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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)

**(1) PROPOSED ADJUSTMENT OF INVESTMENT AMOUNT OF
CERTAIN FUND-RAISING INVESTMENT PROJECTS;
AND
(2) PROPOSED EXTENSION OF
CERTAIN FUND-RAISING INVESTMENT PROJECTS**

At the meeting of the 8th session of the Board of the Company held on 5 December 2025, it was resolved that, among other things, the (i) Proposed Adjustment, which is subject to its shareholders' approval, and (ii) Project Extension, be approved. Among these, the resolution of the Proposed Adjustment shall be submitted to the shareholders' general meeting of the Company for consideration and approval.

GENERAL

The Company will convene a general meeting for the purposes of seeking approval by its shareholders on the resolution of the Proposed Adjustment.

At the meeting of the 8th session of the board (the "**Board**") of directors (the "**Director(s)**") of Zhejiang Shibao Company Limited (the "**Company**") held on 5 December 2025, it was resolved that, among other things, the (i) "Proposal on Adjustment of Investment Amount of Certain Fund-raising Investment Projects" (the "**Proposed Adjustment**"), which is subject to its shareholders' approval, and (ii) "Proposal on Extension of Certain Fund-raising Investment Projects" (the "**Project Extension**"), be approved. Among these, the resolution of the Proposed Adjustment shall be submitted to the shareholders' general meeting of the Company for consideration and approval.

1. BASIC SITUATION AND USE OF PROCEEDS

As approved by the Reply on Approving the Registration of Zhejiang Shibao Company Limited's Issuance of Shares to Specific Targets (Zheng Jian Xu Ke [2023] No. 1457) (《關於同意浙江世寶股份有限公司向特定對象發行股票註冊的批復》(證監許可[2023]1457 號)) issued by the China Securities Regulatory Commission, the Company issued 32,987,747 RMB-dominated ordinary shares (A Shares) by way of issuance to specific targets with a nominal value of RMB1.00 each, at the issue price of RMB10.61 per Share. The gross proceeds amounted to RMB349,999,995.67. After deducting the issuance expenses of RMB5,912,250.65 (excluding VAT), the net proceeds amounted to RMB344,087,745.02.

Due to the actual net proceeds above of RMB344,087,745.02 is lower than the intended amount of proceeds to be invested, the 7th session of the Board and the 7th session of the Supervisory Committee of the Company, in consideration of the actual net proceeds and the specific circumstances of the fund-raising investment projects, have reviewed and approved, by way of written resolutions on 19 April 2024 respectively, the "Proposal on Adjustment of Investment Amount for the Projects Using the Proceeds from the Issuance of A Shares to Specific Targets". Following the adjustment, the revised allocation of the proceeds for each of the Company's fund-raising investment projects (the "**Proceeds Project(s)**") is as follows:

unit: ten thousand (RMB)

No.	Project	Total Investment Amount	Total Investment Undertaken with Raised Proceeds
1	The annual production of 600,000 automotive intelligent steering system technology transformation project	30,000.00	9,000.00
2	The automotive intelligent steering system and key components development project	50,000.00	14,408.77
3	The intelligent network connected automobile steer-by-wire technology research and development center project	18,000.00	5,000.00
4	The replenishment of working capital	20,000.00	6,000.00
Total		118,000.00	34,408.77

As of 4 December 2025, the Company's utilization of proceeds for its Proceeds Projects is as follows:

unit: ten thousand (RMB)

No.	Project	Total Investment Amount	Total Investment Undertaken with Raised Proceeds	Cumulative Amount Invested as of 4 December 2025	Progress on Use of Proceeds
1	The annual production of 600,000 automotive intelligent steering system technology transformation project	30,000.00	9,000.00	9,258.73	102.87%
2	The automotive intelligent steering system and key components development project	50,000.00	14,408.77	2,673.34	18.55%
3	The intelligent network connected automobile steer-by-wire technology research and development center project	18,000.00	5,000.00	3,367.32	67.35%
4	The replenishment of working capital	20,000.00	6,000.00	5,999.89	100.00%
Total		118,000.00	34,408.77	21,299.28	61.90%

