

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**AGM**”) of Zhejiang Shibao Company Limited* (the “**Company**”) will be held at Conference Room, 3rd Floor of Office Building No. 6, 17th Avenue, Hangzhou Economic and Technological Development Zone, Hangzhou, Zhejiang Province, China (Postal Code 310018) on Friday, 25 May 2012 at 2:00 p.m. for the purpose of considering and approving the following resolutions:

I. Ordinary Resolutions

1. To consider and approve the report of the directors of the Company (the “**Directors**”) for the year ended 31 December 2011;
2. To consider and approve the report of the supervisory committee of the Company for the year ended 31 December 2011;
3. To consider and approve the audited financial statements and the auditors’ report of the Company and its subsidiaries for the year ended 31 December 2011;
4. To consider and approve the proposal for distribution of final dividends for the year ended 31 December 2011 and to authorize the board of directors of the Company (the “**Board**”) to conduct the distribution of final dividends;
5. To consider and approve the resolution for the appropriation of statutory surplus reserve and statutory public welfare fund for the year ended 31 December 2011;
6. To re-elect Mr. Zhang Shi Quan as an executive Director of the Company;
7. To re-elect Mr. Zhang Bao Yi as an executive Director of the Company;

* *for identification purpose only*

8. To re-elect Mr. Tang Hao Han as an executive Director of the Company;
9. To re-elect Mr. Zhu Jie Rong as an executive Director of the Company;
10. To re-elect Ms. Zhang Lan Jun as an executive Director of the Company;
11. To re-elect Mr. Zhang Shi Zhong as a non-executive Director of the Company;
12. To re-elect Mr. Lou Run Zheng as a non-executive Director of the Company;
13. To re-elect Mr. Chau Kam Wing, Donald as an independent non-executive Director of the Company;
14. To re-elect Mr. Zhao Chun Zhi as an independent non-executive Director of the Company;
15. To re-elect Mr. Zhang Hong Zhi as an independent non-executive Director of the Company;
16. To re-elect Mr. Li Zi Biao as an independent non-executive Director of the Company;
17. To re-elect Mr. Yang Di Shan as a shareholder representative Supervisor of the Company;
18. To re-elect Mr. Wang Kui Quan as an external Supervisor of the Company;
19. To re-elect Mr. Shen Song Sheng as an external Supervisor of the Company;
20. To consider and approve the remuneration proposal for 2012 for Directors and Supervisors, and authorize the Board to determine the remuneration for each Director and Supervisor; and
21. To consider and approve the re-appointment of Ernst & Young Hua Ming as the Company's auditors to hold offices until the conclusion of the next annual general meeting and the Board to fix their remuneration.

II. Special Resolutions

To consider and, if thought fit, pass (with or without modification) the following resolutions as special resolutions:

22. **“THAT:**
 - (a) The Board be and is hereby authorized to make such amendments to the articles of association of the Company as it thinks fit so as to increase the registered share capital of the Company and reflect the new capital structure of the Company upon the allotment and issuance of shares of the Company under the general mandate as contemplated in sub-paragraph (b) of this resolution;

- (b) The Board be and is hereby granted, during the Relevant Period, an unconditional general mandate to separately or concurrently issue, allot and deal with additional domestic shares and overseas-listed foreign shares of the Company, and to make or grant offers, agreements or options in respect thereof, subject to the following conditions:
- (i) such mandate shall not extend beyond the Relevant Period (as defined below) save that the Board may during the Relevant Period make or grant offers, agreements or options which may require the exercise of such powers after the end of the Relevant Period;
 - (ii) the number of the domestic shares and overseas-listed foreign shares issued and allotted or agreed conditionally or unconditionally to be issued and allotted (whether pursuant to an option or otherwise) by the Board otherwise than pursuant to a Rights Issue (as defined below), or any option scheme or similar arrangement adopted by the Company from time to time for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company, shall not exceed 20% of each of its existing domestic shares and overseas-listed foreign shares of the Company in issue as at the date of this resolution; and
 - (iii) the Board will only exercise its power under such mandate in accordance with the Company Law of the PRC and the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited (as amended from time to time) and only if all necessary approvals from the China Securities Regulatory Commission and/or other relevant PRC government authorities are obtained;
- (c) For the purpose of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until the earliest of:

