

Stock Code: 002032

Short Form: Supor

Announcement No.: 2023-019

# Zhejiang Supor Co., Ltd.

## Abstract of Annual Report 2022

### I. Important Notes

This is the abstract of Annual Report. For detailed information, please refer to the full text of Annual Report as posted on the media designated by China Securities Regulatory Commission.

All directors have attended the Board Meeting in person, in which the current annual report was reviewed and approved.

Non-standard audit opinions

Applicable  Not Applicable

Profit Distribution Preplan of the Company's Common Shares

Applicable  Not Applicable

Convert capital reserves to capital

Yes  No

The profit distribution preplan adopted at this Board Meeting specifies that: based on 805,116,907 shares, the Company distributes cash dividend of RMB30.30 per 10 shares (tax-inclusive) to all shareholders, issues 0 bonus share (tax-inclusive) and will not convert capital reserves to capital.

During the period from the disclosure of this profit distribution preplan to the actual implementation date, if the Company's capital stock changes due to conversion of convertible bonds into stocks, share repurchases, equity incentive exercise, and refinancing and new share listing, it will be executed based on the changed capital stock, and the above distribution ratio remains unchanged.

Profit Distribution Preplan of the Company's Preferred Stock

Applicable  Not Applicable

### II. The Company's Basic Information

#### 1. Profile

Short Form of the Stock:	Supor	Stock Code	002032
Stock Exchange for Stock Listing	Shenzhen Stock Exchange		
	Board Secretary	Representative of Securities Affairs	
Name	Ye Jide	Fang Lin	
Address	23F of Supor Building, No.1772 Jianghui Road, New & High Tech Development Zone, Hangzhou China	23F of Supor Building, No.1772 Jianghui Road, New & High Tech Development Zone, Hangzhou China	
Tel.:	0571-86858778	0571-86858778	
Fax:	0571-86858678	0571-86858678	
Email	yjd@supor.com	flin@supor.com	

#### 2. The Company's Main Businesses during Report

As China's famous cookware R&D and manufacturing company, Zhejiang Supor Co., Ltd (hereinafter referred to as "the

Company") is a China's leading manufacturer of small domestic appliances and also the first listed company in China's cookware industry. Established in 1994, the headquarters of the Company locates in Hangzhou owning 6 R&D and manufacture bases located in Yuhuan City, Hangzhou City, Shaoxing City (Yuecheng District and Keqiao District) in Zhejiang Province, Wuhan City, Hubei Province and Ho Chi Minh City, Vietnam.

Supor's main businesses include open fire cookware and kitchen utensil, small domestic appliances, large kitchen appliances and H&PC appliances:

- (1) Open fire cookware and kitchen utensils mainly include wok, pressure cooker, frying pan, sauce pan, steamer, ceramic slow cooker, kettle, knife, spatula, thermal pot, thermos & flask, kitchen gadgets, crisper, etc.;
- (2) The small domestic appliances mainly include electric rice cooker, electric pressure cooker, induction hob, soymilk maker, electric kettle, juicer, slow cooker, electric steamer, electric hotpot, food processor, baked machine, air fryer, etc.;
- (3) The large kitchen appliances mainly include range hood, gas stove, disinfection cabinet, water purifier, embedded steaming oven, water heater, integrated stove, etc.;
- (4) The H&PC appliances mainly include air purifier, garment steamers, vacuum cleaner, floor washer and electric iron.

The Company's cookware and electrical products have been exported to more than 50 countries and regions such as Japan, European and American countries mainly through SEB Group.

### 3. Major Accounting Data and Financial Indicators

#### (1) Major Accounting Data and Financial Indicators in latest three years

Has the Company retroactively adjusted or restated the accounting data of previous years?

Yes No

Unit: RMB

	End of 2022	End of 2021	Increase/decrease	End of 2020
Total assets (RMB)	12,952,655,903.47	13,899,456,422.16	-6.81%	12,292,270,384.71
Net asset attributable to shareholders of listed company (RMB)	7,036,084,863.54	7,622,639,752.86	-7.69%	7,200,939,908.92
	2022	2021	Increase/decrease	2020
Operating income (RMB)	20,170,527,516.66	21,585,331,407.47	-6.55%	18,596,944,289.02
Net profit attributable to shareholders of listed company (RMB)	2,067,659,526.97	1,943,943,608.94	6.36%	1,846,221,538.10
Net profit attributable to shareholders of listed company with non-recurring profit or loss deducted (RMB)	1,888,197,965.28	1,858,036,556.80	1.62%	1,595,178,564.27
Net cash flows from operating activities (RMB)	3,159,955,245.84	2,049,881,568.69	54.15%	2,076,592,774.00
Basic earnings per share (RMB/share)	2.565	2.400	6.88%	2.264
Diluted earnings per share (RMB/share)	2.564	2.395	7.06%	2.261
Weighted average return on net assets	27.89%	26.81%	Increased by 1.08 percentage points	26.97%

