

14 February 2020

For immediate release

THE INFORMATION COMMUNICATED IN THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATION EU NO. 596/2014 ("MAR").

**Zibao Metals Recycling Holdings Plc
(To be renamed Phimedix PLC)**

("Zibao" or "the Company" or "the Group")

Disposal of Masterpiece Enterprises Limited ("Masterpiece")

Share Capital Reorganisation, Share Buyback, Placing and New Investment, Adoption of New Articles, Authority for new Shares, Disapplication of Pre-emption rights, Proposed change of name, and Notice of General Meeting and Annual General Meeting

Introduction

Zibao announces the disposal of Masterpiece which is subject, *inter alia*, to shareholders' approval in a general meeting scheduled for 10.30a.m. on 9 March 2020 at the offices of Bracher Rawlins LLP, Second Floor, Kingsway, London WC2B 6SR. In addition the Company is proposing a share capital reorganisation, together with a placing to raise £352,500 for the Company and a share buyback from Mr Zhou, the Chairman of the Company. The Company has today sent a circular to shareholders ("Circular") setting out details of these proposals.

Additionally the Annual General Meeting is scheduled for 10.00 am on 9 March 2020, and the notice of meeting has been sent today to shareholders.

The Circular, and notices of meeting for the Annual General Meeting and General Meeting are available on the Company's website: www.zibaometals.com.

The following are extracts from the Circular:

"This Circular sets out details in relation to the proposed disposal of Masterpiece Enterprises Limited, the Company's wholly owned subsidiary, to APC, a company owned by Joe Zhou, for £102,760.00 in cash on Completion. The Disposal will represent a fundamental change of business, as well as a related party transaction, under the AIM Rules for Companies following completion of which, the Company will become an AIM Rule 15 cash shell. Additionally, the Buyback, which is related to the Disposal (detailed below) will be classed as a related party transaction under the AIM Rules. The purpose of this Circular is to provide you with the background to the Proposals and to explain why the Independent Directors consider the Proposals are in the best interests of the Company and its Shareholders as a whole and why they recommend that Shareholders to vote in favour of the Resolutions to be proposed at the General Meeting.

Background to the Proposals

On 9 July 2018, the Board announced that between January and April 2018, China's Ministry of Ecology and Environment ("MEE") made various announcements banning the importation

of 32 types of scrap materials including plastic waste and unsorted wastepaper (which the MEE labels as "solid waste"). In addition, the MEE announced the imposition of tighter quality standards on all scrap imports beginning 1 March 2018. Such scrap imports included the scrap metal which the Group buys directly or indirectly from overseas and imports for processing in its facility in China.

Since then, the Company has been evaluating the potential impact of these new regulations on the business as a whole. As announced by the Board on 29 October 2018, to mitigate the effects of the new trading environment, which is affecting all operators in our marketplace, the Group undertook a review of costs with a view to reducing these wherever possible to manage our cash resources.

On the supply side, the Board also announced that it was continuing to try and identify new suppliers able to comply with the new regulations. However, the number of such suppliers appears limited and the economic viability of sourcing such supplies for the China market will be a major consideration.

The Company has been relatively successful in its cost reduction plans, liquidating its existing stock and in trying to secure new suppliers of metals which comply with the new standards. Nevertheless, volumes have been greatly reduced and sales have reduced considerably as compared to the same period in the prior year. The identification, and bringing on stream, of new suppliers has proved to be a difficult process due to the new restrictions and the Board has been looking at alternative strategies for the Group which have included moving into different geographies and also broadening the types of materials that it can provide to customers.

After reviewing the current legislative environment of the Company's business, the Board has reached the conclusion that the business of the Company, as it was, may not now be viable following on from the change in importation rules in China. These changes in legislation would seem to be long term in nature, and the MEE is expected to tighten legislation in this area.

