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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

On 22 June 2017, Hangzhou Shibao and China CITIC Bank (sub-branch at Hangzhou Economic and Technology Development Zone) entered into the Twenty-first CITIC Wealth Management Product Agreement. The own funds of Hangzhou Shibao was applied to the Twenty-first CITIC Wealth Management Product Agreement.

The relevant subscription amount under the Twenty-first CITIC 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 Twenty-first CITIC Wealth Management Product Agreement shall be aggregated with those under the Eighth CITIC Wealth Management Product Agreement, the Ninth CITIC Wealth Management Product Agreement, the Tenth CITIC Wealth Management Product Agreement, the Eleventh CITIC Wealth Management Product Agreement, the Twelfth CITIC Wealth Management Product Agreement, the Thirteenth CITIC Wealth Management Product Agreement, the Fourteenth CITIC Wealth Management Product Agreement, the Fifteenth CITIC Wealth Management Product Agreement, the Sixteenth CITIC Wealth Management Product Agreement, the Seventeenth CITIC Wealth Management Product Agreement, the Eighteenth CITIC Wealth Management Product Agreement, the Nineteenth CITIC Wealth Management Product Agreement and the Twentieth CITIC Wealth Management Product Agreement pursuant to Rule 14.22 of the Hong Kong Listing Rules, and the highest relevant applicable percentage ratio (as defined under the Hong Kong Listing Rules) exceeds 5% but is less than 25%. Therefore, the Twenty-first CITIC Wealth Management Product Agreement constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Hong Kong Listing Rules.

** For identification purposes only*

I. BACKGROUND

Reference is made to the announcement dated 16 December 2016 of the Company in respect of the Thirteenth CITIC Wealth Management Product Agreement. Part of the idle proceeds raised by the Company was applied to the Thirteenth CITIC Wealth Management Product Agreement. As at the date of this announcement, the Thirteenth CITIC Wealth Management Product Agreement has matured on 16 June 2017 and the principal and income of it has been collected.

Reference is also made to the announcement dated 24 February 2017 of the Company in respect of, among others, the Fifteenth CITIC Wealth Management Product Agreement. The subscription amount under the Fifteenth CITIC Wealth Management Product Agreement amounted to RMB50 million. The own funds of Hangzhou Shibao was applied to it. As at the date of this announcement, the balance of subscription amount of RMB35 million has been redeemed on 22 May 2017 and the principal and income of it has been collected.

Reference is also made to the announcement dated 11 May 2017 of the Company in respect of the Nineteenth CITIC Wealth Management Product Agreement. The own funds of Hangzhou Shibao was applied to the Nineteenth CITIC Wealth Management Product Agreement. As at the date of this announcement, the Nineteenth CITIC Wealth Management Product Agreement has been redeemed on 12 June 2017 and the principal and income of it has been collected.

Reference is also made to the announcement dated 19 May 2017 of the Company in respect of the Twentieth CITIC Wealth Management Product Agreement. Part of the idle proceeds raised by the Company was applied to the Twentieth CITIC Wealth Management Product Agreement. As at the date of this announcement, the Twentieth CITIC Wealth Management Product Agreement has matured on 21 June 2017 and the principal and income of it has been collected

On 22 June 2017, Hangzhou Shibao and China CITIC Bank (sub-branch at Hangzhou Economic and Technology Development Zone) entered into the Twenty-first CITIC Wealth Management Product Agreement. The own funds of Hangzhou Shibao was applied to the Twenty-first CITIC Wealth Management Product Agreement.

II. MAJOR TERMS OF THE TWENTY-FIRST CITIC WEALTH MANAGEMENT PRODUCT AGREEMENT

Major terms of the Twenty-first CITIC Wealth Management Product Agreement are as follows:

- (1) Name of product: Class B of Bubugaosheng RMB principal-protected wealth management product of Gongying series CITIC Wealth (中信理財之共贏保本步步高升 B 款人民幣理財產品).
- (2) Type of product: Principal-protected with floating income.
- (3) Risk rating of product: PR1 Grade (cautious and green).
- (4) Subscription amount: RMB40 million.
- (5) Valid period of product: No nominal term.
- (6) Expected highest return per annum: 2.50%-3.55%.
- (7) Principal guaranteed: China CITIC Bank guaranteed the principal amount.
- (8) Investment scope: This product mainly invests in (1) money market products: cash, deposit, monetary fund, pledge-style bond repurchase and other money market assets; (2) fixed income products: bond, asset-backed securities, non-public directional debt financing instruments, bond fund and other fixed income assets; (3) non-standard credit assets and other products: asset management plan provided by fund house and its asset management company, asset management plan provided by securities company and its asset management company, asset management plan provided by insurance asset management company, trust plan, investment in entrusted creditor's rights, RMB interest rate swaps, RMB interest rate forward, credit risk mitigating instruments, sovereign bond futures and other assets or asset portfolios.

To the best knowledge, information and belief of the Directors having made all reasonable enquiry, China CITIC Bank 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

By adhering to the principle of maximising the interests of Shareholders and with an aim to enhance the utilisation of own funds, the Company will carry out its cash management without affecting the utilisation of capital in the usual production and operation of the Company.