#### (2) Quarter-based Major Financial Indicators

Unit: RMB

	Q1	Q2	Q3	Q4
Total sales	5,611,558,380.61	4,712,421,364.21	4,656,794,210.81	5,189,753,561.03

Net profit attributable to shareholders of listed company	538,175,628.78	394,673,535.25	376,051,074.83	758,759,288.11
Net profit attributable to shareholders of listed company deducted by non-recurring profit or loss	527,260,626.62	381,853,666.28	363,133,619.23	615,950,053.15
Net cash flows from operating activities	364,623,903.59	944,220,962.74	716,190,474.81	1,134,919,904.70

Any difference between financial indicators or the total and relevant financial indicators disclosed in quarter-based report or semiannual report?

Applicable  Not Applicable

#### 4. Share Capital and Shareholders

##### (1) Number of shareholders of the Company and share-holding conditions

Total number of common shareholders by end of reporting period	14,971	Number of common shareholders at the end of last month before the disclosure date of the annual report	12,838	Total number of preferred stockholders with restored voting right (if any).	0	Total number of preferred stockholders with restored voting right at the end of last month before the disclosure date of the annual report (if any)	0
Information on top 10 shareholders							
Shareholder's name	Nature of shareholder	Proportion of share-holding	Number of shares held at period-end	Number of restricted outstanding shares	Number of shares pledged or frozen		
					State of shares	Quantity	
SEB INTERNATIONALE S.A.S	Foreign legal entity	82.44%	666,681,904	0			
Hong Kong Securities Clearing Company Ltd.	Foreign legal entity	9.09%	73,481,463	0			
Ningbo Bank-Zhongtai Xingyuan Value-selected Flexible Complex Securities Investment Funds	Others	1.19%	9,601,559	0			
Fidelity Mutual Fund & Investment Management - Clients' Capital	Foreign legal entity	0.42%	3,357,132	0			
China Merchants Bank-Zhongtai Yuheng Value-selected Flexible Complex Securities Investment Funds	Others	0.37%	2,970,113	0			
Industrial Bank-Xingquan Trend Investment Complex Securities Investment Funds	Others	0.27%	2,199,856	0			
BNP Paribas-Own Funds	Foreign legal entity	0.27%	2,149,370	0			
Industrial Bank-Zhongtai Xingwei Value-selected Complex Securities Investment Funds	Others	0.24%	1,903,427	0			
BARCLAYS BANK PLC	Foreign	0.17%	1,371,200	0			

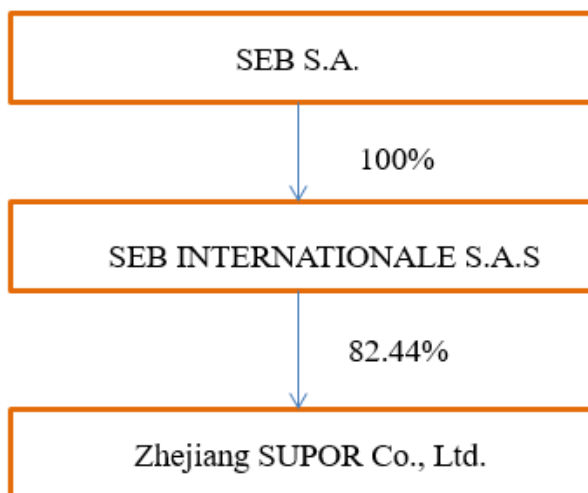
	legal entity					
Yongan Guofu Asset Management-Yongan Guofu-Yongfu No. 19 Complex Investment Private Funds	Others	0.11%	874,295	0		
Related relationship or concerted parties among the above shareholders	Ningbo Bank-Zhongtai Xingyuan Value-selected Flexible Complex Securities Investment Funds, China Merchants Bank-Zhongtai Yuheng Value-selected Flexible Complex Securities Investment Funds and Industrial Bank-Zhongtai Xingwei Value-selected Complex Securities Investment Funds belong to Zhongtai Fund. It is unknown whether other shareholders are associated with each other, and whether they are persons acting in concert as stipulated in the <i>Measures for the Administration of the Acquisition of Listed Companies</i> .					
Information on top 10 common shareholders involved in securities margin trading business (if any)	None					

## (2) Number of shareholders of the Company and share-holding conditions of Preferred Stock

Applicable  Not Applicable

No preferred stock existed in the reporting period.

