

Stock code: 002032

Short form: Supor

Announcement No.:2018-069

Announcement on Completion of Registration for Grant of Reserved Restricted Stock

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.

Special Notes:

1. The Company plans to grant 426,000 shares of Reserved Restricted Stock to totally 50 Incentive Objects, accounting for 0.05% of the Company's total capital stock.
2. The Grant Price of the Reserved Restricted Stock is RMB 1 yuan per share.
3. The source of the Reserved Restricted Stock is Company's stock repurchased from secondary market.
4. The grant date for Reserved Restricted Stock is August 30th, 2018 and the listing date for Reserved Restricted Stock is November 14th, 2018.
5. The grant of Reserved Restricted Stock is not scheduled in the Company's periodic report, performance forecast, preliminary performance estimate, major issues and other window periods.
6. The stock nature of Reserved Restricted Stock granted is circulation stock with sales restrictions.

Zhejiang Supor Co., Ltd. (hereinafter referred to as "Company", "the Company" or "Supor") has completed the registration work for grant of Reserved Restricted Stock involved in the Restricted Stock Incentive Plan (Revised Draft) according to the Proposal on Grant of Reserved Restricted Stock to Incentive Objects reviewed and adopted by the 8th Session of the Sixth Board of Directors on August 29th, 2018 and regulations issued by Shenzhen Stock Exchange and Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, with the detailed contents disclosed as follows:

I. The Approval Procedures of the Restricted Stock Incentive Plan Already Completed

1. On August 29, 2017, the 2nd Session of the Sixth Board of Directors and 2nd 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 3rd Session of the Sixth Board of Directors and 3rd 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 adjusted List of Incentive Objects preliminarily.

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 4th Session of the Sixth Board of Directors and 4th 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 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 6th Session of the Sixth Board of Directors and 6th 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 0.047% of the total capital stock of the Company.

9. On March 29, 2018, the 6th Session of the Sixth Board of Directors and 6th 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.

10. On August 29, 2018, the 8th Session of the Sixth Board of Directors and 8th Session of the Sixth Board of Supervisors reviewed and adopted the Proposal on Grant of Reserved Restricted Stock to Incentive Objects. Independent Directors have addressed independent opinions on the above Proposal, and the Board of Supervisors has verified the List of Incentive Objects.

II. The Granting Arrangement of Reserved Restricted Stock

1. The Grant Date on which the Reserved Restricted Stock shall be granted is August 30th, 2018.
2. The Grant Price of the Reserved Restricted Stock is 1 yuan per share.
3. The source of the Reserved Restricted Stock is Company's stock repurchased from secondary market.
4. The Incentive Objects and amount of Reserved Restricted Stock.

The Company plans to grant 426,000 shares of Reserved Restricted Stock to totally 50 Incentive Objects. The Reserved Restricted Stock will be distributed among the Incentive Objects according to the following table:

Name	Position	Granted Reserved Restricted Stock (10K shares)	Portion in Granted Reserved Restricted Stock	Portion in Current Total Capital Stock
Xu Bo	Chief Financial Officer	1.5	3.52%	0.002%
Other Incentive Objects (49 people)		41.1	96.48%	0.050%
Total		42.6	100%	0.052%

5. The consistency of Incentive Objects between actually granted and previously approved by the Board of Directors.

The 8th Session of the Sixth Board of Directors reviewed and adopted the Proposal on Grant of Reserved Restricted Stock to Incentive Objects on August 29, 2018. Details can be found in cninfo.com.cn

dated August 30th, 2018.

The Incentive Objects and Reserved Restricted Stock granted this time are consistent with the List and amount approved by the Board of Directors.

6. The locking period of incentive plan and unlocking arrangement.

The Locking Period of the Restricted Stock granted according to this Plan is 12 months from the Grant Date. During the unlocking period, the Company deals with unlocking matters for the Incentive Objects that satisfy the unlocking conditions.

The unlockable time of the Reserved Restricted Stock and time of each schedule are shown in the following table:

Unlockable Schedule	Unlockable Time	Proportion of Unlockable Quantities in Reserved Restricted Stock Granted
1 st schedule	From the 1 st trading day after expiration of 12 months from the first Grant Date, till the last trading day of the 24 months from the first Grant Date	20%
2 nd schedule	From the 1 st trading day after expiration of 24 months from the first Grant Date, till the last trading day of the 36 months from the first Grant Date	30%
3 rd schedule	From the 1 st trading day after expiration of 36 months from the first Grant Date, till the last trading day of the 48 months from the first Grant Date	50%

7. The unlocking appraisal indicators of incentive plan

(1) Appraisal requirements of business performance of the Company

A. The Company defines a business performance appraisal period for incentive objects, which is from 2018 to 2020; during this period, the Company's return on net assets of every year is not less than 18%;