Accordingly, the Board believed that it was faced with the following alternatives:

- **Fundraising for existing business:** given the current and continuing situation, the Board does not believe it will be able to raise additional external equity and/or debt to fund the Group's current activities or invest in the development of its trading business, if the Company were to remain as an AIM-traded company;
- **Delisting:** the Board has considered seeking the cancellation of its admission to trading on AIM ("**De-listing**") given the costs of maintaining the listing, but then there would effectively be no market in the Ordinary Shares, which could penalise Shareholders; or
- **Disposal:** the Company could dispose of Masterpiece Enterprises Limited to the Company's Chairman, Joe Zhou, introduce new funds into the Company (which would have become an AIM Rule 15 cash shell), and look to adopt a new investing strategy, by seeking a reverse takeover, to try and recover value for the remaining Shareholders.

Having considered the alternatives in detail with its advisers, the Independent Directors concluded that the best option for Shareholders would be to dispose of Masterpiece Enterprises Limited. The Independent Directors also did not believe that the Company should provide anything more than basic warranties as to capacity and authority and title to any purchaser and should complete a disposal as soon as practicable given the funding requirements of Masterpiece Enterprises Limited and the objective to consider new business opportunities.

Summary of the Disposal Agreement

Against this background as set out above, the Company has today entered into a conditional sale and purchase agreement ("**SPA**") with APC, a company owned by Mr Zhou.

Pursuant to the SPA, APC has agreed to acquire Masterpiece Enterprises Limited from the Company and, as a result, assume all its assets and liabilities. As at 31 March 2019, Masterpiece had net audited liabilities of HKD73,465,728, with net current liabilities of HKD23,137,968. Total assets as at the same date amounted to HKD50,327,760. As at 30 September 2019, Masterpiece had net unaudited liabilities of HKD60,787,823, with net current liabilities of HKD23,185,649. Total assets as at the same date amounted to HKD37,602,174. The consideration for Masterpiece will be satisfied in cash following completion of the Buyback (details below). The SPA contains warranties only as to capacity and authority and title from the Company and no other warranties from the Company.

The SPA is conditional on the passing of Resolutions 1 to 6, including the approval of Resolution 1 approving the Disposal by the Independent Shareholders, and the successful completion of the Placing.

The Disposal is subject to the approval of the Independent Shareholders at the General Meeting (Resolution1), and Mr Zhou and the Mr Zhou Group are not permitted to vote their Existing Ordinary Shares on this Resolution.

APC is regarded as a related party under the AIM Rules as Mr Zhou, the Chairman of the Company, is a director and owner of all of the issued shares of APC, and is also a substantial shareholder in the Company holding Existing Ordinary Shares representing 63.9 per cent. of the Issued Share Capital (including indirect beneficial interests)). As such the Disposal is required to have been considered by the Independent Directors in consultation with the Company's nominated adviser, SPARK.

Further information on Masterpiece Enterprises Limited

Masterpiece Enterprises is the main trading subsidiary of the Group and was incorporated in the British Virgin Islands.

For the year ended 31 March 2019, Masterpiece Enterprises consolidated revenue and loss before tax amounted to HKD363,228K and HKD61,338K respectively. As at 31 March 2019, Masterpiece Enterprises consolidated total assets and total net liabilities amounted to HKD50,328K and HKD23,138K respectively.

Proposed Capital Reorganisation

It is proposed that the issued share capital of the Company will be restructured, in order to reduce the nominal value of the Ordinary Shares. At the outset each of the Existing Ordinary Shares will be sub-divided into one Sub-divided Ordinary Share of £0.000025 and one new Deferred Share of £0.009975.

Following the Sub-division, the issued share capital of the Company will consist of 122,010,000 Sub-divided Ordinary Shares and 122,010,000 new Deferred Shares. The new Deferred Shares shall have the special rights, and shall be subject to the restrictions, set out in the New Articles of Association of the Company which, it is proposed, will be adopted pursuant to the Resolutions. The new Deferred Shares will carry negligible value and will not be admitted to trading on AIM.

