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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 11 January 2018, the Company and China CITIC Bank (sub-branch at Hangzhou Economic and Technology Development Zone) entered into the Thirtieth CITIC Wealth Management Product Agreement. Part of the idle proceeds raised by the Company was applied to the Thirtieth CITIC Wealth Management Product Agreement.

The relevant subscription amount under the Thirtieth 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 Thirtieth CITIC Wealth Management Product Agreement shall be aggregated with those under 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, the Twentieth CITIC Wealth Management Product Agreement, the Twenty-first CITIC Wealth Management Product Agreement, the Twenty-second CITIC Wealth Management Product Agreement, the Twenty-third CITIC Wealth Management Product Agreement, the Twenty-fourth CITIC Wealth Management Product Agreement, the Twenty-fifth CITIC Wealth Management Product Agreement, the Twenty-sixth CITIC Wealth Management Product Agreement, the Twenty-seventh CITIC Wealth Management Product Agreement, Twenty-eighth CITIC Wealth Management Product Agreement and Twenty-ninth 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 Thirtieth 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

On 28 November 2017, the Board resolved and approved 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》) by way of written resolutions as the 31st the meeting of the fifth session of the Board. Please refer to the announcements titled “Announcement of the Resolution of the 31st Meeting of the Fifth Session of the Board (《第五屆董事會第三十一次會議決議的公告》)” 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 29 November 2017, as well as the overseas regulatory announcements published on the website of Hong Kong Stock Exchange (<http://www.hkexnews.hk>) on 28 November 2017, for further details.

Reference is made to the announcement dated 23 June 2017 in respect of the Twenty-first CITIC Wealth Management Product Agreement. The subscription amount under the Twenty-first CITIC Wealth Management Product Agreement amounted to RMB40 million. The own funds of Hangzhou Shibao was applied to the Twenty-first CITIC Wealth Management Product Agreement. As at the date of this announcement, the principal of RMB20 million has been redeemed and the relevant income of it has been collected, and the balance of subscription amount of RMB20 million has not matured.

Reference is also made to the announcement dated 4 December 2017 in respect of the Twenty-eighth CITIC Wealth Management Product Agreement. Part of the idle proceeds raised by the Company was applied to the Twenty-eighth CITIC Wealth Management Product Agreement. The Twenty-eighth CITIC Wealth Management Product Agreement has matured on 5 January 2018 and the principal and income of it have been collected.

Reference is also made to the announcement dated 4 December 2017 in respect of the Twenty-ninth CITIC Wealth Management Product Agreement. Part of the idle proceeds raised by the Company was applied to the Twenty-ninth CITIC Wealth Management Product Agreement. As the date of this announcement, the Twenty-ninth CITIC Wealth Management Product Agreement has not matured.

On 11 January 2018, the Company and China CITIC Bank (sub-branch at Hangzhou Economic and Technology Development Zone) entered into the Thirtieth CITIC Wealth Management Product Agreement. Part of the idle proceeds raised by the Company was applied to the Thirtieth CITIC Wealth Management Product Agreement.

## **II. MAJOR TERMS OF THE CITIC WEALTH MANAGEMENT PRODUCT AGREEMENT**

Major terms of the Thirtieth CITIC Wealth Management Product Agreement are as follows:

- (1) Name of product: Gongying Interest Structure No. 18691 RMB Structured Wealth Management Products of CITIC Wealth Management (中信理財之共贏利率結構18691期人民幣結構性理財產品).
- (2) Type of product: Principal-protected with floating income.
- (3) Risk rating of product: PR1 Grade (cautious and green).
- (4) Subscription amount: RMB10 million.
- (5) Valid period of product: 41 days commencing from 12 January 2018 and up to 22 February 2018.
- (6) Expected return per annum: 4.20%.
- (7) Principal guaranteed: China CITIC Bank guaranteed the principal amount.
- (8) Investment scope: This is a structured wealth management product with the entire wealth management funds being applied into investing operation through structured interest rate swap transactions.

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**

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 Thirtieth 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 Thirtieth 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 Thirtieth CITIC Wealth Management Product Agreement shall be aggregated with those under 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, the Twentieth CITIC Wealth Management Product Agreement, the Twenty-first CITIC Wealth Management Product Agreement, the Twenty-second CITIC Wealth Management Product Agreement, the Twenty-third CITIC Wealth Management Product Agreement, the Twenty-fourth CITIC Wealth Management Product Agreement, the Twenty-fifth CITIC Wealth Management Product Agreement, the Twenty-sixth CITIC Wealth Management Product Agreement, the Twenty-seventh CITIC Wealth Management Product Agreement, Twenty-eighth CITIC Wealth Management Product Agreement and Twenty-ninth 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 Thirtieth 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
“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
“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
“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
“Thirtieth 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 11 January 2018, the subscription amount was RMB10 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-eighth 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 1 December 2017, the subscription amount was RMB10 million
“Twenty-fifth 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 10 August 2017, the subscription amount was RMB20 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
“Twenty-fourth 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 7 July 2017, the subscription amount was RMB30 million
“Twenty-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 1 December 2017, the subscription amount was RMB100 million
“Twenty-second 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 22 June 2017, the subscription amount was RMB80 million

“Twenty-seventh 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 October 2017, the subscription amount was RMB30 million
“Twenty-sixth 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 October 2017, the subscription amount was RMB80 million
“Twenty-third 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 7 July 2017, the subscription amount was RMB20 million
“%”	Percentage

By order of the Board  
**Zhejiang Shibao Company Limited**  
**Zhang Shi Quan**  
*Chairman*

Hangzhou, Zhejiang, the PRC, 12 January 2018

*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.*