

Stock code: 002032

Short form: Supor

Announcement No.:2020-040

Announcement of Progress of Using Excessive Cash to Purchase Financial Products

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 Annual General Meeting of Shareholders for 2018 Fiscal Year on April 19, 2019, agreeing to invest in different financial products using excessive cash, the limit of which is no more than RMB 5 billion. For specific announcement contents, see *Announcement of Short-term Investment Using Excessive Cash* disclosed on *Securities Times*, *Securities Daily*, *China Securities Journal* and *cninfo.com.cn* dated on March 28, 2019 (Announcement No.2019-017). The detailed information of financial products newly-purchased is announced as follows:

I. Financial Products Newly-purchased

No.	Company (Subsidiary)	Financial products	Date of subscription	Amount of subscription Unit: 10KRMB	Value date	Due date	Days	Expected annual yield rate
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	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	37	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	83	3.75%
4	Zhejiang Supor Co., Ltd.	Bank of China CNY-linked	2020/4/21	20,000	2020/4/23	2020/5/8	15	3.50%

		Structured Deposit						
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	15	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	71	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	68	3.00%
	Total			79,000				

II. The Details of Financial Products Newly-purchased

(I) The financial products newly purchased by Zhejiang Shaoxing Supor Domestic Electrical Appliances Co., Ltd. are China Guangfa Bank of Xinjiaxin No. 16 CNY Structured Deposit, whose details are stated as follows:

- (1) Name: Xinjiaxin No. 16 Structured Deposit
- (2) Product Code: XJXCKJ9599
- (3) Asset management agent: China Guangfa Bank
- (4) Currency: CNY
- (5) Type: guaranteed financial product with floating return

(6) Scopes of investment: the principal part of the funds raised by this structured deposit is under the unified management of China Guangfa Bank. The investment percentage of money market instruments (including but not limited to bank deposits, lending, repurchase, etc.) is 20% - 100%, and the investment percentage of bonds (including but not limited to national bonds, central bills, financial bonds, short-term financing bonds, corporate bonds, medium-term notes) and other financial assets is 0% - 80%. The income is partly invested in financial derivatives linked to the exchange rate level between the US dollar and Hong Kong dollar. The structural deposit income of investors depends on the performance of the exchange rate between the US dollar and Hong Kong dollar during the observation period.

- (7) Repay capital and interest: on redemption date
- (8) Source of Capital: self-owned cash
- (9) Connected relationship: the Company and its subsidiaries have no connected relationship with China

Guangfa Bank.

(II) The financial product newly purchased by Zhejiang Shaoxing Supor Domestic Electrical Appliances Co., Ltd. is China Guangfa Bank Wuhuatianbao Type-W No. 19 in 2020 CNY Structured Deposit, whose details are stated as follows:

(1) Name: Wuhuatianbao Type-W No. 19 in 2020 CNY Structured Deposit (gold-linked)

(2) Product Code: XJXCKJ10133

(3) Asset management agent: China Guangfa Bank

(4) Currency: CNY

(5) Type: guaranteed financial product with floating return

(6) Scopes of investment: the principal part of the funds raised by the structured deposit is under the unified management of China Guangfa Bank. The investment percentage of money market instruments (including but not limited to bank deposits, inter-bank lending, repurchase, etc.) is 20% - 100%, and the investment percentage of bonds (including but not limited to Treasury bonds, central bills, financial bonds, short-term financing bonds, corporate bonds, medium-term notes) and other financial assets is 0% ~80%, and part of the income is invested in financial derivatives linked to gold price (XAU / USD). The structural deposit income of investors depends on the performance of gold price (XAU / USD) during the observation period

(7) Repay capital and interest: on redemption date

(8) Source of Capital: self-owned cash

(9) Connected relationship: the Company and its subsidiaries have no connected relationship with China Guangfa Bank.

