

ZHENG HE GLOBAL CAPITAL LIMITED

ACN 128 246 042

(ASX: ZHE)



ASX and Media Release

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Shanghai Baoran Steel Co. Ltd collaboration with Zheng He Global Capital Limited

Zheng He Global Capital Ltd (**Zheng He** or the **Company**) advises that it has established a working relationship with Shanghai Baoran Steel Co. Ltd (**Shanghai Baoran**) to assist in enhancing and expanding Zheng He's credit guarantee operations in Fuzhou, China, under its wholly owned subsidiary Fujian Zhong Hong Financial Guarantee Co. Ltd (**Fujian Zhong Hong**).

In the past 4 months since the untimely death of the Company's Chairman, Dato' Dr. Tan Tiong Hong, the Company has been exploring ways in which it can broaden and expand its business in China. Given the importance of relationships in China, Zheng He has sought to establish ties with other companies with businesses in a similar field.

Shanghai Baoran is a successful company known to Zheng He, with diversified interests in building materials, property development and credit guarantee services. Indeed a collaboration already exists with Shanghai Baoran in the development of an international financial centre in Fuzhou (please refer to Managing Director presentation dated 31 May 2011).

The Board of Zheng He welcomes the appointment of Mr. Lin Liang as the new Chairman of Fujian Zhong Hong. Mr. Lin Liang is the Executive Director of Shanghai Baoran, which holds a majority shareholding in Jiangsu Baoran Funds Guaranty Co. Ltd, a credit guarantee business in Jiangsu Province, China (**Jiangsu Baoran**).

This second collaboration cements a close working relationship with Shanghai Baoran and by its nature has the added benefit of enhancing the leadership of the Company's business in China. Dato' Tan had previously fulfilled this role and the Board is confident that Shanghai Baoran will quickly add its knowledge and experience on the strategy and operations in China.

The Company is confident this relationship with Shanghai Baoran will continue to grow in the future.

About Shanghai Baoran Steel Co. Ltd

Shanghai Baoran was established in Shanghai in 2004. The group's businesses comprise:

- Trading and processing of steel products such as rebar, wired rod, billet steel, hot rolled coil etc.
- Marketing and sales of real estate and currently acts for more than 6 projects in Shanghai, Wuhan, Nanchang, Fuzhou and other mid-size cities in China.

Shanghai Baoran has a majority shareholding in Jiangsu Baoran, which is jointly invested by the Sihong County Economic Development & Investment Co. Ltd. As at end of November 2010, Jiangsu Baoran has obtained RMB600 million guarantee facilities from its partner banks and has provided guarantees amounting to more than RMB 300 million for small to medium enterprises in China since its inception in 2009.

For financial year ended December 2010, Shanghai Baoran group achieved total revenue of RMB 4 billion.

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