

## **Announcement of Repurchasing and Canceling a Part of Restricted Stock**

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.

The 2<sup>nd</sup> Session of the Eighth Board of Directors of Zhejiang Supor Co., Ltd. (hereinafter referred to as “the Company”, “this Company” or “Supor”) reviewed and adopted the *Proposal on Repurchasing and Canceling a Part of Restricted Stock* on August 30, 2023. Totally 5,250 shares of Restricted Stock will be repurchased and canceled in accordance with 2021 Restricted Stock Incentive Plan of Zhejiang Supor Co., Ltd. (draft) (hereinafter referred to as “*2021 Restricted Stock Incentive Plan*”) and 2022 Restricted Stock Incentive Plan of Zhejiang Supor Co., Ltd. (draft) (hereinafter referred to as “*2022 Restricted Stock Incentive Plan*”). This proposal shall be submitted to the General Meeting of Shareholders for approval. Relevant issues are now announced as follows:

### **I. Examination and Approval Procedures for and Implementation of the Equity Incentive Plan**

#### **1. 2021 Restricted Stock Incentive Plan**

- (1) On December 10, 2021, the 10<sup>th</sup> Session of the Seventh Board of Directors and 9<sup>th</sup> Session of the Seventh Board of Supervisors reviewed and adopted the *Proposal on 2021 Restricted Stock Incentive Plan (Draft) and its Abstract*. Independent Directors have addressed independent opinions on the *2021 Restricted Stock Incentive Plan*. The Board of Supervisors have conducted preliminary verifications on the List of Incentive Objects.
- (2) On December 25, 2021, the Company disclosed *Verification Opinions on List of Incentive Objects for 2021 Restricted Stock Incentive Plan*. The Board of Supervisors has verified the Incentive Objects of *2021 Restricted Stock Incentive Plan* and concluded that the subjective qualifications of the Incentive Objects involved in this plan are legal and valid.
- (3) On December 30, 2021, the Third Interim General Meeting of Shareholders 2021 reviewed and adopted the *Proposal on 2021 Restricted Stock Incentive Plan (Draft) and its Abstract, Proposal on Assessment Measures for the Implementation of the 2021 Restricted Stock Incentive Plan and Proposal on Requesting the General Meeting of Shareholders to Authorize the Board of Directors to Deal with Issues Related to the Company's Restricted Stock Incentive Plan*.
- (4) On December 31, 2021, the Company disclosed *Self-verification on Buying or Selling the Company's Shares by Insiders of 2021 Restricted Stock Incentive Plan*, the Company's insiders did not trade the Company's shares or involved in insider trading within six months before the publication of the

Incentive Plan and the process of planning as well.

- (5) On January 6, 2022, the 11<sup>th</sup> Session of the Seventh Board of Directors and 10<sup>th</sup> Session of the Seventh Board of Supervisors reviewed and adopted the *Proposal on Grant of Restricted Stock to Incentive Objects*, agreeing to grant 1,209,500 shares of Restricted Stock to totally 293 Incentive Objects and the Grant Date is January 6, 2022. Independent Directors have addressed independent opinions on above Proposals. The Board of Supervisors have confirmed the List of Incentive Objects.
- (6) On January 28, 2022, the Company disclosed *Announcement of Completion of Registration for Grant of Restricted Stock*. The Restricted Stock has been registered under the name of all incentive objects on January 27, 2022.
- (7) On March 31, 2022, the 12<sup>th</sup> Session of the Seventh Board of Directors and 11<sup>th</sup> Session of the Seventh Board of Supervisors reviewed and adopted the *Proposal on Repurchasing and Canceling a Part of Restricted Stock*. For disqualification of six Incentive Objects due to their resignation, the Company has decided to repurchase and cancel 24,000 shares of Restricted Stock at the price of 1 yuan per share, and above shares were canceled on June 29, 2022.
- (8) On August 30, 2022, the 14<sup>th</sup> Session of the Seventh Board of Directors and 13<sup>th</sup> Session of the Seventh Board of Supervisors reviewed and adopted the *Proposal on Repurchasing and Canceling a Part of Restricted Stock*. For disqualification of thirteen Incentive Objects due to their resignation, the Company has decided to repurchase and cancel 53,000 shares of Restricted Stock at the price of 1 yuan per share, and above shares were canceled on June 29, 2023.
- (9) On March 29, 2023, the 19<sup>th</sup> Session of the Seventh Board of Directors and 18<sup>th</sup> Session of the Seventh Board of Supervisors reviewed and adopted the *Proposal on Repurchasing and Canceling a Part of Restricted Stock*. For disqualification of four Incentive Objects due to their resignation, the Company has decided to repurchase and cancel 21,000 shares of Restricted Stock at the price of 1 yuan per share, and above shares were canceled on June 29, 2023.