In order to effect the Sub-division, in addition to Resolution 2, the Company proposes to adopt amended articles of association pursuant to Resolution 5. The rights attaching to the Deferred Shares can be summarised as follows:

- (i) they will not entitle holders to receive any dividend or other distribution or to receive notice or speak or vote at general meetings of the Company;
- (ii) they will have no rights to participate in a return of assets on a winding up until the holders of the ordinary shares have received the amounts paid up or credited as paid up on such shares and the sum of £100,000 in respect of each ordinary share held by them respectively;
- (iii) they will not be freely transferable;
- (iv) the creation and issue of further shares will rank equally or in priority to the Deferred Shares;
- (v) the passing of a resolution of the Company to effect a reduction of capital shall not constitute a modification or abrogation of their rights; and
- (vi) holders will not be issued with share certificates;

There are no immediate plans to purchase or to cancel the Deferred Shares, although the Directors propose to keep the situation under review. The Deferred Shares will not be admitted to trading on any market.

A copy of the proposed amendments to the articles of association proposed to be adopted by Resolution 5 will be available for inspection at the General Meeting and will be made available free of charge on the Company's website at www.zibaometals.com.

The rights attaching to the Sub-divided Ordinary Shares will be identical in all respects to those of the Existing Ordinary Shares.

Following the Sub-division, it is proposed that the Placing and the Buyback shall take place. On completion of the Buyback, the Sub-divided Ordinary Shares shall be consolidated (subject to the approval of Resolution 7 in the General Meeting) into ordinary shares of £0.001 each (New Ordinary Shares). Following the Consolidation, the issued share capital of the Company will consist of 34,400,481 New Ordinary Shares and 19,250,000 new Deferred Shares.

The rights attaching to the New Ordinary Shares will be identical in all respects to those of the Existing Ordinary Shares.

Following the Capital Reorganisation, Share Certificates in respect of Existing Ordinary Shares will no longer be valid. Share Certificates in respect of the New Ordinary Shares will be issued following the Capital Reorganisation or, in the case of uncertificated holders, Euroclear (UK and Ireland) Limited will be instructed to credit the CREST participant's account with New Ordinary Shares.

New Certificates in respect of the New Ordinary Shares will be despatched to all Shareholders by first class post at the risk of the Shareholder. No Share Certificates will be issued in respect of the new Deferred Shares. No fractional payments will be made.

Proposed Placing

To preserve some prospect of future value for Shareholders, the Board has appointed SI Capital Ltd ("**Broker**") to raise up to £352,760 of new funds (the "**Placing**") for the Company by way of a placing of Sub-divided Ordinary Shares at a price of £0.00026 per Sub-divided Ordinary Share (the "**Placing Shares**").

Under the terms of the Placing, the Company will issue warrants to acquire Ordinary Shares at nominal value to each investor who subscribes for Placing Shares. The warrants will be issued on the basis of one warrant to subscribe for an Ordinary Share for each two Placing Shares acquired by that investor. The warrants will lapse on the first anniversary of their issue, or if earlier, on the completion of a reverse takeover (as defined in the AIM Rules) by the Company.

If the Placing is fully subscribed and all the warrants are exercised, this would result in the holders of the warrants acquiring 16,959,612 New Ordinary Shares (i.e. following the Consolidation) in the Company. The exercise price will be the nominal value of the New Ordinary Shares (i.e. £0.001 per share).

£102,760 of the funds received from the Placing will be used by the Company to finance the Buyback (detailed below).

Proposed Buyback

In connection with the SPA, the Company has entered into the Buyback Agreement with the Mr Zhou Group to buyback the Buyback Shares for a total consideration of £102,760. Following completion of the Buyback, it has been agreed under the terms of the SPA that monies paid in respect of the Buyback will be applied as the cash consideration for the sale of Masterpiece under the SPA.

The Buyback will be solely financed from the proceeds of the fresh issue of shares under the Placing and completion of the Buyback Agreement is conditional on at least £350,000 being raised in the Placing. Completion of the Buyback Agreement is also conditional on the passing of Resolutions numbered 1 to 6 at the General Meeting, including Resolution number 6 which requires the Independent Shareholders to approve the terms of the Buyback Agreement by ordinary resolution.

