

Stock code: 002032

Short form: Supor

Announcement No.:2021-019

Announcement of Short-term Investment Using Excessive Cash

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.

Zhejiang Supor Co., Ltd. (hereinafter referred to as the “Company”, “the Company” or “Supor”) adopted the *Proposal on Short-term Investment Using Excessive Cash* at the 5th Session of the Seventh Board of Directors, by which it agreed to continue to invest in different wealth management products using excessive cash, the limit of which is no more than 4 billion yuan. The detailed information is announced as follows:

I. Investment purpose

The Company enjoys favorable operation conditions, stable financial status and sufficient working capital. In order to improve capital use efficiency, the Company plans to continue to use the excessive cash to purchase wealth management products from financial institutions on the basis of not affecting the cash operation demand of the Company and subsidiaries and ensuring capital safety and abiding by laws and regulations to enhance the earnings of working capitals.

II. Investment category

In order to ensure the safety of corporate capital, the Company is planning to invest in low risk (R1) wealth management products, including bonds, entrusted financial management and other investment behaviors recognized by the Stock Exchange within China and of which volatility is less than 1% per year. The bonds the Company invested should be China treasury bonds or credit rating international A- (S&P or equivalent) or China AA+ standard bonds. The entrusted financial management should be entrusted to bank, trust, securities, fund, future, insurance asset management, financial asset investment companies and other financial institutions recognized by China Banking and Insurance Regulatory Commission (CBIRC), China Securities Regulatory Commission (CSRC).

The investment period should not exceed 12 months, and the product should be with high liquidity and allow us to terminate early, with maximum one week lead time.

In order to safeguard the Company’s cash and control the investment risk, the Company should only invest in products with risk rating not higher than low risk (R1). The products risk classifications refer to

regulations issued by CBIRC, CSRC and Associations supervised by them.

The Company should only conduct entrusted financial management business with financial institutions and their subsidiaries, meeting the minimum credit rating, which is referred by the international rating A- (S&P or equivalent) or China domestic rating AA+. Besides, the investment of the Company on any one of the financial institutions should not exceed 20% of total investment amount authorized.

The wealth management products to be purchased by the Company is consist of the categories of investment regulated in the *Guidelines for Standardized Operation of Listed Companies of Shenzhen Stock Exchange*.

III. Investment limit

Short-term financial products could be considered if the total capital that can be used at any time point of the investment duration does not exceed CNY4.00 billion. Within the limit above, capital can be used by rolling.

IV. Period of investment

This investment is valid for 1 year from the date of approval by the Annual General Meeting of Shareholders for 2020 Fiscal Year.

V. Cash sources

The capital used by the Company for investing financial products is the excessive cash of the Company.

VI. Investment risks and risk control measures

1. Investment risk

1) Since financial market is vulnerable to macro economy, there is possibility that return on investment will be affected by market fluctuation.

2) If the financial institution has the right to terminate financial products within the investment period, the Company is open to the risk of acceleration of maturity of financial products

2. Internal control procedures

1) The finance department in Supor headquarter would be responsible to prepare the investment proposal, including type, term and amount of financial product to be invested; all investment proposals can only be implemented subject to the financial director's and the general manager's in Supor headquarter approvals.

2) The HQ finance department needs to prepare monthly investment report before the 10th business day after each month end closing, with all the supporting contracts indicating, in as much detail as possible, the nature of the underlying investments, and send to all the Audit Committee Members. They are also responsible to follow up closely the detailed status of each investment product; if there is possibility to affect the safety of investment capital or affect the normal capital liquidity demands through evaluation, they should take corresponding preservation or redemption measures to control investment risks.

3) The Company would also follow related regulations issued by Shenzhen Stock Exchange to disclose the detailed investment products and the yield during the reporting period.

VII. Information of Financial Products Purchased by the Company within Twelve

Months before disclosure date

No.	Company	Financial product	Subscription date	Subscription amount (unit: 10K yuan)	Value date	Due date	Estimated annual yield	Actual annual yield
1.	Zhejiang Shaoxing Supor Domestic Electrical Appliances Co., Ltd.	China Guangfa Bank Xinjiaxin No. 16 CNY Structured Deposit	2020/4/7	10,500	2020/4/7	2020/7/1	3.85%	3.85%
2.	Zhejiang Shaoxing Supor Domestic Electrical Appliances Co., Ltd.	China Guangfa Bank Wuhuatianbao Type-W No. 19 in 2020 CNY Structured Deposit	2020/4/7	4,500	2020/4/8	2020/5/15	3.60%	3.60%
3.	Zhejiang Shaoxing Supor Domestic Electrical Appliances Co., Ltd.	Bank of China CNY-linked Structured Deposit	2020/4/8	10,000	2020/4/10	2020/7/2	3.75%	3.75%
4.	Zhejiang Supor Co., Ltd.	Bank of China CNY-linked Structured Deposit	2020/4/21	20,000	2020/4/23	2020/5/8	3.50%	3.50%
5.	Zhejiang Shaoxing Supor Domestic Electrical Appliances Co., Ltd.	Bank of China CNY-linked Structured Deposit	2020/4/21	20,000	2020/4/23	2020/5/8	3.50%	3.50%
6.	Zhejiang Shaoxing Supor Domestic Electrical Appliances Co., Ltd.	China Guangfa Bank Xinjiaxin No. 16 CNY Structured Deposit	2020/4/21	10,000	2020/4/21	2020/7/1	3.73%	3.73%
7.	Zhejiang Supor Water Heaters Co., Ltd.	ICBC Tianlibao Net Value Financial Product	2020/4/22	4,000	2020/4/22	2020/6/29	3.00%	2.87%
8.	Zhejiang Shaoxing Supor Domestic Electrical Appliances Co., Ltd.	China Guangfa Bank Xinjiaxin No. 16 CNY Structured Deposit	2020/7/9	10,000	2020/7/10	2020/11/9	1.5%	1.5%
9.	Zhejiang Supor Water Heaters Co., Ltd.	ICBC Tianlibao Net Value Financial Product	2020/7/16	5,500.30	2020/7/16	2021/6/24	2.60%	Undue
10.	Shanghai SEB Electrical Appliances Co., Ltd.	Credit Agricole CIB CNY Range Accrual Structured Deposit	2020/10/22	3,000	2020/10/22	2021/1/22	2.70%	2.7%
11.	Shanghai SEB Electrical Appliances Co., Ltd.	Credit Agricole CIB CNY Range Accrual Structured Deposit	2020/10/22	3,000	2020/10/22	2021/4/22	2.80%	Undue

Board of Directors of Zhejiang Supor Co., Ltd.

April 1, 2021