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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 on Main Board: 01057)**

**(Stock Code on GEM: 8331)**

**TRANSFER OF LISTING FROM GROWTH ENTERPRISE MARKET  
TO MAIN BOARD OF  
THE STOCK EXCHANGE OF HONG KONG LIMITED**

On 17 January 2011, an application was made by the Company to the Stock Exchange for the listing of, and permission to deal in, the 86,714,000 H Shares in issue by way of transfer of the listing from GEM to the Main Board pursuant to Chapter 9A of the Listing Rules.

The Board is pleased to announce that the approval for the Transfer of Listing was granted by the China Securities Regulatory Commission on 16 December 2010, and the approval-in-principle was granted by the Listing Committee of the Stock Exchange on 24 February 2011 for the H Shares to be listed on the Main Board and de-listed from GEM. Immediately prior to the listing of the H Shares on the Main Board, the listing of the existing H Shares on GEM will be withdrawn. The last day of dealings in the H Shares on GEM (stock code on GEM: 8331) will be 8 March 2011. It is expected that dealings in the H Shares on the Main Board of the Stock Exchange (stock code:01057) will commence at 9 a.m. on 9 March 2011.

The Board confirms that pursuant to Rule 9A.02 of the Listing Rules, as at the date of this announcement all the pre-conditions for the Transfer of Listing have been fulfilled in relation to the Company and the H Shares.

The Company will not publish quarterly results announcements and reports after the Transfer of Listing.

The Transfer of Listing will have no effect on the existing share certificates in respect of the H Shares which will continue to be good evidence of legal title and be valid for trading, settlement and registration purposes. No change is proposed to be made to the share certificate, the board lot size which is 2,000 H Shares each, the trading currency of the H Shares which is in Hong Kong dollar, and the share registrar of the H Shares which is Computershare Hong Kong Investors Services Limited.

Reference is made to the announcements issued by the Company dated 28 January 2010, 4 February 2010, 22 March 2010, 23 December 2010 and 17 January 2011 and the circular issued by the Company dated 4 February 2010 in relation to the Transfer of Listing pursuant to Chapter 9A of the Listing Rules.

## **TRANSFER OF LISTING OF THE H SHARES FROM GEM TO MAIN BOARD**

On 17 January 2011, an application was made by the Company to the Stock Exchange for the listing of, and permission to deal in, the 86,714,000 H Shares in issue by way of transfer of the listing from GEM to the Main Board.

The Board is pleased to announce that the approval for the Transfer of Listing was granted by the China Securities Regulatory Commission on 16 December 2010, and the approval-in-principle was granted by the Listing Committee of the Stock Exchange on 24 February 2011 for the H Shares to be listed on the Main Board and de-listed from GEM. Immediately prior to the listing of the H Shares on the Main Board, the listing of the existing H Shares on GEM will be withdrawn. The last day of dealings in the H Shares on GEM (stock code on GEM: 8331) will be 8 March 2011. It is expected that dealings in the H Shares on the Main Board of the Stock Exchange (stock code:01057) will commence at 9 a.m. on 9 March 2011.

The Board confirms that pursuant to Rule 9A.02 of the Listing Rules, as at the date of this announcement all the pre-conditions for the Transfer of Listing have been fulfilled in relation to the Company and its H Shares.

The Company will not publish quarterly results announcements and reports after the

Transfer of Listing.

## **REASON FOR THE TRANSFER OF LISTING**

The Group has been mainly engaging in the design, manufacture and sales of various types of automotive manual and power steering gears and related components, accumulating extensive industry experience in the PRC. Since the listing of the H Shares on GEM on 16 May 2006, the business of the Group has grown steadily and the Group has improved its public profile. The Directors are of the view that the listing of the H Shares on the Main Board will further enhance the image of the Group, secure more in-depth attention of key industry analysts and public investors (including institutional investors) to the Group and further strengthen the recognition of the Group among them, expand shareholders base (including institutional investors) of the Company and facilitate an increase in the liquidity of the H Shares. The Directors consider that the listing of the H Shares on the Main Board will be beneficial to the future growth, capital raising ability, financing flexibility and business development of the Group as a whole.

There is no intention of the Board to change the nature of business of the Group following the Transfer of Listing. The Transfer of Listing will not involve issue of any new H Shares by the Company.

## **DEALINGS IN THE H SHARES OF THE MAIN BOARD**

The H Shares have been accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from 16 May 2006, the date on which the H Shares were first listed on GEM. Subject to continued compliance with the stock admission requirements of HKSCC, the H Shares will continue to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS once dealings in the H Shares on the Main Board commence. All activities under CCASS are subject to the general rules of CCASS and CCASS operational procedures in effect from time to time.

The Transfer of Listing will have no effect on the existing share certificates in respect of the H Shares which will continue to be good evidence of legal title and be valid for trading, settlement and registration purposes. No change is proposed to be made to the share certificate, the board lot size which is 2,000 H Shares each, the trading currency of the H Shares which is in Hong Kong dollar, and the share registrar of the Company

which is Computershare Hong Kong Investors Services Limited.