2. PROPOSAL ON ADJUSTMENT OF INVESTMENT AMOUNT OF CERTAIN PROCEEDS PROJECTS

I. Details on the Proposed Adjustment

In order to improve the efficiency of the use of proceeds and to ensure the smooth implementation of the Proceeds Projects, and on the condition that the implementation entities and the total committed investment amount of the Proceeds Projects remain unchanged and that the normal progress of the Proceeds Projects is not affected, the Company has carefully decided to propose an adjustment of the committed amount of proceeds among the Proceeds Projects. Specifically, RMB40,000,000 originally designated for “The automotive intelligent steering system and key components development project” will be allocated to “The annual production of 600,000 automotive intelligent steering system technology transformation project”. As a result, the investment amount of proceeds for “The annual production of 600,000 automotive intelligent steering system technology transformation project” will be revised from RMB90,000,000 to RMB130,000,000, representing an increase of RMB40,000,000; the investment amount of proceeds for “The automotive intelligent steering system and key components development project” will be revised from RMB144,087,700 to RMB104,087,700, representing a decrease of RMB40,000,000 (the “**Proposed Adjustment**”). After the Proposed Adjustment, the total committed investment amount funded by the proceeds remains unchanged, and the details are as follows:

unit: ten thousand (RMB)

No.	Project	Amount of proceeds planned to be invested before adjustment	Amount of adjustment	Amount of proceeds planned to be invested after adjustment
1	The annual production of 600,000 automotive intelligent steering system technology transformation project	9,000.00	+4,000.00	13,000.00
2	The automotive intelligent steering system and key components development project	14,408.77	-4,000.00	10,408.77
3	The intelligent network connected automobile steer-by-wire technology research and development center project	5,000.00	-	5,000.00
4	The replenishment of working capital	6,000.00	-	6,000.00
Total		34,408.77	-	34,408.77

II. Reasons for the Proposed Adjustment

The adjustment of the investment amounts of the Proceeds Projects "The annual production of 600,000 automotive intelligent steering system technology transformation project" and "The automotive intelligent steering system and key components development project" is primarily based on the Company's business development plan and the actual progress of the Proceeds Projects. This adjustment aims to optimize resources allocation, facilitate the smooth implementation of the Proceeds Projects, enhance overall market competitiveness, aligning with the Company's strategic development plan.

In line with the Company's strategic deployment and the development trends of the automotive intelligent steering industry, the Company is concentrating resources to strengthen core capacity building in the fields of electrification and intelligence, and to accelerate the increase in market share for high-performance intelligent steering products. To seize the strategic opportunities presented by the rapid growth of the new energy vehicle market, the Company needs to increase its investment in "The annual production of 600,000 automotive intelligent steering system technology transformation project" to expedite the formation of large-scale production capacity. To improve the efficiency of the use of proceeds and optimize fund allocation, the Company proposes to adjust RMB40 million of the proceeds from "The automotive intelligent steering system and key components development project" for use in "The annual production of 600,000 automotive intelligent steering system technology transformation project". The Company has appropriately controlled the investment pace of certain components within the "The automotive intelligent steering system and key components development project", taking into comprehensive consideration of product structure optimization and the rhythm of capacity layout. The Company will proceed steadily according to plan, utilizing the remaining proceeds for the project, along with its own and self-raised funds, based on changes in market demand and the pace of product evolution, to ensure the achievement of the project's overall construction objectives.

The Proposed Adjustment does not change the implementation entities or the total committed investment amount of the Proceeds Projects, will not affect the normal construction of the Proceeds Projects, is not expected to have any adverse impact on the Company's operations, and is in the long-term interests of the Company and all its shareholders.

The resolution of the Proposed Adjustment shall be submitted to the shareholders' general meeting of the Company for consideration and approval.

