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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2015

FINANCIAL HIGHLIGHTS

	This reporting period	Corresponding period of last year	Change
	RMB	RMB	
Revenue	442,723,463.64	394,679,944.00	12.17%
Gross profit margin from main business	25.98%	27.30%	-1.32%
Net profit attributable to shareholders of the listed issuer	36,109,760.10	27,781,320.27	29.98%
Net profit after non-recurring gains and losses attributable to shareholders of the listed issuer	28,493,235.40	24,640,250.99	15.64%
Net cash flow from operating activities	26,207,604.08	49,181,447.21	-46.71%
Basic earnings per share （RMB/Share）	0.1143	0.1001	14.19%
Diluted earnings per share （RMB/Share）	0.1143	0.1001	14.19%
Weighted average return on net assets （%）	2.51%	3.67%	-1.16%
	At the end of the reporting period	At the beginning of the reporting period	Change
	RMB	RMB	
Total assets	2,012,610,767.20	2,101,067,888.20	-4.21%
Net assets attributable to shareholders of the listed issuer	1,425,152,040.74	1,420,628,066.14	0.32%

* *For identification purpose only*

UNAUDITED INTERIM RESULTS

The board of directors ("**Board**") of Zhejiang Shibao Company Limited ("**Company**") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries ("**Group**") for the six months ended 30 June 2015 prepared pursuant to China Accounting Standard for Business Enterprises, together with the comparative figures for the corresponding period in 2014. The consolidated interim results have not been audited, but have been reviewed by the Company's audit committee.

I. FINANCIAL INFORMATION

(All amounts in RMB Yuan unless otherwise stated)
(English translation for reference only)

CONSOLIDATED BALANCE SHEET

30 June 2015

	Note (3)	30 June 2015 (unaudited)	31 December 2014 (audited)
Assets			
Current Assets			
Cash on hand and at bank		472,118,630.24	760,413,906.65
Notes receivable	1	117,543,694.19	110,001,880.87
Accounts receivable	2	299,249,171.89	328,448,994.53
Prepayments		6,539,428.23	10,618,954.07
Other receivable		6,033,728.12	6,348,421.04
Inventories		208,916,616.23	202,149,703.92
Other current assets		219,281,582.77	8,139,857.40
Total current assets		1,329,682,851.67	1,426,121,718.48
Non-current Assets			
Fixed assets		455,666,036.33	449,185,309.04
Construction in progress		34,155,099.87	37,830,098.68
Intangible assets		119,011,537.66	123,778,255.54
Goodwill		4,694,482.34	4,694,482.34
Deferred tax assets		4,756,844.53	4,690,643.38
Other non-current assets		64,643,914.80	54,767,380.74
Total non-current assets		682,927,915.53	674,946,169.72
Total Assets		2,012,610,767.20	2,101,067,888.20

	Note (3)	30 June 2015 (unaudited)	31 December 2014 (audited)
Liabilities and Shareholders' Equity			
Current Liabilities			
Short-term loans	3	199,000,000.00	268,260,000.00
Notes payable	4	34,965,087.14	65,791,655.53
Accounts payable	5	218,609,739.72	237,195,243.19
Advance from customers		4,627,018.64	4,886,192.92
Employee benefits payable		10,127,003.02	13,657,975.74
Taxes payable		6,551,045.24	6,053,251.21
Interests payable		1,603,885.39	1,538,256.74
Dividend payable		31,585,785.50	-
Other payable		1,468,348.64	2,228,853.18
Non-current liabilities due within one year	6	8,800,000.00	8,800,000.00
Other current liabilities		15,049,043.24	12,473,903.33
Total current liabilities		532,386,956.53	620,885,331.84
Non-current Liabilities			
Long-term borrowings	7	1,900,000.00	1,900,000.00
Deferred tax liabilities		5,555,536.38	5,992,749.26
Deferred income		27,969,876.56	30,178,729.37
Total non-current liabilities		35,425,412.94	38,071,478.63
Total Liabilities		567,812,369.47	658,956,810.47
Shareholders' Equity			
Share capital		315,857,855.00	315,857,855.00
Capital reserve		660,012,081.76	660,012,081.76
Surplus reserve		121,377,588.47	121,377,588.47
Retained earnings		327,904,515.51	323,380,540.91
Equity attributable to equity holders of the Parent		1,425,152,040.74	1,420,628,066.14
Minority interests		19,646,356.99	21,483,011.59
Total Shareholders' Equity		1,444,798,397.73	1,442,111,077.73
Total Liabilities and Shareholders' Equity		2,012,610,767.20	2,101,067,888.20

