

Stock Code: 002032

Short Form: Supor

Announcement No: 2021-074

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 CNY67.68 per share. Totally 1,209,500 shares of public shares will be repurchased this time. The implementation period of share repurchase plan will not exceed 6 months as of the Board of Directors adopts the plan.
2. Risks disclosure
 - (1) The shares repurchase plan shall not be implemented if the stock price is continually higher than the maximum price for repurchasing shares
 - (2) Since the purposes of this shares repurchase plan are to implement equity incentive plan, the shares repurchase plan will not be implemented successfully if the Company fails to grant all the shares repurchased due to the equity incentive plan have not been approved by the 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 implement restricted stock incentive plan by repurchasing public shares from secondary market by means of collective trading by bidding in accordance with *the Measures for the Administration of Listed Companies Repurchase Public Shares(trial)*, *Implementation Rules of Shenzhen Securities Exchange for Repurchasing Public Shares by Listed Companies* and *Articles of Association* of the Company. This shares repurchase plan has been reviewed and approved by the 10th Session of Seventh Board of Directors, and no

need to be submitted to General Meeting of Shareholders for review. Details are states as follows:

I. Purpose and use of repurchased shares

The purpose is to implement restricted stock incentive plan.

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 *Implementation Rules of Shenzhen Securities Exchange for Repurchasing Public Shares by Listed Companies*:

1. Listed in the Shenzhen Stock Exchange more than one year.
2. The Company shall be able to pay off all the debts and the daily business will not be affected after shares repurchased.
3. The status as a listed company of the Company will not be changed after shares repurchased.
4. Other conditions required by CSRC.

IV. Price and pricing principle of repurchased shares

The maximum price of public shares repurchased this time will not be higher than CNY67.68 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. Totally 1,209,500 shares of public shares will be repurchased this time, amounting to 0.150% of the total capital stock of the Company.

VI. Total Amount and Source of Capital Used for Stock Repurchase

If the maximum price for repurchasing shares does not exceed CNY67.68 per share, the maximum fund for repurchasing shares shall not exceed CNY81.859 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.

VII. Implementation period and validity of resolution of share repurchase plan

The duration of public shares repurchase plan shall be within 6 months after the board of directors approved the Resolution on Public Shares Repurchase Plan. The Company is forbidden to repurchase public shares within the following time periods: (1) 10 days before the financial report or performance report brief is announced; (2) within 2 business days as of the date the significant event that may cause great influence on the transaction price of the Company's shares or the date the decision-making process starts, till the date the disclosure is made legally; (3) The other periods recognized by CSRC and Shenzhen Securities Exchange.

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

Category of Shares	Prior to this Repurchase		After this Repurchase	
	Total shares (share)	(%)	Total shares (share)	(%)
Circulation stock with sales restrictions	208,450,354	25.78%	209,659,854	25.93%
Circulation stocks without sales restrictions	600,228,122	74.22%	599,018,622	74.07%
Total capital stocks	808,678,476	100%	808,678,476	100%

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, 2020, the Company's total assets were CNY12.292 billion, the monetary capital was CNY1.720 billion, net assets belonging to the shareholders of listed company were CNY7.201 billion, and

the Company's asset-liability ratio was 41.13% and the net profit belonging to the shareholders of listed company was CNY1.846 billion. Supposing that 1,209,500 shares of public shares will be repurchased at the highest price, the repurchase amount approximately accounts for 0.67% of the Company's total assets and 1.14% 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, 2020. 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, 2020, the R&D expenses were CNY 0.442 billion. By September 30, 2021, the R&D expenses were CNY 0.306 billion and the monetary capital was CNY1.901 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

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 implement equity incentive plan which shall be granted to incentive objects or canceled within three years after completion of this plan.

XII. Authorization for managing share repurchase plan

The Board of Directors is requested to authorize the top management and authorized persons to deal with

issues related to share repurchase, including but not limited to:

- 1) To authorize the top management and the authorized persons to repurchase public shares at the appropriate time in accordance with the relevant regulations, including the time, price and quantity.
- 2) To authorize the top management and the authorized persons to deal with all procedures related to share repurchase plan.
- 3) To authorize the top management and the authorized persons to prepare, amend, supplement, sign, submit all the agreements, contracts or documents related to share repurchase.
- 4) To authorize the top management to deal with other issues which are not stated above but are required by the implementation of share repurchase plan.

The authorization shall take effect as of the date it is approved by the Board of Directors, and shall terminate when the aforesaid authorized issues are completed.

XIII. 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, Measures for the Administration of Listed Companies Repurchase Public Shares (trial)* and the *Implementation Rules of Shenzhen Securities Exchange for Repurchasing Public Shares by Listed Companies*, and the Articles of Association of the Company.

2. The purpose of repurchasing the public shares is to implement the Restricted Stock Incentive Plan which will fully mobilize the enthusiasm of the Company's top management and staffs, and promote the stable development of the Company. The shares repurchased are only used for the incentive plan, not for any other purpose.

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 unanimously the repurchase preplan is legal and will not harm the interests of the Company and all shareholders, especially the interests of minority shareholders.

XIV. Risks disclosure

1. The shares repurchase plan shall not be implemented if the stock price is continually higher than the maximum price for repurchasing shares
2. Since the purposes of this shares repurchase plan are to implement equity incentive plan, the shares

repurchase plan will not be implemented successfully if the Company fails to grant all the shares repurchased due to the equity incentive plan have not been approved by the 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.

December 14, 2021