## **2. 2022 Restricted Stock Incentive Plan**

- (1) On August 30, 2022, the 14<sup>th</sup> Session of the Seventh Board of Directors and the 13<sup>th</sup> Session of the Seventh Board of Supervisors reviewed and adopted the *Proposal on 2022 Restricted Stock Incentive Plan (Draft) and its Abstract*. Independent Directors have addressed independent opinions on the Incentive Plan. The Board of Supervisors have conducted preliminary verifications on the List of Incentive Objects.
- (2) On September 16, 2022, the Company disclosed *Verification Opinions on List of Incentive Objects for 2022 Restricted Stock Incentive Plan*. The Board of Supervisors has verified the Incentive Objects of 2022 Restricted Stock Incentive Plan and concluded that the subjective qualifications of the Incentive Objects involved in this plan are legal and valid.
- (3) On September 21, 2022, the First Interim General Meeting of Shareholders 2022 reviewed and adopted the *Proposal on 2022 Restricted Stock Incentive Plan (Draft) and its Abstract, Proposal on Assessment Measures for the Implementation of the 2022 Restricted Stock Incentive Plan and Proposal on Requesting the General Meeting of Shareholders to Authorize the Board of Directors to*

*Deal with Issues Related to the Company's Restricted Stock Incentive Plan.*

- (4) On September 22, 2022, the Company disclosed *Self-verification on Buying or Selling the Company's Shares by Insiders and Incentive Objects of 2022 Restricted Stock Incentive Plan*. The Company's insiders did not trade the Company's shares or involved in insider trading during the process of planning. In addition, the Company's insiders and Incentive Objects did not trade the Company's shares or involved in insider trading within six months before the publication of the Incentive Plan.
- (5) On October 12, 2022, the 15<sup>th</sup> Session of the Seventh Board of Directors and the 14<sup>th</sup> Session of the Seventh Board of Supervisors reviewed and adopted the *Proposal on Grant of Restricted Stock to Incentive Objects*, agreeing to grant 1,253,500 shares of Restricted Stock to totally 288 Incentive Objects and the Grant Date is October 12, 2022. Independent Directors have addressed independent opinions on the above Proposal. The Board of Supervisors have confirmed the List of Incentive Objects.
- (6) On November 11, 2022, the Company disclosed *Announcement of Completion of Registration for Grant of Restricted Stock of 2022*. Totally 1,253,500 shares of Restricted Stock have been registered under the name of 288 Incentive Objects on November 10, 2022.
- (7) On January 31, 2023, the 18<sup>th</sup> Session of the Seventh Board of Directors and the 17<sup>th</sup> Session of the Seventh Board of Supervisors reviewed and adopted the *Proposal on Grant of Postponed Portion of Restricted Stock to Incentive Objects*, agreeing to grant 79,000 shares of postponed portion of Restricted Stock to totally 2 Incentive Objects and the Grant Date is February 1, 2023. Independent Directors have addressed independent opinions on the above Proposal. The Board of Supervisors have confirmed the List of Incentive Objects.
- (8) On February 27, 2023, the Company disclosed *Announcement of Completion of Registration for Grant of Postponed Portion of Restricted Stock of 2022*. Totally 79,000 shares of postponed portion of Restricted Stock have been registered under the name of 2 Incentive Objects on February 24, 2023.
- (9) On March 29, 2023, the 19<sup>th</sup> Session of the Seventh Board of Directors and 18<sup>th</sup> Session of the Seventh Board of Supervisors reviewed and adopted the *Proposal on Repurchasing and Canceling a Part of Restricted Stock*. For disqualification of two Incentive Objects due to their resignation, the Company has decided to repurchase and cancel 1,750 shares of Restricted Stock at the price of 1 yuan per share, and above shares were canceled on June 29, 2023.