CONSOLIDATED INCOME STATEMENT

Six months ended 30 June 2015

	Note (3)	Jan.-June 2015 (unaudited)	Jan.-June 2014 (unaudited)
Revenue	10	442,723,463.64	394,679,944.00
Less: Cost of sales	10	326,123,440.42	286,843,808.96
Sales taxes and surcharges		2,706,588.83	2,271,553.30
Selling expenses		24,904,879.91	25,261,994.55
General and administrative expenses		51,520,842.49	45,726,310.59
Financial expenses	11	4,933,494.25	7,792,460.20
Assets impairment losses		418,291.47	964,739.86
Add: Investment gains		6,600,246.57	-
Operating profit		38,716,172.84	25,819,076.54
Add: Non-operating income		3,983,556.80	3,700,447.93
Including: Gain on disposal of non-current assets		116,510.35	49,836.15
Less: Non-operating expenses		1,562,720.72	364,814.73
Including: Loss on disposal of non-current assets		1,208,726.88	6,531.70
Total profit		41,137,008.92	29,154,709.74
Less: Income tax expenses	12	6,863,903.42	5,696,615.75
Net Profit		34,273,105.50	23,458,093.99
Net profit attributable to equity holders of the Parent		36,109,760.10	27,781,320.27
Minority interests		(1,836,654.60)	(4,323,226.28)
Total comprehensive income		34,273,105.50	23,458,093.99
Total comprehensive income attributable to equity holders of the Parent		36,109,760.10	27,781,320.27
Total comprehensive income attributable to minority shareholders		(1,836,654.60)	(4,323,226.28)
Earnings per share:	14		
Basic earnings per share		0.1143	0.1001
Diluted earnings per share		0.1143	0.1001

II. NOTES TO THE FINANCIAL STATEMENTS

(1) MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1. Basis of preparation of financial statements

The interim financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises No.32 – Interim Financial Reporting issued by the Ministry of Finance of the PRC.

The financial statements are presented on a going concern basis.

2. Statement of Compliance with the Accounting Standards for Business Enterprises

The financial statements of the Company have been prepared in accordance with the requirements of the Accounting Standards for Business Enterprises, which have truly and fully reflected the information of the Company, including the financial position, results of operations and cash flows.

3. Accounting year

The accounting year of the Group is from 1 January to 31 December.

4. Reporting currency

The reporting currency is Renminbi ("**RMB**").

(2) TAXATION

1. Major taxes and tax rates

Type of tax	Basis	Tax rate
Value added tax	Sales of goods or rendering of taxable services	17% (Note)
Business tax	Amount of taxable turnover	5%
Property tax	On property value less 30%, or on rents	1.2%、12%
Urban maintenance and construction tax	Amount of payable turnover tax	7%、5%
Education surcharge	Amount of payable turnover tax	3%
Local education surcharge	Amount of payable turnover tax	2%
Corporate income tax	Amount of taxable profit	15%、25%

(Note): Hangzhou Shibao, a controlling subsidiary, enjoys the policy of "exempt, credit, refund" for export goods with an export tax refund rate of 17%.

Details of income tax subjected:

Name of entity	Income tax rate
Hangzhou Shibao	15%
Hangzhou New Shibao	15%
Siping Steering	15%
Others	25%

2. Tax concession and approval documents

1. According to the letter regarding Zhejiang 2014 filing the First Innovative and High-tech Corporations issued by Team-in-day Office of National High-tech Recognition and Management (CTP No. [2015]29), the controlling subsidiary, Hangzhou Shibao Auto Steering Gear Co., Ltd. was recognised as an Innovative and High-tech Corporation during the current period and obtained the Certificate of Innovative and High-tech Corporation (Certificate No. GR201433000685) with a valid period from 2014 to 2016. It is subjected to an income tax rate of 15% during this period.

