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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: 8331)*

#### **POLL RESULTS OF ANNUAL GENERAL MEETING HELD ON 10 MAY 2010 RE-ELECTION OF SUPERVISORS**

Reference is made to the circular dated 22 March 2010 and the notice of the annual general meeting dated 22 March 2010 (“AGM Notice”) of Zhejiang Shibao Company Limited (the “Company”).

#### **POLL RESULTS OF THE AGM**

The board of directors (the “Board”) of the Company is pleased to announce the poll results in respect of the resolutions proposed at the annual general meeting of the Company held on 10 May 2010 (“AGM”). All the proposed resolutions set out in the AGM Notice were voted by way of poll.

<b>Ordinary resolutions</b>		<b>Number of votes cast and approximate percentage of total number of votes cast</b>		<b>Total number of votes cast</b>
		<b>For</b>	<b>Against</b>	
1.	To approve the report of the directors of the Company for the year ended 31 December 2009.	181,379,855 (100%)	0 (0%)	181,379,855
2.	To approve the report of the supervisory committee of the Company for the year ended 31 December 2009.	181,379,855 (100%)	0 (0%)	181,379,855
3.	To approve the audited financial statements and the auditors' report of the Company and its subsidiaries for the year ended 31 December 2009.	181,379,855 (100%)	0 (0%)	181,379,855

Ordinary resolutions (continued)		Number of votes cast and approximate percentage of total number of votes cast		Total number of votes cast
		For	Against	
4.	To approve the proposal for the distribution of final dividends for the year ended 31 December 2009 and to authorize the board of directors of the Company to conduct the distribution of final dividends.	181,379,855 (100%)	0 (0%)	181,379,855
5.	To approve the resolution for the appropriation of statutory surplus reserve and statutory public welfare fund for the year ended 31 December 2009.	181,379,855 (100%)	0 (0%)	181,379,855
6.	To appoint Mr. Shen Song Sheng as the external supervisor of the Company.	181,379,855 (100%)	0 (0%)	181,379,855
7.	To authorize the board of directors to fix the remuneration of the directors and supervisors of the Company for the year of 2010.	181,379,855 (100%)	0 (0%)	181,379,855
8.	To re-appoint Ernst & Young and Ernst & Young Hua Ming as the Company's international auditors and domestic auditors respectively, and to authorize the board of directors of the Company to fix their remuneration.	181,379,855 (100%)	0 (0%)	181,379,855
<b>Special resolution</b>				
9.	To approve the proposal for the grant of the general mandate to issue shares and authorize the board of directors of the Company to issue, allot and deal with additional domestic shares and/or overseas-listed foreign shares not exceeding 20% of each existing shares in issue as at the date of passing this resolution under resolution no. 9 in the notice of annual general meeting.	181,379,855 (100%)	0 (0%)	181,379,855

As at the date of the AGM, the issued share capital of the company was 262,657,855 shares, which was the total number of shares entitling the holders to attend and vote for or against the resolutions at the AGM. There were no restrictions on shareholders to cast votes on any of the resolutions at the AGM. Shareholders of the Company and their authorized proxies holding an aggregate of 262,485,855 shares with voting right, representing approximately 99.93% of the total issued shares of the Company, were present and constituted a quorum of the AGM in accordance with the Company Law of the PRC and the articles of association of the Company.

As more than one half of the total number of the votes held by the shareholders and authorized proxies who attended the AGM were cast in favour of the resolution nos. 1 to 8, these resolutions were duly passed by shareholders as ordinary resolutions.

In addition, as more than two-thirds of the total number of the votes held by the shareholders and authorized proxies who attended the AGM were cast in favour of the resolution no. 9, this resolution was duly passed by shareholders as a special resolution.

The Company's domestic auditors, Ernst & Young Hua Ming, Certified Public Accountants, was appointed as scrutineer at the AGM for the purpose of vote-taking.

## **RE-ELECTION OF SUPERVISORS**

The Board is also pleased to announce that the following appointment of supervisors of the Company (the "**Supervisors**") took effect from 10 May 2010: -

- (a) Mr. Shen Song Sheng (沈松生), ("Mr. Shen") was re-elected as external Supervisor with effect from 10 May 2010. The particulars of Mr. Shen are set out below:

Mr. Shen, aged 73, worked in Hangzhou Hong Qi Spare Parts Factory (杭州紅旗汽車零部件廠) in 1980. Mr. Shen joined our Group in 1993 and retired in 2009. He has been appointed as a Supervisor since June 2004. Saved as disclosed above, Mr. Shen has not held any directorship in any other listed companies in the last 3 years and any other major appointments.

Mr. Shen will continue his service agreement with the Company for the term of office commencing from the date of the AGM to the next session of the supervisory committee and shall be eligible for re-election. It is proposed that the annual remuneration of Mr. Shen is RMB36,000 (including basic salary, other benefits and pension contributions) and the exact amount will be determined by the Board (subject to shareholders' authorization) with reference to his responsibility, experience, workload and the time devoted to the Group.

