

Stock code: 002032

Short form: Supor

Announcement No.:2023-080

## **Announcement of Increasing Estimation of Daily Connected Transactions in 2023**

This Company and all members of the Board of Directors hereby warrant that all information announced here are true, accurate and complete, and contain no fictitious statement, misleading information or significant omission.

### **I. Basic Information of Connected Transactions**

#### **(i) Brief of Increasing Estimated Amount of Daily Connected Transactions**

##### **1. Overview**

The daily connected transactions between actual controller SEB S.A. and its affiliates (hereinafter referred to as "SEB Group") and Zhejiang Supor Co., Ltd. (hereinafter referred to as "the Company", "this Company" or "Supor") is estimated to exceed the forecast made at the beginning of the year according to the current monitoring on implementation process. The Company plans to increase the estimation of daily connected transactions in 2023.

##### **2. Review procedure**

###### **(1) Time, term and resolutions of board meeting**

The 4<sup>th</sup> Session of the Eighth Board of Directors was held on October 26, 2023, which adopted the *Proposal on Increasing Estimation of Daily Connected Transactions in 2023* with 4 votes in favor, 0 against, 0 abstention and 4 withdraw. four directors, as connected directors, withdrew from the voting.

###### **(2) Name list of directors withdrawn from the voting.**

Mr. Thierry de LA TOUR d'ARTAISE, Mr. Stanislas de GRAMONT, Ms. Delphine SEGURA VAYLET and Mr. Tai Wai Chung.

(3) This matter shall be submitted to the Third Interim General Meeting of Shareholders 2023 for review. The connected shareholder who shall withdraw from the voting of the proposal during the Third Interim General Meeting of Shareholders 2023 is the Company's controlling shareholder SEB INTERNATIONALE S.A.S (hereinafter referred to as "SEB International").

## (ii) Type and Increased Estimated Amount of the Connected Transactions

Unit: RMB10K

Type of connected transactions	Connected party	Content of connected transactions	Pricing rule of connected transactions	Estimated amount at year beginning	Increased amount proposed	Latest estimated amount	Amount from Beginning to date of disclosure
Selling products	SEB Group	Cookware	Contract price	193,202.00	36,798.00	230,000.00	174,119.45
		Electrical appliances	Contract price	310,493.00	39,507.00	350,000.00	291,710.08
		R & P products	Contract price	1,956.00	44.00	2,000.00	1,874.17
	Subtotal			<b>505,651.00</b>	<b>76,349.00</b>	<b>582,000.00</b>	<b>467,703.70</b>
Purchasing RM and products	SEB Group	Paint and accessories	Contract price	1,523.00	477.00	2,000.00	1,704.34
		WMF, Lagostina and other products	Contract price	4,312.00	1,688.00	6,000.00	4,859.11
	Subtotal			<b>5,835.00</b>	<b>2,165.00</b>	<b>8,000.00</b>	6,563.45
Total			--	<b>511,486.00</b>	<b>78,514.00</b>	<b>590,000.00</b>	<b>474,267.15</b>

## (iii) Actual Amount of the Connected Transactions Last Year

The details on actual amount of daily connected transactions last year can be found in the *Annual Report 2022* disclosed in [cninfo.com.cn](http://cninfo.com.cn) dated March 31, 2023.

## II. Introduction of Connected Party and the Connections

## 1. Basic information

SEB S. A.

Legal representative: Thierry de LA TOUR D'ARTAISE

Registered capital: Euro 55,337,770

Business type: Joint stock limited company (listed on Euronext Paris, organized under the French Company Law)

Enterprise registered address: 112 Chemin du Moulin Carron Campus SEB 69130 Ecully, France

Business scope: Share-holding, share participation and equity management in all types of enterprises

## **2. Connection with the listed company**

SEB International is a wholly-owned subsidiary of SEB Group. As of September 30, 2023, SEB International holds 82.64% shares of the Company. Therefore, SEB Group indirectly holds 82.64% shares of this Company. According to Article 6.3.3 of the *Rules Governing the Listing of Stocks on Shenzhen Stock Exchange*, the transactions between them are connected transactions.