2. According to the letter regarding Zhejiang 2014 filing the First Innovative and High-tech Corporations issued by Team-in-day Office of National High-tech Recognition and Management (CTP No. [2015]29), the controlling subsidiary, Hangzhou New Shibao Electric Power Steering Co., Ltd. was recognised as an Innovative and High-tech Corporation during the current period and obtained the Certificate of Innovative and High-tech Corporation (Certificate No. GR201433000159) with a valid period from 2014 to 2016. It is subjected to an income tax rate of 15% during this period.

3. According to the Document (Ji Ke Ban Zi [2012] No.182) issued by the Department of Science and Technology, the Department of Finance, the Bureau of State Taxation and the Bureau of Local Taxation of Jilin province, Siping Steering Gear Co., Ltd., a controlling subsidiary of the Company, was recognized as a high-tech enterprise in 2012 with a valid period from 2012 to 2014.During the period under review, Siping Steering has applied for re-cognition as a high-tech enterprise. As at the date of this report, the review is in progress. Siping Steering is adopting a tax rate of 15% for income tax pre-declaration during the period under review.

(3) NOTES TO THE MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. Notes receivable

	30 June 2015 (unaudited)	31 December 2014 (audited)
Banker's acceptances	117,543,694.19	110,001,880.87

2. Accounts receivable

The ageing analysis of accounts receivable is as follows:

	30 June 2015 (unaudited)	31 December 2014 (audited)
Within 1 year	288,892,708.71	320,244,690.89
1-2 years	8,694,667.43	7,199,611.43
2-3 years	654,396.47	320,434.76
Over 3 years	3,390,977.43	3,067,835.60
	301,632,750.04	330,832,572.68
Less: Provision for impairment	(2,383,578.15)	(2,383,578.15)
	299,249,171.89	328,448,994.53

The trading terms of the Company and its subsidiaries with their customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally 90 days, extending up to 180 days for major customers. Overdue balances are reviewed regularly by senior management.

3. Short-term loans

	30 June 2015 (unaudited)	31 December 2014 (audited)
Credit loans	-	25,000,000.00
Guaranteed loans	199,000,000.00	229,000,000.00
Pledged loans	-	5,460,000.00
Secured loans	-	8,800,000.00
	199,000,000.00	268,260,000.00

Annual interest rate of the above short-term bank loans is 5.10% to 6.00%.

4. Notes payable

	30 June 2015 (unaudited)	31 December 2014 (audited)
Banker’s acceptances	34,965,087.14	65,791,655.53

5. Accounts payable

	30 June 2015 (unaudited)	31 December 2014 (audited)
Within 1 year	210,389,270.86	227,240,010.38
1-2 years	5,649,656.17	6,228,720.50
2-3 years	1,205,646.54	2,820,597.66
Over 3 years	1,365,166.15	905,914.65
	218,609,739.72	237,195,243.19

6. Non-current liabilities due within one year

	30 June 2015 (unaudited)	31 December 2014 (audited)
Long-term loans due within one year	8,800,000.00	8,800,000.00

(Note) These loans represented the interest-free capital loans from the Administrative Committee of the Jilin Tiedong Economic Development Zone to a controlling subsidiary, Jilin Shibao for the expansion of reproduction. The original term of borrowing was from 28 November 2011 to 28 November 2014. The Administrative Committee of the Jilin Tiedong Economic Development Zone has extended the repayment date to the end of 2015.

7. Long-term borrowings

	30 June 2015 (unaudited)	31 December 2014 (audited)
Special funds for treasury bonds	1,900,000.00	1,900,000.00

8. Net current assets

	30 June 2015 (unaudited)	31 December 2014 (audited)
Current assets	1,329,682,851.67	1,426,121,718.48
Less: Current liabilities	(532,386,956.53)	(620,885,331.84)
	797,295,895.14	805,236,386.64

9. Total assets less current liabilities

	30 June 2015 (unaudited)	31 December 2014 (audited)
Total assets	2,012,610,767.20	2,101,067,888.20
Less: Current liabilities	(532,386,956.53)	(620,885,331.84)
	1,480,223,810.67	1,480,182,556.36

