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Zhejiang Shibao Company Limited*

浙江世寶股份有限公司

(a joint stock limited company incorporated in the People's Republic of China)

(Stock code: 1057)

DISCLOSEABLE TRANSACTION

SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCT

Reference is made to the announcement dated 16 February 2015 in respect of the First CZB Wealth Management Product Agreement, and the announcement dated 3 August 2015 in respect of the Second CZB Wealth Management Product Agreement and the Third CZB Wealth Management Product Agreement.

On 1 September 2015, the Company and CZB (sub-branch at Yuquan, Hangzhou) entered into the Fourth CZB Wealth Management Product Agreement.

The relevant subscription amount under the Fourth CZB Wealth Management Product Agreement itself does not constitute a discloseable transaction of the Company under the Hong Kong Listing Rules. However, the relevant subscription amount under the Fourth CZB Wealth Management Product Agreement shall be aggregated with those under the First CZB Wealth Management Product Agreement, the Second CZB Wealth Management Product Agreement and the Third CZB Wealth Management Product Agreement pursuant to Rule 14.22 of the Hong Kong Listing Rules. As the highest relevant applicable percentage ratio (as defined under the Hong Kong Listing Rules) exceeds 5% but is less than 25%, the Fourth CZB Wealth Management Product Agreement constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under the Hong Kong Listing Rules.

** For identification purposes only*

I. BACKGROUND

On 31 December 2014, the Proposal on the Partly Use of the Idle Funds Raised for Cash Management Purpose (《關於使用部分閒置募集資金進行現金管理的議案》) was reviewed and approved by the 21st meeting of the fourth session of the Board. Please refer to the announcements titled “Announcement of the Resolution of the 21st Meeting of the Fourth Session of the Board (《第四屆董事會第二十一次會議決議的公告》)” and “Announcement of the Approval of the Partly Use of the Idle Funds Raised for Cash Management Purpose (《關於使用部分閒置募集資金進行現金管理的公告》)” published by the Company on the website of CNINFO (巨潮資訊網 (<http://www.cninfo.com.cn>)) on 5 January 2015, as well as the overseas regulatory announcements published on the website of Hong Kong Stock Exchange (<http://www.hkexnews.hk>) on 2 January 2015, for further details.

Reference is made to the announcement dated 16 February 2015 in respect of the First CZB Wealth Management Product Agreement, and the announcement dated 3 August 2015 in respect of the Second CZB Wealth Management Product Agreement and the Third CZB Wealth Management Product Agreement.

The Third CZB Wealth Management Product Agreement has matured on 31 August 2015, and the principal and income have been collected.

On 1 September 2015, the Company and CZB (sub-branch at Yuquan, Hangzhou) entered into the Fourth CZB Wealth Management Product Agreement.

II. MAJOR TERMS OF THE FOURTH CZB WEALTH MANAGEMENT PRODUCT AGREEMENT

Major terms of the Fourth CZB Wealth Management Product Agreement are hereby listed as follows:

- (1) Name of product: CZB 2015 Exclusive Wealth Management Renminbi Wealth Management Product (Issue 469) (浙商銀行 2015 年專屬理財第 469 期人民幣理財產品).
- (2) Type of product: Principal-guaranteed and floating income.
- (3) Risk rating of product: Extremely low.
- (4) Subscription amount: RMB40 million.
- (5) Valid period of product: 28 days commencing from 2 September 2015 and up to 30 September 2015.

- (6) Expected return per annum: 3.7%.
- (7) Principal guaranteed: CZB guaranteed to return the principal to the investors.
- (8) Investment scope: The principal of this wealth management product will be invested by CZB in fixed income instruments such as bonds, currency market instruments, interbank assets, trust schemes which fulfill the requirements of regulatory authorities, entrusted debts, asset income rights, currency market funds and bond funds, wealth management schemes which are in line with the above usage of proceeds as well as other finance instruments which are allowed to invest in by laws and regulations.

To the best knowledge, information and belief of the Directors having made all reasonable enquiry, CZB and its ultimate beneficial owners are third parties independent of the Company and connected persons of the Company, and are not connected persons of the Company.