Therefore, the Directors consider that the Twenty-first CITIC 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 Twenty-first CITIC 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 Twenty-first CITIC Wealth Management Product Agreement shall be aggregated with those under the Eighth CITIC Wealth Management Product Agreement, the Ninth CITIC Wealth Management Product Agreement, the Tenth CITIC Wealth Management Product Agreement, the Eleventh CITIC Wealth Management Product Agreement, the Twelfth CITIC Wealth Management Product Agreement, the Thirteenth CITIC Wealth Management Product Agreement, the Fourteenth CITIC Wealth Management Product Agreement, the Fifteenth CITIC Wealth Management Product Agreement, the Sixteenth CITIC Wealth Management Product Agreement, the Seventeenth CITIC Wealth Management Product Agreement, the Eighteenth CITIC Wealth Management Product Agreement, the Nineteenth CITIC Wealth Management Product Agreement and the Twentieth CITIC Wealth Management Product Agreement pursuant to Rule 14.22 of the Hong Kong Listing Rules, and the highest relevant applicable percentage ratio (as defined under the Hong Kong Listing Rules) exceeds 5% but is less than 25%. Therefore, the Twenty-first CITIC Wealth Management Product Agreement constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of 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.

China CITIC Bank

China CITIC Bank, formerly known as CITIC Industrial Bank and founded in 1987, changed its name at the end of 2005. Headquartered at Beijing, China CITIC Bank is one of national commercial banks in the PRC, whose substantial shareholder is CITIC Limited.

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
“China CITIC Bank”	China CITIC Bank Corporation Limited
“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
“Director(s)”	the director(s) of the Company
“Eighteenth CITIC Wealth Management Product Agreement”	the wealth management product agreement entered into between the Company and China CITIC Bank (sub-branch at Hangzhou Economic and Technology Development Zone) on 13 April 2017, the subscription amount was RMB40 million
“Eighth CITIC Wealth Management Product Agreement”	the two wealth management product agreements entered into between Hangzhou Shibao and China CITIC Bank (sub-branch at Hangzhou Economic and Technology Development Zone) on 14 April 2016, the total subscription amount was RMB35 million
“Eleventh CITIC Wealth Management Product Agreement”	the wealth management product agreement entered into between the Company and China CITIC Bank (sub-branch at Hangzhou Economic and Technology Development Zone) on 5 August 2016, the subscription amount was RMB45 million

“Fifteenth CITIC Wealth Management Product Agreement”	the wealth management product agreement entered into between Hangzhou Shibao and China CITIC Bank (sub-branch at Hangzhou Economic and Technology Development Zone) on 24 February 2017, the subscription amount was RMB50 million
“Fourteenth CITIC Wealth Management Product Agreement”	the wealth management product agreement entered into between Hangzhou Shibao and China CITIC Bank (sub-branch at Hangzhou Economic and Technology Development Zone) on 23 February 2017, the subscription amount was RMB44 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\$
“Hangzhou Shibao”	Hangzhou Shibao Auto Steering Gear Co., Ltd., a wholly-owned subsidiary of the Company
“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
“Ninth CITIC Wealth Management Product Agreement”	the wealth management product agreement entered into between the Company and China CITIC Bank (sub-branch at Hangzhou Economic and Technology Development Zone) on 20 June 2016, the subscription amount was RMB50 million
“Nineteenth CITIC Wealth Management Product Agreement”	the wealth management product agreement entered into between Hangzhou Shibao and China CITIC Bank (sub-branch at Hangzhou Economic and Technology Development Zone) on 10 May 2017, the subscription amount was RMB60 million
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC

“Seventeenth CITIC Wealth Management Product Agreement”	the wealth management product agreement entered into between Hangzhou Shibao and China CITIC Bank (sub-branch at Hangzhou Economic and Technology Development Zone) on 6 April 2017, the subscription amount was RMB50 million
“Shareholders”	the shareholders of the Company
“Sixteenth CITIC Wealth Management Product Agreement”	the wealth management product agreement entered into between the Company and China CITIC Bank (sub-branch at Hangzhou Economic and Technology Development Zone) on 3 March 2017, the subscription amount was RMB50 million
“Tenth CITIC Wealth Management Product Agreement”	the wealth management product agreement entered into between the Company and China CITIC Bank (sub-branch at Hangzhou Economic and Technology Development Zone) on 18 July 2016, the subscription amount was RMB20 million
“Thirteenth CITIC Wealth Management Product Agreement”	the wealth management product agreement entered into between the Company and China CITIC Bank (sub-branch at Hangzhou Economic and Technology Development Zone) on 15 December 2016, the subscription amount was RMB40 million
“Twelfth CITIC Wealth Management Product Agreement”	the wealth management product agreement entered into between Hangzhou Shibao and China CITIC Bank (sub-branch at Qianjiang, Hangzhou) on 22 September 2016, the subscription amount was RMB20 million
“Twentieth CITIC Wealth Management Product Agreement”	the wealth management product agreement entered into between the Company and China CITIC Bank (sub-branch at Hangzhou Economic and Technology Development Zone) on 18 May 2017, the subscription amount was RMB40 million

“Twenty-first CITIC
Wealth Management
Product Agreement”

the wealth management product agreement entered
into between Hangzhou Shibao and China CITIC
Bank (sub-branch at Hangzhou Economic and
Technology Development Zone) on 22 June 2017,
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, 23 June 2017

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.