

香港聯合交易所有限公司

(香港交易及結算所有限公司全資附屬公司)

THE STOCK EXCHANGE OF HONG KONG LIMITED

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通告 CIRCULAR

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Subject : Display of Adjusted Previous Closing Price of Zhejiang Shibao Company Limited (stock code 1057) on AMS/3 for its Cash Dividend of RMB0.1 per H share ("Cash Dividend") and issue of 15 new H shares for every 10 H shares by way of capitalisation of capital reserve ("Capital Reserve Capitalisation") on Ex-All Date, 4 July 2017

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Pursuant to the timetable issued by Zhejiang Shibao Company Limited ("Zhejiang Shibao") for the Cash Dividend and Capital Reserve Capitalisation, Zhejiang Shibao's H shares (stock code: 1057) will be marked "ex-all" on 4 July 2017, the Ex-All Date.

Amongst other terms and conditions, Zhejiang Shibao's Cash Dividend and Capital Reserve Capitalisation are subject to the passing of relevant resolution(s) to approve the Cash Dividend and Capital Reserve Capitalisation (the "Resolution(s)") at its Annual General Meeting and Class Meetings to be held on 30 June 2017 (the "AGM and Class Meetings"). Zhejiang Shibao will make a further announcement containing the results of the Resolution(s) following the AGM and Class Meetings. Shareholders, investors and market participants should read the Zhejiang Shibao's regulatory announcements and circulars in full including the terms and conditions of the Cash Dividend and Capital Reserve Capitalisation in dealing with Zhejiang Shibao's H shares. If they are in doubt, they should consult their professional adviser(s).

Further, as an AMS/3 standard practice for ex-dividend and ex-bonus issue ("Ex-All") and for reference only, an Adjusted Previous Closing Price will be displayed in the "PRV CLOSE" field of Zhejiang Shibao's AMS/3 stock page on 4 July 2017, the Ex-All Date. The unadjusted previous closing price will instead be displayed in the free text field. Calculation of the Adjusted Previous Closing Price will be based on Zhejiang Shibao's closing price on 3 July 2017 (i.e. last cum-all trading day) and by using the following standard adjustment formula for dividend and bonus issue generally.

Adjustment Formula:

Adjusted Previous Closing Price

$$= [(Closing Price on the last cum-all trading day - D) \times Y] \div (X + Y)$$

where:

D = Cash dividend per H share, i.e. RMB0.1

X = Number of new H shares a shareholder is expected to receive when he/she holds Y existing H shares on the record date, i.e. 15 new H shares

Y = Number of existing H shares a shareholder has to hold on the record date for entitling him/herself to X new H shares, i.e. 10 H shares

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For illustration purpose, depending on Zhejiang Shibao's closing price on 3 July 2017, the Exchange shall base on the above standard formula for dividend and bonus issue generally to calculate and display the Adjusted Previous Closing Price on Zhejiang Shibao's AMS/3 stock page on 4 July 2017 as follows:-

<u>CUM-ALL</u>	<u>EX-ALL</u>
<u>Unadjusted Closing Price</u>	<u>Adjusted</u>
<u>on 3 July 2017</u>	<u>Previous Closing Price</u>
<u>on 3 July 2017</u>	<u>on 4 July 2017</u>
(HK\$)	(HK\$)
6.940005	2.730
6.965005	2.740
6.990005	2.750
7.015005	2.760
7.040005	2.770
7.065005	2.780
7.090005	2.790
7.115005	2.800
7.140005	2.810
7.165005	2.820
7.190005	2.830
7.215005	2.840
7.240005	2.850
7.265005	2.860
7.290005	2.870
7.315005	2.880
7.340005	2.890
7.365005	2.900
7.390005	2.910
7.415005	2.920
7.440005	2.930
7.465005	2.940
7.490005	2.950
7.515005	2.960
7.540005	2.970
7.565005	2.980
7.590005	2.990
7.615005	3.000
7.640005	3.010
7.665005	3.020

Note: The dividend amount in HKD is calculated by using the exchange rate of RMB1 to HKD1.150052 on 30 June 2017 as reference

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