III. REASONS AND BENEFITS FOR ENTERING INTO THE WEALTH MANAGEMENT PRODUCT AGREEMENT

Basing on the principle of maximizing the interests for the Shareholders and an aim to enhance the utilization of idle proceeds from fund raising, the Company will continue its cash management subject to the authority delegated by the Board without affecting the construction of projects in which the proceeds from fund raising are invested and the utilization of such proceeds.

Therefore, the Directors consider that the Fourth CZB Wealth Management Product Agreement is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IV. IMPLICATION OF THE HONG KONG LISTING RULES

The relevant subscription amount under the Fourth CZB Wealth Management Product Agreement itself does not constitute a discloseable transaction of the Company under the Hong Kong Listing Rules. However, the relevant subscription amount under the Fourth CZB Wealth Management Product Agreement shall be aggregated with those under the First CZB Wealth Management Product Agreement, the Second CZB Wealth Management Product Agreement and the Third CZB Wealth Management Product Agreement pursuant to Rule 14.22 of the Hong Kong Listing Rules. As the highest relevant applicable percentage ratio (as defined under the Hong Kong Listing Rules) exceeds 5% but is less than 25%, the Fourth CZB Wealth Management Product Agreement constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under the Hong Kong Listing Rules.

V. GENERAL

Information of the parties

The Company

The Company is principally engaged in the research and development, design, manufacture and sales of automotive steering gears and other key components and parts of steering system, and the supply of four types of steering products to large automakers: hydraulic power assisted recirculation ball steering gear for commercial vehicles, hydraulic power assisted rack-and-pinion steering gear and steering knuckle for passenger cars and EPS system for energy-saving and new energy vehicles.

Zheshang Bank

Zheshang Bank, with the English name “China Zheshang Bank Co., Ltd.” in full and “CZB” in short and the Chinese name “浙商银行股份有限公司” in full, is a joint stock commercial bank established under the approval by the China Securities Regulatory Commission. With a registered capital of RMB10 billion, its head office is located in Hangzhou.

Definitions

In this announcement, unless the context requires otherwise, the following terms have the meanings set out below:

“A Share(s)”	ordinary share(s) with a nominal value of RMB1.00 each in the capital of the Company issued in the PRC and listed on Shenzhen Stock Exchange, and are subscribed for and traded in RMB
“Board”	the board of directors of the Company
“Company”	浙江世寶股份有限公司 (Zhejiang Shibao Company Limited*), a joint stock limited company incorporated in the PRC
“connected person(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“CZB”	China Zheshang Bank Co., Ltd
“Director(s)”	the director(s) of the Company

“First CZB Wealth Management Product Agreement”	the wealth management product agreement entered into between the Company and CZB (branch at Yuquan, Hangzhou) on 13 February 2015, the subscription amount was RMB50 million.
“Fourth CZB Wealth Management Product Agreement”	the wealth management product agreement entered into between the Company and CZB (branch at Yuquan, Hangzhou) on 1 September 2015, the subscription amount was RMB40 million.
“H Share(s)”	ordinary share(s) with a nominal value of RMB1.00 each in the capital of the Company issued overseas and listed on Hong Kong Stock Exchange, and are subscribed for and traded in HK\$
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Second CZB Wealth Management Product Agreement”	the wealth management product agreement entered into between the Company and CZB (branch at Yuquan, Hangzhou) on 16 June 2015, the subscription amount was RMB50 million.
“Shareholders”	the shareholders of the Company
“Third CZB Wealth Management Product Agreement”	the wealth management product agreement entered into between the Company and CZB (branch at Yuquan, Hangzhou) on 31 July 2015, the subscription amount was RMB40 million.
“%”	Percentage

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

Hangzhou, Zhejiang, the PRC, 1 September 2015

As at the date of this announcement, the Board comprises Mr. Zhang Shi Quan, Mr. Zhang Bao Yi, Mr. Tang Hao Han and Ms. Zhang Lan Jun as executive Directors; Mr. Zhang Shi Zhong and Mr. Zhu Jie Rong as non-executive Directors; and Mr. Zhang Hong Zhi, Mr. Guo Kong Hui and Mr. Shum Shing Kei as independent non-executive Directors.