

Stock code: 002032

Short form: Supor

Announcement No.:2022-017

Announcement of Guarantee for Wholly-owned Subsidiaries and Mutual Guarantee among Wholly-owned Subsidiaries

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:

Zhejiang Supor Co., Ltd. (hereinafter referred to as the “Company”, “the Company” or “Supor”) and its wholly-owned subsidiaries plan to provide guarantees of a total amount no more than CNY4.0 billion for its wholly-owned subsidiaries, including CNY3.0 billion for subsidiaries with debt ratio of 70% and above and CNY1.0 billion for subsidiaries with debt ratio of less than 70%. At any point during the time period, the unexpired guarantee amount should not exceed 70% of the limit approved respectively.

I. Overview of guarantee

The 12th Session of the Seventh Board of Directors held on March 31, 2022, which adopted the Proposal on Guarantee for Wholly-owned Subsidiaries and Mutual Guarantee among Wholly-owned Subsidiaries with 9 votes in favor, 0 against, 0 abstention and 0 withdraw, agreed the Company to provide guarantees of a total amount no more than CNY4.0 billion for its wholly-owned subsidiaries in approved period, including CNY3.0 billion for subsidiaries with debt ratio of 70% and above and CNY1.0 billion for subsidiaries with debt ratio of less than 70%. At any point during the time period, the unexpired guarantee amount should not exceed 70% of the limit approved respectively.

The guarantee situations within the scope of the above include: the Company provides guarantee for wholly-owned subsidiaries, and mutual guarantee among the wholly-owned subsidiaries. The guarantee methods include but are not limited to assurance and etc. The Company may adjust the guarantee amount among the guaranteed subsidiaries that meet the requirements within the above limit according to the actual situation. The amount of guarantee shall not be adjusted between the ceiling set for the subsidiaries with debt ratio of above 70% and less than 70%.

According to the relevant provisions of the *Rules Governing the Listing of Stocks on Shenzhen Stock*

Exchange and the Articles of Association, the proposal should be submitted to the General Meeting of Shareholders for deliberation and approval and the validity period is within 12 months from the date of approval of the General Meeting of Shareholders for 2021 Fiscal Year. For the specific guarantee matters within the above amount, the board of directors request the general meeting of shareholders to authorize the general manager of the Company and the chief financial officer to jointly approve the signing of relevant guarantee agreements with external financing institutions, and it is not necessary to submit them to the Board of Directors for deliberation one by one. The Finance Department shall submit the utilization reporting of this guarantee approval to the Audit Committee of Board of Directors monthly.

II. Detailed estimation of guarantee amount

The Company and its wholly-owned subsidiaries plan to provide guarantees of a total amount no more than CNY1.0 billion for subsidiaries with debt ratio of less than 70%. The specific amount is as follows.

Guaranteed Subsidiaries	Share	Debt Ratio	Unmatured Guarantee Amount	New Approved Limit	Total Net Assts%
Zhejiang Shaoxing Supor Domestic Electrical Appliances Co., Ltd	Wholly-owned	50.66%	-	30,000.00	3.94%
Yuhuan Supor Cookware Sales Co., Ltd.		58.86%	-	30,000.00	3.94%
Zhejiang WMF Housewares Co., Ltd.		61.07%	-	20,000.00	2.62%
Zhejiang Supor Large Kitchen Appliance Manufacturing Co., Ltd.		38.55%	-	20,000.00	2.62%

The Company and its wholly-owned subsidiaries plan to provide guarantees of a total amount no more than CNY3.0 billion for subsidiaries with debt ratio of 70% and above. The specific amount is as follows.

Guaranteed Subsidiaries	Share	Debt Ratio	Unmatured Guarantee Amount	New Approved Limit	Total Net Assts%
Zhejiang Supor Electrical Appliance Manufacturing Co., Ltd.	Wholly-owned	75.92%	-	5,000.00	0.66%
Wuhan Supor Cookware Co., Ltd.		72.45%	-	20,000.00	2.62%
Zhejiang Shaoxing Supor Housewares Co., Ltd		97.57%	52,920.50	270,000.00	35.42%
Shanghai WMF Enterprise Development Co., Ltd		76.02%	-	5,000.00	0.66%

