

Stock code: 002032

Short form: Supor

Announcement No.:2023-022

Announcement of Short-term Investment Using Excessive Cash

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. Investment type: invest in principal protected products, and/or low risk (R1) wealth management products, including but not limited to structure deposit, bonds and other entrusted financial management.
2. Investment limit: the total capital that can be used at any time point of the investment duration does not exceed CNY4 billion. Within the limit above, capital can be used by rolling.
3. Special risk reminder: Since financial market is vulnerable to macro economy, there is possibility that return on investment will be affected by market fluctuation. If the financial institution has the right to terminate financial products within the investment period, the Company is open to the risk of acceleration of maturity of financial products

I. Basic Information of Investment

The 19th Session of the Seventh Board of Directors of Zhejiang Supor Co., Ltd. (hereinafter referred to as the “Company”, “the Company” or “Supor”) reviewed and adopted the Proposal on Short-term Investment Using Excessive Cash, agreeing the Company to continue to purchase wealth management products using the excessive cash not exceed CNY 4 billion to enhance the earnings of working capitals. However, the cash operation demand of the Company and subsidiaries, capital safety and legality shall be the precondition.

(I) Investment purpose

The Company enjoys favorable operation conditions, stable financial status and sufficient working capital. In order to improve capital use efficiency, the Company plans to continue to use the excessive cash to purchase wealth management products from financial institutions on the basis of not affecting the cash operation demand of the Company and subsidiaries and ensuring capital safety and abiding by laws and regulations to enhance the earnings of working capitals.

(II) Investment limit

Short-term financial products could be considered if the total capital that can be used at any time point of the investment duration does not exceed CNY4.00 billion. Within the limit above, capital can be used by rolling.

(III) Investment type

In order to safeguard the Company's cash and control the investment risk, the Company should only invest in principal protected products, and/or low risk (R1) wealth management products, including but not limited to structure deposit, bonds, and other entrusted financial management behaviors recognized by the Stock Exchange within China and of which volatility is less than 1% per year. The products risk classifications refer to regulations issued by CBIRC, CSRC and Associations supervised by them.

The bonds the Company invested should be China treasury bonds or credit rating international A- (S&P or equivalent) or China AA+ standard bonds. The entrusted financial management should be entrusted to bank, trust, securities, fund, future, insurance asset management, financial asset investment companies and other financial institutions recognized by China Banking and Insurance Regulatory Commission (CBIRC), China Securities Regulatory Commission (CSRC).

The wealth management products to be purchased by the Company is consist of the categories of investment regulated in the *Shenzhen Stock Exchange Regulatory Guidelines for Listed Companies No. 7 – Transaction and Connected Transaction*.

The Company should only conduct entrusted financial management business with financial institutions and their subsidiaries, meeting the minimum credit rating, which is referred by the international rating A- (S&P or equivalent) or China domestic rating AA+. Besides, the investment of the Company on any one of the financial institutions should not exceed 20% of total investment amount authorized.

(IV) Investment period

The investment period should not exceed 12 months with principal collection, and the product should be with high liquidity and allow us to terminate early, with maximum one week lead time.

This investment period is valid for 1 year from the date of approval by the Annual General Meeting of Shareholders for 2022 Fiscal Year.

(V) Cash sources

The capital used by the Company for investing financial products is the excessive cash of the Company.

II. Approval Procedures

The 19th Session of the Seventh Board of Directors was held on March 29, 2023, which adopted the *Proposal on Short-term Investment Using Excessive Cash* with 9 votes in favor, 0 against, 0 abstention and 0 withdraw. This proposal should be submitted to the Annual General Meeting of Shareholders for 2022 Fiscal Year for approval.

III. Investment risks and risk control measures

1. Investment risk

1) Since financial market is vulnerable to macro economy, there is possibility that return on investment will be affected by market fluctuation.

2) If the financial institution has the right to terminate financial products within the investment period, the Company is open to the risk of acceleration of maturity of financial products

2. Internal control procedures

1) The finance department of headquarter would be responsible to prepare the investment proposal, including type, term and amount of financial product to be invested; all investment proposals can only be implemented subject to the financial director's and the general manager's in Supor headquarter approvals.

2) The finance SSC transfer the approved amount per authorization limit at each level and record the accounts.

3) The finance department needs to prepare monthly investment 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 possibility to affect the safety of investment capital or affect the normal capital liquidity demands through evaluation, they should take corresponding preservation or redemption measures to control investment risks.

4) The Company would also follow related regulations issued by Shenzhen Stock Exchange to disclose the detailed investment products and the yield during the reporting period.

IV. Influence on the Company

The Company plans to invest short-term financial products by using excessive cash under the premise of ensuring daily operation and capital safety, which will not affect the turnover of the daily funds and will not affect the daily business operation of the Company. Through moderate management of excessive cash, it is conducive to improve the efficiency of capital and can obtain certain investment return, which is in line

with the interests of all shareholders. It will not have a significant impact on business, financial condition and operating results of the Company.

The Company implements the Accounting Standards for Business Enterprises and recognizes, measures and reports financial assets and financial instruments in accordance with the relevant specific standards.

V. Opinions from independent directors

The Company intends to clarify further the investment category and the term of principle collection based on *Proposal on Short-term Investment Using Excessive Cash* adopted previously, and other contents remain the same. It will help improve the use efficiency of funds and increase return on investment funds. These investments will not affect the daily business operation of the Company, and will not harm the interests of the Company and all shareholders, especially the interests of minority shareholders. We agree to purchase short-term financial products using the amount of own excessive cash.

VI. Information of Financial Products Purchased by the Company within Twelve Months before disclosure date

No.	Company	Financial product	Subscription date	Subscription amount (unit: 10K yuan)	Value date	Due date	Estimated annual yield	Actual annual yield
1.	Zhejiang Shaoxing Supor Housewares Co., Ltd.	Bank of Ningbo Institution Structured Deposit	2022/6/21	5,000.00	2022/6/22	2023/5/19	1.50% to 3.40%	Undue
2.	Zhejiang Shaoxing Supor Housewares Co., Ltd.	Bank of Ningbo Institution Structured Deposit	2022/6/23	5,000.00	2022/6/24	2023/5/24	1.50% to 3.40%	Undue
3.	Zhejiang Shaoxing Supor Housewares Co., Ltd.	Bank of Ningbo Institution Structured Deposit	2022/7/27	5,000.00	2022/7/28	2023/5/24	1.50% to 3.60%	Undue
4.	Zhejiang Shaoxing Supor Housewares Co., Ltd.,	Bank of Ningbo Institution Structured Deposit	2022/10/24	8,000.00	2022/10/25	2023/5/24	1.50% to 3.40%	Undue
5.	Zhejiang Supor Co., Ltd.,	Bank of Ningbo Institution Structured Deposit	2022/12/13	20,000.00	2022/12/14	2023/5/25	1.50% to 3.40%	Undue

Board of Directors of Zhejiang Supor Co., Ltd.

March 31, 2023