III. Impact of the Proposed Adjustment on the Company

The Proposed Adjustment is made by the Company after thorough consideration of the actual progress of the projects, market conditions and the Company's operating situation. The adjustment is guided by the principles of prudent, rational and efficient use of proceeds. The Company aims to control the implementation progress of the Proceeds Projects, optimize the allocation of funds and resources, and improve the efficiency of the use of proceeds. The Proposed Adjustment does not change the total committed investment amount, nor does it alter the implementation entities or the implementation methods of the Proceeds Projects. There is no circumstance that would harm the Company or its shareholders' interests. The Proposed Adjustment will not have any material adverse effect on the Company's normal operations. It is consistent with the Company's actual operation and its long-term strategic development plan; it is in the long-term interests of the Company and all its shareholders.

3. PROPOSAL ON EXTENSION OF CERTAIN PROCEEDS PROJECTS

I. Details on the Project Extension

No.	Committed investment projects	Expected date of project getting ready for its intended use before adjustment	Expected date of project getting ready for its intended use after adjustment	Has there been a significant change in the project's feasibility
1	The annual production of 600,000 automotive intelligent steering system technology transformation project	31 December 2025	31 December 2026	No
2	The automotive intelligent steering system and key components development project	31 December 2025	31 December 2026	No

II. Reasons for the Project Extension

"The annual production of 600,000 automotive intelligent steering system technology transformation project" was originally scheduled to be completed by 31 December 2025. The implementation entity for this project is the Company's subsidiary, Hangzhou Shibao Automotive Steering Gear Co., Ltd., and the implementation location is Hangzhou, Zhejiang. "The automotive intelligent steering system and key components development project" was originally scheduled to be completed by 31 December 2025. The implementation entities for this project are the Company's subsidiaries, Jilin Shibao Machinery Manufacturing Co., Ltd. and Jiangsu Feiying Automotive Technology Co., Ltd., and the implementation locations are Siping, Jilin and Changzhou, Jiangsu. Upon completion and operation, these two projects will enrich and enhance the Company's product line and optimize the Company's product structure. Therefore, during the project implementation process, based on prudent considerations to align with customer synchronous development schedules and respond to market and technology iterations, combined with the Company's actual situation, and aiming to build a production and construction platform with a more solid foundation for long-term development, the Company

has adjusted the project progress in a cautious, sound, and reasonable manner to mitigate risks associated with the use of the proceeds. After prudent study and evaluation, the Company has decided to extend the completion date for the aforementioned two projects to 31 December 2026 (the “**Project Extension**”), without changing the implementation entities, implementation locations, or investment purpose of the Proceeds Projects.

The Project Extension does not require submission to the shareholders’ general meeting of the Company for consideration and approval.

III. Impact of the Project Extension on the Company

The Company’s decision on the extension of “The annual production of 600,000 automotive intelligent steering system technology transformation project” and “The automotive intelligent steering system and key components development project” constitutes a careful arrangement based on the actual construction progress and the Company’s future development plan. The adjustment does not change the implementation entities, the use of proceeds, or the scope of the projects. It will not have any material impact on the progress of the Proceeds Projects. There is no disguised change in the use of proceeds nor any prejudice to the Company’s shareholders’ interests. The Project Extension will not affect the Company’s normal operations. This decision is consistent with the Company’s current operational needs and long-term development strategy. The Company will continue to monitor market developments, strengthen project progress management, and ensure the stable implementation of the Proceeds Projects.

GENERAL

The Company will convene a general meeting for the purposes of seeking approval by its shareholders on the resolution of the Proposed Adjustment.

By order of the Board
Zhejiang Shibao Company Limited
ZHANG SHI QUAN
Chairman

Hangzhou, Zhejiang, the PRC
6 December 2025

As at the date of this announcement, the Board comprises Mr. Zhang Bao Yi, Mr. Tang Hao Han, Ms. Zhang Lan Jun and Mr. Zhou Yu as executive Directors; Mr. Zhang Shi Quan and Mr. Zhang Shi Zhong as non-executive Directors; Mr. Wu Lang Ping as employee Director; and Mr. Gong Jun Jie, Mr. Min Haitao, Mr. Tsui Chun Shing and Mr. Li Xing Jian as independent non-executive Directors.

** For identification purposes only*