

Stock code: 002032

Short form: Supor

Announcement No.:2022-067

Announcement of Completion of Registration for Grant of Restricted Stock of 2022

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 granted 1,253,500 shares of Restricted Stock, amounting to 0.16% of the total capital stock of the Company before the grant of the Restricted Stock;
2. The number of Incentive Objects granted is 288;
3. The listing date for Restricted Stock granted is November 10, 2022;
4. The Grant Price of the Restricted Stock is 1 yuan per share;
5. The source of the Restricted Stock is the Company's stock repurchased from secondary market.

Zhejiang Supor Co., Ltd. (hereinafter referred to as "Company", "the Company" or "Supor") has completed the registration work for the grant of Restricted Stock involved in the Restricted Stock Incentive Plan 2022 (Draft) on November 10, 2022 according to the *Proposal on Grant of Restricted Stock to Incentive Objects* reviewed and adopted at the 15th Session of the Seventh Board of Directors on October 12, 2022 and regulations issued by Shenzhen Stock Exchange and Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, with the detailed contents disclosed as follows:

I. The Approval Procedures of the Restricted Stock Incentive Plan already Completed

1. On August 30, 2022, the 14th Session of the Seventh Board of Directors and the 13th Session of the Seventh Board of Supervisors reviewed and adopted the *Proposal on 2022 Restricted Stock Incentive Plan (Draft) and its Abstract*. Independent Directors have addressed independent opinions on the Incentive Plan. The Board of Supervisors have conducted preliminary verifications on the List of Incentive Objects.

2. On September 16, 2022, the Company disclosed *Verification Opinions on List of Incentive Objects for 2022 Restricted Stock Incentive Plan*. The Board of Supervisors has verified the Incentive Objects of 2022 Restricted Stock Incentive Plan and concluded that the subjective qualifications of the Incentive Objects involved in this plan are legal and valid.
3. On September 21, 2022, the First Interim General Meeting of Shareholders 2022 reviewed and adopted the *Proposal on 2022 Restricted Stock Incentive Plan (Draft) and its Abstract, Proposal on Assessment Measures for the Implementation of the 2022 Restricted Stock Incentive Plan and Proposal on Requesting the General Meeting of Shareholders to Authorize the Board of Directors to Deal with Issues Related to the Company's Restricted Stock Incentive Plan*.
4. On September 22, 2022, the Company disclosed *Self-verification on Buying or Selling the Company's Shares by Insiders and Incentive Objects of 2022 Restricted Stock Incentive Plan*. The Company's insiders did not trade the Company's shares or involved in insider trading during the process of planning. In addition, the Company's insiders and Incentive Objects did not trade the Company's shares or involved in insider trading within six months before the publication of the Incentive Plan.
5. On October 12 2022, the 15th Session of the Seventh Board of Directors and the 14th Session of the Seventh Board of Supervisors reviewed and adopted the *Proposal on Grant of Restricted Stock to Incentive Objects*. Independent Directors have addressed independent opinions on the above Proposal.

II. The Granting Arrangement of Restricted Stock Incentive Plan

1. The Grant Date on which the Restricted Stock shall be granted is October 12, 2022.
2. The Grant Price of the Restricted Stock is 1 yuan per share.
3. The source of the Restricted Stock is Company's stock repurchased from secondary market.
4. The Incentive Objects and amount of Restricted Stock

This Incentive Plan includes the granting of 1,332,500 shares of Restricted Stock to totally 290 Incentive Objects, and the Company plans to grant 1,253,500 shares of Restricted Stock to 288 Incentive Objects on Oct. 12, 2022. The Restricted Stock will be distributed among the Incentive Objects according to the following table:

Name	Position	Granted Restricted Stock (shares)	Portion in Granted Restricted Stock	Restricted Stock Granted on Oct.12, 2022 (shares)	Portion in Current Total Capital Stock
Cheung Kwok Wah	Chief Executive Officer	82,000	6.15%	82,000	0.010%
Xu Bo	Chief Financial Officer	58,000	4.35%	Postponed	0.007%
Ye Jide	Vice General Manager & Board Secretary	21,000	1.58%	Postponed	0.003%
Other Incentive Objects		1,171,500	87.92%	1,171,500	0.145%
Total		1,332,500	100%	1,253,500	0.165%

5. The consistency of Incentive Objects and amount of Restricted Stock between actually granted and previously disclosed

Incentive Objects Mr. Xu Bo and Mr. Ye Jide, as Top Management, have reduced their shares of the Company within six months prior to the Grant Date. In accordance with *the Securities Law* and *the Measures for the Administration of the Equity Incentives of Listed Companies*, the Board of Directors agreed to postpone the granting of 79,000 shares of Restricted Stock for above two Incentive Objects. The Company will follow the regulations regarding short-swing trading stated in *the Securities Law* to postpone the granting of Restricted Stock for six months from the date of the last share reduction transaction, specific Grant Date will be decided by another session of Board of Directors accordingly.