III. Basic information of the guaranteed subsidiaries

1. Registering information of the guaranteed subsidiaries

No	Name of Subsidiaries	Share	Date of Establish-ment	Registered Capital	Legal Represe-ntative	Location	Main products & Service
1	Zhejiang Shaoxing Supor Domestic Electrical Appliances Co., Ltd	Wholly-owned	2006/5/19	CNY 610m	Shen Junyou	Zhejiang Shaoxing	SDA, LKA
2	Zhejiang Supor Electrical Appliance Manufacturing Co., Ltd.		2004/1/7	CNY 133.6971m	Yao Yingzi	Zhejiang Hangzhou	SDA
3	Wuhan Supor Cookware Co., Ltd.		2004/3/1	CNY 91.16m	Lin Xiaofang	Hubei Wuhan	CKW
4	Yuhuan Supor Cookware Sales Co., Ltd.		1998/9/28	CNY 0.50m	Hu Jian	Zhejiang Yuhuan	CKW
5	Zhejiang WMF Housewares Co., Ltd.		2018/6/22	CNY 100m	Hu Jian	Zhejiang Yuhuan	CKW, SDA
6	Zhejiang Shaoxing Supor Housewares Co., Ltd		2018/9/20	CNY 50m	Zeng Jinsong	Zhejiang Shaoxing	SDA
7	Zhejiang Supor Large Kitchen Appliance Manufacturing Co., Ltd.		2019/01/02	CNY 100m	Xiao Bing	Zhejiang Shaoxing	SDA
8	Shanghai WMF Enterprise Development Co., Ltd.		2017/10/24	CNY 50m	Cheung Kwok Wah	Shanghai	CKW, SDA

2. As of December 31, 2021, the basic financial data of the guaranteed subsidiaries are as follows(audited):

Unit: Million Yuan

No	Name of Subsidiaries	Total Assets	Total Debt	Net Assets	Total Sales	Total Profit	Net Profit
1	Zhejiang Shaoxing Supor Domestic Electrical Appliances Co., Ltd	3,908.25	1,979.83	1,928.42	6,452.19	1,114.28	980.19
2	Zhejiang Supor Electrical Appliance Manufacturing Co., Ltd.	1,612.57	1,224.18	388.39	4,163.26	185.92	140.42
3	Wuhan Supor Cookware Co., Ltd.	1,372.80	994.62	378.18	3,659.99	216.06	164.15
4	Yuhuan Supor Cookware Sales Co., Ltd.	417.02	245.47	171.55	915.57	227.78	170.80
5	Zhejiang WMF Housewares Co., Ltd.	385.28	235.29	149.99	942.63	68.16	56.90
6	Zhejiang Shaoxing Supor Housewares Co., Ltd	2,821.17	2,752.67	68.49	9,341.96	195.52	143.19

7	Zhejiang Supor Large Kitchen Appliance Manufacturing Co., Ltd.	322.93	124.49	198.44	845.80	124.82	95.36
8	Shanghai WMF Enterprise Development Co., Ltd.	209.69	159.42	50.28	389.49	0.16	-0.43

All of the above wholly-owned subsidiaries have not specifically applied for credit rating. And all of the above companies are not subject to enforcement for trust-breaking.

IV. Main contents of guarantee agreement

This issue is just for the expected guarantee amount, for which the relevant guarantee agreements have not yet been signed. The main contents of the subsequent specific guarantee agreements will be determined by the Company, the guaranteed subsidiary and the relevant institutions together under reasonable and fair conditions. The board of directors request the general meeting of shareholders to authorize the general manager of the Company and the CFO to jointly approve the signing of relevant guarantee agreements with external financing institutions. The guarantee involved in this Proposal is only for the wholly-owned subsidiaries, so that joint guarantee or counter guarantee is not needed.

V. Opinions from Board of Directors

The guarantee involved in this Proposal is aimed to meet urgent needs of the Company's wholly-owned subsidiaries for daily operation and make a supplement to its working capital. The healthy and steady development will be highly benefited from this guarantee arrangement. There is no significant impact on financial conditions and business results of the Company.

VI. Opinions from independent directors

We have learnt about the capital conditions and needs of all wholly-owned subsidiaries of the Company involved in the Proposal carefully. We believe that the aim of this guarantee is to meet the capital needs of the wholly-owned subsidiaries and to enhance the operation efficiency of the Company, which is consistent with long-term interests of the Company. It will not affect the financial conditions and business results of the Company and harm the interests of the Company and shareholders especially those minority shareholders.

We agree the Company to provide guarantee for wholly-owned subsidiaries and mutual guarantee among wholly-owned subsidiaries.

VII. Cumulative guarantee quantity and overdue guarantee quantity

As of the date of this disclosure, the Company has unexpired guarantee amounted CNY529.21 million for

wholly-owned subsidiaries, accounting for 6.94% of the latest audited total net assets. Due to the prepayment financing business, the Company has unexpired guarantee amounted CNY299.61 million for non-related distributors included in the scope of credit, which are recommended by the Company and confirmed by the bank, accounting for 3.93% of the latest total net assets. The Company and its wholly-owned subsidiaries have no overdue guarantee, or guarantee involved in litigation or loss due to the judgment of losing the guarantee.

Board of Directors of Zhejiang Supor Co., Ltd.

April 1, 2022