

Stock Code: 002032

Short Form: Supor

Announcement No.: 2024-013

Zhejiang Supor Co., Ltd.

Abstract of Annual Report 2023

I. Important Notes

This is the abstract of Annual Report. For detailed information, please refer to the full text of Annual Report as posted on the media designated by China Securities Regulatory Commission.

All directors have attended the Board Meeting in person, in which the current annual report was reviewed and approved.

Non-standard audit opinions

Applicable Not Applicable

Profit Distribution Preplan of the Company's Common Shares

Applicable Not Applicable

Convert capital reserves to capital

Yes No

The profit distribution plan adopted at this Board Meeting specifies that: Based on the 796,891,157 shares at the end of 2023 (total capital stock of 806,708,657 shares at the end of 2023 deducted by 9,817,500 shares of repurchased shares in the Company's special stock repurchase account), the Company distributes cash dividend of RMB27.30 per 10 shares (tax-inclusive) to all shareholders, issues 0 bonus shares (tax-inclusive) and will not convert capital reserves to capital.

During the period from the disclosure of this profit distribution preplan to the actual implementation date, if the Company's capital stock changes due to conversion of convertible bonds into stocks, share repurchases, equity incentive exercise, and refinancing and new share listing, it will be executed based on the changed capital stock, and the above distribution ratio remains unchanged.

Profit Distribution Preplan of the Company's Preferred Stock

Applicable Not Applicable

II. The Company's Basic Information

1. Profile

Short Form of the Stock:	Supor	Stock Code	002032
Stock Exchange for Stock Listing	Shenzhen Stock Exchange		
	Board Secretary	Representative of Securities Affairs	
Name	Ye Jide	Fang Lin	
Address	23F of Supor Building, No.1772 Jianghui Road, New & High Tech Development Zone, Hangzhou China	23F of Supor Building, No.1772 Jianghui Road, New & High Tech Development Zone, Hangzhou China	
Tel.:	0571-86858778	0571-86858778	
Fax:	0571-86858678	0571-86858678	
Email	yjd@supor.com	flin@supor.com	

2. The Company's Main Businesses during Report

As China's famous cookware and small domestic appliance R&D and manufacturing company and leading brand, the Company

is also the first listed company in China's cookware industry. Established in 1994, the headquarters of the Company locates in Hangzhou and owning six R&D and manufacture bases located in Yuhuan City, Hangzhou City, Shaoxing City (Yuecheng District and Keqiao District) in Zhejiang Province, Wuhan City, Hubei Province and Ho Chi Minh City, Vietnam.

Supor's main businesses include open fire cookware and kitchen utensil, small domestic appliances, large kitchen appliances and H&PC appliances.

(1) Open fire cookware and kitchen utensils mainly include wok, pressure cooker, frying pan, sauce pan, steamer, ceramic slow cooker, kettle, knife, spatula, thermal pot, thermos & flask, kitchen gadgets, crisper, etc.;

(2) The small domestic appliances mainly include electric rice cooker, electric pressure cooker, induction hob, soymilk maker, electric kettle, juicer, slow cooker, electric steamer, electric hotpot, food processor, baked machine, air fryer, coffee machine, etc.;

(3) The large kitchen appliances mainly include range hood, gas stove, disinfection cabinet, water purifier, embedded steaming oven, integrated stove, water heater, etc.;

(4) The H&PC appliances mainly include air purifier, garment steamers, vacuum cleaner, floor washer and electric iron, electric heater, air-circulating fans, etc.;

The Company's cookware and electrical products have been exported to more than 50 countries and regions such as Japan, European and American countries mainly through SEB Group.

3. Major Accounting Data and Financial Indicators

(1) Major Accounting Data and Financial Indicators in latest three years

Has the Company retroactively adjusted or restated the accounting data of previous years?

