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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)

- (1) RESOLUTIONS RELATING TO THE PROPOSED ISSUANCE OF
A SHARES TO SPECIFIC TARGETS IN THE PRC;
(2) PROPOSED APPOINTMENT OF SUPERVISOR; AND
(3) CLASS MEETINGS AND EXTRAORDINARY GENERAL MEETING**

**RESOLUTIONS RELATING TO THE PROPOSED ISSUANCE OF A SHARES TO
SPECIFIC TARGETS IN THE PRC**

Reference is made to (i) the announcement of Zhejiang Shibao Company Limited (the “**Company**”) dated 18 October 2022 and the circular of the Company dated 10 November 2022 (the “**Circular**”) in relation to the proposed Non-public Issuance of A Shares in the PRC; and (ii) the announcement of the Company dated 2 December 2022 in relation to, among other things, the poll results of the extraordinary general meeting and the class meeting for holders of H Shares of the Company held on 2 December 2022. Unless otherwise defined herein, capitalised terms used herein shall have the same meaning as defined in the Circular.

On 17 February 2023 and effective on the same day, the China Securities Regulatory Commission (the “**CSRC**”) issued the “Administrative Measures for the Registration of Securities Issuance by Listed Companies (Order No. 206)” (《上市公司證券發行註冊管理辦法》第206號令) (the “**Registration Administrative Measures**”). In view of the changes in terminology used by the relevant regulations, “issuance of A Shares to specific targets” is henceforth used in substitution for “non-public issuance of A Shares” where appropriate.

* For identification purposes only

Resolutions in relation to the adjustment of the validity period of the resolution in respect of the proposed issuance of A Shares to specific targets and the authorisation to the Board and its authorised person(s) to deal with matters relating to the issuance of A Shares to specific targets

At the extraordinary general meeting and class meetings of the Company held on 2 December 2022, resolutions in relation to the proposed Non-public Issuance of A Shares and the grant of authorisation to the Board to deal with the matters relating thereto have been approved by the Shareholders. The validity period of the aforementioned resolutions was 12 months from the date of passing of the relevant resolutions. If the Company has obtained the approval document from the CSRC on the Non-public Issuance of A Shares within the aforesaid validity period, the aforesaid validity period will be automatically extended to the date of completion of the Non-public Issuance of A Shares.

In accordance with the applicable laws and regulations of the PRC and accounting for the actual situation of the proposed issuance of A Shares, on 24 February 2023, the Board resolved to convene the general meeting of the Company (the “**EGM**”), the A Shareholders’ class meeting (the “**A Shareholders’ Class Meeting**”) and the H Shareholders’ class meeting (the “**H Shareholders’ Class Meeting**”) to obtain Shareholders’ approval for (i) the adjustment of the validity period of the resolution in respect of the proposed Issuance of A Shares to Specific Targets, and (ii) the grant of authorisation to the Board and its authorised person(s) to deal with matters relating to the proposed Issuance of A Shares to Specific Targets, the validity periods of which shall be 12 months from the date of the passing of the relevant resolutions at the 2023 first EGM, the 2023 first A Shareholders’ Class Meeting and the 2023 first H Shareholders’ Class Meeting.

Resolution in relation to the Demonstration Analysis Report

Pursuant to the Registration Administrative Measures, the Board and the Shareholders’ meetings are required to decide on the proposed Issuance of A Shares to Specific Targets based on the “Demonstration Analysis Report in respect of the 2022 Proposed Issuance of A Shares to Specific Targets by the Company” (《2022年向特定對象發行A股股票方案的論證分析報告》) (the “**Demonstration Analysis Report**”). Therefore, on 24 February 2023, the Board resolved to propose a resolution at the EGM, the A Shareholders’ Class Meeting and the H Shareholders’ Class Meeting to consider and approve the Demonstration Analysis Report.

