

## **Announcement of Unlocking of Restricted Stock within the Fourth Unlock Period and Reserved Restricted Stock within the Third Unlock Period of 2017 Restricted Stock Incentive Plan**

This Company and all members of the Board of Directors hereby warrant that all information announced here are true, accurate and complete, and shall undertake responsibilities for any fictitious statement, misleading information or significant omission of the Announcement.

### **Special Notes:**

The number of Restricted Stock unlockable during the fourth unlock period of 2017 Restricted Stock Incentive Plan (revised draft, hereinafter referred to as 2017 Restricted Stock Incentive Plan) and Reserved Restricted Stock during the third unlock period totally is 1,629,200 shares, accounting for 0.198% of the total capital stock of the Company. The circulation date of Restricted Stock during the fourth unlock period is December 30, 2021 and the circulation date of Reserved Restricted Stock during the third unlock period is November 15, 2021.

### **I. Brief of the Restricted Stock Incentive Plan**

1. On August 29, 2017, the 2<sup>nd</sup> Session of the Sixth Board of Directors and 2<sup>nd</sup> Session of the Sixth Board of Supervisors reviewed and adopted the 2017 Restricted Stock Incentive Plan (Draft) of Zhejiang Supor Co., Ltd. Independent Directors have addressed independent opinions on the 2017 Restricted Stock Incentive Plan (Draft). And the Board of Supervisors has verified the List of Incentive Objects preliminarily.

2. On October 18, 2017, the 3<sup>rd</sup> Session of the Sixth Board of Directors and 3<sup>rd</sup> Session of the Sixth Board of Supervisors reviewed and adopted the Proposal on Adjusting the 2017 Restricted Stock Incentive Plan and the 2017 Restricted Stock Incentive Plan (Revised Draft) of Zhejiang Supor Co., Ltd. Independent Directors have addressed independent opinions on the 2017 Restricted Stock Incentive Plan (Revised Draft). And the Board of Supervisors has verified the List of Incentive Objects again.

3. On November 11, 2017, the Company disclosed Verification Opinions on List of Incentive Objects for 2017 Restricted Stock Incentive Plan (Revised Version). The Board of Supervisors has verified the

Incentive Objects of 2017 Restricted Stock Incentive Plan and concluded that the subjective qualifications of the Incentive Objects involved in this plan are legal and valid.

4. On November 16, 2017, the Second Interim General Meeting of Shareholders 2017 reviewed and adopted the Proposal on 2017 Restricted Stock Incentive Plan (Revised Draft) and its Abstract, Proposal on Assessment Measures for the Implementation of the 2017 Restricted Stock Incentive Plan and Proposal on Requesting the General Meeting of Shareholders to Authorize the Board of Directors to Deal with Issues Related to the Company's Restricted Stock Incentive Plan.

5. On November 17, 2017, the Company disclosed Self-verification on Buying or Selling the Company's Shares by Insiders of 2017 Restricted Stock Incentive Plan, the Company's insiders did not trade the Company's shares or involved in insider trading within six months before the publication of the Incentive Plan and the process of planning as well.

6. On December 4, 2017, the 4<sup>th</sup> Session of the Sixth Board of Directors and 4<sup>th</sup> Session of the Sixth Board of Supervisors reviewed and adopted the Proposal on Adjusting the 2017 Restricted Stock Incentive Plan and the Proposal on First Grant of Restricted Stock to Incentive Objects. Independent Directors have addressed independent opinions on above Proposals and the Board of Supervisors has verified the List of Incentive Objects.

7. On March 29, 2018, the 6<sup>th</sup> Session of the Sixth Board of Directors and the 6<sup>th</sup> Session of the Sixth Board of Supervisors reviewed and adopted the Proposal on Unlocking of Restricted Stock within the First Unlock Period of 2017 Restricted Stock Incentive Plan, agreeing to unlock the Restricted Stock for 181 qualified Incentive Objects in the first unlock period. The number of Restricted Stock unlocked is 387,400, accounting for 0.0472% of the total capital stock of the Company. The unlockable Restricted Stock during the first unlock period has been circulated on January 3, 2019.

8. On March 29, 2018, the 6<sup>th</sup> Session of the Sixth Board of Directors and 6<sup>th</sup> Session of the Sixth Board of Supervisors reviewed and approved the Proposal on Repurchasing and Canceling a Part of Restricted Stock. For disqualification of three Incentive Objects due to their resignation, the Company has decided to repurchase and cancel 43,650 shares of Restricted Stock at the price of 1 yuan per share, whose procedures have been completed on June 26, 2018.