The Buyback will be considered a related party transaction under the AIM Rules as each member of the Mr Zhou Group is beneficially owned by Mr Zhou, the Chairman of the Company, and a substantial Shareholder in the Company, holding Existing Ordinary Shares representing 84.2 per cent. of the issued shares (including indirect beneficial interests).

The Independent Directors, having consulted with SPARK, consider that the terms of the Buyback are fair and reasonable as far as Shareholders are concerned. The Buyback is subject to the approval of Independent Shareholders at the General Meeting (Resolution 6), and the Mr Zhou Group is not permitted to vote its Existing Ordinary Shares on this Resolution.

Consequences of Placing and Buyback for the Independent Shareholders

Following completion of the Placing and the Buyback, the proportion of the Ordinary Shares held by the Independent Shareholders (i.e. the existing shareholders at the date of this Circular who are not participating in the Buyback) shall be approximately 1.4% of the total issued ordinary share capital of the Company.

AIM Rule 15

In accordance with AIM Rule 15, the Disposal constitutes a fundamental change of business of the Company. On Completion, the Company would cease to own, control or conduct all or substantially all, of its existing trading business, activities or assets.

Following completion of the Disposal therefore, the Company will become an AIM Rule 15 cash shell and as such will be required to make an acquisition or acquisitions which constitutes a reverse takeover under AIM Rule 14 (including seeking re-admission as an investing company (as defined under the AIM Rules)) on or before the date falling six months from completion of the Disposal or be re-admitted to trading on AIM as an investing company under the AIM Rules (which requires the raising of at least £6 million), less the consideration received failing which, the Company's Ordinary Shares would then be suspended from trading on AIM pursuant to AIM Rule 40. Admission to trading on AIM would be cancelled six months from the date of suspension should the reason for the suspension not have been rectified.

As such a cash shell the Company would also have no operating cash flow and would be dependent on the net proceeds of the Placing for its working capital requirements.

AIM Rule 15 Deadlines – Reverse Takeover

Any failure in completing an acquisition or acquisitions which constitute(s) a reverse takeover under AIM Rule 14 (including seeking re-admission as an investing company (as defined under the AIM Rules)) will result in the cancellation of the Company's Shares from trading on AIM.

The Company will be dependent upon the ability of the Board to identify suitable acquisition targets. As at the date hereof, the Directors have not identified any investment opportunities which they have resolved to pursue. There is no guarantee that the Company will be able to acquire an identified opportunity at an appropriate price, or at all, as a consequence of which resources might have been expended fruitlessly on investigative work and due diligence. Market conditions may have a negative impact on the Company's ability to make an acquisition or acquisitions which constitutes a reverse takeover under AIM Rule 14. There is no guarantee that the Company will be successful meeting the AIM Rule 15 deadline as described above. The Company expects to incur certain third-party costs associated with the sourcing of suitable acquisition or acquisitions. The Company can give no assurance as to the level of such costs, and given that there can be no guarantee that negotiations to acquire any given target business will be successful, the greater the number of deals that do not reach completion, the greater the likely impact of such costs on the Company's performance, financial condition and business prospects.

Future financing

The only sources of financing currently available to the Company are the proceeds of the Placing and any potential future issue of additional equity capital or shareholder loans. The Company's ability to raise further funds will depend on the success of existing and acquired investments. The Company may not be successful in procuring the requisite funds on terms which are acceptable to it (or at all) and Shareholders' holdings of Ordinary Shares may be materially diluted in due course by subsequent equity issues.

Related Party Transactions

The purchaser, APC, is wholly owned by Wenjie Zhou, who is the Chairman of the Company and a substantial shareholder as he is interested in 63.9 per cent. of the Issued Share Capital. Accordingly, the Disposal is a related party transaction for the purposes of AIM Rule 13 and Wenjie Zhou and Jianfeng Li have taken no part in any board assessment of the disposal to APC by the Independent Directors, being Peter Greenhalgh and Ajay Rajpal.

