

Stock Code: 002032

Short Form: Supor

Announcement No: 2019-058

Repurchase Report on Public Shares of Zhejiang Supor Co., Ltd.

This Company and all members of the Board of Directors hereby warrant that all information disclosed here are true, accurate and complete, and contain no fictitious statement, misleading information or significant omission.

Important Notes:

1. The Company plans to repurchase a part of social public shares from the secondary market through concentrated competitive bidding to reduce registered capital fund and to implement equity incentive. The maximum price for repurchasing shares shall not exceed CNY75.48 per share. The top limitation of shares to be repurchased will not exceed 8,211,199 shares and the bottom limitation of shares will not be lower than 4,105,600 shares. The specific amount of shares will be subject to actual shares amount repurchased upon the expiration of duration of shares repurchase plan. The implementation period of share repurchase plan will not exceed 12 months after the general meeting of shareholders having adopted the plan.
2. This shares repurchase plan has been reviewed and approved by the 14th Session of Sixth Board of Directors, and the Second Interim General Meeting of Shareholders 2019.
3. Risks disclosure
 - (1) The shares repurchase plan shall not be implemented if the stock price is continually higher than the maximum price for repurchasing shares
 - (2) Since the purposes of this shares repurchase plan are to reduce registered capital fund of the Company and to implement equity incentive, the shares repurchase plan will not be implemented successfully if the Company fails to pay off the debts or afford certain guarantee of creditors of the Company or the Company fails to grant all the shares repurchased due to the equity incentive plan has not been approved by the Board of Directors and Shareholders' meeting or incentive objects give up subscription or the Company fails to transfer all the shares repurchased to incentive objects within the valid period of shares repurchase plan.

4. The shares repurchase plan will not have significant impacts on the operation, finance, R&D, debt paying ability and future development and the status as a listed company will not be changed after shares repurchased.

Zhejiang Supor Co., Ltd. (hereinafter referred to as “Company”, “the Company” or “Supor”) plans to reduce part of registered capital fund of the Company and to implement equity incentive by repurchasing and canceling public shares from secondary market by means of collective trading by bidding in accordance with *the Measures for the Administration of Listed Companies Repurchase Public Shares(trial), Implementation Rules of Shenzhen Securities Exchange for Repurchasing Public Shares by Listed Companies* and *Articles of Association* of the Company. This shares repurchase plan has been reviewed and approved by the 14th Session of Sixth Board of Directors, and the Second Interim General Meeting of Shareholders 2019. Details are stated as follows:

I. Purpose and use of repurchased shares

The purpose is to reduce registered capital fund and to implement equity incentive.

II. Way of repurchasing shares

Repurchase social public shares from the secondary market through concentrated competitive bidding

III. Precondition for shares repurchase plan

This shares repurchase plan is in conformity with the Article X regulated in *Implementation Rules of Shenzhen Securities Exchange for Repurchasing Public Shares by Listed Companies*:

1. Listed in the Shenzhen Stock Exchange more than one year.
2. The Company shall be able to pay off all the debts and the daily business will not be affected after shares repurchased.
3. The status as a listed company of the Company will not be changed after shares repurchased.
4. Other conditions required by CSRC.

IV. Price and pricing principle of repurchased shares

The maximum price of public shares repurchased this time will not be higher than CNY75.48 per share.

Where the Company carries out ex-right and ex-dividend matters such as dividend payout, conversion of capital reserves to capital shares, share compressing, allotment of shares, etc. from the date of resolution made by board of directors and prior to the completion of this repurchase, the Company shall adjust the upper limit of stock repurchase price as of the ex-right and ex-dividend date according to the relevant requirements of China Securities Regulatory Commission and Shenzhen Stock Exchange.

The maximum price of public shares repurchased this time does not exceed 150% of the average closing price 30 transaction days early before the Board of Directors adopts the repurchasing plan resolution.

V. Type, quantity of shares to be repurchased and its percentage in total capital stock

The type of the share to be repurchased will be the Share A public shares issued by the Company. The top limitation of shares to be repurchased by the Company will not exceed 1% of the total capital stock of the Company, amounting to 8,211,199 shares. And the bottom limitation of shares to be repurchased by the Company will not be lower than 0.5% of the total capital stock of the Company, amounting to 4,105,600 shares, in which estimated 4,000,000 shares could be used for implementing equity incentive.

The specific amount of shares will be subject to actual shares amount repurchased upon the expiration of duration of shares repurchase plan.

