

Stock Code: 002032

Short Form: Supor

Announcement No: 2022-019

## **Announcement of Public Shares Repurchase Plan**

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 implement equity incentive plan. The maximum price for repurchasing shares shall not exceed CNY57.96 per share. The top limitation of shares to be repurchased will not exceed 16,173,570 shares and the bottom limitation of shares will not lower than 8,086,785 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 as of the general meeting of shareholders adopts the plan.
2. Risks disclosure
  - (1) The shares repurchase plan shall be submitted to general meeting of shareholders for approval as special resolution according to the regulations of Articles of Association and other laws. This shares repurchase plan shall not be implemented if it is not adopted by the general meeting of shareholders.
  - (2) The shares repurchase plan shall not be implemented if the stock price is continually higher than the maximum price for repurchasing shares
  - (3) 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.
3. 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 plans to reduce part of registered capital fund of the Company and to implement equity incentive by repurchasing public shares from secondary market by means of collective trading by bidding in accordance with *the Rules for Repurchasing Shares of Listed Company* and *Shenzhen Stock Exchange Regulatory Guidelines for Listed Companies No. 9 – Repurchase Shares* and *Articles of Association* of the Company. This shares repurchase plan has been reviewed and approved by the 12<sup>th</sup> Session of Seventh Board of Directors and shall be submitted to the Annual General Meeting of Shareholders for 2021 Fiscal Year for review. Details are states 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 *Shenzhen Stock Exchange Regulatory Guidelines for Listed Companies No. 9 – Repurchase Shares*:

1. Listed in the Shenzhen Stock Exchange more than one year.
2. No major violations occurred in latest one year.
3. The Company shall be able to pay off all the debts and the daily business will not be affected after shares repurchased.
4. The status as a listed company of the Company will not be changed after shares repurchased. If the Company intends to terminate the listing by repurchasing shares, it shall comply with the relevant regulations and be approved by the SZSE.
5. Other conditions required by CSRC and SZSE.

### **IV. Price and pricing principle of repurchased shares**

The maximum price of public shares repurchased this time will not be higher than CNY57.96 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 Stock Repurchase and their proportion in total capital stocks**

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 2% of the total capital stock of the Company and the bottom limitation of shares to be repurchased by the Company will not lower than 1% of the total capital stock of the Company. The top limitation of shares to be repurchased will not exceed 16,173,570 shares and the bottom limitation of shares will not be lower than 8,086,785 shares, in which estimated 3,000,000 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 Amount and Source of Capital Used for Stock Repurchase**

If the maximum price for repurchasing shares does not exceed CNY57.96 per share, the maximum fund for repurchasing shares shall not exceed CNY937.42 million and the minimum fund shall not lower than CNY468.71 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.

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 approved the Resolution on Public Shares Repurchase Plan. The Company is forbidden to repurchase public shares within the following time periods: (1) within 10 trading days prior to the announcement of the Company's annual report and semiannual report, the announcement date is delayed due to special causes, the time range of blocking period shall be valid on and from the tenth day prior to the originally determined announcement date till the day prior to the announcement; (2) within 10 trading days prior to announcement of the Company's quarterly report, business performance forecast and business flash report; (3) from the occurrence date or decision-making procedure date of material events with material influence on the transaction price of the Company's stocks and derivatives to the legal disclosure date; (4)

the other periods recognized by CSRC.

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.

This share purchase plan shall take effective as of the date it is adopted by the Board of Directors.

#### VIII. Expected equity change after shares repurchased

If 8,086,785 shares at the bottom limitation have been repurchased for cancelation and 3,000,000 shares are used to grant to incentive objects successfully, the equity change is stated as below:

Category of Shares	Prior to this Repurchase and Cancellation		Prior to this Repurchase and Cancellation	
	Total shares (share)	(%)	Total shares (share)	(%)
Circulation stock with sales restrictions	1,879,823	0.23%	4,879,823	0.61%
Circulation stocks without sales restrictions	806,798,653	99.77%	798,711,868	99.39%
Total capital stocks	808,678,476	100%	803,591,691	100%

If 16,173,570 shares at the top limitation have been repurchased for cancelation and 3,000,000 shares are used to grant to incentive objects successfully, the equity change is stated as below:

Category of Shares	Prior to this Repurchase and Cancellation		Prior to this Repurchase and Cancellation	
	Total shares (share)	(%)	Total shares (share)	(%)
Circulation stock with sales restrictions	1,879,823	0.23%	4,879,823	0.61%
Circulation stocks without sales restrictions	806,798,653	99.77%	790,625,083	99.39%

Total capital stocks	808,678,476	100%	795,504,906	100%
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**IX. Analysis of the management on this repurchase on the Company's operation, finance, R&D, debt paying ability, future development and the status as a listed company**

By December 31, 2021, the Company's total assets were CNY13.899 billion, the monetary capital was CNY2.654 billion, net assets belonging to the shareholders of listed company were CNY7.658 billion, and the Company's asset-liability ratio was 44.90% and the net profit belonging to the shareholders of listed company was CNY1.944 billion. Supposing that top limitation of public shares will be repurchased at the highest price, the repurchase amount approximately accounts for 6.74% of the Company's total assets and 12.24% 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, 2021. 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, 2021, the R&D expenses were CNY 0.45 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 share repurchase was made, insider trading and market manipulation after getting information of this share repurchase plan in advance**

Director Mr. Su Xianze sold 121,534 shares on February 10, 2022 with average share price at CNY52.809 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 on Repurchasing Public Shares was made by the Board of Directors.

The Company's director, supervisor, top management, controlling shareholder and actual controller do not have any Reduction Scheme on Shares except the regulatory part of shares could be reduced each year at this stage and will strictly disclose Pre-disclosure of Reduction Scheme on Shares before implementation in

future.

## **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, and the Company will inform all creditors according to the *Company Law*. And the purpose of remaining part is to implement equity incentive which shall be granted to incentive objects or canceled within three years after completion of this plan.

## **XII. Opinions of Independent Directors**

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

1. This Repurchase Plan is formulated in accordance with *the Company Law, the Securities Law, the Rules for Repurchasing Shares of Listed Company and Shenzhen Stock Exchange Regulatory Guidelines for Listed Companies No. 9 – Repurchase Shares*, 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, and promote the stable development of the Company.

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 to repurchase public shares.

## **XIV. Risks disclosure**

1. The shares repurchase plan shall be submitted to general meeting of shareholders for approval as special resolution according to the regulations of Articles of Association and other laws. This shares repurchase plan shall not be implemented if it is not adopted by the general meeting of shareholders.

2. The shares repurchase plan shall not be implemented if the stock price is continually higher than the maximum price for repurchasing shares

3. 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.

Board of Directors of Zhejiang Supor Co., Ltd.

April 1, 2022