Domestic Shares are ordinary shares of the share capital of the Company, which rank pari passu with the H Shares in all respects and rank equally for all dividends or distributions declared, paid or made. However, the Domestic Shares are not listed on the Stock Exchange and may only be subscribed for by, and traded between legal or natural persons of the PRC in RMB.

## **GENERAL MANDATES TO ISSUE, ALLOT AND DEAL WITH SHARES**

Pursuant to Rule 9A.12 of the Listing Rules, the general mandates granted to the Directors to issue, allot and deal with new Shares by shareholders of the Company by a special resolution at the annual general meeting held on 10 May 2010 will continue to be valid and remain in effect until the earliest of:

- (a) the conclusion of the next annual general meeting of the Company following the special resolution; or
- (b) the expiration of the 12-month period following the passing of the special resolution; or
- (c) the date on which the authority set out in the above special resolution is revoked or varied by a special resolution of the shareholders of the Company in a general meeting.

## **GENERAL**

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules and GEM Rules 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, the information contained in this document is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

## **COMPETING INTEREST**

As at the date of this announcement, none of the Directors and Controlling Shareholders of the Company and their respective Associates has an interest in a business which competes or potentially competes, either directly or indirectly, with the business of the Group pursuant to Rule 9A.09(10) of the Listing Rules.

## **CONTINUING CONNECTED TRANSACTIONS**

The Company has entered into certain continuing connected transactions with its non wholly-owned subsidiaries, Hangzhou Shibao and Siping Steering for the year ended 31 December 2009, which fell within the intra-group transactions exemption under Rule 20.31(1) of the GEM Rules. Therefore, the Company was exempted from the reporting, announcement and independent shareholders' approval requirements under Chapter 20 of the GEM Rules. Details of the above exempted continuing connected transactions have been disclosed in the Company's 2009 annual report.

## **WAIVER FROM STRICT COMPLIANCE WITH RULES 8.12 AND 19A.15 OF THE LISTING RULES**

Pursuant to Rules 8.12 and 19A.15 of the Listing Rules, the Company must have a sufficient management presence in Hong Kong upon the Transfer of Listing, which normally means that at least two of the executive Directors of the Company must be ordinarily resident in Hong Kong.

Since the principal business, operations and manufacturing facilities of the Company are mainly located, managed and conducted in the PRC, all the executive Directors and majority of the members of the senior management of the Company are and will therefore be expected to continue to be based in the PRC. The Company will not, and does not contemplate in the foreseeable future that it will have sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rules 8.12 and 19A.15 of the Listing Rules.

Therefore, the Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the requirement to have a sufficient management presence in Hong Kong under Rules 8.12 and 19A.15 of the Listing Rules on condition that the following measure will continue to be implemented to maintain regular and effective communication with the Stock

Exchange:–

- (a) the Company has appointed two authorised representatives pursuant to Rule 3.05 of the Listing Rules who will act as its principal communication channel with the Stock Exchange and will ensure that they comply with the Listing Rules at all times. The two authorised representatives appointed are Ms. Huen Lai Chun, the company secretary of the Company, and Mr. Zhu Jie Rong, an executive Director. Ms Huen is ordinarily resident in Hong Kong and Mr. Zhu has been granted with a valid entry permit to Hong Kong. Each of the authorised representatives will be available to meet with the Stock Exchange in Hong Kong within a reasonable period of time upon request and will be readily contactable by telephone, facsimile or e-mail. Each of the two authorised representatives has been duly authorised to communicate on behalf of the Company with the Stock Exchange;
- (b) both of the authorised representatives have means to contact all members of the Board (including the independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact the members of the Board on any matters. A list of contact details of all members of the Board which contains the mobile phone number, office phone number, fax number and/or e-mail address of all members of the Board has been provided to the authorised representatives and the Stock Exchange;
- (c) the Company will promptly inform the Stock Exchange of any changes of the authorised representatives and the contact details of the authorised representatives and Directors;
- (d) in the event that an executive Director expects to travel, he or she will provide a valid phone number or means of communication to the authorised representatives; and
- (e) each of the Directors who does not ordinarily reside in Hong Kong has confirmed that he or she possesses or can apply for valid travel documents to visit Hong Kong and will be able to meet with the Stock Exchange in Hong Kong within a reasonable period.

## **BIOGRAPHICAL DETAILS OF DIRECTORS AND SUPERVISORS**

### **Executive Directors**

**Mr. Zhang Shi Quan (張世權)**, aged 60, is the founder of the Group and the Chairman and General Manager of the Company. He is responsible for the Group's overall strategic planning, business development, new product sales and marketing strategies. He is also a director of Zhejiang Shibao Holding. He has over 20 years of extensive experience in automotive steering gears, and is a senior economist. In 2006 in the Great Hall of the People in Beijing, Mr. Zhang Shi Quan was awarded "Top Ten Distinguished Persons for the Second Year for China's Industrial Economy" (第二屆中國工業經濟年度十大傑出人物) granted by the Office for Election of Distinguished Persons for China's Industrial Economy (中國工業經濟年度人物評選辦公室). Mr. Zhang Shi Quan did not hold any directorship in any other listed companies during the last three years.

