

Stock code: 002032

Short form: Supor

Announcement No.:2023-054

## Announcement of Progress of Using Excessive Cash to Purchase Financial Products

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.

Zhejiang Supor Co., Ltd. (hereinafter referred to as the “Company”, “the Company” or “Supor”) adopted the *Proposal on Short-term Investment Using Excessive Cash* at the Annual General Meeting of Shareholders for 2022 Fiscal Year on April 25, 2023, agreeing to invest in different financial products using excessive cash, the limit of which is no more than RMB 4 billion. For specific announcement contents, see *Announcement of Short-term Investment Using Excessive Cash* disclosed on *Securities Times*, *Securities Daily*, *China Securities Journal* and *cninfo.com.cn* dated on March 31, 2023 (Announcement No.: 2023-022). The detailed information of financial products newly-purchased is announced as follows:

### I. Financial Products Newly-purchased

No.	Company (Subsidiary)	Financial products	Date of subscription	Amount of subscription Unit: 10KRMB	Value date	Due date	Days	Expected annual yield rate
1	Zhejiang Supor Co., Ltd.	J.P. Morgan Structured Deposit	2023/5/24	10,000.00	2023/5/26	2024/5/26	365	0.15 to 5%*
2	Zhejiang Supor Co., Ltd.	Bank of China Linked Structured Deposit	2023/5/31	10,000.00	2023/6/2	2023/9/1	91	1.40% to 3.40%
3	Zhejiang Supor Co., Ltd.	Ruilong No.3 Single Asset Management Plan	2023/6/1	5,000.00	2023/6/8	2024/6/4	362	0.50% to 4.35%
	<b>Total</b>			<b>25,000.00</b>				

\*0.15% is a fixed yield, and other is floating yield which will depend on the final return of the underlying index. According to the past 20 years' back-testing of index, the minimum yield rate is 5%.

### II. The Details of Financial Products Newly-purchased

(I) The financial product newly purchased by Zhejiang Supor Co., Ltd., is J.P. Morgan Structured Deposit, whose details are stated as follows:

- (1) Name: J.P. Morgan Custom 392E Index Linked Structured Deposit
- (2) Asset management agent: JPMorgan Chase Bank (China) Company Limited
- (3) Currency: CNY
- (4) Type: guaranteed financial product with floating return
- (5) Deposit Amount Redemption: the principal is returned on May 26, 2024 and the fixed yield is settled within two business days after principal returned. The index yield is settled on fixed yield payment date
- (6) Index linked: J.P. Morgan Custom 392E Index
- (7) Scopes of investment: 100% managed as deposit and on the balance sheet of deposit bank
- (8) Source of Capital: self-owned cash
- (9) Connected relationship: the Company and its subsidiaries have no connected relationship with JPMorgan Chase Bank.

(II) The financial product newly purchased by Zhejiang Supor Co., Ltd., is Bank of China Linked Structured Deposit, whose details are stated as follows:

- (1) Name: Structured Deposit Linked to Exchange Rate
- (2) Asset management agent: Bank of China
- (3) Currency: CNY
- (4) Type: guaranteed financial product with floating return
- (5) Target linked: Spot Exchange rate from Australian dollar to US dollar
- (6) Repay capital and interest: the principal is returned on the maturity date and the investment return is settled within two business days after maturity date
- (7) Scopes of investment: operated by Bank of China and managed in accordance with the principle of separating basic deposits from derivative transactions. The principal portion is included in the operation of Bank of China's internal funds as the payment of deposit reserve and deposit insurance premium. The embedded derivative portion of the product is invested in exchange rates, interest rates, commodities, index and other derivative products, and the final yield of the product is linked to the derivative products. During the investment period, Bank of China will value the embedded option price of this structured deposit based on the income approach.
- (8) Source of Capital: self-owned cash
- (9) Connected relationship: the Company and its subsidiaries have no connected relationship with Bank

of China.

(III) Zhejiang Supor Co., Ltd. has entrusted UBS to purchase financial product which invested in asset management plans issued by China Merchants Wealth Asset Management Co., Ltd. whose details are stated as follows:

- (1) Name: China Merchants Wealth-Ruilong No.3 Single Asset Management Plan
- (2) Trustee: UBS (China) Limited
- (3) Asset management agent: China Merchants Wealth Asset Management Co., Ltd.
- (4) Index linked: CSI 500 Index
- (5) Broker income certificate: income certificate of principal guaranteed with floating return issued by Industrial Securities
- (6) Exercise price: closing price of the index linked on the observation date at the beginning of the period\*105%, if the closing price of the index linked is higher than or equal to the exercise price on any of the exercise observation dates during the observation period, the Plan will be expire in advance and the return reference is 4.35% per annum; if the closing price of the index linked is lower than the exercise price on all of the exercise observation dates during the observation period, the return reference is 0.5% per annum
- (7) Principal Redemption: the principal and yield are returned on due date
- (8) Source of Capital: self-owned cash
- (9) Connected relationship: the Company and its subsidiaries have no connected relationship with UBS (China) Limited and China Merchants Wealth Asset Management Co., Ltd.

### **III. Impact on the Company of Financial Products**

The Company invested in different short-term financial products, under the conditions that the normal operating requirements on cash by the Company and its subsidiaries will not be affected at all.

### **IV. Internal Risk Control Procedures**

(1) The Finance Department would be responsible to prepare the investment proposal including type, term and amount of financial product to be invested. All investments shall be approved jointly by Supor's CFO and CEO.

(2) The Finance Department needs to prepare monthly report before the 10<sup>th</sup> 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.

(3) The Company would also follow related regulations issued by Shenzhen Stock Exchange to disclose the detailed investment products and the yield periodically.

#### V. Information of Previous Financial Products Purchased

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 Domestic Electrical Appliances 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%	3.60%
2	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%	3.40%
3	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%	3.40%

Board of Directors of Zhejiang Supor Co., Ltd.

July 21, 2023