9. On August 29, 2018, the 8<sup>th</sup> Session of the Sixth Board of Directors and 8<sup>th</sup> Session of the Sixth Board of Supervisors reviewed and approved the Proposal on Repurchasing and Canceling a Part of Restricted Stock. For disqualification of six Incentive Objects due to their resignation, the Company has

decided to repurchase and cancel 39,150 shares of Restricted Stock at the price of 1 yuan per share, which shall be submitted to the Annual General Meeting of Shareholders for 2018 Fiscal Year for approval.

10. On August 29, 2018, the 8<sup>th</sup> Session of the Sixth Board of Directors and 8<sup>th</sup> Session of the Sixth Board of Supervisors reviewed and adopted the Proposal on Grant of Reserved Restricted Stock to Incentive Objects, agreeing to grant 426,000 shares of Reserved Restricted Stock to totally 50 Incentive Objects on August 30, 2018. The listing date of the Reserved Restricted Stock granted is November 14, 2018. Independent Directors have addressed independent opinions on the above Proposal and the Board of Supervisors has verified the List of Incentive Objects.

11. On March 26, 2019, the 11th Session of the Sixth Board of Directors and 10th Session of the Sixth Board of Supervisors reviewed and approved the Proposal on Repurchasing and Canceling a Part of Restricted Stock. For disqualification of three Incentive Objects due to their resignation, the Company has decided to repurchase and cancel 84,900 shares of Restricted Stock at the price of 1 yuan per share: 73,500 shares for the part first granted and 11,400 shares for the reserved part.

12. On March 26, 2019, the 11th Session of the Sixth Board of Directors and 10th Session of the Sixth Board of Supervisors reviewed and adopted the Proposal on Unlocking of Restricted Stock within the Second Unlock Period and Reserved Restricted Stock within the First Unlock Period of 2017 Restricted Stock Incentive Plan, agreeing to unlock the Restricted Stock for 221 qualified Incentive Objects in the second unlock period and Reserved Restricted Stock in the first unlock period. The number of restricted stock unlocked is 840,600, accounting for 0.1024% of the total capital stock of the Company. The unlockable Restricted Stock during the second unlock period has been circulated on December 30, 2019. The unlockable Reserved Restricted Stock during the first unlock period has been circulated on November 15, 2019.

13. On August 29, 2019, the 14th Session of the Sixth Board of Directors and 13th Session of the Sixth Board of Supervisors reviewed and approved the Proposal on Repurchasing and Canceling a Part of Restricted Stock. For disqualification of one Incentive Object due to their resignation, the Company has decided to repurchase and cancel 3,500 shares of Restricted Stock at the price of 1 yuan per share.

14. On April 28, 2020, the 16th Session of the Sixth Board of Directors and 15th Session of the Sixth Board of Supervisors reviewed and approved the Proposal on Repurchasing and Canceling a Part of Restricted Stock. For disqualification of eight Incentive Objects due to their resignation, the Company has decided to repurchase and cancel 32,550 shares of Restricted Stock at the price of 1 yuan per share.

15. On April 28, 2020, the 16th Session of the Sixth Board of Directors and 15th Session of the Sixth

Board of Supervisors reviewed and adopted the Proposal on Unlocking of Restricted Stock within the Third Unlock Period and Reserved Restricted Stock within the Second Unlock Period of 2017 Restricted Stock Incentive Plan, agreeing to unlock the Restricted Stock for 210 qualified Incentive Objects in the third unlock period and Reserved Restricted Stock in the second unlock period. The number of restricted stock unlocked is 1,213,050, accounting for 0.148% of the total capital stock of the Company. The unlockable Restricted Stock during the third unlock period has been circulated on December 30, 2020. The date of circulation of the Reserved Restricted Stock during the second unlock period is November 16, 2020.

16. On August 27, 2020, the 2nd Session of the Seventh Board of Directors and 2nd Session of the Seventh Board of Supervisors reviewed and approved the Proposal on Repurchasing and Canceling a Part of Restricted Stock. For disqualification of five Incentive Objects due to their resignation, the Company has decided to repurchase and cancel 26,000 shares of Restricted Stock at the price of 1 yuan per share.