(III) The financial products newly purchased by Zhejiang Supor Co., Ltd. and Zhejiang Shaoxing Supor Domestic Electrical Appliances Co., Ltd. are Bank of China CNY-linked Structured Deposit, whose details are stated as follows:

(1) Name: CNY-linked Structured Deposit

(2) Product Code: CNYRSD

(3) Asset management agent: Bank of China

(4) Currency: CNY

(5) Type: guaranteed financial product

(6) Scopes of investment: this financial product is managed by Bank of China, and the investment

targets include government loans, Central Bank bills, financial bonds, deposits, negotiable certificate deposits, bonds repurchase, inter-bank borrowing, corporate bonds, short-term financing bonds, medium term note, assets backed securities, non-public directional debt financing instruments. The scopes of investment are assets management agents of above low-risk and high-fluidity financial assets including securities/fund/trust assets management plan and financial derivatives such as options and swap deals. The investment percentage of bonds accounts for 0-90%, the investment percentage of inter-bank borrowing, deposits, negotiable certificate deposits, securities/fund/trust assets management plan is 10%-90% and the investment percentage of financial derivatives such as option and swap deals is 0-10%. According to its own commercial judgment, the Bank of China can independently adjust the above-mentioned investment ratio up or down by no more than 10%.

(7) Repay capital and interest: on redemption date or early termination date

(8) Source of Capital: self-owned cash

(9) Connected relationship: the Company and its subsidiaries have no connected relationship with Bank of China.

(IV) The financial product newly purchased by Zhejiang Water Heaters Co., Ltd. is ICBC-Tianlibao Net Value Financial Product, whose details are stated as follows:

(1) Name: ICBC-Tianlibao Net Value Financial Product

(2) Product Code: TLB1801

(3) Asset management agent: ICBC

(4) Currency: CNY

(5) Type: financial product with floating return and PR1

(6) Scopes of investment: this product is mainly invested in the following fixed income assets that meet the regulatory requirements, including but not limited to all kinds of bonds, deposits, money market funds, bond funds, pledge type and buyout repo, bank acceptance bill investment, etc. At the same time, due to the liquidity needs, the products can carry out the financing business such as deposit pledge and bond repurchase. The assets or asset investment portfolio are strictly approved and selected by ICBC Financial Management Co., Ltd., and meet the investment standards when investing. Unless further specified, the credit rating of all kinds of bonds to be invested is above AA (inclusive) and the credit rating of short-term financing bonds is above A-1 (inclusive).

(7) Repay capital and interest: on redemption date or within two business days after early termination

date

(8) Source of Capital: self-owned cash

(9) Connected relationship: the Company and its subsidiaries have no connected relationship with ICBC.

III. Impact on the Company of Financial Products

The Company invested in different short-term financial products, under the conditions that the normal operating requirements on cash by the Company and its subsidiaries will not be affected at all.

Above financial products newly-purchased are financial products with low risk and high liquidity, aiming at increasing the yield of excessive cash of the Company.

IV. Internal Risk Control Procedures

(1) The Finance Department would be responsible to prepare the investment proposal including type, term and amount of financial product to be invested. All investments shall be approved jointly by Supor's CFO and CEO.

(2) The Finance Department needs to prepare monthly 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 a possibility to affect the safety of investment capital or to 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 periodically.

V. Information of Previous Financial Products Purchased

No.	Company	Financial product	Subscription date	Subscription amount (unit: 10K yuan)	Value date	Due date	Estimated annual yield	Actual annual yield
1	Shanghai SEB Electrical Appliances Co., Ltd.	Credit Agricole CIB CNY Range Accrual Structured Deposit	2019/9/16	3,000	2019/9/16	2020/3/16	3.75%	3.75%
2	Zhejiang Supor Co., Ltd.	Credit Agricole CIB CNY	2019/9/24	7,000	2019/9/24	2019/10/24	3.85%	3.85%