Yes No

Unit: RMB

	End of 2023	End of 2022	Increase/decrease	End of 2021
Total assets (RMB)	13,106,703,607.00	12,952,655,903.47	1.19%	13,899,456,422.16
Net asset attributable to shareholders of listed company (RMB)	6,345,333,020.11	7,036,084,863.54	-9.82%	7,622,639,752.86
	2023	2022	Increase/decrease	2021
Operating income (RMB)	21,303,948,642.66	20,170,527,516.66	5.62%	21,585,331,407.47
Net profit attributable to shareholders of listed company (RMB)	2,179,798,147.27	2,067,659,526.97	5.42%	1,943,943,608.94
Net profit attributable to shareholders of listed company with non-recurring profit or loss deducted (RMB)	1,994,465,695.85	1,888,197,965.28	5.63%	1,858,036,556.80
Net cash flows from operating activities (RMB)	2,034,909,336.20	3,159,955,245.84	-35.60%	2,049,881,568.69
Basic earnings per share (RMB/share)	2.719	2.565	6.00%	2.400
Diluted earnings per share (RMB/share)	2.719	2.564	6.05%	2.395
Weighted average return on net assets	34.62%	27.89%	Increased by 6.73 percentage points	26.81%

(2) Quarter-based Major Financial Indicators

Unit: RMB

	Q1	Q2	Q3	Q4
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Operating income	4,962,675,878.22	5,019,940,562.51	5,384,493,499.25	5,936,838,702.68
Net profit attributable to shareholders of listed company	437,905,012.74	442,713,267.04	481,582,219.60	817,597,647.89
Net profit attributable to shareholders of listed company with non-recurring profit or loss deducted	426,372,629.58	431,048,319.57	476,888,535.07	660,156,211.63
Net cash flows from operating activities	753,030,095.68	-197,989,584.56	606,709,345.76	873,159,479.32

Any difference between financial indicators or the total and relevant financial indicators disclosed in quarter-based report or semiannual report?

Applicable Not Applicable

4. Share Capital and Shareholders

(1) Number of shareholders of the Company and share-holding conditions

Unit: share

Total number of common shareholders by end of reporting period	12,314	Number of common shareholders at the end of last month before the disclosure date of the annual report	14,111	Total number of preferred stockholders with restored voting right (if any).	0	Total number of preferred stockholders with restored voting right at the end of last month before the disclosure date of the annual report (if any)	0
Information on top 10 shareholders (excluding shares lent out through securities financing)							
Shareholder's name	Nature of shareholder	Proportion of share-holding	Number of shares held at period-end	Number of restricted outstanding shares	Number of shares pledged or frozen		
					State of shares	Quantity	
SEB INTERNATIONALE S.A.S	Foreign legal entity	82.64%	666,681,904	0	Not applicable	0	
Hong Kong Securities Clearing Company Ltd.	Foreign legal entity	8.52%	68,728,932	0	Not applicable	0	
Ningbo Bank-Zhongtai Xingyuan Value-selected Flexible Complex Securities Investment Funds	Others	0.86%	6,913,640	0	Not applicable	0	
China Merchants Bank-Zhongtai Yuheng Value-selected Flexible Complex Securities Investment Funds	Others	0.30%	2,390,948	0	Not applicable	0	
BNP Paribas-Own Funds	Foreign legal entity	0.23%	1,885,220	0	Not applicable	0	
Industrial Bank-Zhongtai Xingwei Value-selected Complex Securities Investment Funds	Others	0.20%	1,602,727	0	Not applicable	0	
China Construction Bank-Zhongtai Yuanhe Value-selected Complex Securities Investment Funds	Others	0.20%	1,577,810	0	Not applicable	0	
ICBC-Rongtong Fund Power	Others	0.15%	1,217,603	0	Not applicable	0	

Pionner Complex Securities Investment Funds					applicable	
ABC- CSI 500 Index Traded Securities Investment Funds	Others	0.12%	928,121	0	Not applicable	0
Industrial Bank-Xingquan Trend Investment Complex Securities Investment Funds	Others	0.11%	880,070	0	Not applicable	0
Related relationship or concerted parties among the above shareholders	Ningbo Bank-Zhongtai Xingyuan Value-selected Flexible Complex Securities Investment Funds, China Merchants Bank-Zhongtai Yuheng Value-selected Flexible Complex Securities Investment Funds, Industrial Bank-Zhongtai Xingwei Value-selected Complex Securities Investment Funds, and China Construction Bank-Zhongtai Yuanhe Value-selected Complex Securities Investment Funds belong to Zhongtai Fund. It is unknown whether other shareholders are associated with each other, and whether they are persons acting in concert as stipulated in the Measures for the Administration of the Acquisition of Listed Companies.					
Information on top 10 common shareholders involved in securities margin trading business (if any)	None					