## (3) Property right and controlling relationship diagram between the Company and the actual controller



## 5. The Company's Bonds

None

## III. Important notes

### (I) Domestic sales in the reporting period

#### 1. Product strategy

During the reporting period, Supor continued the "consumer-centric" strategy guiding its innovation and development of new products, and deeply explored the needs of segmented users under different scenarios by means of internet data, so as to constant provide smart and ingenious product solutions that meet diversified consumer needs and offer intimate, comprehensive consumer experiences.

In the business of open fire cookware, Supor has continuously explored the consumer demand on the use of cookware and kept accelerating the expansion of products with core competitiveness. In 2022, titanium uncoated non-stick woks were deeply favored by consumers. On the premise that there is no non-stick coating on the surface of the wok, good non-stick performance was achieved with professional technology, creating a new healthy cooking experience without coating and sticking. In terms of frying pan category, Supor further optimized "patented oil-gathering bottom" technology. The sales volume of TSP Oil-concentrating bottom

frypan exceeded RMB 100 million in 2022. According to the market share data of cookware for the 30 major cities in China as monitored by GFK, the total offline market shares of the eight major product categories of Supor open fire cookware (wok, pressure cooker, frying pan, stockpot, milk pot, steamer, cookware set, and ceramic slow cooker) reached 48.8% in 2022, continuing to consolidate the leading advantages as the top brand in the industry. According to the network-wide data of AVC, the total market shares of the eleven major product categories of Supor open fire cookware (wok, pressure cooker, frying pan, milk pot, stockpot, kettle, casserole, hot pot, steamer, cookware set and enamel pot) on main e-commerce platforms reached 23.1% in 2022, which is four times to that of the second brand.

In terms of drinkware, Supor focuses on the coffee cup series products based on the preference of young consumers through insight into the market demand trend of cups and pots. The dual-drinking thermal coffee cup, which was launched by the Company in 2022, is characterized by stylish design, differentiated healthy materials and excellent cup body design. Once launched, it was sold very well, ranking first in the category of thermal coffee cups for several consecutive months.

In the category of kitchen utensils, products are researched and developed by continuously exploring the backwards complained by consumers and usage scenarios of products. The Company launched a series of innovative products in 2022, such as antibacterial knives and antibacterial double-sided cutting boards, to meet the functional needs of consumers for disinfection and sterilization, etc. in daily life.

In the business of small domestic appliances, Supor adheres to the differentiated product innovation strategy at all times, and continuously rolls out innovative and intelligent products which provide creative functions for healthy and nutritious cooking. In the category of electric rice cookers, Supor launched a small-capacity far-infrared IH rice cookers special for small-size families, further consolidating the advantages of far-infrared products. Supor upgraded the detachable and washable technology of air fryers and the differentiated design of detachable and washable glass lids to facilitate cleaning and avoid oil pollution. Supor introduced the first stirring health pot in the industry, which can make ingredients well cooked through stirring to better meet the healthy needs of consumers. In addition, Supor closely follows the development of science and technology, and launches a brand-new form of "AIoT Fast Electric Cookers", combining science and technology with cooking, and with "NFC Touch", human-computer interaction can be achieved quickly. The sales of "Little C" is still well, which won the first place in the category of "Double Eleven JD.COM POP Cooking Robot". According to the traditional channel monitoring data of AVC, the online total market share of the thirteen major product categories of Supor's small domestic appliances (electric rice cooker, induction hob, electric pressure cooker, soymilk maker, high-speed blender, blender, juicer, electric kettle, baked machine, health kettle, electric steamer, desktop single-function oven, and air fryer) reached 21.6% in 2022, a year-on-year increase of 1.1 percentage points and ranking first in the industry; and the total offline market share of the above categories of Supor reached 33.0%, a year-on-year increase of 3.9 percentage points and ranking second in the industry.

Meanwhile, Supor persistently facilitates the product category development of H&PC appliances, and launched new floor washer M1. The "keeping side" cleaning technology was applied and electrolyzed water can be used to clean and sterilize, easily eliminating hidden bacteria, and protecting the health of the family environment. In terms of the garment steamer category, Supor continues to keep the leading position in the industry. According to the monitoring data of AVC, the total online market share of Supor's clothes steamer category has reached 13.7%, ranking second in the industry.

