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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: 8331)*

### 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, HEDA, Hangzhou, Zhejiang Province, China (Postal Code 310018) on Monday, 10 May 2010 at 3:00 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 2009;
2. To consider and approve the report of the supervisory committee of the Company for the year ended 31 December 2009;
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 2009;
4. To consider and approve the proposal for distribution of final dividends for the year ended 31 December 2009 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 2009;
6. To consider and approve the election of Mr. Shen Song Sheng as the external supervisor of the Company;
7. To consider and authorize the Board to fix the remuneration of the Directors and supervisors of the Company for the year of 2010; and
8. To consider and approve the re-appointment of Ernst & Young and Ernst & Young Hua Ming as the Company's international auditors and domestic auditors respectively to hold offices until the conclusion of the next annual general meeting and the Board to fix their remuneration.

## **II. Special Resolution**

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

9. **“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 Growth Enterprise Market 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”).

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

Hangzhou, Zhejiang, the PRC  
22 March 2010

**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 Hong Kong H Share Registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for H Share holders only) or the registered office of the Company at No. 1 Shuanglin Road, Fotang Town, Yiwu City, Zhejiang Province, China (Postal Code 322002) (for Domestic Share holders only) 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. The register of members of the Company will be closed from Saturday, 10 April 2010 to Monday, 10 May 2010, 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 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, 9 April 2010. Shareholders of the Company whose names appear on the register of members on Monday, 10 May 2010 are entitled to attend the AGM.
5. Shareholders of the Company who intend to attend the AGM should complete and return the reply slip to the Hong Kong H Share Registrar of the Company (for H Share holders only) or the registered office of the Company (for Domestic Share holders only) before 4:00 p.m. Monday, 19 April 2010 by hand, by post or by fax. The Company's Hong Kong 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. All the resolutions as set out above will be determined by way of a poll.

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 the executive directors, Mr. Zhang Shi Zhong, Ms. Zhang Mei Jun and Mr. Lou Run Zheng as the non-executive directors, and Mr. Zhao Chun Zhi, Mr. Chen Guo Feng, and Mr. Chau Kam Wing, Donald as the independent non-executive directors.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited 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: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

*This announcement will remain on the “Latest Company Announcements” of the GEM website (<http://www.hkgem.com>) for at least 7 (seven) days from the date of its posting.*

*\* For identification purpose only*