Top 10 shareholders' involvement in shares lent out through securities financing

Applicable Not applicable

Changes of top 10 shareholders compared with that in the last period

Applicable Not applicable

Unit: share

Changes of top 10 shareholders compared with that at the end of the last period					
Name of shareholder (full name)	New increase/withdrawal in the reporting period	Number of unrecovered shares let out through securities financing at the end of the period		Number of shares held by shareholders through general accounts and credit accounts, and unrecovered shares lent out through securities financing	
		Total quantity	Proportion to total share capital	Total quantity	Proportion to total share capital
Fidelity Mutual Fund & Investment Management - Clients' Capital	Withdraw	0	0.00%	0	0.00%
BARCLAYS BANK PLC	Withdraw	0	0.00%	0	0.00%
Yongan Guofu Asset Management-Yongan Guofu-Yongfu No. 19 Complex Investment Privite Funds	Withdraw	0	0.00%	0	0.00%
China Construction Bank-Zhongtai Yuanhe Value-selected Complex Securities Investment Funds	New	0	0.00%	0	0.00%
ICBC-Rongtong Fund Power Pionner Complex Securities Investment Funds	New	0	0.00%	0	0.00%
ABC- CSI 500 Index Traded Securities Investment Funds	New	0	0.00%	0	0.00%

(2) Number of shareholders of the Company and share-holding conditions of Preferred Stock

Applicable Not Applicable

No preferred stock existed in the reporting period.

(3) Property right and controlling relationship diagram between the Company and the actual controller**5. The Company's Bonds**

Applicable Not Applicable

III. Important notes**(I) Domestic sales during the reporting period****1. Product strategy**

During the reporting period, Supor continued the "consumer-centric" strategy guiding its innovation and development of new products, and deeply explored the needs of segmented users under different scenarios by means of internet data, so as to constantly provide smart and ingenious product solutions that meet diversified consumer needs and offer intimate, comprehensive consumer experiences.

In the business of open fire cookware, Supor actively responds to the needs of online and offline target consumer groups through continuous product innovation and iteration, with a focus on making breakthroughs in the key categories. In 2023, the Company has upgraded the titanium uncoated non-stick wok product, which continues to dictate the "Uncoated and Non-stick" upsurge in the cookware industry. Meanwhile, the Company targeted young generation and small-sized families and launched a hit product, the lightweight thermal-spot nonstick wok, through Red Book influencer recommendations, short video streaming, and in-site&out-site promoting to accurately reach the target groups, and to gain incremental market shares, and this product achieved a sale of nearly one million pieces in 2023. In terms of drinkware, the Company has continued to promote the strategy of major flagship product, the big capacity thermos bottle launched in the year sold nearly one million units, and ranked as the No. 1 on the hot-selling list for several consecutive months. At the same time, the Company has successfully launched a series of products such as stainless steel thermos jugs and thermos pots based on profound insights into customer needs, driving the market share of thermos jugs and thermos pots to continue to take the lead.

In the business of small domestic appliances, Supor adheres to the differentiated product innovation strategy at all times, and continuously rolls out innovative and intelligent products which provide creative functions for healthy and nutritious cooking. On the one hand, the Company's leading position in core rigid-demand categories such as electric rice cookers, electric pressure cookers, and electric kettles has been further strengthened, and the core product of far-infrared rice cooker has been sold over a million pieces accumulatively since its launch. On the other hand, the Company is accelerating the layout of small capacity, multifunctional, and outdoor product lines, actively exploring the market of new sub-categories. The intelligent automatic cooker product and portable coffee maker product launched by the Company have achieved good sales results, and were respectively

awarded as the "No. 1 Sales for the Category of Automatic Cookers on June 18", "Tmall's No. 1 Sales for the Category of Portable Semi-automatic Coffee Makers on June 18", and "Douyin's No. 1 Sales for the Category of Portable Coffee Makers on November 11" respectively, with an upsurging year-on-year increase.

