

## **Announcement of Unlocking of Restricted Stock within the First Unlock Period of 2021 Restricted Stock Incentive Plan**

This Company and all members of the Board of Directors hereby warrant that all information announced here are true, accurate and complete, and shall undertake responsibilities for any fictitious statement, misleading information or significant omission of the Announcement.

### **Special Notes:**

The number of Restricted Stock unlockable during the first unlock period of 2021 Restricted Stock Incentive Plan (Draft) (hereinafter referred to as 2021 Restricted Stock Incentive Plan) is 555,750 shares held by 270 Incentive Objects, accounting for 0.07% of the total capital stock of the Company.

The Company will disclose suggestive announcement before the circulation date of above-mentioned unlockable Restricted Stock once relevant unlocking procedures are completed.

### **I. Brief of the 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 2021 Restricted Stock Incentive Plan (Draft) of Zhejiang Supor Co., Ltd. Independent Directors have addressed independent opinions on the 2021 Restricted Stock Incentive Plan (Draft).

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. Independent Directors have addressed independent opinions on above Proposals.

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. 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.

10. On August 30, 2023, the 2<sup>nd</sup> Session of the Eighth Board of Directors and 2<sup>nd</sup> Session of the Eighth 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 2,000 shares of Restricted Stock at the price of 1 yuan per share. Above repurchase and cancelation of Restricted Stocks shall be submitted to the General Meeting of Shareholders



for approval.

11. On January 26, 2024, the 6<sup>th</sup> Session of the Eighth Board of Directors and 6<sup>th</sup> Session of the Eighth Board of Supervisors reviewed and adopted the *Proposal on Unlocking of Restricted Stock within the First Unlock Period of 2021 Restricted Stock Incentive Plan*, the first restriction period of Restricted Stock is 24 months after completion of grant registration and the restriction period was expired on January 26, 2024. The Company agreed to unlock the Restricted Stock for 270 qualified Incentive Objects in the first unlock period. The number of Restricted Stock unlocked is 555,750 shares, accounting for 0.07% of the total capital stock of the Company.

## II. Attainment of Unlocking Conditions of Restricted Stock during the First Unlock Period as defined in 2021 Restricted Stock Incentive Plan

No.	Unlocking conditions of Restricted Stock during the First Unlock Period as defined in Incentive Plan	Information on whether to satisfy the unlocking conditions
1	<p>a. None of the following circumstances has occurred in the Company:</p> <p>① The financial and accounting report of the mostly recent accounting year was given the adverse opinion or was presented the audit report with the disclaimer of opinion by the certified public accountant.</p> <p>② The internal control of the financial report of the mostly recent accounting year was given the adverse opinion or was presented the audit report with the disclaimer of opinion by the certified public accountant.</p> <p>③ The company occurred the circumstance in which the profit was distributed without abiding by the laws, regulations, articles of association and public commitment within the recent 36 months after being listed.</p> <p>④ The law or regulation prohibits to execute the equity incentive.</p> <p>⑤ The other circumstances recognized by CSRC (China Securities Regulatory Commission).</p>	Therefore, the Company satisfies the unlocking conditions.
2	<p>b. None of the following circumstances has happened to the Incentive Objects:</p> <p>① The incentive object was recognized as the inappropriate candidate by the stock exchange in recent 12 months.</p> <p>② The incentive object was recognized by CSRC or its agency as the inappropriate candidate in recent 12 months.</p> <p>③ The incentive object was given the administrative punishment or was not given the market access permit by</p>	Therefore, the Incentive Objects satisfy the unlocking conditions.



