

Stock code: 002032

Short form: Supor

Announcement No.:2022-014

Announcement of Estimation of Daily Connected Transactions in 2022

This Company and all members of the Board of Directors hereby warrant that all information announced here are true, accurate and complete, and contain no fictitious statement, misleading information or significant omission.

I. Basic Information of Connected Transactions

(i) Brief of Connected Transactions

1. Overview

SEB S.A. (Hereinafter referred to as SEB Group) and its affiliates are the largest overseas OEM purchaser of Zhejiang Supor Co., Ltd. (hereinafter referred to as “the Company”, “this Company” or “Supor”). In order to increase sales, the Company continues to use SEB Group’s global marketing network for product sales in 2022. To this end, the Company has signed the 2022 Daily Connected Transaction Agreement with SEB Group and its affiliates, and the estimated amount of connected transactions is CNY7,654,288,862.22, and actual amount in 2021 is CNY6,953,887,926.51.

2. Review procedure

(1) Time, term and resolutions of board meeting

The 12th Session of the Seventh Board of Directors was held on March 31, 2022, which adopted the “Proposal on Signing the Daily Connected Transaction Agreement with SEB S.A. for 2022 Year” with 4 votes in favor, 0 against, 0 abstention and 5 withdraw. Five directors, as connected directors, have withdrawn from the voting.

(2) Name list of directors withdrawn from the voting.

Mr. Thierry de LA TOUR d’ARTAISE, Ms. Nathalie LOMON, Mr. Stanislas de GRAMONT, Ms. Delphine SEGURA VAYLET and Mr. Tai Wai Chung.

(3) The Proposal shall be approved by the Annual General Meeting of Shareholders for 2021 Fiscal Year. The connected shareholder who shall withdraw from the voting of the proposal during

the Annual General Meeting of Shareholders for 2021 Fiscal Year is the Company's controlling shareholder SEB INTERNATIONALE S.A.S (hereinafter referred to as "SEB International").

(ii) Type and Estimated Amount of the Connected Transactions

Unit: RMB

Type of connected transactions	Connected party	Content of connected transactions	Pricing rule of connected transactions	Estimated amount for 2022	Amount from Beginning to date of disclosure	Actual amount in 2021
Selling products	SEB Group	Cookware	Contract price	2,998,013,273.46	619,251,845.55	2,641,421,386.31
		Electrical appliances	Contract price	4,528,774,677.15	772,807,582.91	4,193,309,886.25
		R & P products	Contract price	26,946,495.19	6,038,167.30	26,946,495.19
	Subtotal			7,553,734,445.80	1,398,097,595.76	6,861,677,767.75
Purchasing products	SEB Group	Paint and accessories	Contract price	35,524,625.42	2,919,793.99	35,524,625.42
		WMF, Lagostina and other products	Contract price	65,029,791.00		56,685,533.34
	Subtotal			100,554,416.42	2,919,793.99	92,210,158.76
Total			--	7,654,288,862.22	1,401,017,389.75	6,953,887,926.51

(iii) Type and Actual Amount of the Connected Transactions

Type of connected transactions	Connected party	Content of connected transactions	Actual amount in 2021	Estimated amount for 2020	The rate of actual amount in same type of business	The difference between actual amount and estimated amount	Date and website of disclosure
Selling products	SEB Group	Cookware	2,641,421,386.31	7,129,243,427.00	12.24%	-2.46%	Please refer to Announcement of Estimation of Daily Connected Transactions in 2021 (No. 2021-018) and Announcement of Increasing Estimation of Daily Connected Transactions in 2021 (No. 2021-069) disclosed in
		Electrical appliances	4,193,309,886.25		19.43%		
		R & P products	26,946,495.19		0.12%		
	Subtotal		6,861,677,767.75		31.79%		
Purchasing products	SEB Group	Paint and accessories	35,524,625.42		0.22%		
		WMF, Lagostina and other products	56,685,533.34		0.36%		
	Subtotal		92,210,158.76		0.58%		

						http://www.cninfo.com.cn on April 1, 2021 and October 27, 2021.
Total	6,953,887,926.51	7,129,243,427.00			--	
The explanations of BoD on huge difference between actual amount and estimated amount of connected transactions	None					
The explanations of independent directors on huge difference between actual amount and estimated amount of connected transactions	None					

II. Introduction of Connected Party and the Connections

1. Basic information

SEB S. A.

Legal representative: Thierry de LA TOUR D'ARTAISE (CEO)

Registered capital: Euro 50,169,049

Business type: Joint stock limited company (listed on Euronext Paris, organized under the French Company Law)

Enterprise registered address: 112 Chemin du Moulin Carron Campus SEB 69130 Ecully, France

Business scope: Share-holding, share participation and equity management in all types of enterprises

2. Connection with the listed company

SEB International is a wholly-owned subsidiary of SEB Group. By December 31, 2021, SEB International holds 82.44% shares of the Company. Therefore, SEB Group indirectly holds 82.44% shares of this Company. According to Article 6.3.3 of the *Rules Governing the Listing of Stocks on Shenzhen Stock Exchange*, the transactions between them are connected transactions.

