

Stock Code: 002032

Short Form: Supor

Announcement No: 2023-044

Repurchase Report on Public Shares of Zhejiang Supor Co., Ltd.

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. Zhejiang Supor Co., Ltd. (hereinafter referred to as “Company”, “the Company” or “Supor”) plans to repurchase a part of social public shares from the secondary market through concentrated bidding to reduce registered capital fund and to implement equity incentive plan. The maximum price for repurchasing shares shall not exceed CNY63.95 per share. The top limitation of shares to be repurchased will not exceed 16,134,174 shares and the bottom limitation of shares will not lower than 8,067,087 shares. The specific amount of shares will be subject to actual shares amount repurchased upon the expiration of duration of shares repurchase plan. The implementation period of share repurchase plan will not exceed 12 months as of the general meeting of shareholders adopts the plan.
2. This shares repurchase plan has been reviewed and approved by the 19th Session of Seventh Board of Directors and the Annual General Meeting of Shareholders for 2022 Fiscal Year.
3. Risks disclosure
 - (1) The shares repurchase plan shall not be implemented if the stock price is continually higher than the maximum price for repurchasing shares
 - (2) Since the purposes of this shares repurchase plan are to reduce registered capital fund of the Company and to implement equity incentive, the shares repurchase plan will not be implemented successfully if the Company fails to pay off the debts or afford certain guarantee of creditors of the Company or the Company fails to grant all the shares repurchased due to the equity incentive plan has not been approved by the Board of Directors and Shareholders’ meeting or incentive objects give up subscription or the Company fails to transfer all the shares repurchased to incentive objects within the valid period of shares repurchase plan.

4. The shares repurchase plan will not have significant impacts on the operation, finance, R&D, debt paying ability and future development and the status as a listed company will not be changed after shares repurchased.

The Company plans to reduce part of registered capital fund and implement equity incentive plan of the Company by repurchasing and canceling public shares from secondary market by means of collective trading by bidding in accordance with the *Rules for Repurchasing Shares of Listed Company, Shenzhen Stock Exchange Regulatory Guidelines for Listed Companies No. 9 – Repurchase Shares* and *Articles of Association* of the Company. This shares repurchase plan has been reviewed and approved by the 19th Session of Seventh Board of Directors, and Annual General Meeting of Shareholders for 2022 Fiscal Year. Details are states as follows:

I. Purpose and use of repurchased shares

The purpose is to reduce registered capital fund and to implement equity incentive plan.

II. Precondition for shares repurchase plan

This shares repurchase plan is in conformity with the Article X regulated in *Shenzhen Stock Exchange Regulatory Guidelines for Listed Companies No. 9 – Repurchase Shares*:

1. Listed in the Shenzhen Stock Exchange more than one year.
2. No major violations occurred in latest one year.
3. The Company shall be able to pay off all the debts and the daily business will not be affected after shares repurchased.
4. The status as a listed company of the Company will not be changed after shares repurchased. If the Company intends to terminate the listing by repurchasing shares, it shall comply with the relevant regulations and be approved by the SZSE.
5. Other conditions required by CSRC and SZSE.

III. Way of repurchasing shares

Repurchase public shares from the secondary market through concentrated bidding

IV. Price and pricing principle of repurchased shares

The maximum price of public shares repurchased this time will not be higher than CNY63.95 per share.

Where the Company carries out ex-right and ex-dividend matters such as dividend payout, conversion of capital reserves to capital shares, share compressing, allotment of shares, etc. from the date of resolution made by board of directors and prior to the completion of this repurchase, the Company shall adjust the

upper limit of stock repurchase price as of the ex-right and ex-dividend date according to the relevant requirements of China Securities Regulatory Commission and Shenzhen Stock Exchange.

The maximum price of public shares repurchased this time does not exceed 150% of the average closing price 30 transaction days early before the Board of Directors adopts the repurchasing plan resolution.

V. Type, Quantity of Stock Repurchase and their proportion in total capital stocks

The type of the share to be repurchased will be the Share A public shares issued by the Company. The top limitation of shares to be repurchased by the Company will not exceed 2% of the total capital stock of the Company and the bottom limitation of shares to be repurchased by the Company will not lower than 1% of the total capital stock of the Company. According to the Resolutions adopted by the Annual General Meeting of Shareholders for 2022 Fiscal Year, the Company will repurchase 75,750 shares of Restricted Stock for cancellation, and the total capital stock of the Company will be reduced from 806,784,407 shares to 806,708,657 shares accordingly. Based on the total capital stock of the Company after the cancellation, the top limitation of shares to be repurchased will not exceed 16,134,174 shares and the bottom limitation of shares will not be lower than 8,067,087 shares, in which estimated 3,000,000 shares could be used for implementing equity incentive.