The Company has prepared the Demonstration Analysis Report to ensure compliance with the new regulatory requirements of the Registration Administrative Measures and related supplemental regulations. In addition to disclosures on the background, purpose of the issuance, targets of the issuance, the pricing principles, the dilution effect of the issuance on shareholders and mitigative measures thereof which were covered in the Proposal in respect of the Non-Public Issuance of A Shares reviewed and approved by the Board on 18 October 2022 and approved by the Shareholders at the general meeting and class meetings on 2 December 2022, the Demonstration Analysis Report also covers certain disclosures, including (i) the necessity of engaging in fund raising by this form, (ii) the suitability of specific targets of issuance to prescribed regulatory standards, (iii) the reasonableness of principles, basis, methodology and procedures adopted for the issue pricing, (iv) the feasibility of the issuance, and (v) the fairness and reasonableness of the issuance.

PROPOSED APPOINTMENT OF A SUPERVISOR

Reference is made to the announcement of the Company dated 31 January 2023 in relation to the pass away of a supervisor of the Company.

According to the relevant provisions of the Company Law of the PRC and the Articles of Association of the Company, on 24 February 2023, the supervisory committee of the Company (the “**Supervisory Committee**”) resolved to propose a resolution at the EGM to elect Mr. Zhang Zhi Long as an independent supervisor of the Company for a term commencing upon approval at the EGM to the expiration date of the seventh session of the Supervisory Committee.

Brief biography of Mr. Zhang Zhi Long is set out below:

Mr. Zhang Zhi Long (張治龍) (“**Mr. Zhang**”), aged 39, is a Chinese national with no permanent residence abroad and holds a master’s degree. Mr. Zhang graduated from Zhejiang University of Finance and Economics with a bachelor’s degree in information and computing science, and received a master’s degree in accounting from Fudan University. Mr. Zhang served as an investment manager of Zhejiang Haiyue Investment Management Co., Ltd. (浙江海越投資管理有限公司) for the period from July 2008 to August 2013 and served as the sales director of the capital market department of Caitong Securities Co., Ltd. (財通證券股份有限公司) from September 2013 to March 2019. Since April 2019, Mr. Zhang has been the general manager of Hangzhou Xiaoshan Jingfu Private Fund Management Co. Ltd. (杭州蕭山精富私募基金管理有限公司).

As at the date of this announcement, Mr. Zhang does not have any interests in the Shares of the Company within the meaning of the Part XV of the Securities and Futures Ordinance. He has no relationship with any Directors, supervisors, senior management, substantial shareholders (holding more than 5% of the Company’s Shares) and controlling shareholders (within the meaning of the Listing Rules) of the Company. He has not held any directorship or has not been a supervisor in any other listed companies in the past three years. He has not been punished by China Securities Regulatory Commission and other relevant departments, and has not been disciplined by stock exchanges. He complies with the Company Law of the PRC and the Articles of Association of the Company and could be appointed as a supervisor of the Company.

Mr. Zhang will enter into a service contract with the Company upon election. It is proposed that the annual remuneration of Mr. Zhang will be RMB24,000 (including basic salary, other benefits and pension contributions) and the exact amount will be determined by the remuneration committee of the Company and the Board with reference to his responsibility, experience, workload and time devoted to the Company.

Save as disclosed herein, the Board considers that there is no other information relating to the proposed appointment of Mr. Zhang as supervisor of the Company that is required to be disclosed under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters which need to be brought to the attention of the Shareholders.

THE EGM AND CLASS MEETINGS

The Company will convene the EGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting to seek the approval of Shareholders for the resolutions as set out above. It should be noted that in addition to the Shareholders' approval, the proposed Issuance of A Shares to Specific Targets is subject to the approval of the Shenzhen Stock Exchange and the approval for registration by the CSRC.

A circular containing, among others, further details of the resolutions as set out above is expected to be dispatched to the H Shareholders in due course.

As the proposed Issuance of A Shares to Specific Targets is subject to certain conditions precedent, it may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

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

Hangzhou, Zhejiang, the PRC

27 February 2023

As at the date of this announcement, the Board comprises Mr. Zhang Bao Yi, Mr. Tang Hao Han, Ms. Zhang Lan Jun and Ms. Liu Xiao Ping as executive directors; Mr. Zhang Shi Quan and Mr. Zhang Shi Zhong as non-executive directors; and Mr. Gong Jun Jie, Mr. Lin Yi and Mr. Tsui Chun Shing as independent non-executive directors.