Mr. Zhang Shi Quan was first appointed as a Director of the Company on 12 June 2004. Mr. Zhang Shi Quan entered into a service contract with the Company on 26 April 2006 for an initial term of 3 years pursuant to which he was appointed as an executive Director on 16 May 2006. Upon the re-appointment by election, the service contract continues to be effective after the expiry of the above initial term unless and until terminated by either party thereto giving to the other not less than 1 month's notice in writing. Mr. Zhang Shi Quan is currently entitled to RMB300,000 per annum, as director's salary, which is determined with reference to his responsibilities, experience, workload and the time devoted by him to the Group. Also, Mr. Zhang Shi Quan is entitled to such discretionary bonus as determined by the Board in its absolute discretion and the interested Director is required to abstain from voting at the Board meeting.

As at the date of this announcement, Mr. Zhang Shi Quan holds 40% interest in the registered capital of Zhejiang Shibao Holding, the ultimate holding company of the Company, which in turns holds 165,387,223 Domestic Shares of the Company. Pursuant to the SFO, as Mr. Zhang Shi Quan is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of Zhejiang Shibao Holding, Mr. Zhang Shi Quan is taken or deemed to be interested in all of the 165,387,223 Domestic Shares of the Company held by Zhejiang Shibao Holding. The 165,387,223 Domestic Shares of the Company held by Zhejiang Shibao Holding represent 94% of Domestic Shares in issue and approximately 62.97% of the total

issued capital of the Company. As at the date of this announcement, save as disclosed above, Mr. Zhang Shi Quan is not interested in any other Shares within the meaning of Part XV of the SFO.

Mr. Zhang Shi Quan is the father of Mr. Zhang Bao Yi, Ms. Zhang Mei Jun and Ms. Zhang Lan Jun who are also Directors of the Company. Mr. Zhang Shi Quan is the father-in-law of Mr. Tang Hao Han, a Director, who is the husband of Ms. Zhang Mei Jun. Mr. Zhang Shi Quan is the elder brother of another Director, Mr. Zhang Shi Zhong.

**Mr. Zhang Bao Yi (張寶義)**, aged 38, is the deputy general manager of the Company, responsible for overall management of the Group's operations in Zhejiang Province. He graduated from Zhejiang Industrial University Zhexi Branch School (浙江工業大學浙西分校) in 1995, majoring in mechanical manufacturing. He has worked in Zhejiang Shibao Steering since 1996 responsible for manufacturing of automotive steering gears and was appointed as general manager of Zhejiang Shibao Steering in February 2000 responsible for its overall management. He was granted the title of "Labour Model" (勞動模範) of Yiwu City in 2004. He is the son of Mr. Zhang Shi Quan. Mr. Zhang Bao Yi did not hold any directorship in any other listed companies during the last three years.

Mr. Zhang Bao Yi was first appointed as a Director of the Company on 12 June 2004. Mr. Zhang Bao Yi entered into a service contract with the Company on 26 April 2006 for an initial term of 3 years pursuant to which he was appointed as an executive Director on 16 May 2006. Upon the re-appointment by election, the service contract continues to be effective after the expiry of the above initial term unless and until terminated by either party thereto giving to the other not less than 1 month's notice in writing. Mr. Zhang Bao Yi is currently entitled to RMB200,000 per annum, as director's salary, which is determined with reference to his responsibilities, experience, workload and the time devoted by him to the Group. Also, Mr. Zhang Bao Yi is entitled to such discretionary bonus as determined by the Board in its absolute discretion and the interested Director is required to abstain from voting at the Board meeting.

As at the date of this announcement, Mr. Zhang Bao Yi is not interested in any Shares within the meaning of Part XV of the SFO.



**Mr. Tang Hao Han (湯浩瀚)**, aged 43, is the deputy general manager of the Company responsible for overall management of the Group's operations in Jilin Province. He is a representative of the Jilin People's Congress (吉林省人大代表), the vice president of the Siping City Industry and Commerce Union (四平市工商業聯合會副會長), member of the Standing Committee of Jilin Province Siping City People's Political Consultative Conference (中國人民政治協商會議吉林省四平市常務委員會常委) and "Leader of the National Outstanding Youth in Industrial Development" (全國傑出青年興業領頭人). Mr. Tang was awarded the "Outstanding Entrepreneur of Jilin Province Privately-Owned Enterprises" (吉林省優秀民營企業家). Mr. Tang graduated from Renmin University of China (中國人民大學) in 1990, majoring in population studies. He was a tutor at Nanjing College For Population Programme Management (南京人口管理幹部學院助教) in 1990. He was appointed as assistant to general manager and office manager of Zhejiang Shibao Steering in 1995 responsible for administration, and deputy general manager of Zhejiang Shibao Steering in 1997 responsible for administration. Since 1998, he has been the general manager of Siping Steering responsible for its overall management. Mr. Tang obtained his master degree in business administration (工商管理碩士) and doctorate degree in technical economics and management (技術經濟及管理專業博士) both at Jilin University (吉林大學) in 2004 and 2008 respectively. He is the husband of Ms. Zhang Mei Jun (and the son-in-law of Mr. Zhang Shi Quan). Mr. Tang did not hold any directorship in any other listed companies during the last three years.