		Range Accrual Structured Deposit						
3	Zhejiang Supor Electrical Appliance Manufacturing Co., Ltd.	Bank of China CNY-linked Structured Deposit	2019/10/29	10,000	2019/10/30	2020/1/6	3.82%	3.82%
4	Zhejiang Supor Co., Ltd.	Credit Agricole CIB CNY Range Accrual Structured Deposit	2019/10/29	15,000	2019/10/29	2020/1/6	3.90%	3.90%
5	Zhejiang Supor Co., Ltd.	Credit Agricole CIB CNY Range Accrual Structured Deposit	2019/11/1	15,000	2019/11/1	2020/1/9	3.90%	3.90%
6	Zhejiang Supor Electrical Appliance Manufacturing Co., Ltd.	Bank of China CNY-linked Structured Deposit	2019/12/11	10,000	2019/12/12	2020/1/9	3.75%	3.75%
7	Zhejiang Supor Co., Ltd.	Bank of China CNY-linked Structured Deposit	2019/12/11	20,000	2019/12/12	2020/1/9	3.75%	3.75%
8	Zhejiang Supor Co., Ltd.	Bank of China CNY-linked Structured Deposit	2019/12/16	20,000	2019/12/17	2020/1/17	3.75%	3.75%
9	Zhejiang Shaoxing Supor Domestic Electrical Appliances Co., Ltd.	Bank of China CNY-linked Structured Deposit	2019/12/19	30,000	2019/12/20	2020/2/7	3.75%	3.75%
10	Shanghai SEB Electrical Appliances Co., Ltd.	Credit Agricole CIB CNY Range Accrual Structured Deposit	2020/1/6	3,000	2020/1/6	2020/7/6	3.80%	3.80%
11	Zhejiang Supor Co., Ltd.	Credit Agricole CIB CNY Range Accrual Structured Deposit	2020/1/16	20,000	2020/1/16	2020/6/4	4.00%	4.00%
12	Zhejiang Supor Co., Ltd.	Credit Agricole CIB CNY Range Accrual Structured Deposit	2020/1/17	30,000	2020/1/17	2020/4/9	3.80%	3.80%
13	Zhejiang Supor Co., Ltd.	Bank of Ningbo Institution Structured Deposit 200308	2020/1/13	10,000	2020/1/15	2020/6/4	3.90%	3.90%
14	Zhejiang Supor Co., Ltd.	Bank of Ningbo Institution Structured Deposit 200308	2020/1/15	20,000	2020/1/17	2020/7/17	3.95%	Undue
15	Zhejiang Supor Co., Ltd.	Bank of China CNY-linked Structured Deposit	2020/1/17	20,000	2020/1/20	2020/4/20	3.80%	3.80%
16	Zhejiang Shaoxing Supor Domestic	Bank of China CNY-linked Structured	2020/1/17	20,000	2020/1/20	2020/4/20	3.80%	3.80%

	Electrical Appliances Co., Ltd.	Deposit						
17	Zhejiang Supor Co., Ltd.	Credit Agricole CIB CNY Range Accrual Structured Deposit	2020/2/6	15,000	2020/2/6	2020/3/9	3.80%	3.80%
18	Zhejiang Supor Co., Ltd.	Credit Agricole CIB CNY Range Accrual Structured Deposit	2020/2/24	10,000	2020/2/24	2020/6/4	3.90%	3.90%
19	Zhejiang Shaoxing Supor Domestic Electrical Appliances Co., Ltd.	China Guangfa Bank Xinjiaxin No. 16 CNY Structured Deposit	2020/2/26	20,000	2020/2/26	2020/6/4	4.00%	4.00%
20	Zhejiang Shaoxing Supor Domestic Electrical Appliances Co., Ltd.	China Guangfa Bank Xinjiaxin No. 16 CNY Structured Deposit	2020/3/10	10,000	2020/3/10	2020/7/9	3.95%	3.95%
21	Shanghai SEB Electrical Appliances Co., Ltd.	Credit Agricole CIB CNY Range Accrual Structured Deposit	2020/3/16	3,000	2020/3/16	2020/9/16	3.70%	Undue

Board of Directors of Zhejiang Supor Co., Ltd.

July 14, 2020