

## **Announcement of Completion of Repurchase and Cancellation of Restricted Stock**

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.

Pursuant to the resolution adopted at the Annual General Meeting of Shareholders for 2018 Fiscal Year of Zhejiang Supor Co., Ltd. (hereinafter referred to as the "Company", "the Company" or "Supor") held on April 19, 2019, the Company has completed the repurchase and cancellation of Restricted Stock, after it was reviewed and confirmed by Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. Totally 124,050 shares of Restricted Stock were repurchased at the price of 1 yuan per share and canceled. Related matters are announced as follows:

### **I. Examination and Approval Procedures for and Implementation of the Equity 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.

7. On December 28, 2017, the Company disclosed Announcement of Completion of Registration for First Grant of Restricted Stock. The first grant of Restricted Stock has been registered under the name of all incentive objects on December 29, 2017.

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.

9. 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 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.

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 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.

11. 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.

12. On March 26, 2019, the 11<sup>th</sup> Session of the Sixth Board of Directors and 10<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 84,900 shares of Restricted Stock at the price of 1 yuan per share.

13. On March 26, 2019, the 11<sup>th</sup> Session of the Sixth Board of Directors and 10<sup>th</sup> 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.

## **II. Basis for Repurchase and Cancellation of Restricted Stock**

The 8<sup>th</sup> Session of the Sixth Board of Directors held on August 29, 2018 adopted the *Proposal on Repurchasing and Canceling a Part of Restricted Stock*, agreeing to repurchase and cancel 39,150 shares of Restricted Stock granted to six incentive objects who have resigned from the Company. Besides, the 11<sup>th</sup> Session of the Sixth Board of Directors held on March 26, 2019 adopted the *Proposal on Repurchasing and Canceling a Part of Restricted Stock*, agreeing to repurchase and cancel 84,900 shares of Restricted Stock granted to three incentive objects who have resigned from the Company. The Annual General Meeting of Shareholders for 2018 Fiscal Year held on April 19, 2019 adopted the *Proposal on Repurchasing and Canceling a Part of Restricted Stock*, agreeing to repurchase and cancel 124,050 shares of Restricted Stock granted to nine incentive objects who have resigned from the Company. The detailed adjustment to the equity incentive plan is stated as follows:

### **1. Adjustment approved by the 8<sup>th</sup> Session of the Sixth Board of Directors**

With resignation of first granted Restricted Stock incentive objects Mr. Ma Han, Mr. Ye Xiangyang, Mr.

An Yongchao, Mr. Wang Hongyuan, Mr. Qu Yongjian and Mr. Yu Xuming for personal reasons, the Company shall, according to Article 3(4) of Chapter VII “Change to the Company and the Incentive Objects” of the 2017 Restricted Stock Incentive Plan, repurchase and cancel at the price of 1 yuan per share the Restricted Stock not meeting the unlock conditions (the shares of Restricted Stock not meeting the unlock conditions of above incentive objects account for 90% of total Restricted Stock granted to them). Totally 39,150 shares of Restricted Stock will be repurchased and canceled at the price of 1 yuan per share. Details can be found in the Announcement of Repurchasing and Canceling a Part of Restricted Stock (2018-052) published in Securities Times, China Securities Journal, Securities Daily and cninfo.com.cn dated August 30, 2018.

