicable

(II) Financial statements

Consolidated Balance Sheet

September 30, 2024

Prepared by Universal Scientific Industrial (Shanghai) Co., Ltd.

Presented in RMB yuan, unaudited

Items	September 30, 2024	December 31, 2023
Current Assets:		
Cash and bank balances	10,756,673,467.54	11,218,698,389.32
Financial assets held for trading	10,806,218.02	245,558,007.22
Notes receivable	52,815,997.74	65,545,008.33
Accounts receivable	10,950,790,377.51	10,025,329,076.47
Prepayments	69,001,073.19	55,649,536.45
Other receivables	146,290,074.30	275,674,265.31
Inventory	9,475,394,862.19	8,323,944,087.96
Non-current assets due within one year	128,477.01	123,989.32
Other current assets	920,779,255.15	838,262,285.94
Total Current Assets	32,382,679,802.65	31,048,784,646.32
Non-current Assets:		
Long-term receivables	14,320,268.26	13,647,410.80
Long-term equity investments	513,703,760.53	498,271,541.60
Investments in other equity instruments	27,998,641.23	38,935,237.58
Other non-current financial assets	204,885,479.33	193,994,862.05
Investment properties	4,114,227.37	4,324,045.51
Fixed assets	4,441,672,747.01	4,711,701,980.06
Construction in progress	936,045,517.39	641,030,985.98
Right-of-use assets	469,436,821.65	605,954,561.75
Intangible assets	332,269,312.51	368,303,316.37
Goodwill	612,222,934.61	611,169,486.97
Long-term prepaid expenses	169,490,480.53	212,629,008.92
Deferred tax assets	437,077,408.67	387,273,954.10
Other non-current assets	183,452,546.41	68,274,790.92
Total non-current assets	8,346,690,145.50	8,355,511,182.61
Total assets	40,729,369,948.15	39,404,295,828.93
Current liabilities:		
Short-term borrowings	3,890,665,305.41	4,378,428,691.47
Derivative financial liabilities	35,700.47	173,872.64
Accounts payable	12,141,778,074.99	10,574,123,769.47
Contract liabilities	445,347,864.39	348,380,131.33
Employee benefits payable	800,420,670.43	922,911,255.08
Taxes payable	341,729,415.17	354,947,363.81
Other payables	808,265,569.16	1,113,646,751.39

Non-current liabilities due within one year	171,797,345.28	3,564,025,750.56
Other current liabilities	128,060,006.70	3,944,775.07
Total current liabilities	18,728,099,952.00	21,260,582,360.82
Non-current liabilities:		
Long-term borrowings	35,401,216.48	47,385,951.10
Bond payable	3,442,898,263.29	-
Lease liabilities	386,173,610.24	486,775,229.42
Long-term payables	18,450,966.17	25,526,297.84
Long-term employee benefits payable	253,508,468.94	275,438,833.95
Provisions	83,956,350.91	48,279,064.03
Deferred income	50,337,314.10	59,885,005.66
Deferred tax liabilities	91,680,739.46	106,003,965.43
Other non-current liabilities	4,096,573.82	1,046,909.26
Total Non-current Liabilities	4,366,503,503.41	1,050,341,256.69
TOTAL LIABILITIES	23,094,603,455.41	22,310,923,617.51
Owners' equity (or shareholders' equity):		
Paid-in capital (or share capital)	2,211,843,298.00	2,209,991,580.00
Other equity instruments	409,890,234.89	409,890,710.14
Capital reserve	2,330,863,468.03	2,283,965,543.00
Less: Treasury shares	421,783,841.69	321,730,995.54
Other comprehensive income	110,060,100.53	264,387,466.62
Surplus reserve	966,801,754.40	966,801,754.40
Retained profits	11,886,393,994.88	11,179,762,376.22
Total owners' equity attributable to equity holders of the Company	17,494,069,009.04	16,993,068,434.84
Minority interests	140,697,483.70	100,303,776.58
TOTAL SHAREHOLDERS' EQUITY	17,634,766,492.74	17,093,372,211.42
Total liabilities and owners' equity (or shareholders' equity)	40,729,369,948.15	39,404,295,828.93

Legal representative: Jeffrey Chen

Person in charge of accounting: Tan-Yang Liu

Person in charge of the accounting firm: Yuh-Huah Chern

Consolidated Income Statement

January – September 2024

Prepared by Universal Scientific Industrial (Shanghai) Co., Ltd.