10. Revenue and costs of sales

	Jan.-June 2015 (unaudited)	Jan.-June 2014 (unaudited)
Revenue from main business	440,326,133.52	393,740,233.75
Revenue from other business	2,397,330.12	939,710.25
Revenue	442,723,463.64	394,679,944.00
Cost of sales for main business	325,950,419.81	286,247,804.94
Cost of sales for other business	173,020.61	596,004.02
Cost of sales	326,123,440.42	286,843,808.96

11. Financial expenses

	Jan.-June 2015 (unaudited)	Jan.-June 2014 (unaudited)
Interest expense	5,602,736.22	7,519,120.27
Interest income	(1,685,209.47)	(302,143.56)
Others	1,015,967.50	575,483.49
	4,933,494.25	7,792,460.20

12. Income tax expenses

No provision for Hong Kong profits tax has been made as the Company and its subsidiaries had no assessable profits arising in Hong Kong during the reporting period under review (corresponding period of 2014: Nil).

	Jan.-June 2015 (unaudited)	Jan.-June 2014 (unaudited)
Current income tax expenses	7,367,317.45	5,280,385.23
Deferred income tax expenses	(503,414.03)	416,230.52
	6,863,903.42	5,696,615.75

13. Depreciation and amortisation expenses

	Jan.-June 2015 (unaudited)	Jan.-June 2014 (unaudited)
Depreciation of fixed assets	26,840,570.27	24,686,217.41
Amortisation of intangible assets	4,825,948.65	4,892,607.46
	31,666,518.92	29,578,824.87

14. Earnings per share

The calculation of basic earnings per share is based on the net profit attributable to the holders of the Company's ordinary shares in the current period and weighted average number of the ordinary shares in issue.

During the period, the Company had no potential dilutive ordinary shares.

The detailed calculation information on basic earnings per share is as follows:

	Jan.-June 2015 (unaudited)	Jan.-June 2014 (unaudited)
Earnings		
Net profit for the period attributable to the holders of the Company's ordinary shares	36,109,760.10	27,781,320.27
Shares		
Weighted average of ordinary shares issued by the Company	315,857,855.00	277,657,855.00
Basic earnings per share (RMB)	0.1143	0.1001
Diluted earnings per share (RMB)	0.1143	0.1001

(4) SEGMENT REPORTING

Operating segment

For business management purposes, the Group is organized into one single business unit that represents primarily sale of automotive steering products and its corresponding components in Mainland China. Accordingly, no further detailed information about operating segment is presented.

Other information

Geographical information

External revenue of the Group was mainly generated from Mainland China.

All non-current assets of the Group were located in Mainland China.

(5) MATERIAL COMMITMENTS

	30 June 2015 (unaudited)	31 December 2014 (audited)
Material contracts in relation to acquisition of assets contracted but not recognized	47,870,638.02	20,881,027.21

III. INTERIM DIVIDENDS

The Board did not recommend the payment of any interim dividend for the six months ended 30 June 2015 (30 June 2014: Nil).

IV. MANAGEMENT DISCUSSION AND ANALYSIS

ANALYSIS OF MAIN BUSINESS

During the reporting period, the Company recorded a revenue of RMB442,723,463.64, representing an increase of 12.17% as compared with the corresponding period last year. The increase of revenue was mainly due to the further diversify of the Company's customer portfolio, as well as new projects started of production resulted in an increase of sales of the Company's passenger car steering products, including the sales of EPS.

During the reporting period, the gross profit of the Company's main business increased by RMB6,883,284.89 as compared with the corresponding period last year. The gross profit margin of the Company's main business was 25.98% (corresponding period of 2014: 27.30%). The decrease in the gross profit margin was mainly due to an adverse impact of sales drop of commercial vehicle market in China.

During the reporting period, the Company's selling expenses was RMB24,904,879.91, representing a slight decrease of 1.41% as compared with the corresponding period last year. Decrease in selling expenses was mainly due to a decrease in warranty expenses. During the reporting period, the Company's general and administrative expenses were RMB51,520,842.49, representing an increase of 12.67% as compared with the corresponding period last year. Increase in general and administrative expenses was mainly due to an increase in the research and development expenses and professional services expenses. During the reporting period, the Company's financial expenses were RMB4,933,494.25, representing a decrease of 36.69% as compared with the corresponding period last year. Decrease in financial expenses was mainly due to adding up of a decrease in bank borrowings resulted in decrease of interests expenses, and an increase of interests gain from bank deposits of the proceeds.