## II. Attainment of Unlocking Conditions of Restricted Stock during the Fourth Unlock Period and Reserved Restricted Stock during the Third Unlock Period as defined in 2017 Restricted Stock Incentive Plan

No.	Unlocking conditions of Restricted Stock during the Fourth Unlock Period and Reserved Restricted Stock during the Third Unlock Period as defined in Stock Incentive Plan	Information on whether to satisfy the unlocking conditions
1	<p>a. None of the following circumstances has occurred in the Company:</p> <p>① The financial and accounting report of the mostly recent accounting year was given the adverse opinion or was presented the audit report with the disclaimer of opinion by the certified public accountant.</p> <p>② The internal control of the financial report of the mostly recent accounting year was given the adverse opinion or was presented the audit report with the disclaimer of opinion by the certified public accountant.</p> <p>③ The company occurred the circumstance in which the profit was distributed without abiding by the laws, regulations, articles of association and public commitment within the recent 36 months after being listed.</p> <p>④ The law or regulation prohibits to execute the equity incentive.</p> <p>⑤ The other circumstances recognized by CSRC (China Securities Regulatory Commission).</p>	Therefore, the Company satisfies the unlocking conditions.

2	<p>b. None of the following circumstances has happened to the Incentive Objects:</p> <p>① The incentive object was recognized as the inappropriate candidate by the stock exchange in recent 12 months.</p> <p>② The incentive object was recognized by CSRC or its agency as the inappropriate candidate in recent 12 months.</p> <p>③ The incentive object was given the administrative punishment or was not given the market access permit by CSRC or its agency due to his/her significant default behavior or illegal behavior in recent 12 months.</p> <p>④ The incentive object was involved in the circumstance in which he/she is not suitable for acting as the director or the senior management of the Company in accordance with the regulations of the Company Law.</p> <p>⑤ The incentive object who is not allowed to participate in the equity incentive according to laws or regulations.</p> <p>⑥ The other circumstances recognized by CSRC (China Securities Regulatory Commission).</p>	<p>Therefore, the Incentive Objects satisfy the unlocking conditions.</p>
3	<p>Return on net assets of the Company for 2020 is not less than 18%. "Return on net assets" refers to the Company's weighted average return on net assets. If the Company is involved in any refinancing activities in the appraisal period, the calculation for the year when the refinancing happened and for following years shall be based on the net assets deducted by the part financed.</p>	<p>The Company's weighted average return on net assets in 2019 was 26.97%, which satisfies the performance target for 2020 (not less than 18%), and the Company did not conduct any refinancing activity in the appraisal period. Therefore, the Company satisfies the unlocking conditions.</p>
4	<p>Determine the unlockable number of Restricted Stock within each unlock period for Incentive Objects when domestic sales of 2020 exceeds 12,501 million yuan and accumulated maximum value of domestic operating profits exceed 4,579 million yuan.</p>	<p>The domestic sales of the Company in 2020 was 12,869.74 million yuan, and domestic operating profit was 1,347.23 million yuan. The accumulated maximum value of domestic operating profits was 5,478.79 million yuan. According to Article 6(2) in Chapter IV of Restricted Stock Incentive Plan (Revised Draft) about Description of Equity Incentive Plan, the domestic sales in 2020 reached the maximum value but domestic operating profits didn't not. Given that the accumulated maximum value of domestic operating profits exceed 4,579 million yuan, the</p>

		achieving rate of appraisal indicators was 100%. Therefore, the number of Restricted Stock unlocked this time for Incentive Objects totally was 1,629,200 shares, in which the Restricted Stock unlocked during the Fourth Unlock Period was 1,430,200 shares and Reserved Restricted Stock unlocked during the Third Unlock Period was 199,000 shares, separately accounting for 40% of the total first granted Restricted Stock and for 50% of Reserved Restricted Stock.
5	According to the Assessment Measures for the Implementation of the 2017 Restricted Stock Incentive Plan, incentive objects satisfied the performance appraisal for the year of 2020.	In 2020, 204 incentive objects passed the performance appraisal and satisfied the unlocking conditions.

In conclusion, the Board of Directors believes that unlocking conditions of Restricted Stock during the Fourth Unlock Period and Reserved Restricted Stock during the Third Unlock Period as defined in Restricted Stock Incentive Plan 2017 have been satisfied. The Board of Directors concludes that the Incentive Plan implemented this time is consistent with the Incentive Plan disclosed.

### III. Verification Opinions of the Compensation and Appraisal Committee of Board of Directors on Unlocking of Restricted Stock during the Fourth Unlock Period and Reserved Restricted Stock during the Third Unlock Period

The Compensation and Appraisal Committee of Board of Directors has verified the 2017 Restricted Stock Incentive Plan, satisfaction of unlocking conditions, and list of Incentive Objects, and concluded that all Incentive Objects involved satisfied the qualification requirements of *Measures for the Administration of the Equity Incentives of Listed Companies, Business Guidance of Shenzhen Stock Exchange-No.9: Equity Incentive and 2017 Restricted Stock Incentive Plan (Revised Draft)*, they all passed appraisals of the year, and satisfied all unlocking conditions such as performance indicators; the subjective qualifications of the Incentive Objects are legal and effective.

