

Stock code: 002032

Short form: Supor

Announcement No.:2023-089

Announcement of Increasing Estimation of Daily Connected Transactions in 2023 and Estimation of Daily Connected Transactions in 2024

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 Transaction in 2023 and Estimation of Daily Connected Transactions in 2024

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 amount made previously according to the current monitoring on implementation process and latest shipment arrangement. The Company plans to increase the estimation of daily connected transactions in 2023 again. Ending on disclosure date, the actual amount of daily connected transactions in 2023 is CNY5,740.90 million and the latest estimated amount of daily connected transactions in 2023 is CNY6,000.00 million.

Since SEB Group and its affiliates are the largest overseas OEM purchaser of the Company, and in order to increase sales, the Company continues to use SEB Group's global marketing network for product sales in 2024. To this end, the Company has signed the Daily Connected Transaction Agreement for 2024 with SEB Group and its affiliates, and the estimated amount of daily connected transactions in 2024 is CNY6,200.00 million.

2. Review procedure

(1) Time, term and resolutions of board meeting

The 5th Session of the Eighth Board of Directors was held on December 21, 2023, which

adopted the *Proposal on Increasing the Estimation of Daily Connected Transactions in 2023 and Signing Daily Connected Transaction Agreement for 2024 with SEB S.A.* with 4 votes in favor, 0 against, 0 abstention and 5 withdraw. Five directors, as connected directors, have withdrawn from the voting.

(2) Name list of directors withdrawn from the voting.

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

(3) The matter of increasing estimation of Daily Connected Transactions in 2023 is within the approval limit of the Board of Directors, is effective upon the approval by the Board of Directors. While signing the Daily Connected Transaction Agreement for 2024 with SEB S.A. shall be approved by the First Interim General Meeting of Shareholders 2024. The connected shareholder who shall withdraw from the voting of the proposal during the First Interim General Meeting of Shareholders 2024 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 in 2023

Unit: RMB10K

Type of connected transactions	Connected party	Content of connected transactions	Pricing rule of connected transactions	Previously forecast amount	Increased amount proposed	Latest estimated amount	Amount from Beginning to date of disclosure
Selling products	SEB Group	Cookware	Contract price	230,000.00	-2,000.00	228,000.00	213,111.61
		Electrical appliances	Contract price	350,000.00	11,500.00	361,500.00	350,944.87
		R & P products	Contract price	2,000.00	500.00	2,500.00	2,379.06
	Subtotal			582,000.00	10,000.00	592,000.00	566,435.54
Purchasing RM and products	SEB Group	Paint and accessories	Market price	2,000.00	300.00	2,300.00	2,131.30
		WMF, Lagostina and other products	Contract price	6,000.00	-300.00	5,700.00	5,523.33
	Subtotal			8,000.00	0	8,000.00	7,654.63
Total			--	590,000.00	10,000.00	600,000.00	574,090.17

(iii) Actual Amount of the Connected Transactions in 2023

Unit: RMB10K

Type of connected transactions	Connected party	Content of connected transactions	Actual amount in 2023 as of the date of disclosure (unaudited)	Previously Estimated amount for 2023	The rate of actual amount in same type of business	The difference between actual amount and previously estimated amount	Date and website of disclosure
Selling products	SEB Group	Cookware	213,111.61	590,000.00	35.57%	-2.70%	Please refer to Announcement of Estimation of Daily Connected Transactions in 2023 (No. 2023-004) and Announcement of Increasing Estimation of Daily Connected Transactions in 2023 (No. 2023-080) disclosed in http://www.cninfo.com.cn on January 4, 2023 and October 27, 2023.
		Electrical appliances	350,944.87		58.57%		
		other products	2,379.06		0.40%		
	Subtotal		566,435.54		94.54%		
Purchasing products	SEB Group	Paint and accessories	2,131.30		5.96%		
		WMF, Lagostina and other products	5,523.33		15.43%		
	Subtotal		7,654.63		21.39%		
	Total			574,090.17	--	--	
The explanations of BoD on huge difference between actual amount and estimated amount of connected transactions			None				
The explanations of independent directors on huge difference between actual amount and estimated amount of connected transactions			None				

(iv) Type and Estimated Amount of the Connected Transactions

Type of connected transactions	Connected party	Content of connected transactions	Pricing rule of connected transactions	Estimated amount in 2024
Selling products	SEB Group	Cookware	Contract price	235,500.00
		Electrical appliances	Contract price	373,000.00
		R & P products	Contract price	2,500.00
	Subtotal			611,000.00
Purchasing products	SEB Group	Paint and accessories	Market price	2,600.00
		WMF, Lagostina and other products	Contract price	6,400.00
	Subtotal			9,000.00
Total			--	620,000.00

Unit: RMB10K

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, UMC0, 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 three quarters of 2023 was 5.532 billion Euros and profit attributed to parent company was 0.389 billion Euros. It has established good credit standing and contractual capabilities.

III. Main Content of Connected Transactions

1. 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.

2. The Connected Transaction Agreement

The matter of increasing estimation of Daily Connected Transactions in 2023 is still in

accordance with the Daily Connected Transaction Agreement for 2023. The following details are from the Daily Connected Transaction Agreement for 2024:

(1) Subject matter: CW, electrical appliances, other products, raw materials and WMF, Lagostina and other products

(2) Contract period: from January 1, 2024 to December 31, 2024

(3) Transaction terms and conditions: Product name, type, specification, unit of measurement, unit price, delivery term, quantity, transportation, payment term, shipping notice, packaging materials and such articles shall be subject to the specific agreements signed between the parties.

(4) Entry-into-force conditions: This Agreement shall enter into force upon the both parties' signature and the adoption of the First Interim General Meeting of Shareholders 2024.

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

Connected transaction with SEB Group is required by the Company's daily business operation. Its purpose is to explore the Company's overseas market and supplement the domestic market. As for the increasing the estimation of Daily Connected Transactions in 2023, the Company plans to increase the estimation of daily connected transactions in 2023 again

considering the current monitoring on implementation process of the connected transactions, the shipment arrangement and the upcoming peak season such as the Christmas and New Year.

We are convinced that this Agreement abides by the principle of openness, fairness and impartiality. 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 is found. The Agreement conforms to the requirements of regulatory authority and the provisions of pertinent laws, regulations and the Articles of Association.

VI. Opinions of the Board of Supervisors

The Board of Supervisors has examined the connected transactions and concluded that the decision-making procedures for the exceeding part of daily connected transactions in 2023 and the estimated daily connected transactions in 2024 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 5th Session of the Eighth Board of Directors;
2. Resolutions of the 5th Session of the Eighth Board of Supervisors;
3. Prior Approval and Independent Opinions of Independent Directors;
4. Daily Connected Transaction Agreement.

Board of Directors of Zhejiang Supor Co., Ltd.

December 22, 2023