B. Accomplishment rate of sales and operating profit in domestic sales: determine the quantity of restricted stock acquirable by incentive objects during each unlocking period (X is the revenue from domestic sales in each appraisal year; Y is the domestic operating profit in each appraisal year):

Appraisal period	Year 2018	Year 2019	Year 2020
Indicators for Domestic Sales (weighing 50%)			
Max. value preset (A)	10258	11332	12501
Max. value accumulated (L1)	19495	30827	43328
Min. value preset (B)	9747	10795	11917

Accomplishment Ratio of Domestic Sales	If $X \geq A$	100.00%	
	If $A > X \geq B$	$50\% + (X-B) / (A-B) * 50\%$	
	If $X < B$	0.00%	
	If $Y < D * 95\%$		
Indicators for Domestic Operating Profits (weighing 50%)			
Max. value preset (C)	1074	1205	1350
Max. value accumulated (L2)	2024	3229	4579
Min. value preset (D)	1012	1139	1277
Accomplishment Ratio of Domestic Operating Profits	If $Y \geq C$	100.00%	
	If $C > Y \geq D$	$50\% + (Y-D) / (C-D) * 50\%$	
	If $Y < D$	0.00%	
Total Accomplishment Ratio	Accomplishment ratio of domestic sales \times 50% + accomplishment ratio of domestic operating profits \times 50%		
Quantities Exercisable for Each Schedule	Exercisable quantities of each exercise schedule \times Accomplishment ratio of appraisal period		

i. The restricted stock that can be unlocked for Incentive Objects shall not be unlocked and shall be repurchased by the Company for cancellation when one of following situations occurred to the Company's performance in the previous year, i.e.: a. failing to reach the "return on net assets" indicator; b. when the domestic operating profit $Y < D * 95\%$; c. domestic sales X and domestic operating profit Y fail to reach the Min. value preset B and D indicator. ii. If the business performance of the precious year accomplished the "return on net assets" indicator, and one of the domestic sales X and domestic operating profit Y, or both of the same exceeded the Min. value preset (B and D), Incentive Objects can unlock the unlockable restricted stock of the given year based on the ratio as calculated in the above table. iii. If the business performance of the precious year accomplished the "return on net assets" indicator, and both the domestic sales X and domestic operating profit Y exceeded the Max. value preset (A and C), Incentive Objects can unlock all unlockable restricted stock of the given year based on the preset ratio. iv. If the business performance of the previous year accomplished the "return on net assets" indicator, both the domestic sales X and domestic operating profit Y failed to exceed the Max. value preset, but both exceeded Max. value accumulated (L1 and L2), Incentive Objects can unlock all unlockable restricted stock of the given year according to the situation regulated in iii.

(2) Appraisal requirements of individual performance

The Company defines an individual performance appraisal period for Incentive Objects (with one calendar year as the appraisal period) and sets appraisals indicators according to their post responsibilities. If any Incentive Object fails in the annual performance appraisal, he (she) is only allowed to unlock the Restricted Stock determined based on the accomplishment ratio of business performance in previous appraisal periods with acceptable individual performance. The restricted stocks granted to incentive object, if failing to reach the appraisal requirements, would be repurchased for cancellation by the Company at the grant price.

III. The Capital Verification of Subscribed Fund of Reserved Restricted Stock

According to the Capital Verification Report No. 368 (2018) issued on September 28, 2018, by Zhejiang Pan-China Certified Public Accountants (special general partnership), they have verified the subscribed fund paid by totally 50 Incentive Objects and concluded that the Company received all the fund of RMB 0.426 million yuan. The difference between actual cost of stock repurchased, amounting to RMB 18.071 million yuan and subscribed fund paid by Incentive Objects, amounting to RMB 0.426 million yuan will be recorded into capital reserve (share premium), amounting to RMB 17.645 million yuan.

IV. Listing Date of Reserved Restricted Stock

The Grant Date for Reserved Restricted Stock is August 30th, 2018. The listing date for Reserved Restricted Stock is November 14th, 2018.

V. The Selling and Buying shares by Directors and Top Management in Six Months before Listing Date

There is no director and top management selling and buying Company's shares in six months before Listing Date.

VI. Change of Capital Structure

Category of Shares	Before change		Increase/ decrease	After change	
	Total shares (share)	Share proportion (%)		Total shares (share)	Share proportion (%)
Circulation stock with sales restrictions	276,581,426	33.68%	+426,000	277,007,426	33.73%
Circulation stocks without sales restrictions	544,662,534	66.32%	-426,000	544,236,534	66.27%
Total capital stocks	821,243,960	100%	0	821,243,960	100%

The total capital stock will not be changed due to this grant of Reserved Restricted Stock. After

completion of the grant of Reserved Restricted Stock, the distribution of stock rights of the Company still fulfills the listing requirements. The holding shares of the actual controller SEB S.A. and the controlling status remain unchanged.

Board of Directors of Zhejiang Supor Co., Ltd.

November 13, 2018