Additionally, the Buyback, which is related to the Disposal, will be considered a related party transaction under AIM Rule 13 as each member of the Mr Zhou Group is beneficially owned by Mr Zhou, the Chairman of the Company, and a substantial shareholder in the Company, holding Existing Ordinary Shares representing 84.2 per cent. of the Issued Share Capital (including indirect beneficial interests). Although Jianfeng Li could also be classed as an independent director under the AIM Rules, due to his role as an executive director of Masterpiece Enterprises and his close working relationship with Mr Zhou, for the purposes of considering the related party transactions, Jianfeng Li has not been treated as an Independent Director.

Wenjie Zhou and Jianfeng Li have taken no part in any assessment of the Disposal or the Buyback by the Independent Directors, Peter Greenhalgh and Ajay Rajpal.

The Independent Directors consider, having consulted with SPARK, the Nominated Adviser, that the terms of the Disposal and the Buyback are fair and reasonable insofar as the Company's Independent Shareholders are concerned. The Independent Directors have taken into account the following:

1. the lack of options for the economic continuation of the existing business and the provision of future working capital for the Company's sole operating subsidiary, Masterpiece;
2. the commercial viability of Masterpiece is extremely fragile given it is unable to identify sufficient new suppliers able to comply with the MEE's changed regulations relating to the importation into China of scrap materials and the imposition of tighter quality standards on all scrap imports. Such scrap imports include the metal scrap which the Group buys directly or indirectly from overseas;
3. Masterpiece is currently loss making and the Company's base case internal projections show that there is no immediate prospect of an improvement in financial performance without further capital investment; and even if such capital investment was available, it would not necessarily be deployed in the same business due to the changed legislative environment;
4. the Disposal, as it is a fundamental change of business, will be subject to Shareholders' approval at the General Meeting; and
5. the Buyback will be subject to Shareholders' approval at the General Meeting.

The Independent Directors have also taken into account the principal relevant considerations that they have identified, which are set out further below in this Document.

Proposed Board changes

Conditional on Completion, Wenjie Zhou, Jianfeng Li and Peter Greenhalgh will resign as Directors of the Company. Following Completion, the Board then intends to make additional appointments to assist the Company in its new strategic direction as a cash shell, including conditional on Completion, the appointment of Nicholas Nelson.

Nicholas Cristian Paul Nelson, age 55, commenced his career as a securities dealer on the floor of the London Stock Exchange in 1985. This developed into a 13-year career in investment management. In 1998 he moved into the Financial PR industry and over 14 years, handled the corporate communications matters to smaller quoted companies operating in multiple sectors. During this period Nicholas handled the financial PR aspects of some 150 AIM and NEX IPOs. He has held directorships with six AIM-quoted companies and two NEX

Exchange companies and is currently Chief Executive of NEX listed SulNOx Group Plc. Nicholas has considerable hands on experience of all day to day matters relating to shareholder reporting and PLC management.

Dis-application of Pre-Emption Rights and authority to allot shares

In connection with the Capital Reorganisation and the Placing, the Directors wish to have authority to issue a limited proportion of the Company's issued ordinary share capital without having to seek Shareholders' approval. Having such authorities will allow the Company to raise capital or issue shares for other reasons quickly and flexibly and without incurring the time and expense of convening a general meeting. The Directors believe that, at the current time, authorities in respect of 50 per cent. of the Company's issued ordinary share capital (following the Consolidation and the allotment of all the new shares relating to the Placing and the issue of the warrants relating to the Placing) will provide the Company with a reasonable capacity to issue shares.

Shareholders' approval is being sought for these Share authorities by way of Resolutions 3 and 4.

Change of Name

The Board has agreed with Masterpiece Enterprises that the Company's name will be changed to Phimedix PLC, conditional on Shareholders' approval at the General Meeting.

Under the Companies Act 2006 and the Company's Articles, a change of name requires the passing of a special resolution of Shareholders at a general meeting.

Shareholders' approval is being sought for this change of name by way of Resolution 8.

If Resolution 8 is approved, the change of name will be effective once Companies House has issued a new certificate on the change of name.