Presented in RMB yuan, unaudited

Items	January – September 2024	January – September 2023
I. Total revenue	44,006,707,552.10	43,057,005,790.29
Including: Operating revenue	44,006,707,552.10	43,057,005,790.29
II. Total cost of operations	42,926,074,111.00	41,458,090,367.58
Less: Costs	39,690,115,879.51	38,865,716,325.05
Taxes and levies	111,143,518.86	75,539,491.21
Sales expenses	374,518,905.80	252,627,381.86
Administrative expenses	1,001,510,941.02	875,509,619.59
R&D expenses	1,411,778,240.38	1,278,782,603.25
Financial expenses	337,006,625.43	109,914,946.62
Including: Interest expenses	304,195,879.95	286,398,826.29
Interest income	233,479,831.24	170,520,515.29
Add: Other income	42,755,321.23	72,527,079.72
Investment income (losses are represented by '-')	252,515,878.61	76,712,316.51
Including: Income from investments in associates and joint ventures	23,233,917.78	3,173,134.73
Gains (losses) from changes in fair values	-22,987,904.18	-23,067,234.80
Impairment gains (losses) of credit	-25,222,251.34	-33,225,063.05
Impairment gains (losses) of assets	45,039,747.37	-164,782,843.92
Gains (losses) from disposal of assets	6,756,425.26	5,641,219.61
III. Operating profit (losses are represented by '-')	1,379,490,658.05	1,532,720,896.78
Add: Non-operating income	20,670,165.03	14,423,237.33
Less: Non-operating expenses	6,077,798.87	4,799,079.55
IV. Total profit (total losses are represented by '-')	1,394,083,024.21	1,542,345,054.56
Less: Income tax expenses	96,968,233.25	149,832,282.46
V. Net profit (net losses are represented by '-')	1,297,114,790.96	1,392,512,772.10
(I) Net profit classified by operating continuity:		
1. Net profit from continuing operations (net losses are represented by '-')	1,297,114,790.96	1,392,512,772.10

2. Net profit from discontinued operations (net losses are represented by '-')	-	-
(II) Net profit classified by ownership ascription:		
1. Net profit attributable to owners of the Company (net losses are represented by '-')	1,296,928,828.94	1,392,521,041.91
2. Profit or loss attributable to minority shareholders (net losses are represented by '-')	185,962.02	-8,269.81
VI. Other comprehensive income, net of tax	-153,061,627.39	85,724,811.51
(I) Other comprehensive income attributable to owners of the Company, net of tax	-154,327,366.09	85,716,010.59
1. Other comprehensive income that cannot be subsequently reclassified to profit or loss	1,688,082.59	22,686,737.67
(1) Changes from re-measurement of defined benefit plans	-	-
(2) Other comprehensive income that cannot be transferred into profit or loss under equity method	-	-
(3) Changes in fair value of investments in other equity instruments	1,688,082.59	22,686,737.67
2. Other comprehensive income that will be reclassified to profit or loss	-156,015,448.68	63,029,272.92
(1) Other comprehensive income that can be reclassified to profit or loss under the equity method	4,517,463.92	-12,795,124.92
(2) Changes in fair value of other debt investments	-	-
(3) Reclassified financial assets that are credited to other comprehensive income	-	-
(4) Credit impairment provision for other debt investments	-	-
(5) Reserve for cash flow hedging	-	-
(6) Differences on translation of financial statements denominated in foreign currencies	-132,469,979.71	59,076,215.39
(7) Others	-28,062,932.89	16,748,182.45

(II) Total comprehensive income attributable to the minority shareholders, net of tax	1,265,738.70	8,800.92
VII. Total comprehensive income	1,144,053,163.57	1,478,237,583.61
(I) Total comprehensive income attributable to owners of the Company	1,142,601,462.85	1,478,237,052.50
(II) Total comprehensive income attributable to minority interests	1,451,700.72	531.11
VIII. Earnings per share		
(I) Basic earnings per share	0.59	0.64
(II) Diluted earnings per share	0.59	0.63

In case of business combination under common control in the current period, the net profit realized by the combined party before the combination is 0 yuan, and the net profit realized by the combined party in the previous period is 0 yuan.