## **2. Adjustment approved by the 11<sup>th</sup> Session of the Sixth Board of Directors**

With resignation of first granted Restricted Stock incentive objects Ms. Chen Jun (meanwhile as the incentive object of Reserved Restricted Stock), Ms. Huang Li and Reserved Restricted Stock incentive object Mr. Xiong Jun for personal reasons, the Company shall, according to Article 3(4) of Chapter VII “Change to the Company and the Incentive Objects” of the 2017 Restricted Stock Incentive Plan, repurchase and cancel at the price of 1 yuan per share the Restricted Stock not meeting the un-lock conditions (incentive objects of first granted Restricted Stock in 2017: the shares of Restricted Stock not meeting the unlock conditions of Ms. Chen Jun and Ms. Huang Li account for 70% of total Restricted Stock granted to them respectively; incentive objects of Reserved Restricted Stock granted in 2018: the shares of Restricted Stock not meeting the unlock conditions of Ms. Chen Jun account for 80% of total Reserved Restricted Stock granted to her and the shares of Restricted Stock not meeting the unlock conditions of Mr. Xiong Jun account for 100% of total Reserved Restricted Stock granted to him). Totally 84,900 shares of Restricted Stock will be repurchased and canceled at the price of 1 yuan per share. Details can be found in the Announcement of Repurchasing and Canceling a Part of Restricted Stock (2019-018) published in Securities Times, China Securities Journal, Securities Daily and cninfo.com.cn dated March 28, 2019.

## **III. Quantity and Price for Repurchase and Cancellation of Restricted Stock**

Totally 124,050 shares of restricted stock of nine Incentive Objects were to be repurchased and canceled at the price of 1 yuan per share complying with Restricted Stock Incentive Plan 2017, accounting for 0.015% of the total capital stock of the Company. The Company has already paid repurchase fund amounting to RMB 124,050 yuan to above nine Incentive Objects. Zhejiang Pan-China Certified Public Accountants (special

general partnership) also issued the Capital Verification Report No. 196(2019) dated on June 26, 2019.

The number of Restricted Stock granted to Incentive Objects in accordance with Restricted Stock Incentive Plan 2017 is changed as follows:

Category	Name	Position	Restricted Stock not unlocked (share)	Restricted Stock unlocked during the Second Unlock Period and Reserved Restricted Stock unlocked during the First Unlock Period (share)	Repurchased and canceled Restricted Stock for resignation of Incentive Objects (share)		Restricted Stock remaining locked (share)
					Shares approved by the 8 <sup>th</sup> Session of BOD	Shares approved by the 11 <sup>th</sup> Session of BOD	
The First Granted Part	Su Ming-Jui	General Manager	234,000	52,000	0	0	182,000
	Xu Bo	Chief Financial Officer	144,000	32,000	0	0	112,000
	Ye Jide	Vice General Manager, Secretary of Board	63,000	14,000	0	0	49,000
	Other Incentive Objects		3,001,950	658,400	39,150	73,500	2,230,900
The Reserved Part	Xu Bo	Chief Financial Officer	15,000	3,000	--	0	12,000
	Other Incentive Objects		411,000	81,200	--	11,400	318,400
	Total		3,868,950	840,600	124,050		2,904,300

Notes: The unlockable shares of restricted stock in the second unlock period and reserved restricted stock in the first unlock period have not been listed and circulated yet.

#### IV. Changes of Shares after Completion of the Repurchase and Cancellation

	Before change		Number of stock repurchased and canceled Qty.	After change	
	Number of Shares	Percentage (%)		Number of Shares	Percentage (%)
I. Restricted outstanding shares	211,280,317	25.73%	124,050	211,156,267	25.71%
1. Shares held by the State	0	0	0	0	0

2. Shares held by state-owned legal entities	0	0	0	0	0
3. Shares held by other domestic investors	4,912,727	0.60%	124,050	4,788,677	0.58%
In which: Shares held by domestic legal entities	0	0	0	0	0
Shares held by domestic natural persons	4,912,727	0.60%	124,050	4,788,677	0.58%
4. Shares held by foreign investors	206,367,590	25.13%	0	206,367,590	25.13%
In which: Shares held by foreign legal entities	206,367,590	25.13%	0	206,367,590	25.13%
Shares held by foreign natural persons	0	0	0	0	0
II. Non-restricted outstanding shares	609,963,643	74.27%	0	609,963,643	74.29%
1. Renminbi common shares	609,963,643	74.27%	0	609,963,643	74.29%
III. Total shares	821,243,960	100%	124,050	821,119,910	100%

Board of Directors of Zhejiang Supor Co., Ltd.

July 16, 2019