Mr. Tang was first appointed as a Director of the Company on 12 June 2004. Mr. Tang entered into a service contract with the Company on 26 April 2006 for an initial term of 3 years pursuant to which he was appointed as an executive Director on 16 May 2006. Upon the re-appointment by election, the service contract continues to be effective after the expiry of the above initial term unless and until terminated by either party thereto giving to the other not less than 1 month's notice in writing. Mr. Tang is currently entitled to RMB200,000 per annum, as director's salary, which is determined with reference to his responsibilities, experience, workload and the time devoted by him to the Group. Also, Mr. Tang is entitled to such discretionary bonus as determined by the Board in its absolute discretion and the interested Director is required to abstain from voting at the Board meeting.

As at the date of this announcement, Mr. Tang is not interested in any Shares of the Company within the meaning of Part XV of the SFO.

**Mr. Zhu Jie Rong (朱頡榕)**, aged 62, has been the deputy general manager of the Company responsible for investors and public relations since joining the Group in February 2002. He is also the compliance officer and authorised representative of the Company. In addition, he is a supervisor of Zhejiang Shibao Holding. From 1966 to 1990, he worked in a number of leading automobile parts and components manufacturers in Shanghai, Hubei and Zhejiang, and has over 20 years of experience in the automobile parts and components industry. In addition, Mr. Zhu does not have any relationship with any Directors, Supervisors, senior management, Substantial Shareholders or Controlling Shareholders of the Company, and did not hold any directorship in any other listed companies during the last three years.

Mr. Zhu was first appointed as a Director of the Company on 12 June 2004. Mr. Zhu entered into a service contract with the Company on 26 April 2006 for an initial term of 3 years pursuant to which he was appointed as an executive Director on 16 May 2006. Upon the re-appointment by election, the service contract continues to be effective after the expiry of the above initial term unless and until terminated by either party thereto giving to the other not less than 1 month's notice in writing. Mr. Zhu is currently entitled to RMB240,000 per annum, as director's salary, which is determined with reference to his responsibilities, experience, workload and the time devoted by him to the Group. Also, Mr. Zhu is entitled to such discretionary bonus as determined by the Board in its absolute discretion and the interested Director is required to abstain from voting at the Board meeting.

As at the date of this announcement, Mr. Zhu is not interested in any Shares of the Company within the meaning of Part XV of the SFO.

**Ms. Zhang Lan Jun (張蘭君)**, aged 35, is responsible for supervising the finance and accounting functions of the Company. She graduated from Zhejiang University of Finance & Economics (浙江財經學院) in 1996, majoring in accounting and obtained a master degree in business administration (工商管理碩士學位) in Guizhou University (貴州大學). She joined our Group's accounting department in 1997 and has over 10 years of experience in finance and accounting. Ms. Zhang Lan Jun has also been a director of Hangzhou Shibao since November 1996 and finance manager of Hangzhou Shibao since 2001. She is a daughter of Mr. Zhang Shi Quan. Ms. Zhang Lan Jun did not hold any directorship in any other listed companies during the last three years.

Ms. Zhang Lan Jun was first appointed as a Director of the Company on 12 June 2004. Ms. Zhang Lan Jun entered into a service contract with the Company on 26 April 2006 for an initial term of 3 years pursuant to which she was appointed as an executive Director on 16 May 2006. Upon the re-appointment by election, the service contract continues to be effective after the expiry of the above initial term unless and until terminated by either party thereto giving to the other not less than 1 month's notice in writing. Ms. Zhang Lan Jun is currently entitled to RMB150,000 per annum, as director's salary, which is determined with reference to her responsibilities, experience, workload and the time devoted by her to the Group. Also, Ms. Zhang Lan Jun is entitled to such discretionary bonus as determined by the Board in its absolute discretion and the interested Director is required to abstain from voting at the Board meeting.

As at the date of this announcement, Ms. Zhang Lan Jun is not interested in any Shares of the Company within the meaning of Part XV of the SFO.

