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無錫盛力達科技股份有限公司

Wuxi Sunlit Science and Technology Company Limited*

(A joint stock company established in the People's Republic of China with limited liability)

(Stock Code: 1289)

**DISCLOSEABLE TRANSACTION
SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCT
— STRUCTURED DEPOSIT**

On 21 July 2020, the Company subscribed the Structured Deposit from China Merchants Bank, pursuant to which the Company has agreed to subscribe for a wealth management product of Structured Deposit of China Merchants Bank with an aggregate amount of RMB24,000,000 which was financed by the temporarily unused portion of the net proceeds raised from the Listing.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in relation to the Subscription, on an aggregate basis, exceed 5% but are below 25%, the Subscription constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements, but is exempted from the circular and shareholders' approval requirements, under Chapter 14 of the Listing Rules.

The Board is pleased to announce that on 21 July 2020, the Company has subscribed the Structured Deposit from China Merchants Bank. The Structured Deposit carries a principal of RMB24,000,000, which was financed by the temporarily unused portion of the net proceeds raised from the Listing.

The major terms of the Structured Deposit are as follows:

Date: 21 July 2020

Parties: The Company, as the subscriber

China Merchants Bank, as the bank

Name of product:	Gold-linked Bullish Three-tier Three-month Structured Deposit (Product code: CWX00554) of China Merchants Bank (招商銀行掛鈎黃金看漲三層區間三個月結構性存款 (產品號碼 : CWX00554))
Term:	101 days commencing from 21 July 2020 to 30 October 2020
Principal amount of the Structured Deposit:	RMB24,000,000
Type of product:	Principal-preservation with floating income
Expected income:	The aggregate of the floating interest shall be calculated in accordance with the following formulae:

Floating interest

Interest = principal amount of the Structured Deposit x deposit interest rate x actual term of deposit (days) / 365 days

The level of floating income is determined with reference to the London Gold Fixing Price. If the London Gold Fixing Price on the Specific Observation Date is within the zone of + US\$180 and –US\$415 per troy ounce comparing to the gold spot price against United States Dollar quoted by Bloomberg at 2:00 p.m. on 21 July 2020 (Beijing time), the Company will be entitled to the floating interest of 2.90% per annum of the principal amount of the Structured Deposit. If the London Gold Fixing Price on the Specific Observation Date is above of the zone of + US\$180 and –US\$415 per troy ounce comparing to the gold spot price against United States Dollar quoted by Bloomberg at 2:00 p.m. on 21 July 2020 (Beijing time), the Company will be entitled to the floating interest of 3.10% per annum of the principal amount of the Structured Deposit. If the London Gold Fixing Price on the Specific Observation Date is below of the zone of + US\$180 and –US\$415 per troy ounce comparing to the gold spot price against United States Dollar quoted by Bloomberg at 2:00 p.m. on 21 July 2020 (Beijing time), the Company will be entitled to the floating interest of 1.35% per annum of the principal amount of the Structured Deposit.

Early Termination: Both the Company and China Merchants Bank do not have the right of early termination, except under the order of the judiciary.

Maturity: Upon the end of the term of the Structured Deposit, the Company will be entitled to 100% of the principal and floating interest at the applicable interest rate.

REASONS FOR AND BENEFITS OF ENTERING INTO THE STRUCTURED DEPOSIT AGREEMENTS

At the annual general meeting of the Company held on 29 June 2020, a special resolution has been passed by the shareholders of the Company, under which the Board is authorised to exercise within one year of the approval thereof the investment decision for purchasing wealth management products by utilising temporarily the unused portion of the net proceeds of the Company, subject to the cap of RMB35 million. For more details, please refer to the circular of the Company dated 29 April 2020. The Board has resolved to subscribe for the Structured Deposit pursuant to the authority granted to it under the said special resolution.

By subscribing the Structured Deposit, the Company intends to enhance the utilization and efficiency of its temporary idle proceeds raised from the Listing, thereby increasing the overall income of the Company while at the same time ensuring that the construction of the committed projects and planned usage of proceeds for such construction will not be affected. The Directors have taken into consideration the normal operation funding needs and liquidity needs of the Group. The Structured Deposit could make a better use of the financial resources of the Company which are currently idle and generate a source of income to the Company and, therefore, the Directors are of the opinion that the terms of the Structured Deposit are fair and reasonable and in the interests of the Company and its shareholders as a whole.

INFORMATION ON THE PARTIES

The Company and its subsidiaries are principally engaged in the research and development, design, manufacture, equipment supply, installation, testing, repair and maintenance of production lines for manufacturing steel wire products in the PRC.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, (i) China Merchants Bank is one of the national joint stock commercial banks in the PRC and is principally engaged in banking business; and (ii) China Merchants Bank and its ultimate beneficial owners are independent third parties of the Company and its connected persons (as defined under the Listing Rules).

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in relation to the Subscription, on an aggregate basis, exceed 5% but are below 25%, the Subscription constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements, but is exempted from the circular and shareholders' approval requirements, under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of directors of the Company
“China Merchants Bank”	招商銀行 (China Merchants Bank Co., Ltd.*), a licensed bank established under the laws of the PRC, the shares of which are dually listed on the Shanghai Stock Exchange (stock code: 600036) and the Stock Exchange (stock code: 03968)
“Company”	無錫盛力達科技股份有限公司 (Wuxi Sunlit Science and Technology Company Limited*), a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed on the Stock Exchange (stock code: 1289)
“Director(s)”	the director(s) of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing”	the listing of the H Shares of the Company on the Main Board of the Stock Exchange on 11 November 2014
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“London Gold Fixing Price”	the afternoon fixing price of gold per troy ounce quoted in US\$ by The London Gold Market (published by the London Bullion Market Association)
“PRC”	The People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Specific Observation Date”	means 28 October 2020

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Structured Deposit”	principal-preservation and floating income structured deposit product with an aggregate amount of RMB24,000,000 offered by China Merchants Bank in relation the Subscription which was financed by the temporarily unused portion of the net proceeds of the Company raised from the Listing
“Subscription”	the subscription of wealth management product of the Structured Deposit
“US\$”	US dollar, the lawful currency of the United States
“%”	per cent

By order of the Board of
無錫盛力達科技股份有限公司
Wuxi Sunlit Science and Technology Company Limited*
Zhang Degang
Chairman

Hong Kong, 21 July 2020

As at the date of this announcement, the executive Directors are Mr. Zhang Degang and Mr. Zhang Deqiang, the non-executive Directors are Ms. Zhang Jinghua and Mr. Gao Feng and the independent non-executive Directors are Mr. Liu Chaojian, Mr. Ho Yuk Ming, Hugo and Mr. Gao Fuping.

* *For identification purpose only*