**II. Reasons, Quantity, Price and Pricing Basis for Repurchasing and Canceling of Restricted Stock****1. 2021 Restricted Stock Incentive Plan****(1) Adjustments due to resignation of the Incentive Objects:**

Since the incentive objects Mr. Shi Jin and Mr. Li Hu under the *2021 Restricted Stock Incentive Plan* were resigned due to personal reasons, in accordance with the stipulations of article 3(4) of Abnormal Change in Incentive Object of Chapter 8 of the plan, the Company will repurchase and cancel the unlocked restricted stock at the price of CNY1.00 per share (The Company shall repurchase and cancel the Restricted Stock of the second assessment period which accounts for 50% of total Restricted Stock granted to them). In

conclusion, the restricted stock to be repurchased for cancellation from resigned incentive objects of 2021 *Restricted Stock Incentive Plan* is 2,000 shares.

## 2. Restricted Stock Incentive Plan 2022

### (1) Adjustments due to resignation of the Incentive Objects:

Since the incentive objects Mr. Shi Jin, Mr. Li Hu and Ms. Wang Wujie under the 2022 *Restricted Stock Incentive Plan* were resigned due to personal reasons, in accordance with the stipulations of article 3(4) of Abnormal Change in Incentive Object of Chapter 8 of the plan, the Company will repurchase and cancel the unlocked restricted stock at the price of CNY1.00 per share (The Company shall repurchase and cancel the Restricted Stock of the second assessment period which accounts for 50% of total Restricted Stock granted to them). The restricted stock to be repurchased for cancellation from resigned incentive objects of 2022 *Restricted Stock Incentive Plan* is 3,250 shares.

After the adjustments, the share number of Restricted Stock granted to Incentive Objects in accordance with 2021 *Restricted Stock Incentive Plan* and 2022 *Restricted Stock Incentive Plan* is changed as follows:

### 1. The changes in the 2021 Restricted Stock Incentive Plan:

Name	Position	Restricted Stock not unlocked (share)	Repurchased and canceled Restricted Stock for resignation of Incentive Objects (share)	Restricted Stock remaining locked (share)
Cheung Kwok Wah	General Manager	60,000	0	60,000
Xu Bo	Chief Financial Officer	45,000	0	45,000
Ye Jide	Vice General Manager, Secretary of Board	20,000	0	20,000
Other Incentive Objects		986,500	2,000	984,500
<b>Total</b>		<b>1,111,500</b>	<b>2,000</b>	<b>1,109,500</b>

The other contents and conditions of the 2021 *Restricted Stock Incentive Plan* remain unchanged.

### 2. The changes in the 2022 Restricted Stock Incentive Plan

Name	Position	Restricted Stock not unlocked (share)	Repurchased and canceled Restricted Stock for resignation of Incentive Objects (share)	Restricted Stock remaining locked (share)
Cheung Kwok Wah	General Manager	82,000	0	82,000
Xu Bo	Chief Financial Officer	58,000	0	58,000
Ye Jide	Vice General Manager, Secretary of Board	21,000	0	21,000
Other Incentive Objects		1,169,750	3,250	1,166,500
<b>Total</b>		<b>1,330,750</b>	<b>3,250</b>	<b>1,327,500</b>

The other contents and conditions of the 2022 *Restricted Stock Incentive Plan* remain unchanged.