- (b) The staff of the Company has re-elected Mr. Du Min (杜敏) ("Mr. Du") as staff representative Supervisor with effect from the conclusion of the AGM. Accordingly, Mr. Du's appointment took effect from 10 May 2010. The particulars of Mr. Du are set out below:

Mr. Du, aged 54, joined Siping Steering Gear Co., Ltd. (四平市方向機械有限公司), a subsidiary of our Company, since 2002, and is a senior economist. Mr. Du graduated from the Jilin Institute of Finance and Trade (吉林財貿學院) with a bachelor degree in economics. Mr. Du has been appointed as a staff representative Supervisor since June 2007. Saved as disclosed above, Mr. Du has not held any directorship in any other listed companies in the last 3 years and any other major appointments.

Mr. Du will continue his service agreement with the Company for the term of office commencing from the date of the AGM to the next session of the supervisory committee and shall be eligible for re-election. It is proposed that the annual remuneration of Mr. Du is RMB48,000 (including basic salary, other benefits and pension contributions) and the exact

amount will be determined by the Board (subject to shareholders' authorization) with reference to his responsibility, experience, workload and the time devoted to the Group.

Save as disclosed above, to the best knowledge and belief of the Board and the supervisory committee, (i) Mr. Shen and Mr. Du have not been directors of any other listed company, and had no other prior relationship, business or otherwise, with the Company or its subsidiaries in the past three years; (ii) Mr. Shen and Mr. Du have no relationship with any members of the Board, Supervisors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company; (iii) Mr. Shen and Mr. Du do not have any interests in shares of the Company (within the meanings of Part XV of the SFO) as at the date of this announcement; and (iv) Mr. Shen and Mr. Du do not hold any other position in the Company and its subsidiaries.

Save as disclosed herein, there are no information relating to Mr. Shen and Mr. Du's appointment that are required to be disclosed under Rules 17.50(2)(h) to (w) of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited, nor any other matters that need to be brought to the attention of the shareholders of the Company.

#### **PAYMENT OF THE FINAL DIVIDEND**

The Board is also pleased to notify the shareholders of the Company the details of the payment of the final dividend for the year ended 31 December 2009 as follows:

The Company will pay final cash dividends of RMB0.07 per share (before deduction of corporate income tax for non-resident enterprise shareholders) for the year ended 31 December 2009. The payment shall be made to shareholders, whose names appeared on the register of members of the Company at close of business on 10 May 2010 (Monday) (the "**Record Date**"), on or about 24 May 2010.

For distribution of the final cash dividends, cash dividends for holders of domestic shares will be distributed and paid in Renminbi, while cash dividends for holders of H shares will be declared in Renminbi but paid in Hong Kong dollars (conversion rate of Renminbi into Hong Kong dollars shall be calculated on the average price of the conversion of Renminbi into Hong Kong dollars in five (5) days as announced by the People's Bank of China five (5) working days preceding 10 May 2010).

The average of the exchange rates for RMB to Hong Kong dollar as announced by the People's Bank of China for the five (5) working days prior to 10 May 2010, that is the date of the AGM at which the final dividends is declared, is RMB0.87880 to HK\$1.00. Accordingly, the amount of final dividend payable per H share is HK\$0.0797 (before deduction of corporate income tax for non-resident enterprise shareholders).

In accordance with the Corporate Income Tax Law of the PRC and the Implementation Regulation of the Corporate Income Tax Law of the PRC both effective on 1 January 2008, non-resident enterprises shall pay corporate tax on their income generated within PRC, and the applicable tax rate is 10%, withholding by the issuer. Any shares registered in the name of non-individual registered shareholders, including HKSCC Nominees Limited, other nominees, trustees or other groups and organizations will be treated as being held by non-resident enterprise shareholders and therefore will be subject to the withholding of the corporate income tax. The Company will not withhold and pay income tax in respect of the dividend payable to any natural person shareholders whose names appear on the Company's register of members for H shares on the Record Date.

Accordingly, the final dividend per H share after deduction of corporate income tax for non-resident enterprise shareholders in RMB is RMB0.0630 or in HKD is HK\$0.0717.

The Company will withhold payment of the corporate income tax strictly in accordance with the relevant laws or requirements of the relevant governmental departments and strictly based on what has been registered on the Company's H share register of members on the Record Date. The Company assumes no liability whatsoever in respect of and will not entertain any claims arising from any delay in, or inaccurate determination of, the status of the shareholders or any disputes over the mechanism of withholding of corporate income tax.

By order of the Board  
**Zhejiang Shibao Company Limited**  
**Zhang Shi Quan**  
*Chairman and General Manager*

Hangzhou, Zhejiang, the PRC  
10 May 2010

*As at the date of this announcement, the Board of the Company comprises Mr. Zhang Shi Quan, Mr. Zhang Bao Yi, Mr. Tang Hao Han, Mr. Zhu Jie Rong and Ms. Zhang Lan Jun as executive Directors, Mr. Zhang Shi Zhong, Ms. Zhang Mei Jun and Mr. Lou Run Zheng as non-executive Directors, and Mr. Zhao Chun Zhi, Mr. Chen Guo Feng, and Mr. Chau Kam Wing, Donald as independent non-executive Directors.*

*This announcement, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited 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: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

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*\* For identification purpose only*