

Stock Code: 002032

Short Form: Supor

Announcement No: 2021-059

Announcement of Adjusting the Use of Shares in 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.

On April 22, 2021, the 6th Session of the Seventh Board of Directors of Zhejiang Supor Co., Ltd. adopted the Proposal on Adjusting the Use of Shares in Public Shares Repurchase Plan with 9 votes in favor, 0 against, 0 abstention and 0 withdraw, agreeing the Company to adjust the use of shares in Public Shares Repurchase Plan adopted by the Second Interim General Meeting of Shareholders 2019 to be canceled to reduce registered capital fund instead of original use of implementing equity incentive, amounting to 4,003,115 shares. After above shares canceled, the capital stock of the Company will be changed from 816,846,661 shares to 812,843,546 shares. This Proposal shall be submitted to the General Meeting of Shareholders for review before implementation.

I. Brief of share repurchase plan

The Proposal on Public Shares Repurchase Plan was reviewed and approved by the 14th Session of Sixth Board of Directors and the Second Interim General Meeting of Shareholders 2019, and the Repurchase Report on Public Shares of Zhejiang Supor Co., Ltd. was published on September 25, 2019. The Company plans to reduce part of registered capital fund of the Company and to implement equity incentive by repurchasing and canceling public shares from secondary market by means of collective trading by bidding with self-owned fund. The maximum price for repurchasing shares shall not exceed CNY75.48 per share (adjusted to CNY73.90 per share after Profit Distribution for 2019 Fiscal Year). The top limitation of shares to be repurchased will not exceed 8,211,199 shares and the bottom limitation of shares will not be lower than 4,105,600 shares. The valid duration of public shares repurchase plan shall be within 12 months after the general meeting of shareholders having approved the Resolution on Public Shares Repurchase Plan.

The Proposal on Public Shares Repurchase Plan was reviewed and approved by the 14th Session of Sixth Board of Directors and the Second Interim General Meeting of Shareholders 2019, the aim of this Stock Repurchase Plan is to reduce registered capital fund of the Company and to implement equity incentive. The Proposal on Adjusting Public Shares Repurchase Plan was reviewed and approved by the 2nd Session of Seventh Board of Directors, approving the Company to adjust the maximum price for repurchasing shares, the total fund amount used for repurchasing shares and the implementation period of shares repurchase plan to ensure the smooth implementation of this public shares repurchase plan. The maximum price for repurchasing shares shall not exceed CNY90.97 per share. The top limitation of shares to be repurchased will not exceed 8,211,199 shares and the bottom limitation of shares will not be lower than 4,105,600 shares. The valid date of public shares repurchase plan will be expired on September 22, 2021.

The share repurchase plan was completed on April 7, 2021. Totally 8,214,314 shares have been repurchased. The actual number of shares repurchased by the Company exceeds the top limitation of shares in the Public Repurchase Plan, amounting to 3,115 shares, due to automatic aggregation by the centralized bidding trading system. On April 22, 2021, the 6th Session of the Seventh Board of Directors adopted the Proposal on Adjusting the Use of Shares for Exceeded Part in Public Shares Repurchase Plan, agreeing the Company to add the exceeded part of shares into the shares amount for implementing equity incentive, that is the shares used for implementing equity incentive are increased from 4,000,000 shares to 4,003,115 shares. Other 4,211,199 shares used for cancelation and reduction of registered capital were canceled on April 30, 2021.

II. Adjustment of shares repurchase plan

In order to enhance the confidence of investors, the above repurchased shares will be canceled to reduce registered capital fund instead of original use of implementing equity incentive considering carefully current stock performance. Totally 4,003,115 shares will be canceled. After above shares canceled, the capital stock of the Company will be changed from 816,846,661 shares to 812,843,546 shares.

III. Equity Change as Estimated

Based on above adjustment, 4,003,115 shares are used to reduce total capital stock, the equity change is stated as below:

Category of Shares	Prior to this Cancellation		After this Cancellation	
	Total shares (share)	(%)	Total shares (share)	(%)
Circulation stock with sales restrictions	208,687,354	25.55%	208,687,354	25.67%
Circulation stocks without sales restrictions	608,159,307	74.45%	604,156,192	74.33%
Total capital stock	816,846,661	100%	812,843,546	100%

IV. Impact of adjustment of shares repurchase plan

The adjustment regarding the use of repurchased shares is a decision made by the Company in the light of the current own financial conditions and business performance, the proposed cancellation of repurchased shares is conducive to further enhancing the level of earnings per share and effectively improving the return on investment for all shareholders, and will not have a significant impact on the Company's financial position and operating results, and will not be detrimental to the interests of the Company and the rights of minority shareholders.

V. Opinions of independent directors

After verification of the adjustment and cancellation issue repurchased shares in public shares repurchase plan issue in 2019, independent directors have given following independent opinions:

(I) This adjustment and cancellation of repurchased shares 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.

(II) The adjustment and cancellation of repurchased shares is cautiously decided after taking stock market and its own stock price performance into consideration.

(III) The approval and decision-making procedures of the adjustment and cancellation of repurchased shares is legal and will not harm the interests of the Company and all shareholders, especially the interests of minority shareholders. It will not have significant impacts on financial conditions, future development,

and the listing status of the Company.

VI. Opinions of Board of Supervisors

The Board of Supervisors has verified the adjustment and cancelation issue and concluded that: the adjustment of use of repurchased shares is in accordance with the Company Law, the Securities Law, the 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. The implementation of this plan will not harm the interests of the Company and all shareholders, especially the interests of minority shareholders.

Board of Directors of Zhejiang Supor Co., Ltd.

August 27, 2021