#### **Non-executive Directors**

**Mr. Zhang Shi Zhong (張世忠)**, aged 49, is deputy general manager of the Company responsible for overseeing the Company's manual steering gears production. He was the deputy general manager of Yiwu Qianjin Steering Gear Factory (義烏市前進方向機廠), responsible for the supervision of the production of manual steering gears, until 1993 when its operations were taken over by Zhejiang Shibao Steering. Since then, he has been the deputy general manager of Zhejiang Shibao Steering responsible for the supervision of the production of manual steering gears. He is also the chairman of Zhejiang Shibao Holding which holds 165,387,223 Domestic Shares representing 94% of the Domestic Shares in issue and approximately 62.97% of the total issued share capital of the Company. He has over 15 years experience in the automotive steering gears. He is the younger brother of Mr. Zhang Shi Quan. Mr. Zhang Shi Zhong did not hold any directorship in any other listed companies during the last three years.

Mr. Zhang Shi Zhong was first appointed as a Director of the Company on 12 June 2004. Mr. Zhang Shi Zhong entered into a service contract with the Company on 26 April 2006 for an initial term of 3 years pursuant to which he was appointed as a non-executive Director on 16 May 2006. Upon the re-appointment by election, the service contract continues to be effective after the expiry of the above initial term unless and until terminated by either party thereto giving to the other not less than 1 month's notice in writing. Mr. Zhang Shi Zhong is currently entitled to RMB80,000

per annum, as director's salary, which is determined with reference to his responsibilities, experience, workload and the time devoted by him to the Group. Also, Mr. Zhang Shi Zhong is entitled to such discretionary bonus as determined by the Board in its absolute discretion and the interested Director is required to abstain from voting at the Board meeting.

As at the date of this announcement, Mr. Zhang Shi Zhong is not interested in any Shares of the Company within the meaning of Part XV of the SFO.

**Ms. Zhang Mei Jun (張美君)**, aged 40, was graduated from the People's Liberation Army Transportation Engineering Institute (中國人民解放軍運輸工程學院) majoring in automobile parts and components design and manufacture (主修汽車零部件設計與製造) in 1992. She was responsible for overseeing the finance and accounting functions of Zhejiang Shibao Steering from 1993 to 1998. She is a daughter of Mr. Zhang Shi Quan and the wife of Mr. Tang Hao Han. Ms. Zhang Mei Jun did not hold any directorship in any other listed companies during the last three years.

Ms. Zhang Mei Jun was first appointed as a Director of the Company on 12 June 2004. Ms. Zhang Mei Jun entered into a service contract with the Company on 26 April 2006 for an initial term of 3 years pursuant to which she was appointed as a non-executive Director on 16 May 2006. Upon the re-appointment by election, the service contract continues to be effective after the expiry of the above initial term unless and until terminated by either party thereto giving to the other not less than 1 month's notice in writing. Ms. Zhang Mei Jun is currently entitled to RMB80,000 per annum, as director's salary, which is determined with reference to her responsibilities, experience, workload and the time devoted by her to the Group. Also, Ms. Zhang Mei Jun is entitled to such discretionary bonus as determined by the Board in its absolute discretion and the interested Director is required to abstain from voting at the Board meeting.

As at the date of this announcement, Ms. Zhang Mei Jun is not interested in any Shares of the Company within the meaning of Part XV of the SFO.

**Mr. Lou Run Zheng (樓潤正)**, aged 47, obtained a bachelor's degree from Zhejiang University in 1985, majoring in agriculture mechanization and a master's degree in business administration from the Open University of Hong Kong in 2003, and has attended certain courses for master of law in Zhejiang University. Mr. Lou is the vice president of Zhejiang Yuan Zheng Hotel Management Company Limited. Mr.

Lou has over 20 years' experience in business administration. Mr. Lou was appointed as a non-executive Director on 4 November 2009. In addition, Mr. Lou does not have any relationship with any Directors, Supervisors, senior management, Substantial Shareholders or Controlling Shareholders of the Company, and did not hold any directorship in any other listed companies during the last three years.

Mr. Lou was first appointed as a non-executive Director of the Company on 4 November 2009. Mr. Lou entered into a service contract with the Company on 4 November 2009 for a term of about two years and seven months pursuant to which he has been appointed as a non-executive Director on 4 November 2009. Mr. Lou is currently entitled to RMB30,000 per annum, as director's salary, which is determined with reference to his responsibilities, experience, workload and the time devoted by him to the Group. Also, Mr. Lou is entitled to such discretionary bonus as determined by the Board in its absolute discretion and the interested Director is required to abstain from voting at the Board meeting.

As at the date of this announcement, Mr. Lou is not interested in any Shares of the Company within the meaning of Part XV of the SFO.

### **Independent non-executive Directors**

**Mr. Zhao Chun Zhi (趙春智)**, aged 64, senior economist. Mr. Zhao was the deputy plant manager of the steering gear plant and the general manager of Liao-Beng sub-company (遼泵分公司) of China FAW Group Corporation (中國第一汽車集團公司) before he retired in 2006. Mr. Zhao was appointed as an independent non-executive Director on 5 June 2009. Mr. Zhao has over 30 years' experience in the management of steering manufacturing plant. In addition, Mr. Zhao does not have any relationship with any Directors, Supervisors, senior management, Substantial Shareholders or Controlling Shareholders of the Company, and did not hold any directorship in any other listed companies during the last three years.