3. Analysis of contractual capability

SEB Group has been listed on the Euronext and is a worldly reputable international group in domestic electrical appliance. It operates in more than 160 countries and regions with a unique portfolio of top electrical appliance and cookware brands, such as AIRBAKE, ALL-CLAD, ARNO, ASIAVINA, CALOR, CLOCK, EMSA, IMUSA, KRUPS, LAGOSTINA, MAHARAJA WHITELINE, MIRRO, MOULINEX, PANEX, ROCHEDO, ROWENTA, SAMURAI, SEB,

TEFAL, T-FAL, UMC0, WEAREVER, WMF and SUPOR. As a multiple expert and full-line supplier, SEB Group operates in the area of CW and small domestic appliances, involving kitchen electrical appliance (for cooking and food processing) and home and personal care products (personal care products, linen products, home care, etc.) SEB Group implements purchasing activities and sells products in the world range. The total sales for 2021 was 8.059 billion euros and profit attributed to parent company was 0.454 billion Euro. It has established good credit standing and contractual capabilities.

III. Main Content of Connected Transactions

1. Pricing principles and basis

(1) Selling products to SEB Group

Pursuant to “OEM contract with SEB” signed with SEB Group, except for special cases, the gross profit gained from SEB Group and its affiliates shall be equivalent to 18% of the FOB transfer price of the products made by the Company and its connected parties (For example, if the manufacturing cost of a product is 82 yuan, its FOB transfer price shall be 100 yuan).

(2) Purchasing raw materials from SEB Group

Purchasing price shall follow the market pricing principle.

(3) Purchasing WMF, Lagostina and other products from SEB Group

Except for special cases, the price shall be determined based on the principle of reciprocity of the pricing system of SEB Group’s purchase of the Company’s OEM products under the Framework Agreement of Strategic Investment, which is 18% gross profit rate for SEB Group and its affiliates.

2. The Connected Transaction Agreement

(1) Subject matter: CW, electrical appliances, rubber & plastic products, raw materials and WMF, Lagostina and other products

(2) Contract period: from Jan. 1, 2022 to Dec. 31, 2022

(3) Transaction terms and conditions: Product name, type, specification, unit of measurement, unit price, delivery term, quantity, transportation, payment term, shipping notice, packaging materials and such articles shall be subject to the specific agreements signed between the parties.

(4) Entry-into-force conditions: This Agreement shall enter into force upon the both parties’

signature and the adoption of the Annual General Meeting of Shareholders for 2021 Fiscal Year.

IV. Purpose of Transaction and Impact on the Listed Company

1. SEB Group has been cooperating with the Company for years, and the two sides maintain good relationships. Transactions with SEB Group will actively contribute to the Company's overseas sales and expansion of domestic market.

2. Transactions related to products selling and purchasing abide by the fair value principle. Price for OEM purchase follows "OEM contract with SEB" signed with SEB Group. Price for RM purchase follows the market pricing principle. Purchase of WMF, Lagostina and other products follows the principle of reciprocity of OEM products purchasing. No transactions stated above show any inside trading, or damage the interests of the listed company or other shareholders. Such transactions will play a positive role in the Company's present and future financial status and business performance.

3. The above-stated connected transactions exert no influence on the independence of the listed company. The main business of the Company will not be dependent on connected parties just because of these transactions.

V. Opinions of Independent Directors

Connected transaction with SEB Group is required by the Company's daily business operation. Its purpose is to explore the Company's overseas market and expand the domestic market. We are convinced that this Agreement abides by the principle of openness, fairness and impartiality. Connected directors have withdrawn from the voting. Review and adoption of the Proposal are law and regulation compliant. No violation of law or impairment of interests of shareholders and the Company is found. The Agreement conforms to the requirements of regulatory authority and the provisions of pertinent laws, regulations and the Articles of Association.

VI. Opinions of the Board of Supervisors

The Board of Supervisors has examined the connected transactions and concluded that the decision-making procedures for the estimated connected transactions in 2022 year are law, regulation and Company rule compliant. Pricing is based on making compensation for equal value,

fair market value rules, and the principles of openness, fairness and equity. No transactions harming the rights and interests of the Company and minority shareholders exist.

VII. Documents for Reference

1. Resolutions of the Board of Directors;
2. Resolutions of the Board of Supervisors;
3. Written documents and opinions of independent directors before adoption of the Agreement;
4. Daily Connected Transaction Agreement.

Board of Directors of Zhejiang Supor Co., Ltd.

April 1, 2022