General Meeting

The Notice convening the General Meeting to be held at the offices of Bracher Rawlins LLP, Second Floor, 77 Kingsway, London, WC2B 6SR at 10.30 a.m. on 9 March 2020 at which the Resolutions will be proposed is set out at the back of this Circular.

- **Resolution 1** which will be proposed as an ordinary resolution, seeks approval by the Independent Shareholders of the sale by the Company of Masterpiece, pursuant to the SPA, to APC.
- **Resolution 2** is to be proposed at the General Meeting is an ordinary resolution to sub-divide each of the Existing Ordinary Shares into one Sub-divided Ordinary Share of £0.000025 and one new Deferred Share of £0.009975. This resolution is subject to the passing of Resolution 5. Accordingly, for each Existing Ordinary Share of £0.01 held at present, you will hold one Sub-divided Ordinary Share of £0.000025 and one new Deferred Share of £0.009975, but the new Deferred Shares will have negligible value. The purpose of this reorganisation is to reduce the nominal value of the Ordinary Shares to be issued at prices that would otherwise be less than their nominal value, to allow for the Placing to take place at the Placing Price.
- **Resolution 3** - The Companies Act 2006 requires that the authority of the Directors to allot shares in the Company or grant rights to subscribe for or convert any security into shares in the Company should be subject to the approval of Shareholders in general

meeting or to an authority set out in the Company's Articles of Association. Accordingly, Resolution 3 will be proposed at the General Meeting, as an ordinary resolution to authorise the Directors to allot unissued shares of the Company up to an aggregate nominal amount of £62,345.67. This authority will expire five years after the passing of the resolution.

- **Resolution 4** - The Companies Act 2006 requires that any equity securities issued wholly or partly for cash must be offered to existing Shareholders in proportion to their existing holdings unless otherwise approved by Shareholders in general meeting or accepted under the Company's Existing Articles of Association. Accordingly, a special resolution (Resolution 4) will be proposed at the General Meeting, subject to the passing of Resolution 3, to vary the Directors' authority to allot equity securities for cash other than on a *pro rata* basis. This authority will expire five years after the passing of the resolution.
- **Resolution 5** - In this resolution, which will be a special resolution, we are asking Shareholders to approve the adoption of New Articles of Association to replace the Existing Articles of Association and to reflect the provisions of the Companies Act 2006 and the Capital Reorganisation.
- **Resolution 6**, In this resolution, which will be an ordinary resolution, we are asking Independent Shareholders to approve the terms of the Buyback Agreement between the Company and the Mr Zhou Group of shareholders for the purchase by the Company of the Buyback Shares dated 14 February 2020 and for the Company to be authorised to purchase the Buyback Shares pursuant to the terms of the Buyback Agreement, such authority to be conferred by this resolution to expire no later than 8 March 2025.
- **Resolution 7**, In this resolution, which will be an ordinary resolution, we are asking Shareholders to approve, subject to completion of the Buyback, of the consolidation of the Sub-divided Ordinary Shares into New Ordinary Shares of £0.001 each, which will result in 40 Sub-divided Ordinary Shares being consolidated for each New Ordinary Share.
- **Resolution 8** which will be proposed as a special resolution, seeks to approve the change of the Company's name to Phimedix PLC.

Recommendations

The Independent Directors, having consulted with the Nominated Adviser, consider the terms of the Disposal to be fair and reasonable insofar as the Company's Shareholders are concerned and recommend Shareholders to vote in favour of the Resolutions.

The Independent Directors have considered the alternatives to the Disposal and have concluded that out of the alternatives, the Company carrying out the Disposal and becoming a cash shell is most likely to represent the best value to the remaining shareholders in the long term.

Accordingly, the Independent Directors recommend that Shareholders vote in favour of Resolution 1 (approving the Disposal) and Resolution 6 (approving the Buyback).

The whole of the Board recommends that Shareholders vote in favour Resolutions 2, 3, 4, 5, 7 and 8 as they intend to do in respect of their own shareholdings of 78,000,000 Existing Ordinary Shares, representing 63.9 per cent. of the Issued Share Capital.