The specific amount of shares will be subject to actual shares amount repurchased upon the expiration of duration of shares repurchase plan. Once the repurchased amount reached 3,000,000 shares, the repurchased shares will be first used to implement equity incentive, and the remaining shares will be canceled to reduce the registered capital.

VI. Total Amount and Source of Capital Used for Stock Repurchase

If the maximum price for repurchasing shares does not exceed CNY63.95 per share, the maximum fund for repurchasing shares shall not exceed CNY1,031.78 million and the minimum fund shall not lower than CNY515.89 million. The fund source will be the self-owned fund (excessive fund) of the Company.

The specific repurchasing fund will be subject to actual fund amount used upon the expiration of duration of shares repurchase plan.

VII. Implementation period and validity of resolution of share repurchase plan

The duration of public shares repurchase plan shall be within 12 months after the general meeting of shareholders approved the Resolution on Public Shares Repurchase Plan. The Company is forbidden to repurchase public shares within the following time periods: (1) within 10 trading days prior to the announcement of the Company's annual report and semiannual report, the announcement date is delayed

due to special causes, the time range of blocking period shall be valid on and from the tenth day prior to the originally determined announcement date till the day prior to the announcement; (2) within 10 trading days prior to announcement of the Company's quarterly report, business performance forecast and business flash report; (3) from the occurrence date or decision-making procedure date of material events with material influence on the transaction price of the Company's stocks and derivatives to the legal disclosure date; (4) the other periods recognized by CSRC.

1. If the quantity of public shares repurchased reaches the top limitation during the period above, the repurchase plan will be completed immediately. The duration of shares repurchase plan will expire in advance by this date.

2. If the Board of Directors decided to terminate the repurchase plan, the duration of shares repurchase plan will expire in advance by this date.

VIII. Expected equity change after shares repurchased

If 8,067,087 shares at the bottom limitation have been repurchased for cancellation and 3,000,000 shares are used to grant to incentive objects successfully, the equity change is stated as below:

Category of Shares	Prior to this Repurchase and Cancellation		Prior to this Repurchase and Cancellation	
	Total shares (share)	(%)	Total shares (share)	(%)
Circulation stock with sales restrictions	2,961,835	0.37%	5,961,835	0.74%
Circulation stocks without sales restrictions	803,746,822	99.63%	795,679,735	99.26%
Total capital stocks	806,708,657	100%	801,641,570	100%

If 16,134,174 shares at the top limitation have been repurchased for cancellation and 3,000,000 shares are used to grant to incentive objects successfully, the equity change is stated as below:

Category of Shares	Prior to this Repurchase and Cancellation		Prior to this Repurchase and Cancellation	
	Total shares (share)	(%)	Total shares (share)	(%)
Circulation stock with sales restrictions	2,961,835	0.37%	5,961,835	0.75%
Circulation stocks without sales restrictions	803,746,822	99.63%	787,612,648	99.25%
Total capital stocks	806,708,657	100%	793,574,483	100%

IX. Analysis of the management on this repurchase on the Company's operation, finance, R&D, debt paying ability, future development and the status as a listed company

By December 31, 2022, the Company's total assets were CNY12.953 billion, the monetary capital was CNY3.563 billion, net assets belonging to the shareholders of listed company were CNY7.036 billion, and the Company's asset-liability ratio was 45.40% and the net profit belonging to the shareholders of listed company was CNY2.068 billion. Supposing that top limitation of public shares will be repurchased at the highest price, the repurchase amount approximately accounts for 7.97% of the Company's total assets and 14.67% of the net assets belonging to the shareholders of the listed companies, if calculation is made according to the financial data audited on December 31, 2022. The Company believes that the shares repurchase plan will not have significant impacts on its operation, finance and debt paying ability considering the stable financial situations of the Company.

By December 31, 2022, the R&D expenses were CNY 0.416 billion. The monetary capital is enough to guarantee the whole year's R&D based on the statistics of last year. The Company believes that the shares repurchase plan will not have significant impacts on its R&D of the Company.

The Company's equity distribution still meets its listing conditions. Therefore, the Company's status as a listed company will not be changed after shares repurchased.

X. Instructions of controlling shareholders, actual controller, Directors, Supervisors and Top Management on buying or selling the Company's shares within six months prior to the resolution of shareholders' meeting on repurchasing public shares was published, insider trading and market manipulation after getting information of this share repurchase plan in advance

After self-verification, the Company's director, supervisor, top management, controlling shareholder and actual controller did not trade the Company's shares or involve in insider trading and market manipulation either individually or together with others within six months before the Resolution on Repurchasing Public Shares was made by the Board of Directors.