Except for the aforesaid circumstances, the Incentive Plan under implementation is in line with the plan that approved by the First Interim General Meeting of Shareholders 2022.

6. The locking period of incentive plan and unlocking arrangement

The Restricted Stock granted by this Incentive Plan is restricted to 24 months and 36 months from the date of completion of the registration. During this period, the Company deals with unlocking matters for the Incentive Objects that satisfy the unlocking conditions.

Restricted Stock shall be lifted separately in two phases 24 months after the completion of grant registration. The time schedule for lifting the restrictions in each phase is shown in the table below:

Arrangement for lifting the restriction	Time for lifting the restriction	Proportion of lifting the restriction
First releasing	From the first transaction date within 24 months after the	50%

Arrangement for lifting the restriction	Time for lifting the restriction	Proportion of lifting the restriction
period	completion of registration of the restricted stock to the last transaction date within 36 months after the completion of the registration of the restricted stock	
Second releasing period	From the first transaction date within 36 months after the completion of registration of the restricted stock to the last transaction date within 48 months after the completion of the registration of the restricted stock	50%

7. The unlocking appraisal indicators of incentive plan

(1) Requirements for company performance assessment

Under this Restricted Stock Incentive Plan, the performance of the Company will be assessed in two fiscal years from 2022 to 2023 annually, so as to achieve the objective of performance assessment as one of the preconditions for the incentive object to lift the restriction in the phase wholly or partially.

The annual objectives of performance assessment are shown in the table below:

Releasing period	Year of assessment	Conditions of company-level performance assessment
First releasing period	2022	Net profit attributable to shareholders of the parent company in 2022 shall not be less than 105% of that in 2021.
Second releasing period	2023	Net profit attributable to shareholders of the parent company in 2023 shall not be less than 105% of that in 2022.

Notes: The above indicators are subject to the data of the Company's consolidated statements contained in the annual audit report. The impact on profit or loss from merger, restructuring and disposal of significant assets in the period shall be excluded.

If any of the above conditions of company-level performance assessment are not met, the Company will cancel the restricted stock repurchase of the incentive goal that can be released from the restricted sale during the year in accordance with the provisions of the Plan.

(2) Requirements for business unit performance assessment

Under this Incentive Plan, the Company is required to assess the performance of the business unit where the incentive object serves. It is one of the preconditions that the incentive object can lift the restriction in the phase wholly or partially if the relevant performance of the foregoing business unit reaches the basic goals or above; and if the relevant performance of the business unit fails to reach the basic goal, the Company will cancel the restricted stock repurchase that can be cancelled for the

incentive goal in the current period in accordance with the provisions of the Plan.

(3) Requirements for individual performance assessment

Under this Incentive Plan, the Company is required to conduct individual performance assessment on the incentive object by year. The assessment result of the incentive object in the year should be qualified or above, which is one of the preconditions to lift the restriction in the phase wholly or partially; and if the individual performance assessment of the incentive object in the assessment year fails to achieve qualified, the Company will cancel the restricted stock repurchase of the incentive goal that can be cancelled in the current period in accordance with the provisions of the Plan.

In case that the three preconditions of (1) achieving company performance; (2) achieving basic goals and above in relevant performance of the business unit; and (3) achieving qualified and above in individual performance assessment for the incentive object in the assessment year are met at the same time, the incentive object can determine the specific proportion of restricted stock that can be lifted in the current period in accordance with the achievement of the performance of the business unit; and if any of the above preconditions are not met, the Company will repurchase and cancel the restricted stock that can be released from the restricted sale during the current period in accordance with the provisions of the Plan.

