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Zhejiang Shibao Company Limited*
浙江世寶股份有限公司

(a joint stock company incorporated in the People’s Republic of China with limited liability)

(Stock Code: 1057)

**PRELIMINARY FINANCIAL DATA
FOR THE ANNUAL RESULTS OF 2016**

This announcement is made by Zhejiang Shibao Company Limited (“**Company**”) pursuant to the requirements of Rule 13.09(2) of the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to provide shareholders of the Company and the public with the financial information of the Company. This announcement is disseminated on the Shenzhen Stock Exchange, and is also published in accordance with Rule 13.10B of the Listing Rules.

The Company and all of its board members guarantee the truthfulness, accuracy and completeness of the information disclosed in the announcement, and there is no false and misleading statements or material omissions.

CAUTION: The financial information for the year of 2016 contained in this announcement is only the preliminary accounting data that has been reviewed by the internal audit department of the Company but has not been audited by the Company’s auditors. There may be discrepancies between the information contained herein and the final data to be disclosed in the annual report. Investors are advised to beware of investment risks.

** For identification purpose only*

1. Key Financial Information and Indicators for the Year of 2016

Unit: RMB

Item	This reporting period	Comparable period	Change (%)
Total revenue	1,138,628,671.11	837,719,325.84	35.92%
Operating profit	70,228,899.37	54,871,594.97	27.99%
Total profit	80,819,678.21	59,871,856.96	34.99%
Net profit attributable to shareholders of the listed company	64,249,249.14	53,540,843.43	20.00%
Basic earnings per share (RMB)	0.2034	0.1695	20.00%
Weighted average returns on net assets	4.40%	3.73%	0.67%
	As at the end of this reporting period	As at the beginning of this reporting period	Change (%)
Total assets	2,077,045,756.86	1,885,802,663.68	10.14%
Equity attributable to shareholders of the listed company	1,474,271,460.16	1,442,583,124.07	2.20%
Share capital	315,857,855.00	315,857,855.00	-
Net assets per share attributable to shareholders of the listed company (RMB)	4.6675	4.5672	2.20%

Note: The figures above were extracted from figures of consolidated financial statements.

2. Discussion of Operating Results and Financial Condition

- 1) During the reporting period, benefited from the rapid growth of the automotive industry and the significant increase in the production capacity of the Company's steering gear product, the Company achieved a revenue of approximately RMB1,138,628,700, representing an increase of 35.92% as compared with last year; operating profit of approximately RMB70,228,900, representing an increase of 27.99% as compared with last year; total profit of approximately RMB80,819,700, representing an increase of 34.99% as compared with last year; net profit attributable to shareholders of the listed company of approximately RMB64,249,200, representing an increase of 20.00% as compared with last year.
- 2) The Company's gearing ratio as at the end of the reporting period was 28%, representing an increase as compared with last year. As at the end of the reporting period, the Company's total assets was approximately RMB2,077,045,800, representing an increase of 10.14% as compared with last year, mainly due to the expansion of the scale of operation of the Company that resulted in the increase of both assets and liabilities; equity attributable to shareholders of the listed company was approximately RMB1,474,271,500, representing an increase of 2.20%.

3. Discussion of Differences with Previous Forecast Results

The operating results as disclosed in this preliminary financial data fell within the expected range of results as disclosed in previous announcement regarding the forecast of results.

4. Documents Available for Inspection

- 1) The comparative balance sheet and income statement signed by the current Legal Representative, the Person-in-Charge of Accounting Work, the Person-in-Charge of Accounting Organization (Head of the Accounting Department) of the Company, and stamped with the corporate seal;
- 2) The internal audit review report signed by the Person-in-Charge of the Internal Audit Department.

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

Hangzhou, Zhejiang, the PRC
27 February 2017

As at the date of this announcement, the board of directors of the Company 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.