Mr. Zhao Chun Zhi was first appointed as an independent non-executive Director of the Company on 5 June 2009. Mr. Zhao entered into a service contract with the Company on 5 June 2009 for a term of 3 years pursuant to which he was appointed as an independent non-executive Director on 5 June 2009. Mr. Zhao is currently entitled to RMB30,000 per annum, as director's salary, which is determined with reference to his responsibilities, experience, workload and the time devoted by him to the Group. Also, Mr. Zhao is entitled to such discretionary bonus as determined by the Board in

its absolute discretion and the interested Director is required to abstain from voting at the Board meeting.

As at the date of this announcement, Mr. Zhao is not interested in any Shares of the Company within the meaning of Part XV of the SFO.

**Mr. Chen Guo Feng (陳國峰)**, aged 64, worked in the Hangzhou Turbine Factory (杭州汽輪機廠), Hangzhou Mechanical Industry Bureau (杭州市機械工業局) and Hangzhou Mechanical Electronic Holding (Group) Company Limited (杭州機械電子控股(集團)有限公司) as finance accountant, accounts Supervisor, deputy chief accountant, financial director and department head. Mr. Chen is an independent director of Ningbo MOS Group Corporation Limited (寧波摩士集團股份有限公司) and Zhejiang Hangcha Engineering Machinery Co., Ltd. (浙江杭叉工程機械股份有限公司). Mr. Chen has over 30 years' experience in finance. Mr. Chen has been appointed as a Director since 6 December 2004. Save as disclosed above, Mr. Chen did not hold any directorship in any other listed companies during the last three years and does not have any relationship with any Directors, Supervisors, senior management, Substantial Shareholders or Controlling Shareholders of the Company.

Mr. Chen was first appointed as a Director of the Company on 6 December 2004. Mr. Chen entered into a service contract with the Company on 26 April 2006 for an initial term of 3 years pursuant to which he was appointed as an independent non-executive Director on 16 May 2006. Upon the re-appointment by election, the service contract continues to be effective after the expiry of the above initial term unless and until terminated by either party thereto giving to the other not less than 1 month's notice in writing. Mr. Chen is currently entitled to RMB30,000 per annum, as director's salary, which is determined with reference to his responsibilities, experience, workload and the time devoted by him to the Group. Also, Mr. Chen is entitled to such discretionary bonus as determined by the Board in its absolute discretion and the interested Director is required to abstain from voting at the Board meeting.

As at the date of this announcement, Mr. Chen is not interested in any Shares of the Company within the meaning of Part XV of the SFO.

**Mr. Chau Kam Wing, Donald (周錦榮)** aged 48, obtained a master's degree in business administration from the University of San Francisco, USA in 2000 and is a Fellow of the Association of Chartered Certified Accountants and a practising member of Hong Kong Institute of Certified Public Accountants. He is now practising as a Certified Public Accountant in Hong Kong and is a council member of the Society of Chinese Accountants & Auditors in Hong Kong. He has over 20 years' experience in auditing, taxation and financial management of various listed companies. Mr. Chau was appointed as an independent non-executive Director on 4 November 2009. Mr. Chau is currently an independent non-executive director of China Water Affairs Group Limited and Carpenter Tan Holdings Limited, both companies listed on the Main Board of the Stock Exchange, and Eco-Tek Holdings Limited and China Nonferrous Metals Company Limited, both companies listed on the GEM of the Stock Exchange. Save as disclosed above, Mr. Chau did not hold directorship in any other listed companies over the last three years and does not have any relationship with any Directors, Supervisors, senior management, Substantial Shareholders or Controlling Shareholders of the Company.

Mr. Chau was first appointed as an independent non-executive Director of the Company on 4 November 2009. Mr. Chau entered into a service contract with the Company on 4 November 2009 for a term of about 2 years and 7 months pursuant to which he was appointed as an independent non-executive Director on 4 November 2009. Mr. Chau is currently entitled to RMB120,000 per annum, as director's salary, which is determined with reference to his responsibilities, experience, workload and the time devoted by him to the Group. Also, Mr. Chau is entitled to such discretionary bonus as determined by the Board in its absolute discretion and the interested Director is required to abstain from voting at the Board meeting.

As at the date of this announcement, Mr. Chau is not interested in any Shares of the Company within the meaning of Part XV of the SFO.

### **Supervisors**

**Mr. Du Min (杜敏)**, aged 55, joined Siping Steering Gear Co., Ltd. (四平市方向機械有限公司), a subsidiary of the Company, since 2002 and is a senior economist. Mr. Du graduated from Jilin Institute of Finance and Trade (吉林財貿學院) with a bachelor's degree in economics in 1982. Mr. Du has more than 20 years' experience in finance.

