

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

VOLUNTARY ANNOUNCEMENT ENTERING INTO STRATEGIC COOPERATION AGREEMENT

The board (the “**Board**”) of directors of Zhejiang Shibao Company Limited (the “**Company**” or “**Zhejiang Shibao**”) wishes to inform the public that on 10 July 2018, the Company and UISEE Technologies Beijing Co., Ltd. (“**UISEE Technologies**”) entered into a strategic cooperation agreement.

UISEE Technologies is committed to revolutionizing the transportation for people and goods with artificial intelligence and big data, to solve traffic and logistics problems for billions of people with self-driving technologies. The self-driving vehicles of UISEE Technologies have been tested at commercial centers, airports, etc., including Raffles City in Hangzhou and Baiyun International Airport in Guangzhou. According to the White Paper on the Development of Artificial Intelligence Industry of Beijing (2018) prepared by the Beijing Municipal Commission of Economy and Information Technology, UISEE Technologies has been included in the list of key artificial intelligence enterprises of Beijing.

Zhejiang Shibao is a learning and innovative enterprise, dedicated to automobile steering technologies for over 30 years. It commits itself to improving safety and comfortability in driving and endeavors to become a supplier to provide global leading automotive groups with safe, intelligent, energy-saving and light-duty automotive steering system. In 2014, Zhejiang Shibao set up the intelligent steering development project and applied for a national patent. The strategic goal of the Company is to provide intelligent driving solutions and products for global leading automotive groups.

It is the common vision and pursuit of Zhejiang Shibao and UISEE Technologies to make transportation safer, easier and more comfortable. Both parties believe that the strategic cooperation can help both parties further enhance their competitiveness in the field of intelligent driving, accelerate the rapid application of new technologies/new products, and realize the future market expansion strategy and gain market share for both parties, to create greater commercial value for both parties.

The contents of the strategic cooperation agreement between both parties are as follows:

1. UISEE Technologies has intelligent network driving technologies and solutions and will build an intelligent driving solution platform with its partners, based on the existing intelligent driving solutions of UISEE Technologies and the products provided by partners, to serve passenger vehicle factories, special vehicle factories and application operators which are interested in intelligent driving.
2. Zhejiang Shibao has the technologies and solutions of automotive intelligent steering system, and will cooperate with UISEE Technologies and other partners to build an intelligent driving solution platform. Zhejiang Shibao shall provide UISEE Technologies with customizable, product-level intelligent steering system solutions including (but not limited to) C-EPS/P-EPS/Recirculating Ball EPS and EPS solutions for high power redundant motors; UISEE Technologies shall optimise the intelligent driving system based on Zhejiang Shibao's intelligent steering system; both parties shall jointly improve the safety and reliability of the intelligent driving solution platform and optimise the cost of intelligent driving solutions.
3. Both parties shall jointly promote new intelligent driving application based on the intelligent driving solution platform. Both parties will give priority to the promotion of the intelligent driving solution platform to customers. For customers using the intelligent driving solution platform, both parties have agreed to provide the most favourable price and the best development and maintenance services.

At the same time, in view of the complementarity of both parties in respect of product cooperation, UISEE Technologies has agreed to consider the possibility of capital cooperation with Zhejiang Shibao through Zhejiang Shibao's investment in acquisition of its equity interests under the same conditions in its subsequent financing to enhance the close cooperation between both parties.

The strategic cooperation is non-exclusive and does not change the independent status of both parties. The specific cooperation between both parties will be further clarified in each specific contract on cooperation. It is expected that this matter will have no significant impact on the Company's revenue and profit for the current year. Investors are advised to pay attention to investment risks.

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

Hangzhou, Zhejiang, the PRC, 12 July 2018

As at the date of this announcement, the board of directors of the Company comprises Mr. Zhang Bao Yi, Mr. Tang Hao Han, Ms. Zhang Lan Jun and Ms. Liu Xiao Ping as executive directors; Mr. Zhang Shi Quan and Mr. Zhang Shi Zhong as non-executive directors; and Mr. Lin Yi, Mr. Guo Kong Hui and Mr. Shum Shing Kei as independent non-executive directors.

* *For identification purpose only*