

Stock code: 002032

Short form: Supor

Announcement No.:2023-020

## **Announcement of Profit Distribution Plan for 2022 Fiscal Year**

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 March 29, 2023, the Proposal on Profit Distribution Plan 2022 was reviewed and adopted at the 19<sup>th</sup> Session of the Seventh Board of Directors and the 18<sup>th</sup> Session of the Seventh Board of Supervisors of Zhejiang Supor Co., Ltd. (hereinafter referred to as “the Company”, “this Company” or “Supor”). The above proposal shall be submitted to the Annual General Meeting of Shareholders for 2022 Fiscal Year for approval, and the details are as follows:

### **I. Brief of the Profit Distribution Plan**

In accordance with the standard unqualified audit report provided by KPMG Certified Public Accountants (Special General Partnership), the parent company of Zhejiang Supor Co., Ltd. realized the net profits of CNY1,807,644,330.09 in 2022 (including the cash dividends paid by subsidiaries, amounting to CNY1,556,434,538.52), and could distribute profits of CNY4,331,212,701.66 to shareholders at the end of the year based on relevant provisions of Company Law and the Articles of Association, after allocating CNY0 as legal surplus reserve (note: the accumulated amount of legal surplus reserve reached 50% of total capital stock), plus the undistributed profit of CNY5,141,307,982.39 at the beginning of this reporting period, deducting the annual cash dividends for 2021 fiscal year of CNY1,559,494,958.68 distributed on May 26, 2022, the cash dividends for third quarter of 2022 of CNY1,008,228,633.75 distributed on December 6, 2022, and decreased distributable profit due to the grant of Restricted Stocks on January 27, 2022 and November 10, 2022 with respect to 2021 and 2022 Restricted Stock Incentive Plan.

Based on the 805,116,907 shares at the end of 2022 (total capital stock of 808,654,476 shares at the end of 2022 deducted by 3,537,569 shares of repurchased shares in the Company’s special stock repurchase account), the Company will distribute all shareholders cash dividends of CNY30.30 per 10 shares (tax included), and total amount of cash dividends is CNY2,439,504,228.21. The Company will issue 0 bonus shares (tax included) and

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.

Proposer of this profit distribution preplan: The Board of Directors of the Company.

Reasons for determining this profit distribution preplan: The Company enjoyed a sound business and financial situation in recent years, and this dividend plan takes into account both of sustainable development of the Company and reasonable return to investors, which is conducive to the majority of investors sharing the operating results of the Company's development. Also, the Company has no plan of using raised funds to supplement working capitals. The dividend plan will not cause a shortage of liquidity or other adverse effects on the Company, and is in compliance with the Company Law, Regulatory Guidelines for Listed Companies No.3-Cash Dividend of Listed Companies, the Articles of Association of the Company, and other regulations.

## **II. Relevant Approval Procedures**

1. On March 29, 2023, the 19<sup>th</sup> Session of the Seventh Board of Directors reviewed and adopted the Proposal on Profit Distribution Plan 2022, and the Board of Directors agrees to submit the above proposal to the Annual General Meeting of Shareholders for 2022 Fiscal Year for approval. Independent Directors have addressed independent opinions on the above proposal.
2. On March 29, 2023, the 18<sup>th</sup> Session of the Seventh Board of Supervisors reviewed and adopted the Proposal on Profit Distribution Plan 2022, and the Board of Supervisors concludes that the Profit Distribution Preplan is law and rule compliant, and conforms to the commitment made by the Company in the profit distribution policy specified in *the Articles of Association*, and agrees to submit the above proposal to the Annual General Meeting of Shareholders for 2022 Fiscal Year for approval.

## **III. Relevant Risk Reminder**

Before implementation, the Profit Distribution Plan for 2022 shall be submitted to the Annual General Meeting of Shareholders for 2022 Fiscal Year for approval, please take caution to relevant investment risks.

## **IV. Reference Documents**

1. Resolutions of the 19<sup>th</sup> Session of the Seventh Board of Directors;
2. Resolutions of the 18<sup>th</sup> Session of the Seventh Board of Supervisors;
3. Independent Opinions of Independent Directors on Related Issues;
4. 2022 Annual Audit Report (KPMG Huazhen Shenzi No. 2303560).

Board of Directors of Zhejiang Supor Co., Ltd.

March 31, 2023