During the reporting period, the Company's research and development expenses was RMB16,481,121.68, representing an increase of 16.71% as compared with the corresponding period last year. The Company's research and development expenses was used in the research and development and testing of automotive steering related new technologies and new manufacturing processes. Leading research and development capacity and large investment is one of the core competencies of the Company, and helps the Company to acquire new businesses and positions the Company to a leading edge of the industry.

In view of the above, the Company recorded a net profit attributable to shareholders of the listed issuer of RMB36,109,760.10, representing an increase of 29.98% as compared with the corresponding period last year.

During the reporting period, the Company's net cash flow from operating activities was RMB26,207,604.08, decreased by 46.71% as compared with the corresponding period last year, which was maining due to the maturity and payment of notes payable for purchasing goods, as well as an increase in number of employees resulted in an increase in payment of wages, welfare and bonuses; net cash out flow from investing activities was RMB227,666,779.76, increased by 483.18% as compared with the corresponding period last year, which was mainly due to the subscriptions of bank wealth management products using part of the idle proceeds; net cash out flow from financing activities was RMB75,077,107.57, decreased by 461.44% as compared with the corresponding period last year, which was mainly due to repayment of bank loans.

In view of the above, the Company recorded a net decrease of cash and cash equivalents of RMB276,886,913.13, decreased by 1,006.21% as compared with the corresponding period last year.

Breakdown of main business during the reporting period:

				As compared to the corresponding period last year		
	Revenue	Operating costs	Gross margin	Change of revenue	Change of operating costs	Change of gross margin
By sectors						
Automotive components and spare parts manufacturing	440,326,133.52	325,950,419.81	25.98%	11.83%	13.87%	-1.32%
By products						
Steering system and parts	413,214,088.18	305,594,897.01	26.04%	12.14%	15.43%	-2.11%
Spare parts and others	27,112,045.34	20,355,522.80	24.92%	7.34%	-5.37%	10.08%

GEARING RATIO

As at the end of the reporting period, the Company's gearing ratio was 28.21% (31 December 2014: 31.36%), representing a decrease of 3.15%. The calculation of gearing ratio is to divide total liabilities by the total assets. Total liabilities is the sum of liabilities bearing by the Group, includes current liabilities and long-term liabilities. Total assets is the sum of assets holding by the Group, includes current assets and noncurrent assets.

FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June 2015, the amount of total loans and borrowings was RMB209,700,000.00 (31 December 2014: RMB278,960,000.00). Total loans and borrowings decreased by RMB69,260,000.00 when compared with the beginning of the year. Among which, loans and borrowings of short-term and due within one year amounted to RMB207,800,000.00 (31 December 2014: RMB277,060,000.00), representing a share of 99.09% (31 December 2014: 99.32%) in total loans and borrowings. Loans and borrowings at fixed interest rates amounted to RMB200,900,000.00 (31 December 2014: RMB250,160,000.00).

The Company has issued 38.2 million RMB ordinary shares (A Shares) by way of private placement at issue price of RMB18.46 per share, which raised an aggregate proceeds of RMB705,172,000 and a net proceeds of RMB658,162,900. On 11 December 2014, the proceeds were credited into the fund regulatory account of the Company. The amount of the proceeds acutally utilized by the Company from January to June 2015 was RMB81,219,400. As of 30 June 2015, the unutilized proceeds amounted to RMB584,725,000, of which RMB210,000,000 was used as bank's guaranteed wealth management products. Balance of the proceeds was RMB374,725,000, which included the net amount of accumulated gain from the guaranteed wealth management products and interests from bank deposits less bank handling fees of RMB7,781,400.

The Group's cash and cash equivalents, and loans and borrowings were mainly denominated in Renminbi.

PLEDGE OF ASSETS

As at 30 June 2015, the secured notes receivable and the monetary assets with restricted ownership rights and rights in use of the Group amounted to RMB25,256,991.35 and RMB6,147,781.89, respectively, representing the collateral security and earnest money for the issuance of the bank acceptance bills.

