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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 PRODUCTS**

On 1 August 2024, the Company successfully subscribed from China CITIC Bank (sub-branch at Hangzhou Economic and Technology Development Zone) for the 6th CITIC Wealth Management Product, the subscription amount of it is funded by part of the idle funds raised by the Company.

The subscription amount under the 6th CITIC Wealth Management Product itself does not constitute a discloseable transaction of the Company under the Hong Kong Listing Rules. However, the subscription amount under the 6th CITIC Wealth Management Product shall be aggregated with those under the 1st CITIC Wealth Management Product, the 2nd CITIC Wealth Management Product, the 3rd CITIC Wealth Management Product, the 4th CITIC Wealth Management Product and the 5th CITIC Wealth Management Product 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 6th CITIC Wealth Management Product 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.

I. BACKGROUND

On 19 April 2024, the Company considered 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 of the 7th session of the Board and the 7th session of the Supervisory Committee, agreeing that the Company may use idle proceeds up to RMB100 million to purchase investment products with high safety and liquidity (including but not limited to agreed deposits, structured deposits, time deposits, notice deposits, large-denomination certificates of deposit, etc.), provided that it will not affect the use of funds raised for investing construction projects and normal production and operation of the Company. The proceeds may be used on a rolling basis within the above limit for a period not exceeding 12 months from the date of approval by the Board. Please refer to the announcements published by the Company on the website of CNINFO (巨潮資訊網) (<http://www.cninfo.com.cn>) on 20 April 2024, as well as the overseas regulatory announcements published on the website of Hong Kong Stock Exchange (<http://www.hkexnews.hk>) on 20 April 2024, for further details.

Reference is made to the 1st CITIC Wealth Management Product and the 2nd CITIC Wealth Management Product. Please refer to the Announcement 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公告》) published by the Company on the website of CNINFO (巨潮資訊網) (<http://www.cninfo.com.cn>) on 6 May 2024, as well as the overseas regulatory announcement published on the website of Hong Kong Stock Exchange (<http://www.hkexnews.hk>) on 6 May 2024, for further details.

Reference is also made to the 3rd CITIC Wealth Management Product and the 4th CITIC Wealth Management Product. Please refer to the announcement of the Company dated 4 June 2024 for further details.

Reference is also made to the 5th CITIC Wealth Management Product. Please refer to the announcement of the Company dated 4 July 2024 for further details.

Recently, the 2nd CITIC Wealth Management Product has been redeemed upon maturity. The Company continued to use the idle funds raised of RMB35 million to subscribe for structured deposit products through China CITIC Bank (sub-branch at Hangzhou Economic and Technology Development Zone). On 1 August 2024, the Company successfully subscribed from China CITIC Bank (sub-branch at Hangzhou Economic and Technology Development Zone) for the 6th CITIC Wealth Management Product, the details of which are set out below.

II. MAJOR TERMS OF THE 6TH CITIC WEALTH MANAGEMENT PRODUCT

Major terms of the 6th CITIC Wealth Management Product are as follows:

- (1) Name of product: No. 04863 Gongying Huixin Exchange Rate Linked RMB Structured Deposits (共贏慧信匯率掛鉤人民幣結構性存款 04863 期).
- (2) Type of product: Principal-protected with floating income, closed-ended.
- (3) Subscription amount: RMB35 million.
- (4) Valid period of product: from 1 August 2024 to 30 October 2024.
- (5) Expected return per annum: 1.05 - 2.37%.

The investment products of the Company are principal-guaranteed products with low investment risk and high safety of principal, and have been strictly evaluated by the Company prior to implementation.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, 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 SUBSCRIBING THE WEALTH MANAGEMENT PRODUCTS

The partly use of the idle funds raised for cash management by the Company is carried out under the premise of ensuring the normal operation of the Company's production and operation, and fund-raising investment plan as well as the safety of funds, in order to increase the Company's revenue and obtain more returns for the Company and the Shareholders. It will not affect the normal operation of investment projects for funds raised and normal turnover needs of daily funds of the Company, nor will it change in the use of funds raised in a disguised form, or harm the interests of the Company and all Shareholders, especially minority Shareholders. Meanwhile, through proper cash management, the Company can obtain certain investment income and enhance the utilization of idle funds raised to bring more investment returns to the Shareholders.

Therefore, the Directors consider that the subscription of the 6th CITIC Wealth Management Product 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 subscription amount under the 6th CITIC Wealth Management Product itself does not constitute a discloseable transaction of the Company under the Hong Kong Listing Rules. However, the subscription amount under the 6th CITIC Wealth Management Product shall be aggregated with those under the 1st CITIC Wealth Management Product, the 2nd CITIC Wealth Management Product, the 3rd CITIC Wealth Management Product, the 4th CITIC Wealth Management Product and the 5th CITIC Wealth Management Product 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 6th CITIC Wealth Management Product 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 mainly engaged in the research and development, manufacturing and sales of automotive steering gear and other steering system key components. The Company is capable to provide all kinds of steering products for commercial cars, passenger cars and new energy cars, and it is a Tier-1 OEM supplier among the automakers with good reputation.

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:

“1st CITIC Wealth Management Product”	the subscription by the Company from China CITIC Bank (sub-branch at Hangzhou Economic and Technology Development Zone) for the structured deposit no. 02867, the subscription amount is RMB50 million and has been redeemed upon maturity
“2nd CITIC Wealth Management Product”	the subscription by the Company from China CITIC Bank (sub-branch at Hangzhou Economic and Technology Development Zone) for the structured deposit no. 02874, the subscription amount is RMB50 million and has been redeemed upon maturity
“3rd CITIC Wealth Management Product”	the subscription by the Company from China CITIC Bank (sub-branch at Hangzhou Economic and Technology Development Zone) for the structured deposit no. 03489, the subscription amount is RMB20 million and has been redeemed upon maturity
“4th CITIC Wealth Management Product”	the subscription by the Company from China CITIC Bank (sub-branch at Hangzhou Economic and Technology Development Zone) for the structured deposit no. 03674, the subscription amount is RMB30 million and has been redeemed upon maturity
“5th CITIC Wealth Management Product”	the subscription by the Company from China CITIC Bank (sub-branch at Hangzhou Economic and Technology Development Zone) for the structured deposit no. 04378, the subscription amount is RMB50 million
“6th CITIC Wealth Management Product”	the subscription by the Company from China CITIC Bank (sub-branch at Hangzhou Economic and Technology Development Zone) for the structured deposit no. 04863, the subscription amount is RMB35 million
“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
“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
“Shareholder(s)”	the shareholders of the Company
“Supervisory Committee”	the supervisory committee of the Company
“%”	Percentage

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

Hangzhou, Zhejiang, the PRC
2 August 2024

As at the date of this announcement, the Board comprises Mr. Zhang Bao Yi, Mr. Tang Hao Han, Ms. Zhang Lan Jun and Mr. Zhou Yu as executive Directors; Mr. Zhang Shi Quan and Mr. Zhang Shi Zhong as non-executive Directors; and Mr. Gong Jun Jie, Mr. Min Haitao and Mr. Tsui Chun Shing as independent non-executive Directors.

** For identification purposes only*