	<p>CSRC or its agency due to his/her significant default behavior or illegal behavior in recent 12 months.</p> <p>④ The incentive object was involved in the circumstance in which he/she is not suitable for acting as the director or the senior management of the Company in accordance with the regulations of the Company Law.</p> <p>⑤ The incentive object who is not allowed to participate in the equity incentive according to laws or regulations.</p> <p>⑥ The other circumstances recognized by CSRC (China Securities Regulatory Commission).</p>	
3	Requirements for company performance assessment: Net profit attributable to shareholders of the parent company in 2022 shall not be less than 105% of that in 2021.	Net profit attributable to shareholders of the parent company in 2022 increased by 6.36% compared to that in 2021, the unlocking condition is satisfied.
4	Requirements for business unit performance assessment: the performance of the business unit where the incentive object serves shall reach the basic goals or above.	The performance of the business unit in 2021 where the incentive object serves reach the basic goals or above, the unlocking condition is satisfied.
5	Requirements for individual performance assessment: according to the Assessment Measures for the Implementation of the 2021 Restricted Stock Incentive Plan, the assessment result of the incentive object in 2022 should be qualified or above.	In 2022, 270 Incentive Objects are assessed as qualified, which satisfied the unlocking conditions.

In conclusion, the Board of Directors believes that unlocking conditions of Restricted Stock during the First Unlock Period as defined in Restricted Stock Incentive Plan 2021 have been satisfied. The Board of Directors concludes that the Incentive Plan implemented this time is consistent with the Incentive Plan disclosed.

### III. Verification Opinions of the Compensation and Appraisal Committee of Board of Directors on Unlocking of Restricted Stock during the First Unlock Period

The Compensation and Appraisal Committee of Board of Directors has verified the 2021 Restricted Stock Incentive Plan, satisfaction of unlocking conditions, and list of Incentive Objects, and concluded that all Incentive Objects involved satisfied the qualification requirements of *Measures for the Administration of the Equity Incentives of Listed Companies*, *Shenzhen Stock Exchange Self-Regulatory Guidance for Listed Companies No.1- Business Handling* and *2021 Restricted Stock Incentive Plan (Draft)*, they all passed appraisals of the year, and satisfied all unlocking conditions such as performance indicators; the subjective qualifications of the Incentive Objects are legal and effective.

### IV. Verification Opinions of the Board of Supervisors on the List of Incentive Objects with



**Restricted Stock during the First Unlock Period**

After verification of the List of Incentive Objects, the Board of Supervisors concluded the subjective qualifications of the 270 Incentive Objects are legal and effective, and all Incentive Objects satisfy the unlocking conditions of the first unlock period of 2021 Restricted Stock Incentive Plan. The Board of Supervisors agrees with the Board of Directors for dealing with unlocking procedures for Incentive Objects.

**V. Legal Statement of Grandall Legal Group (Hangzhou) about Issues related to Unlocking of Restricted Stock during the First Unlock Period**

Attorneys from Grandall Legal Group Hangzhou Office concluded that the unlocking conditions of Restricted Stock during the first unlock period as defined in the Incentive Plan were satisfied; the unlocking issues should be proceeded with after the approval of the Board of Directors for the unlocking applications submitted by Incentive Objects.

**VI. Circulation of Restricted Stock unlocked during the First Unlock Period**

1. Totally 555,750 shares of restricted stock will be unlocked, accounting for 0.07 % of the total capital stock of the Company and 50% of the total Restricted Stock granted.
2. The number of Incentive Objects applying for unlocking is 270.
3. Circulation conditions of Restricted Stock unlocked this time are:

No.	Name	Position	Restricted Stock granted (shares)	Restricted Stock to be unlocked this time (share)	Restricted Stock remaining locked (share)
1	Cheung Kwok Wah	General Manager	60,000	30,000	30,000
2	Xu Bo	Chief Financial Officer	45,000	22,500	22,500
3	Ye Jide	Vice General Manager, Secretary of Board	20,000	10,000	10,000
4	Other Incentive Objects		986,500	493,250	493,250
Total			1,111,500	555,750	555,750

Note: The number of "Restricted Stock granted" has deducted the cancelled Restricted Stocks which were originally granted to the Incentive Objects who have resigned from the Company.

Board of Directors of Zhejiang Supor Co., Ltd.

January 27, 2024