VI. Total fund amount and fund source for repurchasing shares

If the maximum price for repurchasing shares does not exceed CNY75.48 per share, the maximum fund for repurchasing shares shall not exceed CNY619.78 million and the minimum fund shall not be lower than CNY309.89 million. The fund source will be the self-owned fund (excessive fund) of the Company.

The specific repurchasing fund will be subject to actual fund amount used upon the expiration of duration of shares repurchase plan.

VII. Implementation period and validity of resolution of share repurchase plan

The duration of public shares repurchase plan shall be within 12 months after the general meeting of shareholders having approved the Resolution on Public Shares Repurchase Plan. The Company is forbidden to repurchase public shares within the following time periods: (1) 10 days before the financial report or performance report brief is announced; (2) within 2 business days as of the date the significant event that may cause great influence on the transaction price of the Company's shares or the date the decision-making process starts, till the date the disclosure is made legally; (3) The other periods recognized by CSRC and Shenzhen Securities Exchange.

1. If the quantity of public shares repurchased reaches the top limitation during the period above, the repurchase scheme will be completed immediately. The duration of shares repurchase plan will expire in advance by this date.

2. If the Board of Directors decided to terminate the repurchase plan, the duration of shares repurchase plan will expire in advance by this date.

VIII. Expected equity change after shares repurchased

If 4,105,600 shares at the bottom limitation have been repurchased for cancelation and 4,000,000 shares are used to grant to incentive objects successfully, the equity change is stated as below:

Category of Shares	Prior to this Repurchase		After this Repurchase	
	Total shares (share)	(%)	Total shares (share)	(%)
Circulation stock with sales restrictions	211,156,267	25.71%	215,156,267	26.21%
Circulation stocks without sales restrictions	609,963,643	74.29%	605,858,043	73.79%
Total capital stocks	821,119,910	100%	821,014,310	100%

If 8,211,199 shares at the top limitation have been repurchased for cancelation and 4,000,000 shares are used to grant to incentive objects successfully, the equity change is stated as below:

Category of Shares	Prior to this Repurchase		After this Repurchase	
	Total shares (share)	(%)	Total shares (share)	(%)
Circulation stock with sales restrictions	211,156,267	25.71%	215,156,267	26.34%
Circulation stocks without sales restrictions	609,963,643	74.29%	601,752,444	73.66%
Total capital stocks	821,119,910	100%	816,908,711	100%

IX. Analysis of the management on this repurchase plan on the Company's operation, finance, R&D, debt paying ability, future development and the status as a listed company

By December 31, 2018, the Company's total assets were CNY10.633 billion, the monetary capital was CNY1.417 billion, net assets belonging to the shareholders of listed company were CNY5.907 billion, and the Company's asset-liability ratio was 44.45% and the net profit belonging to the shareholders of listed company was CNY1.670 billion. Supposing that 8,211,199 shares of public shares will be repurchased at the highest price, the repurchase amount approximately accounts for 5.83% of the Company's total assets and 10.50% of the net assets belonging to the shareholders of the listed companies, if calculation is made according to the financial data audited on December 31, 2018. The Company believes that the shares

repurchase plan will not have significant impacts on its operation, finance and debt paying ability considering the stable financial situations of the Company.

By December 31, 2018, the R&D expenses were CNY 0.403 billion. By June 30, 2019, the R&D expenses were CNY 0.183, and the monetary capital was CNY2. 171 billion. The monetary capital is enough to guarantee the whole year's R&D based on the statistics of last year. The Company believes that the shares repurchase plan will not have significant impacts on its R&D of the Company.

The Company's equity distribution still meets its listing conditions. Therefore, the Company's status as a listed company will not be changed after shares repurchased.

X. Instructions of controlling shareholders, actual controller, Directors, Supervisors and Top Management on buying or selling the Company's shares within six months prior to the resolution of shareholders' meeting on repurchasing public shares was published, insider trading and market manipulation after getting information of this share repurchase plan in advance

Director Mr. Su Xianze sold totally 288,081 shares on May 22, 2019 with average share price at 68.39 yuan/per share. General Manager Mr. Su Ming-Jui sold totally 26,000 shares on June 11, 2019 with average share price at 71.769 yuan/per share. CFO Mr. Xu Bo sold respectively 75,100 shares and 27,750 shares on May 24 and June 20, 2019 with average share price at 70.615 yuan/per share and 77.42 yuan/per share.

Except for the above, the Company's director, supervisor, top management, controlling shareholder and actual controller did not trade the Company's shares or involve in insider trading and market manipulation either individually or together with others within six months before the Resolution of Shareholders' Meeting on Repurchasing Public Shares was published by the Company.