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

“**Rights Issue**” means the allotment or issue of shares in the Company or other securities which would or might require shares to be allotted and issued pursuant to an offer made to all the shareholders of the Company (excluding for such purpose any shareholder who is resident in a place where such offer is not permitted under the law of that place) and, where appropriate, the holder of other equity securities of the Company entitled to such offer, pro rata (apart from fractional entitlements) to their existing holdings of shares or such other equity securities; and

- (d) Contingent on the Board resolving to issue shares pursuant to sub-paragraph (b) of this resolution, the Board be and is hereby authorized to approve, execute and do or procure to be executed and done, all such documents, deeds and things as it may consider necessary in connection with the issue of such shares (including, without limitation, determining the size of the issue, the issue price, the use of proceeds from the issue, the target of the issue and the place and time of the issue, making all necessary applications to the relevant authorities, entering into an underwriting agreement (or any other agreements), and making all necessary filings and registrations with the relevant authorities in the PRC, Hong Kong and/or any other places and jurisdictions (as appropriate), including but not limited to registering the increased registered share capital of the Company with the relevant authorities in the PRC, Hong Kong and/or any other places and jurisdictions (as appropriate) in accordance with the actual increase of capital as a result of the issuance of shares pursuant to sub-paragraph (b) of this resolution).”

23. “**THAT:** To approve the extension of the validity period of item 1 of the special resolutions which were contained in the notice of the extraordinary general meeting of the Company’s circular dated 4 May 2011, i.e. the validity period of the relevant resolutions for the proposed A Shares issue, to 19 June 2013.”

By Order of the Board
ZHEJIANG SHIBAO COMPANY LIMITED
ZHANG Shi Quan
Chairman and General Manager

Hangzhou, Zhejiang, the PRC
3 April 2012

Notes:

1. A shareholder entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote by way of a poll in his stead. A proxy need not be a shareholder of the Company.

2. To be valid, the form of proxy, and if the form of proxy is signed by a person under a power of attorney or other authority on behalf of the appointor, a certified copy (if any) of that power of attorney or other authority (if any), must be delivered to the H Share Registrar of the Company, Computershare Hong Kong Investor Services Limited (for holders of H Shares only) at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or the registered office of the Company (for holders of Domestic Shares only) at No. 1 Shuanglin Road, Fotang Town, Yiwu City, Zhejiang Province, China (Postal Code 322002) not less than 24 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting by way of a poll in person at the AGM or any adjournment thereof should you so wish.
3. Shareholders or their proxies attending the AGM shall produce their identity documents.
4. Shareholders of the Company whose names appear on the register of members on Friday, 25 May 2012 are entitled to attend the AGM. The register of members of the Company will be closed from Wednesday, 25 April 2012 to Friday, 25 May 2012, both days inclusive, during which period no transfer of Shares of the Company will be registered. All transfers accompanied by the relevant H Share certificates must be lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited (for holders of H Shares only) at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 24 April 2012.
5. Shareholders of the Company who intend to attend the AGM should complete and return the reply slip to the H Share Registrar of the Company, Computershare Hong Kong Investor Services Limited (for holders of H Shares only) or the registered office of the Company (for holders of Domestic Shares only) before 4:30 p.m. Friday, 4 May 2012 by hand, by post or by fax. The Company's H Share Registrar is at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (Fax: (852) 2865 0990). The Company's registered office is at No. 1 Shuanglin Road, Fotang Town, Yiwu City, Zhejiang Province, China (Postal Code 322002) (Fax: (86) 0579 85715198).
6. If the proposal for Final Dividend is approved by the Shareholders, the Company is expected to pay the Final Dividend in cash on or about 22 June 2012 to those Shareholders whose names appear on the register of members of the Company after the close of business on 30 May 2012 (Wednesday) (the "Record Date"). The register of members of the Company will be closed from Thursday, 31 May 2012 to Tuesday, 5 June 2012, both days inclusive, during which period no transfer of Shares of the Company will be registered. All transfers accompanied by the relevant H Share certificates must be lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited (for holders of H Shares only) at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 30 May 2012.
7. All the resolutions as set out above will be determined by way of a poll.
8. Shareholders or proxies attending the AGM shall bear their own costs of transportation, accommodation and meals.

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 and Mr. Lou Run Zheng as non-executive directors; and Mr. Chau Kam Wing, Donald, Mr. Zhao Chun Zhi, Mr. Zhang Hong Zhi and Mr. Li Zi Biao 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 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.