## **3. Analysis of contractual capability**

SEB Group has been listed on the Euronext and is a worldly reputable international group in domestic electrical appliance. It operates in more than 160 countries and regions with a unique portfolio of top electrical appliance and cookware brands, such as AIRBAKE, ALL-CLAD, ARNO, ASIAVINA, CALOR, CLOCK, EMSA, IMUSA, KRUPS, LAGOSTINA, MAHARAJA WHITELINE, MIRRO, MOULINEX, PANEX, ROCHEDO, ROWENTA, SAMURAI, SEB, TEFAL, T-FAL, UMCO, WEAREVER, WMF and SUPOR. As a multiple expert and full-line supplier, SEB Group operates in the area of CW and small domestic appliances, involving kitchen electrical appliance (for cooking and food processing) and home and personal care products (personal care products, linen products, home care, etc.) SEB Group implements purchasing activities and sells products in the world range. The total sales for the first half of 2023 was 3.612 billion Euros and profit attributed to parent company was 0.16 billion Euros. It has established good credit standing and contractual capabilities.

## **III. Pricing principles and basis**

### **(1) Selling products to SEB Group**

Pursuant to “OEM contract with SEB” signed with SEB Group, except for special cases, the gross profit gained from SEB Group and its affiliates shall be equivalent to 18% of the FOB transfer price of the products made by the Company and its connected parties (For example, if the manufacturing cost of a product is 82 yuan, its FOB transfer price shall be 100 yuan).

### **(2) Purchasing raw materials from SEB Group**

Purchasing price shall follow the market pricing principle.

### **(3) Purchasing WMF, Lagostina and other products from SEB Group**

Except for special cases, the price shall be determined based on the principle of reciprocity of the pricing system of SEB Group’s purchase of the Company’s OEM products under the

Framework Agreement of Strategic Investment, which is 18% gross profit rate for SEB Group and its affiliates.

#### **IV. Purpose of Transaction and Impact on the Listed Company**

1. SEB Group has been cooperating with the Company for years, and the two sides maintain good relationships. Transactions with SEB Group will actively contribute to the Company's overseas sales and expansion of domestic market.

2. Transactions related to products selling and purchasing abide by the fair value principle. Price for OEM purchase follows "OEM contract with SEB" signed with SEB Group. Price for RM purchase follows the market pricing principle. Purchase of WMF, Lagostina and other products follows the principle of reciprocity of OEM products purchasing. No transactions stated above show any inside trading, or damage the interests of the listed company or other shareholders. Such transactions will play a positive role in the Company's present and future financial status and business performance.

3. The above-stated connected transactions exert no influence on the independence of the listed company. The main business of the Company will not be dependent on connected parties just because of these transactions.

#### **V. Opinions of Independent Directors**

The connected transactions with SEB S.A. are a request of the Company's daily business operation. Its purpose is to explore the Company's overseas market and make supplement to the domestic market. The estimated amount of daily connected transactions with SEB Group for whole year will probably exceed the estimation made at the beginning of this year considering the current monitoring on implementation process of the connected transactions and the upcoming peak season such as the Christmas and New Year.

We are convinced that the exceeded part as estimated are daily connected transactions according to Connected Transactions Agreement, furthermore, it won't change the terms of Connected Transactions Agreement. The daily connected transactions abide by the principle of openness, fairness and impartiality. All connected directors have withdrawn from the voting. Review and adoption of the Proposal are law and regulation compliant. No violation of law or impairment of interests of shareholders and the Company are found. The Agreement conforms to

the requirements of regulatory authority and the provisions of pertinent laws, regulations and the Articles of Association.

We agree to submit this proposal to the General Meeting of Shareholders of the Company for review.

#### **VI. Opinions of the Board of Supervisors**

The Board of Supervisors has examined the issues on increasing estimation of daily connected transactions and concluded that the decision-making procedures for the exceeding part of daily connected transactions as estimated are law, regulation and company rule compliant. Pricing is based on making compensation for equal value, fair market value rules, and the principles of openness, fairness and equity. No transactions harming the rights and interests of the Company and minority shareholders exist.

#### **VII. Documents for Reference**

1. Resolutions of the 4<sup>th</sup> Session of the Eighth Board of Directors;
2. Resolutions of the 4<sup>th</sup> Session of the Eighth Board of Supervisors;
3. Prior Approval and Independent Opinions of Independent Directors.

Board of Directors of Zhejiang Supor Co., Ltd.

October 27, 2023