In the business of large kitchen appliances, Supor continues to enhance the brand building. The Company launched a series of differentiated products with high cost performance, such as "7" extractor hood, three-eye gas stove, far-infrared steaming and baking integrated stove, and independent steaming and baking integrated stove. Supor's annual stove line listing remained the No.1 in the industry, and the overall brand line listing accounted for the top five in the industry in 2022.

## **2. Channel strategy**

With the accelerated integration of online and offline markets, Supor remained "consumer-centric" and kept optimizing its layout of channels based on the changes in consumers' purchase path, thereby meeting the needs of various consumers through a multi-channel and multi-mode layout. The Company insisted on winning consumers' trust with high-quality products, and winning distributors' and retailers' support with excellent services.

In 2022, Supor speeded up the channel reform, and the marketing efficiency further improved as a result. During the reporting

period, the Company continued to strengthen the construction of online channels, with the e-commerce business maintaining rapid growth, whose share in Supor's domestic sales continued to increase. The Company enhances the construction of the e-commerce "stock-taking" model, enables the unified warehousing and allocation for both distributor commodities and self-operating commodities, improves the channel capital turnover efficiency, and effectively relieves the financial pressure of the distributors.

During the reporting period, the Company has been continuously implementing the strategy of promoting new products and selling high-value products, in a bid to increase the sales proportion of high added-value and high margin products through the innovation of differentiated products and marketing measures, and has been continuously improving the online profitability. During the grand promotion events of "618" and "Double Eleven" in 2022, many of Supor's products ranked first in the sales of the corresponding categories, along with the significant increase in the profitability of varied product categories.

On emerging social e-commerce platforms such as TikTok and Kuaishou, Supor positively explores growth points of new channels, acts to embrace the distribution rules variation of platform flows, and establishes favorable strategic cooperation with the platforms and top live-streamers. In 2022, Supor took the first-mover advantage on the major social platforms of TikTok and Kuaishou, etc., with market shares of major product categories ranking first.

In terms of offline channels, due to the influence of industry decline, the traditional channels of primary and secondary markets are facing great challenges in the business operating environment. Supor and distributors are working together to actively cope with the adverse situation so as to enhance the refinement operation of the terminals and facilitate the improvement in store sales effectiveness, thus the overall market position remains solid. Meanwhile, Supor also has kept implementing its development strategy for third and fourth markets, and speeded up the comprehensive cooperation with e-commerce platforms such as JD, Tmall and Suning in O2O channels in lower-tier market, where its advantages in the differentiation of mid- to high-end products and stable agents can be leveraged for new growth points in markets in lower-tier cities.

### **3. Brand building**

In 2022, the Company upgraded its brand and updated its brand core value. On the basis of maintaining high-quality products and technological innovation, the industrial design is regarded as one of the brand core values for the first time to better adapt to the ever-changing consumption trends. The industrial design team has been gradually strengthened, and Supor's industrial design language has been established around various categories, aiming at comprehensively creating more competitive products in terms of "appearance". In marketing, the Company accelerated the transition to digital marketing. Through the mode of cooperation with celebrities plus IP marketing, we invited sport stars such as Su Bingtian and Zhang Jike to participate in Tmall Happy Day, JD "618" and other activities, in order to keep enhancing the brand awareness among young people. As we expanded investment in TikTok, GMV in live streaming increased at a high speed, and multi-category sales took the lead in the industry. At the same time, the brand awareness on TikTok continued to grow, achieving the "balance between brand awareness and sales result" in marketing. The exploration of the new mode of "content marketing plus attracting traffic through advertising" achieved initial results. New products were launched successfully, such as the titanium uncoated non-stick wok, multifunctional and quick electric skillet, and the dual-drinking thermal coffee cup, which soon became hot selling products, and the close-loop marketing was achieved more efficiently.

#### **(II) Export sales in the reporting period**

In 2022, the overall oversea trade dropped after the peak in 2021. On the one hand, our main customer, SEB Groupe, was reducing their higher than usual inventories during the year, and as such was limiting its orders to Supor. On the other hand, the foreign customer demand further dropped because of high prices of bulk materials such as aluminum, stainless steel and copper and continuous appreciation of the exchange rate of RMB against USD. In 2022, the overall revenue of foreign trade business decreased by 29.09% year-on-year.

Zhejiang Supor Co., Ltd.

Board Chairman: Thierry de LA TOUR D'ARTAISE

March 31, 2023