If these proposals are not approved by Shareholders, then the Board will notify AIM that the Company wishes to cancel admission of all of the Company's shares admitted to AIM (i.e. a

de-listing of the Company from AIM) and it will call another general meeting at which a special resolution would be proposed to approve this cancellation of admission to AIM.”

~ End ~

For further information please contact:

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2020
Publication of Circular	14 February
Latest time and date for receipt of Forms of Proxy in respect of the Annual General Meeting	10.00 a.m. on 7 March
Latest time and date for receipt of Forms of Proxy in respect of the General Meeting	10.30 a.m on 7 March
Annual General Meeting	10.00 a.m on 9 March
General Meeting	10.00 a.m. on 9 March
Record date for Sub-division	6.00 p.m. on 9 March
Trading in the Sub-divided Ordinary Shares commences	8:00 a.m. on 10 March
Placing Shares admitted to trading	10 March
CREST accounts expected to be credited with the Placing Shares	10 March
Buyback effective	10 March
Record Date for Consolidation	6:00 p.m. on 10 March
Trading in the Consolidated New Ordinary Shares commences	8:00 a.m. on 11 March
New Share Certificates issued	Week commencing 16 March

Notes

- References to times in this Document are to London time unless otherwise stated.
- If any of the above times or dates should change, the revised times and/or dates will be notified to Shareholders by an announcement on an RNS (and posted on the Company's website) in accordance with the Company's articles of association.
- All events listed in the timetable that are to follow the General Meeting are conditional on the passing of the Resolutions at the General Meeting.

SHARE REORGANISATION STATISTICS

Number of Existing Ordinary Shares at the date of this document	122,010,000	Existing	Ordinary
	Shares		

Number of Existing Ordinary Shares at the Sub-division Record Date	122,010,000 Existing Ordinary Shares
Sub-division rate	each Ordinary Share of £0.01 shall be divided into one Sub-divided Ordinary Share of £0.000025 and one new Deferred Share of £0.009975
Number of Ordinary Shares immediately following the Sub-division	122,010,000 Sub-divided Ordinary Shares
Number of shares to be acquired in the Buyback	102,760,000 Sub-divided Ordinary Shares
Number of shares estimated to be issued in the Placing	1,356,769,230 Sub-divided Ordinary Shares
Number of Ordinary Shares immediately prior to the Consolidation (taking into account 10 shares being issued to ensure the share capital is divisible by 40)	1,376,019,240 Sub-divided Ordinary Shares
Number of Ordinary Shares following Consolidation to £0.001	34,400,481 New Ordinary Shares
ISIN number for the Existing Ordinary Shares and the Sub-divided Ordinary Shares	GB00BGP6NY91
SEDOL number for the Existing Ordinary Shares and the Sub-divided Ordinary Shares	BGP6NY9
ISIN number for the New Ordinary Shares (following the Consolidation)	GB00BLM14N85
SEDOL number for the New Ordinary Shares (following the Consolidation)	BLM14N8

DEFINITIONS

"AIM Rules"	the AIM Rules For Companies, whose securities are admitted to trading on AIM, as published by the London Stock Exchange from time to time
"AIM"	the market of that name operated by the London Stock Exchange
"APC"	Add Profit Corporation, a company wholly owned by Wenjie ("Joe") Zhou
"Board" or "Directors"	Wenjie Zhou, Jianfeng Li, Peter George Greenhalgh and Ajay Kumar Rajpal
"Broker"	SI Capital Ltd, a company incorporated in England and Wales with company number 04870280 (authorised by the FCA with firm reference number 230687) and having its registered office at 19 Berkeley Street, London, W1J 8ED
"Buyback Agreement"	the agreement between the Company and the Mr Zhou Group for the purchase by the Company from the Mr Zhou Group of the Buyback Shares each in the capital of the Company for a total consideration of £102,760
"Buyback Shares"	the 102,760,000 Ordinary Shares and the 102,760,000 Deferred Shares held by the Mr Zhou Group of shareholders
"Buyback"	the proposed buyback by the Company of the Buyback Shares, which will be acquired by the Company pursuant to the Buyback for a total consideration of £102,760
"Capital Reorganisation"	together the proposed Sub-division prior to the Buyback and the proposed Consolidation following the Buyback, in each case pursuant to the Resolutions as described in this Document