Legal representative: Jeffrey Chen

Person in charge of accounting: Tan-Yang Liu

Person in charge of the accounting firm: Yuh-Huah Chern

Consolidated Cash Flow Statement

January – September 2024

Prepared by Universal Scientific Industrial (Shanghai) Co., Ltd.

Presented in RMB yuan, unaudited

Items	January – September 2024	January – September 2023
I. Cash flows from operating activities:		
Cash receipts from the sale of goods and the rendering of services	43,731,232,415.43	44,122,600,929.86
Receipts of tax refunds	370,996,858.25	416,651,482.40
Other cash receipts relating to operating activities	325,598,078.70	275,154,607.97
Sub-total of cash inflows from operating activities	44,427,827,352.38	44,814,407,020.23
Cash payments for goods purchased and services received	38,046,406,440.14	36,177,115,215.39
Cash payments to and on behalf of employees	3,408,039,195.25	3,400,967,668.83
Payments of various types of taxes	703,858,495.63	852,117,070.77
Other cash payments relating to operating activities	271,011,642.62	243,901,731.82
Sub-total of cash outflows from operating activities	42,429,315,773.64	40,674,101,686.81
Net cash flows from operating activities	1,998,511,578.74	4,140,305,333.42
II. Cash flows from investing activities:		
Cash receipts from disposals and recovery of investments	11,313,263,562.81	7,771,223,640.94
Cash receipts from investment income	236,166,792.46	94,377,507.19
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	38,497,958.88	43,965,776.83
Sub-total of cash inflows from investing activities	11,587,928,314.15	7,909,566,924.96
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	1,046,309,292.17	1,178,536,672.95
Cash payments to acquire investments	11,304,224,800.00	7,649,914,917.89
Net cash payments for acquisitions of subsidiaries and other business units	215,479,003.07	-
Sub-total of cash outflows from investing activities	12,566,013,095.24	8,828,451,590.84

Net cash flow from investment activities	-978,084,781.09	-918,884,665.88
III. Cash flows from financing activities:		
Cash receipts from capital contributions	61,488,017.34	10,449,033.87
Including: cash received from capital contributions by minority shareholders of subsidiaries	38,942,006.40	-
Cash receipts from borrowings	5,456,565,112.23	12,759,870,988.77
Other cash receipts relating to financing activities	-	21,253,842.25
Sub-total of cash inflows from financing activities	5,518,053,129.57	12,791,573,864.89
Cash repayments of borrowings	5,942,700,261.87	12,608,088,097.82
Cash payments for distribution of dividends or profits or settlement of interest expenses	785,717,585.11	1,104,021,050.84
Other cash payments relating to financing activities	228,659,923.61	134,047,516.63
Sub-total of cash outflows from financing activities	6,957,077,770.59	13,846,156,665.29
Net cash flow from financing activities	-1,439,024,641.02	-1,054,582,800.40
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-39,457,799.42	-15,788,676.58
V. Net Increase (decrease) in cash and cash equivalents	-458,055,642.79	2,151,049,190.56
Add: Opening Balance of Cash and Cash Equivalents	11,184,292,778.70	7,678,044,104.00
VI. Closing balance of cash and cash equivalents	10,726,237,135.91	9,829,093,294.56

Legal representative: Jeffrey Chen

Person in charge of accounting: Tan-Yang Liu

Person in charge of the accounting firm: Yuh-Huah Chern

It is hereby announced.

Board of Directors of Universal Scientific Industrial (Shanghai) Co., Ltd.

October 28, 2024