

Stock code: 002032

Short form: Supor

Announcement No.:2021-069

Announcement of Increasing Estimation of Daily Connected Transactions in 2021

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 Increasing Estimated Amount of Daily Connected Transactions

1. Overview

The daily connected transactions between actual controller SEB S.A. and its affiliates (hereinafter referred to as "SEB Group") and Zhejiang Supor Co., Ltd. (hereinafter referred to as "the Company", "this Company" or "Supor") is estimated to exceed the forecast made at the beginning of the year according to the current monitoring on implementation process. The Company plans to increase the estimation of daily connected transactions in 2021

2. Review procedure

(1) Time, term and resolutions of board meeting

The 9th Session of the Seventh Board of Directors was held on October 26, 2021, which adopted the "Proposal on Increasing Estimation of Daily Connected Transactions in 2021" with 4 votes in favor, 0 against, 0 abstention and 5 withdraw. Five directors, as connected directors, withdrew from the voting.

(2) Name list of directors withdrawn from the voting.

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

(3) There is no need to be submitted to Shareholders Meeting for approval since the exceeding amount of connected transactions remained in the authority limits of the Board of Directors.

(ii) Type and Increased 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 at year beginning	Increased amount proposed	Latest estimated amount	Amount from Beginning to date of disclosure
Selling products	SEB Group	Cookware	Contract price	2,749,330,000.00	23,665,474.00	2,772,995,474.00	2,081,576,942.52
		Electrical appliances	Contract price	3,894,790,000.00	334,143,401.00	4,228,933,401.00	3,487,885,115.07
		R & P products	Contract price	20,900,000.00	4,847,564.00	25,747,564.00	21,942,854.73
	Subtotal			6,665,020,000.00	362,656,439.00	7,027,676,439.00	5,591,404,912.32
Purchasing products	SEB Group	Paint and accessories	Contract price	34,300,000.00	4,311,822.00	38,611,822.00	32,322,102.04
		WMF, Lagostina and other products	Contract price	70,490,000.00	-7,534,834.00	62,955,166.00	49,325,696.78
	Subtotal			104,790,000.00	-3,223,013.00	101,566,987.00	81,647,798.82
Total			--	6,769,810,000.00	359,433,426.00	7,129,243,426.00	5,673,052,711.14

(iii) Actual Amount of the Connected Transactions Last Year

The details on actual amount of daily connected transactions last year can be found in the Announcement of Estimation of Daily Connected Transactions in 2021 disclosed in Securities Times, China Securities Journal, Securities Daily and cninfo.com.cn dated April 1, 2021.

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 September 30, 2021, SEB International holds 82.44% shares of the Company. Therefore, SEB Group indirectly holds 82.44% shares of this Company. According to Article 10.1.3 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 150 countries 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, UMCO, 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 2020 was 6.940 billion euros and profit attributed to parent company was 0.301 billion Euro. It has established good credit standing and contractual capabilities.

III. 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.

IV. Purpose of Transaction and Impact on the Listed Company

1. Connected transactions with SEB S.A. and its affiliates are required by the Company's daily business operation. The manufacturing capacity of various kinds of industries in foreign countries were continuously affected by epidemic mainly because the epidemic situation abroad was still recurring this year. The estimated amount of daily connected transactions with SEB Group for whole year will probably exceed the estimation made at the beginning of this year considering coming peak season during Christmas and New Year.

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

We are convinced that the exceeded part as estimated are daily connected transactions according to Connected Transactions Agreement, furthermore, it won't change the terms of Connected Transactions Agreement. The exceeded part of connected transactions abides by the principle of openness, fairness and impartiality. All 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 are 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 issues on increasing estimation of daily connected transactions and concluded that the decision-making procedures for the exceeding part of daily connected transactions as estimated 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.

Board of Directors of Zhejiang Supor Co., Ltd.

October 27, 2021