

Stock code: 002032

Short form: Supor

Announcement No.:2021-049

Announcement of Relocation of Shanghai SEB Electrical Appliances 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.

Zhejiang Supor Co., Ltd. (hereinafter referred to as “Company”, “the Company” or “Supor”) intends to relocate the production line and supporting facilities of its wholly-owned subsidiary Shanghai SEB Electrical Appliances Co., Ltd. in Shanghai to the Company's production base in Shaoxing City and Hangzhou City, Zhejiang Province.

I. Overview of Relocation Matters

To effectively integrate the production and manufacturing capability of the Company's wholly-owned subsidiaries and further improve production efficiency, the Company intends to relocate the production line and supporting facilities of its wholly-owned subsidiary Shanghai SEB Electrical Appliances Co., Ltd. (hereinafter referred to as "SSEAC") in Shanghai to the Company's production base in Shaoxing City and Hangzhou City, Zhejiang Province. The Company's wholly-owned subsidiaries, Zhejiang Shaoxing Supor Domestic Electrical Appliances Co., Ltd. (hereinafter referred to as "Shaoxing Supor ") and Zhejiang Supor Electrical Appliances Manufacturing Co., Ltd. (hereinafter referred to as "Zhejiang Supor Electrical") will respectively accept the assets and supporting facilities of SSEAC.

The Proposal on Relocation of Shanghai SEB Electrical Appliances Co., Ltd. was adopted at the 7th Session of the Seventh Board of Directors with the voting results of 9 in favor, 0 against, 0 abstention and 0 withdrawal.

Pursuant to the *Measures for Administration of Material Assets Reorganizations of Listed Companies*, this transaction does not constitute a material assets reorganization.

II. Basic Information of Relocation Object

1. Registration conditions

Name: Shanghai SEB Electrical Appliances Co., Ltd.

Domicile: No.398, Shennan Road, Shenzhuang Industrial Zone, Minhang District, Shanghai

Registered capital: RMB 139,751,643

Date of establishment: April 27, 1994

Type of enterprise: Limited liability company (foreign-invested enterprise with sole proprietorship of legal person)

Scope of business: Production of electric irons, dust collectors, electric rice cookers and other small household appliances and their spare parts (except for national restricted items), provision of after-sales service for the company's products, and sales of self-produced products; import and export of goods and technologies. (Items subject to approval in accordance with the law shall be operated upon the approval of competent authorities).

2. Equity structure

The Company directly holds 100% of its equity.

3. Major financial result

As of December 31, 2020, SSEAC 's total asset was CNY308.21 million, net asset was CNY219.72 million, operating income was CNY328.59 million, operating profit was CNY34.63 million, and net profit was CNY26.20 million (audited).

As of March 31, 2021, SSEAC 's total asset was CNY311.11 million, net asset was CNY228.11 million, operating income was CNY90.42 million, operating profit was CNY11.26 million and net profit was CNY 8.39 million (unaudited).

III. Pricing Policy and Basis for Transaction

Shaoxing Supor and Zhejiang Supor Electrical will respectively accept the fixed assets of SSEAC with reference to the book value, equivalent to approximately CNY 4 million.

IV. Main Contents of Transfer Framework Agreement

(i) Agreement parties

Transferor: Shanghai SEB Electrical Appliances Co., Ltd.

Transferee: Zhejiang Shaoxing Supor Domestic Electrical Appliances Co., Ltd. and Zhejiang Supor Electrical Appliances Manufacturing Co., Ltd.

(ii) Main agreement clauses

1. Target assets: The transferor agrees to transfer all the equipment assets owned by it to the transferee.
2. Transfer price and payment: The target assets are confirmed based on the net book value when formal agreement to be signed. The specific transfer price, payment and date of handover shall be made by way of a separate written agreement to be signed.
3. Transition period: During the transition period from the date of the agreement to the handover date, the transferor shall properly manage the target assets in good faith and shall not engage in any conduct harmful to the target assets.
4. Liability for breach of agreement: If any of the parties breaches the agreement and causes damage to another party, the breaching party shall be held responsible and compensate for the economic loss caused.
5. Validity condition: This Agreement shall become valid upon signature and stamp of both parties.
6. Any dispute arising out of performance of this Agreement shall be resolved by both parties through amiable negotiation; in case of failure in negotiation, either party may file a lawsuit with the People's Court in the location of the transferee to resolve the issue.

V. Miscellaneous

SSEAC's factory in Shanghai, as a leased house, does not involve in land transfer and other procedures. The Company will properly arrange the placement of the original personnel from SSEAC.

VI. Purpose of the Relocation and Its Impact on Listed Company

SSEAC is mainly engaged in the production and export of electric irons, steamers, kitchen mixer and other electrical products. Considering that the second phase of the Company's production base in Shaoxing City and Hangzhou base boast sufficient production capacity to undertake the production and manufacturing of the said foreign trade products. The integration of the original business of SSEAC into the Shaoxing base and Hangzhou base will effectively enhance the production and manufacturing capability of the Company's wholly-owned subsidiaries and further improve production efficiency, thereby making related businesses more competitive in the market. The overall relocation of SSEAC will not exert a significant adverse impact on the Company's operating and financial conditions.

Board of directors of Zhejiang Supor Co., Ltd.

June 17, 2021