XI. Arrangements after shares repurchase and measures to avoid violating the interests of creditors

The purpose of part of shares repurchased this time is to reduce registered capital fund, the Company has informed all creditors according to the *Company Law*. Details of the Announcement for Notice to Creditor for Public Shares Repurchase Plan can be found in Securities Times, China Securities Journal, Securities Daily and cninfo.com.cn dated September 24, 2019 (Announcement No.: 2019-057). The purpose of another part is to implement equity incentive which shall be granted to incentive objects or canceled within three years after completion of this plan.

XII. Authorization for managing shares repurchase plan

1. The general meeting of shareholders has authorized the Board of Directors to decide the following issues:

(1) To implement or terminate the repurchase plan according to the actual conditions of the Company and the stock price of the Company;

2. The general meeting of shareholders has authorized the Board of Directors and certain persons to deal with the issues related to shares repurchase plan, including, but not limited:

(1) To authorize the Board of Directors and the authorized persons to repurchase shares at appropriate time in accordance with the relevant regulations, including the time, price and quantity of repurchase.

(2) To authorize the Board of Directors and the authorized persons to adjust the specific implementation plan according to the laws, regulations and the rules of regulatory department, handle the issues related to share repurchase.

(3) To authorize the Board of Directors and the authorized persons to prepare, amend, supplement, sign, submit all the agreements, contracts or documents related to share repurchase.

(4) To authorize the Board of Directors to modify the Articles of Association on the change registration of the registered capital and total capital stock of the Company.

(5) To authorize the Board of Directors to deal with other issues which are not stated above but are required by the implementation of share repurchase plan.

XIII. Opinions of independent directors

After verification of the Shares Repurchase Plan, independent directors have given following independent opinions:

1. This Shares Repurchase Plan is formulated in accordance with *the Company Law*, *the Securities Law*, *the Measures for the Administration of Listed Companies Repurchase Public Shares (trial)*, *Implementation Rules of Shenzhen Stock Exchange for Repurchasing Public Shares by Listed Companies*, and *the Articles of Association* of the Company.

2. The purpose of repurchasing the public shares is to reduce the registered capital fund and to implement equity incentive which will be helpful to protect the interests of the investors and strengthen their confidence in the investment value of the Company and also mobilize the enthusiasm of employees.

3. The fund used for repurchasing the public shares is Company's self-owned fund. The Company enjoys favorable cash flow, and the expense will not affect the cash operation demand of the Company.

We approve unanimously the repurchase plan is legal and will not harm the interests of the Company and all shareholders, especially the interests of minority shareholders.

XIV. Conclusive opinions of attorneys on shares repurchase plan

Attorneys from Grandall Legal Group (Hangzhou) conclude following conclusive opinions:

- (1) This Shares Repurchase Plan is formulated in compliance with *the Company Law, the Securities Laws, the Measures for the Administration of Listed Companies Repurchase Public Shares (trial)* and *Implementation Rules of Shenzhen Stock Exchange for Repurchasing Public Shares by Listed Companies*, and other laws, regulations and normative documents concerning the repurchase of the shares by listed companies, and the Company has performed all the legal procedures at the current stage.
- (2) This Shares Repurchase Plan is in line with the substantive conditions stipulated in the *Company Law, the Measures for the Administration of Listed Companies Repurchase Public Shares (trial)* and other laws, regulations and normative documents.
- (3) The Company has fulfilled the disclosure obligations, complying with *the Company Law, the Securities Laws, the Measures for the Administration of Listed Companies Repurchase Public Shares (trial)* and *Implementation Rules of Shenzhen Stock Exchange for Repurchasing Public Shares by Listed Companies* on the designated media using the prescribed ways within the prescribed time limit.
- (4) The act that the Company will repurchase shares using self-owned fund is in compliance with law, provisions and normative documents.

XV. Risks disclosure

1. The shares repurchase plan shall not be implemented if the stock price is continually higher than the maximum price for repurchasing shares
2. Since the purposes of this shares repurchase plan are to reduce registered capital fund of the Company and to implement equity incentive, the shares repurchase plan will not be implemented successfully if the Company fails to pay off the debts or afford certain guarantee of creditors of the Company or the Company fails to grant all the shares repurchased due to the equity incentive plan has not been approved by the Board of Directors and Shareholders' meeting or incentive objects give up subscription or the Company fails to transfer all the shares repurchased to incentive objects within the valid period of shares repurchase plan.

XVI. Miscellaneous

The Company has owned special stock repurchase account at China Securities Depository and Clearing Company Limited (CSDCC) Shenzhen Branch which could only be used for repurchasing shares.

Board of Directors of Zhejiang Supor Co., Ltd.

September 25, 2019