MATERIAL ACQUISITIONS AND DISPOSALS

Possible acquisition

Reference is made to the announcement of the Company dated 28 May 2015 regarding the suspension of trading in the shares of the Company pending the release of the announcement containing inside information of the Company, the announcement of the Company dated 6 August 2015 regarding the update on the planning of acquisition of assets (the "**Possible Acquisition**"), and the announcements issued by the Company between June and August 2015 in relation to the continuation of the suspension of the trading in the shares of the Company and the Possible Acquisition. As at the date of this announcement, since the relevant issues are still in the process of planning, they exist major uncertainties. In order to ensure the fairness of information disclosure and to protect the interests of investors, trading in shares of the Company will continue to be suspended with effect from 24 August 2015 (Monday). After the relevant issues are finalized, the Company will disclose the relevant announcement and apply for resumption of trading timely.

Save as disclosed above, during the period under review, the Group did not have any other material acquisition and disposal concerning subsidiaries and associates.

FOREIGN CURRENCY EXPOSURE

During the period under review, both the sales and purchases of the Group were principally denominated in Renminbi. The Group was not subject to significant exposure in foreign currency risk. No hedge arrangement has been entered into by the Group.

CAPITAL COMMITMENTS

As at 30 June 2015, apart from material commitments set out in note (5) to the financial statements, the Group has no other material capital commitments.

OUTLOOK

The Company's strategic objective is to be an intelligent driving solution provider to global automakers. Therefore, in the next few years, the Company is planning to develop the mechanical and electronic integration technology that make driving safer and comfort jointly by independent R&D and Merger & Acquisition.

During the reporting period, the Company continued developing middle and high-end market in China and overseas, facilited investment on projects using the proceeds. In order to establish capacity in intelligent driving, the Company established R&D center in Beijing focuing on intelligent driving, meanwhile, the Company was exploring opportunities overseas for partnership and acquisition.

<u>FORECAST ON THE OPERATING RESULTS BETWEEN JANUARY AND SEPTEMBER 2015</u>

Change in net profit attributable to shareholders of the listed issuer between January and September 2015 (%)	20%	To	40%
Range of change in net profit attributable to shareholders of the listed issuer between January and September 2015 (RMB ten thousands)	4,424.20	To	5,161.56
Net profit attributable to shareholders of the listed issuer between January and September 2014 (RMB ten thousands)	3,686.83		
Illustrations on reasons attributable to the movements in results	Forecast profit increase of the Company will be mainly due to an increase of business scale, a decrease of financial expenses and an increase of gain on wealth management products.		

V. CORPORATE GOVERNANCE CODE

For the period under review, the Company had been in compliance with the majority of the code provisions set out in the Corporate Governance Code with the exception of code provisions A.2.1, A.1.8 and A.6.7.

Under code provision A.2.1, the roles of the chairman and the chief executive shall be separated, and shall not be undertaken by the same individual. Mr. Zhang Shi Quan has been the Chairman and General Manager of the Company during the period under review. Mr.

Zhang Shi Quan is the Group's founder, and is responsible for overseeing the overall strategic planning, new business investment, acquisition and merging. In view of the nature of the Company's business, the Board considers that the current management structure arrangement is considerably effective in response to market changes and finalization of strategic plans. The Board will review the efficiency of this management structure arrangement from time to time.

Under code provision A.1.8, an issuer should arrange appropriate insurance cover in respect of legal action against its directors. The Board has not arranged a liability insurance for the Directors and senior executives taking into the consideration that the industry, business and financial situation of the Company are stable at present, and the Company has established sufficient internal control systems. The Board will review the need for the insurance cover from time to time.

Under code provision A.6.7, independent non-executive directors and other non-executive directors should also attend general meetings and develop a balanced understanding of the views of shareholders. Certain independent non-executive Directors and non-executive Directors were unable to attend the Company's annual general meeting held on 30 June 2015 due to their other business engagements.

VI. PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

For the six months ended 30 June 2015, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

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

Hangzhou, Zhejiang, the PRC
21 August 2015

As at the date of this announcement, the Board comprises Mr. Zhang Shi Quan, Mr. Zhang Bao Yi, Mr. Tang Hao Han and Ms. Zhang Lan Jun as executive directors; Mr. Zhang Shi Zhong and Mr. Zhu Jie Rong as non-executive directors; and Mr. Zhang Hong Zhi, Mr. Guo Kong Hui and Mr. Shum Shing Kei as independent non-executive directors.