### IV. Independent Opinions of Independent Directors on Unlocking of Restricted Stock during the Fourth Unlock Period and Reserved Restricted Stock during the Third Unlock Period

We have given following independent opinions about the unlocking issue of Restricted Stock during the Fourth Unlock Period and Reserved Restricted Stock during the Third Unlock Period: after verification of the 2017 Restricted Stock Incentive Plan, the fulfillment of unlocking conditions in the unlock period, and the list of Incentive Objects, we conclude that the decision made by the Board of Directors to approve unlocking of totally 1,629,200 shares of Restricted Stock during the Fourth unlock period and Reserved Restricted Stock during the third unlock period for 204 Incentive Objects satisfies the requirements of *Measures for the Administration of the Equity Incentives of Listed Companies, Business Guidance of Shenzhen Stock Exchange-No.9: Equity Incentive and 2017 Restricted Stock Incentive Plan (Revised Draft)*. Incentive Objects involved satisfy all unlocking conditions. The qualifications of the Incentive Objects are legal and effective.

**V. Verification Opinions of the Board of Supervisors on the List of Incentive Objects with Restricted Stock during the Fourth Unlock Period and Reserved Restricted Stock during the Third Unlock Period**

After verification of the List of Incentive Objects, the Board of Supervisors concluded the subjective qualifications of the 204 Incentive Objects were legal and effective, and all Incentive Objects satisfied the unlocking conditions of Restricted Stock during the fourth unlock period and Reserved Restricted Stock during the third unlock period. The Board of Supervisors agrees with the Company for transacting unlocking procedures for Incentive Objects.

**VI. Legal Statement of Grandall Legal Group (Hangzhou) about Issues related to Unlocking of Restricted Stock during the Fourth Unlock Period and Reserved Restricted Stock during the Third Unlock Period**

Attorneys from Grandall Legal Group Hangzhou Office concluded that the unlocking conditions of Restricted Stock during the fourth unlock period and Reserved Restricted Stock during the third unlock period as defined in the Incentive Plan were satisfied; the unlocking issues should be proceeded with after the approval of the Board of Directors for the unlocking applications submitted by Incentive Objects.

**VII. Circulation of Restricted Stock unlocked during the Fourth Unlock Period and Reserved Restricted Stock unlocked during the Third Unlock Period**

1. The circulation date of the Restricted Stock unlockable during the fourth unlock period is December 30, 2021 and the circulation date of Reserved Restricted Stock during the third unlock period is November 15, 2021.

2. Totally 1,629,200 shares of restricted stock will be unlocked, accounting for 0.198% of the total capital stock of the Company, in which the Restricted Stock unlocked during the fourth unlock period is 1,430,200 shares and Reserved Restricted Stock unlocked during the third unlock period is 199,000 shares, separately accounting for 40% of the total first granted Restricted Stock and for 50% of Reserved Restricted Stock.

3. The number of Incentive Objects applying for unlocking is 204, in which the Incentive Objects of first granted Restricted Stock is 159 and the Incentive Objects of Reserved Restricted Stock is 45.

4. Circulation conditions of Restricted Stock unlocked this time are:

Category	Name	Position	Restricted Stock granted (shares)	Unlockable Restricted Stock already (share)	Restricted Stock to be unlocked this time (share)	Restricted Stock remaining locked (share)
The First Granted Part	Su Ming-Jui	General Manager	260,000	156,000	104,000	0
	Xu Bo	Chief Financial Officer	160,000	96,000	64,000	0
	Ye Jide	Deputy General Manager, Secretary of Board	70,000	42,000	28,000	0
	Other Incentive Objects		3,177,650	1,943,450	1,234,200	0
The Reserved Part	Xu Bo	Chief Financial Officer	15,000	7,500	7,500	0
	Other Incentive Objects		387,600	196,100	191,500	0
	Total		4,070,250	2,441,050	1,629,200	0

Note: The number of "Restricted Stock granted" has deducted 203,750 shares of Restricted Stock having been repurchased and canceled and 26,000 shares of Restricted Stock to be repurchased and canceled for resignation of Incentive Objects adopted by the 2<sup>nd</sup> Session of the Seventh Board of Directors.

Board of Directors of Zhejiang Supor Co., Ltd.

April 1, 2021