"Company" or "Zibao Metals Recycling Holdings PLC" or "Zibao"	Zibao Metals Recycling Holdings PLC, a company incorporated in England and Wales with company registration number 08724168. Its registered office is Finsgate, 5-7 Cranwood Street, London, EC1V 9EE
"Completion"	completion of the Disposal expected to occur on or about 9 March 2020
"Consolidation"	the proposed consolidation of the Sub-divided Ordinary Shares into ordinary shares of £0.001 each following the Buyback
"Deferred Shares"	the deferred shares of £0.009975 each created by the Sub-division.
"Disposal"	the proposed sale of Masterpiece Enterprises Limited to APC, pursuant to the terms of the SPA
"Enlarged Ordinary Share Capital"	the entire issued ordinary share capital of the Company consisting of the New Ordinary Shares and Deferred Shares in issue following the Capital Reorganisation and the New Ordinary Shares to be issued to pursuant to the Placing as described in this document
"Existing Articles of Association"	the Articles of Association of the Company in force at the date hereof
"Existing Ordinary Shares"	the 122,010,000 Ordinary Shares of £0.01 each in issue at the date of the General Meeting;
"FCA"	the Financial Conduct Authority
"Form of Proxy"	the form of proxy accompanying the Circular for use at the General Meeting
"General Meeting"	the General Meeting of Shareholders convened for 9 March 2020
"Group"	Zibao Metals Recycling Holdings PLC, Masterpiece Enterprises Limited and its Subsidiaries
"Independent Directors"	Peter George Greenhalgh and Ajay Kumar Rajpal
"Independent Shareholders"	Shareholders other than the Mr Zhou Group
"Issued Share Capital"	the 122,010,000 Existing Ordinary Shares in issue as at the date of this Document
"London Stock Exchange"	London Stock Exchange PLC
"Masterpiece Enterprises Limited" or "Masterpiece"	Masterpiece Enterprises Limited, a company incorporated in the British Virgin Islands with the number 1414213 and the Company's main trading, wholly owned subsidiary
"Mr Zhou Group"	Wenjie Zhou, Solid Profits International Limited, Sino Jump Global Inc and Add Profit Corporation
"Mr Zhou"	Wenjie Zhou
"New Ordinary Shares"	the 34,400,481 Ordinary Shares of £0.001 each in the capital of the Company following the Capital Reorganisation
"Nominated Adviser"	SPARK Advisory Partners Limited, the Company's Nominated Adviser in accordance with the AIM Rules
"Placing Shares"	up to 1,356,769,230 new Sub-divided Ordinary Shares
"Placing"	the Placing of 1,356,769,230 new Sub-divided Ordinary Shares at the Placing Price by the Broker on behalf of the Company to be approved by shareholders on 9 March 2020
"Placing Price"	£0.00026 per Sub-divided Ordinary Share
"Proposals"	the proposals set out in this Circular, whereby Shareholders are being asked to consider, and if thought fit, approve (i) the Disposal, (ii) the Placing, (iii) the Capital Reorganisation and (v) the change of name of the Company
"Resolutions"	the resolutions set out in the Notice of General Meeting contained within the Circular
"Shareholders"	holders of Ordinary Shares
"SPA"	the conditional share purchase agreement dated 14 February 2020 between APC and the Company in respect of the Disposal
"SPARK"	SPARK Advisory Partners Limited
"Sub-divided Ordinary Shares"	the ordinary shares of £0.000025 each created by the Sub-division

"Sub-division"

the proposed sub-division of the Existing Ordinary Shares into the Sub-divided Ordinary Shares and the Deferred Shares

"Subsidiaries"

Masterpiece Enterprises Limited and its wholly owned subsidiaries, Zibao Metals Company Limited, Top Able Enterprises Limited, Fine Luck Trading Limited and Zheng Bao