The Company's director, supervisor, top management, controlling shareholder and actual controller do not have any Reduction Scheme on Shares except the regulatory part of shares could be reduced each year at this stage and will strictly disclose Pre-disclosure of Reduction Scheme on Shares before implementation in future.

XI. Arrangements after shares repurchase and measures to avoid violating the interests of creditors

The purpose of part of shares repurchased this time is to reduce registered capital and the Company has informed all creditors according to the *Company Law*. Details of the Announcement for Notice to Creditor for Public Shares Repurchase Plan can be found in Securities Times, China Securities Journal, Securities

Daily and cninfo.com.cn dated April 26, 2023 (Announcement No.: 2023-043).

XII. Authorization for managing shares repurchase plan

1. The general meeting of shareholders has authorized the Board of Directors to decide the following issues:

(1) To implement or terminate the repurchase plan according to the actual conditions of the Company and the stock price of the Company;

2. The general meeting of shareholders has authorized the Board of Directors and certain persons to deal with the issues related to shares repurchase plan, including, but not limited:

(1) To authorize the Board of Directors and the authorized persons to repurchase shares at appropriate time in accordance with the relevant regulations, including the time, price and quantity of repurchase.

(2) To authorize the Board of Directors and the authorized persons to adjust the specific implementation plan according to the laws, regulations and the rules of regulatory department, handle the issues related to share repurchase.

(3) To authorize the Board of Directors and the authorized persons to prepare, amend, supplement, sign, submit all the agreements, contracts or documents related to share repurchase.

(4) To authorize the Board of Directors to modify the Articles of Association on the change registration of the registered capital and total capital stock of the Company.

(5) To authorize the Board of Directors to deal with other issues which are not stated above but are required by the implementation of share repurchase plan.

XIII. Opinions of Independent Directors

After verification of the Repurchase Preplan, independent directors have given following independent opinions:

1. This Repurchase Plan is formulated in accordance with *the Company Law, the Securities Law, the Rules for Repurchasing Shares of Listed Company and Shenzhen Stock Exchange Regulatory Guidelines for Listed Companies No. 9 – Repurchase Shares*, and the *Articles of Association* of the Company.

2. The purpose of repurchasing the public shares is to reduce the registered capital fund and to implement equity incentive which will be helpful to protect the interests of the investors and strengthen their confidence in the investment value of the Company and also mobilize the enthusiasm of employees, and promote the stable development of the Company.

3. The fund used for repurchasing the public shares is Company's self-owned fund. The Company enjoys

favorable cash flow, and the expense will not affect the cash operation demand of the Company.

We approve unanimously the repurchase preplan is legal and will not harm the interests of the Company and all shareholders, especially the interests of minority shareholders.

XIV. Conclusive opinions of attorneys on shares repurchase plan

Attorneys from Grandall Legal Group (Hangzhou) conclude following conclusive opinions:

(1) This Shares Repurchase Plan is formulated in compliance with *the Company Law, the Securities Laws, the Rules for Repurchasing Shares of Listed Company, Shenzhen Stock Exchange Regulatory Guidelines for Listed Companies No. 9 – Repurchase Shares*, and other laws, regulations and normative documents concerning the repurchase of the shares by listed companies, and the Company has performed all the legal procedures at the current stage.

(2) This Shares Repurchase Plan is in line with the substantive conditions stipulated in the *Company Law, the Rules for Repurchasing Shares of Listed Company* and other laws, regulations and normative documents.

(3) The Company has fulfilled the disclosure obligations, complying with *the Company Law, the Securities Laws, the Rules for Repurchasing Shares of Listed Company, Shenzhen Stock Exchange Regulatory Guidelines for Listed Companies No. 9 – Repurchase Shares* on the designated media using the prescribed ways within the prescribed time limit.

(4) The act that the Company will repurchase shares using self-owned fund is in compliance with law, provisions and normative documents.

XV. Risks disclosure

1. The shares repurchase plan shall not be implemented if the stock price is continually higher than the maximum price for repurchasing shares

2. Since the purposes of this shares repurchase plan are to reduce registered capital fund of the Company and to implement equity incentive, the shares repurchase plan will not be implemented successfully if the Company fails to pay off the debts or afford certain guarantee of creditors of the Company or the Company fails to grant all the shares repurchased due to the equity incentive plan has not been approved by the Board of Directors and Shareholders' meeting or incentive objects give up subscription or the Company fails to transfer all the shares repurchased to incentive objects within the valid period of shares repurchase plan.

XVI. Miscellaneous

The Company has owned special stock repurchase account at China Securities Depository and Clearing Company Limited (CSDCC) Shenzhen Branch which could only be used for repurchasing shares.

Board of Directors of Zhejiang Supor Co., Ltd.

April 26, 2023