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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)

OVERSEAS REGULATORY ANNOUNCEMENT A SHARES SUSPENSION INVESTIGATION RESULTS AND RESUMPTION OF TRADING

This announcement is made by the board of directors (the “**Board**”) of Zhejiang Shibao Company Limited (the “**Company**”) pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) (the “**Listing Rules**”).

Reference is made to the announcement of the Company dated 28 June 2022 in relation to, from 13 June 2022 to 28 June 2022, the trading in A share of the Company has experienced unusual movements for four times on a cumulative basis, which has greatly deviated from the Company’s fundamentals and has arose great concern of investors. In order to safeguard the interests of investors, the Company will investigate the unusual price movement of A shares. The trading in A shares of the Company (Stock Code: 002703, Stock Name: Zhejiang Shibao) will be suspended commencing from market opening on 29 June 2022 upon application by the Company to The Shenzhen Stock Exchange (the “**Shenzhen Stock Exchange**”), and will be resumed upon the disclosure of the investigation announcement.

Recently, the Company has conducted necessary investigation on matters relating to unusual price movement of A shares. In view of the completion of relevant investigation, the trading in A shares of the Company (Stock Code: 002703, Stock Name: Zhejiang Shibao) will be resumed commencing from market opening on 6 July 2022 upon application by the Company.

Investigation Statement

1. There is no need to make correction or supplement to any information previously disclosed by the Company;

2. The Company is not aware of any undisclosed material information that may have or has had material effects on the trading price of shares of the Company has been reported by any public media recently;
3. The Company currently maintains normal operation. No material changes in the internal and external business environment occurred;
4. There is no discloseable material event, or any material event in the planning stage relating to the Company which has not been disclosed by the Company, its controlling shareholders and beneficial controllers; and
5. Zhejiang Shibao Holding Group Co., Ltd., a controlling shareholder of the Company, disposed its shareholdings of 15,792,800 A shares of the Company through block transaction on 20 June 2022, which is equivalent to 4.62% of the number of shares it holds in the Company and 2.00% of the total share capital of the Company. The Company has disclosed such disposal on 21 June 2022. Please refer to the Announcement on the Disposal of Shareholding Exceeding 1% by Controlling Shareholders published at <http://www.cninfo.com.cn> for details. In addition, the controlling shareholders and beneficial controllers of the Company did not sell or purchase the shares of the Company during such unusual movements in the trading of the shares of the Company.

Explanation on Whether There Is Any Discloseable but Undisclosed Information

The Board confirms that there is no undisclosed matter or any plan, negotiation, intention or agreement relating to any such matter that should have been disclosed according to the relevant provisions of the Listing Rules of the Shenzhen Stock Exchange and the Listing Rules of the Hong Kong Stock Exchange. The Board is not aware of any undisclosed information of the Company that should have been disclosed according to the relevant provisions of the Listing Rules of the Shenzhen Stock Exchange and the Listing Rules of the Hong Kong Stock Exchange and that would have material effects on the trading price of shares of the Company and its derivatives. There is no need to make correction or supplement to any information previously disclosed by the Company.

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

Hangzhou, Zhejiang, the PRC
5 July 2022

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.