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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)

PROPOSED CHANGE OF AUDITORS

The Board announces that, in order to control costs, the Company will not reappoint Ernst & Young Hua Ming as the auditor of the Company. The appointment for Ernst & Young Hua Ming will end at the conclusion of the 2012 AGM and will not be reappointed by the Company.

The Board further announces, upon the recommendation made by the Audit Committee of the Company, the Board had resolved to propose the appointment of Pan-China as the auditor of the Company in the 2012 AGM of the Company. Pan-China shall hold office from the conclusion of 2012 AGM to the conclusion of the next annual general meeting.

This announcement is made by Zhejiang Shibao Company Limited (the “**Company**”) pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Board of Directors of the Company (the “**Board**”) announces that, in order to control costs, the Company will not reappoint Ernst & Young Hua Ming LLP (“**Ernst & Young Hua Ming**”) as the auditor of the Company. The appointment for Ernst & Young Hua Ming will end at the conclusion of the forthcoming 2012 annual general meeting of the Company (“**2012 AGM**”) and will not be reappointed by the Company.

* *For identification purpose only*

The Board further announces, upon the recommendation made by the Audit Committee of the Company, the Board had resolved to propose the appointment of Pan-China Certified Public Accountants LLP (“**Pan-China**”) as the auditor of the Company in the 2012 AGM of the Company. Pan-China shall hold office from the conclusion of 2012 AGM to the conclusion of the next annual general meeting.

Ernst & Young Hua Ming have confirmed in writing that there are no matters in relation to their retirement which should be brought to the attention of the shareholders of the Company. Neither the Board nor the Audit Committee is aware of any matters in relation to the proposed change of auditors that need to be brought to the attention of the shareholders of the Company.

The proposed change of auditors is subject to the approval to be passed in the 2012 AGM of the Company. The notice of annual general meeting containing, among other things, the proposal for not reappointing Ernst & Young Hua Ming and the proposal to appoint Pan-China as the auditor, will be dispatched to the shareholders of the Company in due course.

The Board would like to take this opportunity to express its sincere appreciation to Ernst & Young Hua Ming for their high quality services to the Company in the past years.

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

Hangzhou, Zhejiang, the PRC
22 April 2013

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.