Mr. Du has been appointed as a Supervisor from staff representatives since 1 June 2007. Mr. Du entered into a service contract with the Company on 1 June 2007 for a term of three years pursuant to which he has been appointed as a Supervisor on 1 June 2007. Upon the re-appointment by election, the service contract continues to be effective after the expiry of the above initial term unless and until terminated by either party thereto giving to the other not less than 1 month's notice in writing. Mr. Du is currently entitled to RMB24,000 per annum as Supervisor's salary, which is determined with reference to this responsibility, experience, workload and the time devoted by him to the Group.

Mr. Du did not hold directorship in any other listed companies over the last three years and does not have any relationship with any Directors, Supervisors, senior management, Substantial Shareholders or Controlling Shareholders of the Company.

As at the date of this announcement, Mr. Du is not interested in any Shares of the Company within the meaning of Part XV of the SFO.

**Mr. Yang Di Shan (楊迪山)**, age 73, was the deputy manager of chassis department and light car department at Changchun Auto Research Institute (長春汽車研究所) (now known as FAW Group Corporation R&D Center (一汽集團公司技術中心)) and retired in 1998. Mr. Yang is the deputy general manager of Beijing Keguan Vehicle Hi-tech Development Co., Ltd. currently. Mr. Yang has over 30 years' experience in research and development in relation to automobile parts.

Mr. Yang has been appointed as a Supervisor since 5 June 2009. Mr. Yang entered into a service contract with the Company on 5 June 2009 for a term of three years pursuant to which he was appointed as a Supervisor on 5 June 2009. Mr. Yang is currently entitled to RMB24,000 per annum as Supervisor's salary, which is determined with reference to his responsibility, experience, workload and the time devoted by him to the Group.

Mr. Yang did not hold directorship in any other listed companies over the last three years and does not have any relationship with any Directors, Supervisors, senior management, Substantial Shareholders or Controlling Shareholders of the Company.

As at the date of this announcement, Mr. Yang is not interested in any Shares of the Company within the meaning of Part XV of the SFO.



**Mr. Wu Lang Ping (吳琅平)**, age 48, joined the Company in 1985 and worked in the area of steering gear manufacturing for over 20 years. He is the manager of manufacturing process department of Hangzhou Shibao, responsible for supervising the manufacturing process of automotive steering gears. Mr. Wu was elected by the staff as staff representative Supervisor and was appointed as a Supervisor with effect from 5 June 2009.

Mr. Wu was first appointed as a Supervisor of the Company on 5 June 2009. Mr. Wu entered into a service contract with the Company on 5 June 2009 for a term of three years pursuant to which he was appointed as a Supervisor on 5 June 2009. Mr. Wu is currently entitled to RMB24,000 per annum as Supervisor's salary, which is determined with reference to his responsibility, experience, workload and the time devoted by him to the Group.

Mr. Wu did not hold directorship in any other listed companies over the last three years and does not have any relationship with any Directors, Supervisors, senior management, Substantial Shareholders or Controlling Shareholders of the Company.

As at the date of this announcement, Mr. Wu is not interested in any Shares of the Company within the meaning of Part XV of the SFO.

**Mr. Shen Song Sheng (沈松生)**, aged 74, worked in Hangzhou Hong Qi Spare Parts Factory (杭州紅旗汽車零部件廠) in 1980. Mr. Shen joined the Group in 1993 responsible for sales and retired in 2009.

Mr. Shen has been appointed as a Supervisor since 12 June 2004. Mr. Shen entered into a service contract with the Company on 26 April 2006 for a term of three years pursuant to which he was appointed as a Supervisor on 16 May 2006. Upon the re-appointment by election, the service contract continues to be effective after the expiry of the above initial term unless and until terminated by either party thereto giving to the other not less than 1 month's notice in writing. Mr. Shen resigned from his position as a staff representative Supervisor due to retirement from the job on 1 June 2007. However, being eligible, he was re-elected as a Supervisor at the annual general meeting on 1 June 2007. Mr. Shen is currently entitled to RMB24,000 per annum, as Supervisor's salary, which is determined with reference to his responsibility, experience, workload and the time devoted by him to the Group.

Mr. Shen did not hold directorship in any other listed companies over the last three years and does not have any relationship with any Directors, Supervisors, senior management, Substantial Shareholders or Controlling Shareholders of the Company.

As at the date of this announcement, Mr. Shen is not interested in any Shares of the Company within the meaning of Part XV of the SFO.