III. The Capital Verification of Subscribed Fund of Restricted Stock Incentive Plan

According to the Capital Verification Report No.570(2022) issued on October 25, 2022, by Zhejiang Pan-China Certified Public Accountants (special general partnership), they have verified the subscribed fund paid by totally 288 Incentive Objects and concluded that the Company received all the fund of RMB 1,253,500.00 yuan as of October 21, 2022. The difference between actual cost of stock repurchased, amounting to RMB 65,668,429.65 yuan and subscribed fund paid by Incentive Objects, amounting to RMB 1,253,500.00 yuan will be recorded into capital reserve (share premium), amounting to RMB 64,414,929.65 yuan.

IV. Listing Date of Restricted Stock

The Grant Date for Restricted Stock granted is October 12, 2022. The listing date for Restricted Stock granted is November 10, 2022.

V. The Selling and Buying shares by Directors, Supervisors and Top Management Six Months before Listing Date

The Incentive Objects Mr. Xu Bo and Mr. Ye Jide, as Top Management, reduced their shares of the Company through concentrated bidding on July 28, 2022. The share reduction by above Incentive Objects did not occur during the time period when the insider information was known and was in strict accordance with the *Announcement of Reduction Scheme on Shares held by Part of Top Management* (Announcement No.: 2022-039) dated July 5, 2022. The reduction details were published in the *Announcement of Completion of Reduction Scheme on Shares held by Part of Top Management* (Announcement No.: 2022-043) dated August 1, 2022. The share reduction behaviors of these Incentive Objects were solely based on their independent judgments on the secondary market, and they did not use insider information related to the incentive plan to reduce the Company's shares.

Except for the aforesaid circumstances, no directors and top management involved in this plan have bought or sold the Company's shares within six months prior to the Grant Date.

VI. Change of Capital Structure

Category of Shares	Before change		Increase/decrease	After change	
	Total shares (share)	Share proportion (%)		Total shares (share)	Share proportion (%)
Circulation stock with sales restrictions	1,856,573	0.23%	1,253,500	3,110,073	0.38%
Circulation stocks without sales restrictions	806,797,903	99.77%	-1,253,500	805,544,403	99.62%
Total capital stocks	808,654,476	100%	0	808,654,476	100%

The total capital stock will not be changed due to this stock repurchase plan. After completion of the grant of Restricted Stock, the distribution of stock rights of the Company still fulfills the listing requirements. The holding shares of the actual controller SEB S.A. and the controlling status remain unchanged.

VII. The Repurchased Shares used to Implement Incentive Plan

The Company disclosed the *Announcement on Completion of Public Shares Repurchase Plan* (Announcement No. 2022-057) on October 12, 2022. As of September 30, 2022, the Company has repurchased totally 3,325,069 shares using the Company's Special Stock Repurchase Account through concentrated bidding, amounting to 0.41% of the total capital stock using cash of CNY 162.94 million (transaction fees excluded), in specific, the highest price is CNY54.00 per share, the lowest price is

CNY44.55 yuan per share and average repurchase price is 49.003 yuan per share.

The Company disclosed the *Announcement of Progress of Public Shares Repurchase Plan* (Announcement No.: 2022-044) on August 3, 2022. As of July 31, 2022, the Company has repurchased 3,055,069 shares using the Company's Special Stock Repurchase Account through concentrated bidding, in which has satisfied the number of shares required to implement the incentive plan as stated in the Public Shares Repurchase Plan. All stocks of 1,253,500 shares used to implement incentive plan this time are from secondary market. The average repurchase price is 52.38 yuan per share, and the grant price is 1 yuan per share. The grant price is different from the average repurchase price. According to *Article No.22 of Accounting Standards for Business Enterprises No.37-Presentation of Financial Instruments*: If a financial instrument or its components are equity instruments, the issuer shall treat them as changes in equity when they are issued (including refinancing), repurchased, sold or cancelled. Besides, in accordance with regulations of repurchased shares used for employee option incentives in *Accounting Standards for Business Enterprises No. 11- share-based payment Payments*, it is stipulated that an enterprise shall, upon receipt of subscribed fund paid by employee when they exercise their right to purchase the Company's stock, reverse the cost of treasury shares delivered to the employee and the accumulated amount of capital surplus (other capital surplus) during the waiting period, and at the same time, adjust the capital surplus according to the difference (share capital premium).

Board of Directors of Zhejiang Supor Co., Ltd.

November 11, 2022