All in all, the Company will repurchase 5,250 shares of restricted stock from *2021 Restricted Stock Incentive Plan* and *2022 Restricted Stock Incentive Plan* at the price of 1 yuan per share for cancellation.

### III. Notes on Stock Repurchase

Content	Explanation
Type of stock repurchased	Restricted Stock by Equity Incentive
Number of stock repurchased (share)	5,250
Proportion in total Restricted Stock	0.21%
Proportion in total Capital Stock	0.001%
Unit price for repurchase (yuan)	1
Capital used for repurchase (yuan)	5,250
Capital resource	Self-owned fund

### IV. Change of Equity Structure before and after the Repurchase

	Before change		Number of shares to be repurchased and canceled this time	After change	
	Number of Shares	Percentage (%)		Number of Shares	Percentage (%)
I. Restricted outstanding shares	2,964,610	0.37%	5,250	2,959,360	0.37%
II. Non-restricted outstanding shares	803,744,047	99.63%	0	803,744,047	99.63%
III. Total shares	806,708,657	100%	5,250	806,703,407	100%

### V. Impact on Business Performance

The repurchasing and canceling a part of Restricted Stock won't have any significant impact on the Company's business performance or the management team's due diligence. The management team will continue to fulfill in good faith their obligations to create values for shareholders.

### VI. Opinions of Independent Directors

The opinions of Independent Directors after verification:

Pursuant to the rules of *2021 Restricted Stock Incentive Plan* and *2022 Restricted Stock Incentive Plan*: in view of certain incentive objects namely Mr. Shi Jin, Mr. Li Hu and Ms. Wang Wujie resigned from the Company for personal reasons, we agree to repurchase at the price of 1 yuan per share and cancel their Restricted Stock not meeting the unlocking conditions and also agree to submit this Proposal to the General Meeting of Shareholders for approval. We believe the repurchasing and canceling procedures are law and regulation compliant, and won't have any significant impact on the Company's business performance or the management team's due diligence. We agree to repurchase and cancel the Restricted Stock granted to incentive objects not meeting the unlocking conditions.

### VII. Opinions of the Board of Supervisors

The Proposal on Repurchasing and Canceling a Part of Restricted Stock was reviewed and adopted at

the 2<sup>nd</sup> Session of the Eighth Board of Supervisors. After verifying the plan and the list of incentive objects, the Board of Supervisors agreed to repurchase and cancel 5,250 shares of Restricted Stock and submit this proposal to the General Meeting of Shareholders of the Company for approval. The Board of Supervisors has concluded that: the repurchasing and canceling procedures of restricted stock are in compliance with the rules of the *2021 Restricted Stock Incentive Plan*, *2022 Restricted Stock Incentive Plan*, and the *Measures for the Administration of the Equity Incentives of Listed Company*.

### **VIII. Legal Statement and Conclusive Opinions**

Attorneys from Grandall Legal Group Hangzhou Office conclude that: the repurchasing and canceling of a part of Restricted Stock is in compliance with the *Company Law*, the *Measures for the Administration of the Equity Incentives of Listed Company*, and the provisions of *2021 Restricted Stock Incentive Plan (Draft)* and *2022 Restricted Stock Incentive Plan (Draft)*, and have obtained all necessary approvals and authorizations at this stage. The quantity of stocks to be repurchased, repurchase price and the repurchase capital resource are in compliance with the *Company Law*, the *Measures for the Administration of the Equity Incentives of Listed Company*, and the provisions of *2021 Restricted Stock Incentive Plan (Draft)* and *2022 Restricted Stock Incentive Plan (Draft)*. In accordance with the *Company Law*, the *Articles of Association of the Company*, and other relevant regulations, the repurchase and cancellation of a part of the Restricted Stocks and the reduction of the registered capital is still subject to the approval procedures by the General Meeting of Shareholders, the procedures of public announcements, the registration changes, and the cancellation process of the Restricted Stocks through Shenzhen Branch of China Securities Depository and Clearing Corporation Limited.

Board of Directors of Zhejiang Supor Co., Ltd.

August 31, 2023