**Mr. Wang Kui Quan (王奎泉)**, aged 46, obtained his bachelor's degree from the Jiangxi Finance and Economics Institute (江西財經學院) (currently known as Jiangxi Finance and Economics Vocational College (江西財經職業學院)), majoring in finance and a master's degree in economics from Dongbei University of Finance and Economics (東北財經大學) in 1986 and 1989 respectively. From 1997 to 2000, he was the deputy head of Zhejiang School of Finance (浙江財政學校). From 2002 to 2005, he was the vice director of postgraduates department of Zhejiang University of Finance & Economics (浙江財經學院) and from 2006, he was the director of the Principal Office and Party Secretary Office of Zhejiang University of Finance & Economics (浙江財經學院). From 2010, Mr. Wang is the director of the Development and Planning Office of Zhejiang University of Finance & Economics (浙江財經學院). Mr. Wang has over 20 years' experience in finance and economics.

Mr. Wang has been appointed as a Supervisor since 12 January 2005. Mr. Wang entered into a service contract with the Company on 26 April 2006 for a term of three years pursuant to which he was appointed as a Supervisor on 16 May 2006. Upon the re-appointment by election, the service contract continues to be effective after the expiry of the above initial term unless and until terminated by either party thereto giving to the other not less than 1 month's notice in writing. Mr. Wang is currently entitled to RMB24,000 per annum, as Supervisor's salary, which is determined with reference to his responsibility, experience, workload and the time devoted by him to the Group.

Mr. Wang did not hold directorship in any other listed companies over the last three years and does not have any relationship with any Directors, Supervisors, senior management, Substantial Shareholders or Controlling Shareholders of the Company.

As at the date of this announcement, Mr. Wang is not interested in any Shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, the Board is not aware of any information in relation to the above Directors and Supervisors that ought to be disclosed pursuant to the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules, nor is there any other matter in relation to the above Directors and Supervisors that ought to be brought to the attention to the shareholders of the Company.

#### **DOCUMENTS AVAILABLE FOR VIEWING**

Copies of the following documents will be made available for viewing on the Company's website at <http://www.zjshibao.com> and/or on the website of the Stock Exchange at <http://www.hkexnews.hk>:

- (a) the articles of association of the Company;
- (b) the quarterly report of the Company for the nine months ended 30 September 2010;
- (c) the interim report of the Company for the six months ended 30 June 2010;
- (d) the Directors' report and annual report of the Company for the financial year ended 31 December 2009;
- (e) a circular of the Company dated 4 February 2010 relating to the proposed Main Board transfer listing and proposed amendments to articles of association;
- (f) a circular of the Company dated 25 March 2009 relating to the proposals for re-election and appointment of Directors and Supervisors, amendments to the articles of association and the general mandate to issue shares;
- (g) announcements and other corporate communications made by the Company as required under the GEM Rules and the Listing Rules.

## DEFINITIONS

In this announcement, the following expressions have the following meanings unless the context requires otherwise:

“Associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of the Directors
“Company”	Zhejiang Shibao Company Limited, a company incorporated in the People’s Republic of China with limited liability and the issued H Shares of which are listed on GEM
“Controlling Shareholders”	has the meaning ascribed to it under the Listing Rules
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	the domestic ordinary share(s) in the share capital of the Company, with a nominal value of RMB1 each, which were subscribed for and credited as fully paid up in RMB
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Rules”	the Rules Governing the Listing of Securities on GEM

“Group”	the Company and its subsidiaries from time to time
“H Share(s)”	overseas listed foreign share(s) in the share capital of the Company, with a nominal value of RMB1 each which were subscribed for and traded in Hong Kong dollars and listed on the Stock Exchange
“Hangzhou Shibao”	Hangzhou Shibao Auto Steering Gear Sales Co., Ltd. (杭州世寶汽車方向機有限公司), a non wholly owned subsidiary of the Company
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of The People’s Republic of China
“Main Board”	the stock market operated by the Stock Exchange prior to the establishment of GEM (excluding the options market) which stock market continues to be operated by the Stock Exchange in parallel with GEM. For the avoidance of doubt, the Main Board excludes GEM
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, excluding, for the purpose of this announcement, Hong Kong, Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the People’s Republic of China

“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	the share(s) of the Company, including Domestic Share(s) and H Share(s)
“Siping Steering”	Siping Steering Gear Co., Ltd. (四平市方向機械有限公司), a non wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Supervisor(s)”	the supervisor(s) of the Company
“Transfer of Listing”	the proposed transfer of the listing of the H Shares from GEM to Main Board
“Zhejiang Shibao Holding”	Zhejiang Shibao Holding Group Co., Ltd. (浙江世寶控股集團有限公司), the ultimate holding company of the Company
“Zhejiang Shibao Steering”	Zhejiang Shibao Steering Gear Co., Ltd. (浙江世寶方向機有限公司), the predecessor of the Company

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

Hangzhou, Zhejiang, the PRC  
25 February 2011

*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 collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules and GEM Rules 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 the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the “Latest Company Announcements” of the GEM website (<http://www.hkgem.com>), the Exchange’s website (<http://www.hkexnews.hk>) and the Company’s website ([www.zjshibao.com](http://www.zjshibao.com)) for at least 7 (seven) days from the date of its posting.*

*\* For identification purpose only*