In the business of H&PC appliances, Supor persistently promotes the development of the home appliance category and continues to strengthen the cleaning category, with the market share of vacuum cleaners improved to the first place among all domestic brands and to the second place in the industry. In terms of the garment steamer category, Supor continues to keep the leading position in the industry. According to the monitoring data of AVC, the online market share of Supor's clothes steamer category ranks second in the industry. Meanwhile, the Company actively develops emerging seasonal product categories such as the electric heaters and air-circulating fans, with a total scale of annual sales exceeding RMB 100 million, which is incubating to become a new engine of sales growth.

In the business of kitchen appliances, Supor insists on focusing on its main operating categories, rapidly develops and cultivates distinct categories, solidifies the foothold in the existing replacement market, and constantly seeks breakthroughs. The "Extreme Fire" gas stove category launched by the Company continues to lead the industry. According to the monitoring data of AVC, the online market share of Supor's gas stove category remains the first in the industry, and the overall online market share of Super remains in the top five in the industry in 2023.

2. Channel strategy

With the accelerated integration of online and offline markets, Supor remained "consumer-centric" and kept optimizing its layout of channels based on the changes in consumers' purchase path, thereby meeting the needs of various consumers through a multi-channel and multi-mode layout. The Company insisted on winning consumers' trust with high-quality products, and winning distributors' and retailers' support with excellent services.

In 2023, the overall growth rate of online retail has slowed down, and the conventional e-commerce is under pressure. With the significantly increased cost of customer acquisition, the price war between platforms has become increasingly fierce, and consumer purchasing channels have been further diverted. Under such background, by actively grasping the varied shopping needs of consumers and through excellent business capabilities in all fields, Supor has maintained a relatively robust trend as a leading brand in the industry, with the market shares of various categories on various platforms have reached new highs. In terms of conventional e-commerce, the Company continuously expands the sales proportion of mid- to high-end products through the portfolio optimization of product matrix and store matrix, which has further enhanced the market share of mid to high price products. In terms of interest-based e-commerce, the Company has successfully incubated differentiated products such as intelligent automatic cookers, portable coffee makers and foldable electric kettles on Douyin through the combination of shop livestreaming and influencer promotion. The Company has launched specialized models on Pinduoduo to continuously optimize the sales structure on the platform, reasonably control the proportion of high cost-effective single products, and continuously strengthen store operation capabilities with a focus on flagship stores.

In 2023, the landscape and competitive environment of offline retail continues to change, and there is not a significant recovery in customer flow at the retail terminals of cookware and small domestic appliances. As an industry leader, Supor has always adhered to winning the trust of consumers with excellent product quality, and has gained support from distributors and retailers with strong new product expansion capabilities and excellent services. In the offline market, the Company has newly established the promotion project of "Retail Expansion", and actively launched the "Trade in", brand alliance, cross industry linkage, and other local promotion activities in old communities, quasi-new communities, and building materials markets in an environment of fragmented and pre-positioned retail channels, which helps to keep offline sales relatively stable.

In terms of lower-tier markets, the Company continues to improve refined operations with the continued growth of the O2O business. In addition, the instant retail develops rapidly, and the Company's cooperation with platforms such as Meituan Flash Sale and JD.com Home has been further upgraded, which injects new vitality into the offline store ecosystem, further narrows the gap between products and consumers, and achieves the integration of consumption scenes with household scenes. In terms of B2B business, the Company has established the credit redemption business with large-scale banks, airline operators, and other large-

and medium-sized enterprises, further expanding the sales channels. Meanwhile, Supor continues to strengthen the cooperation with regional property developers and decoration companies, expanding the engineering-based kitchen appliance business.

3. Brand building

In 2023, the Company has expedited the process of brand rejuvenation from multiple dimensions such as consumer insight, product layout, industrial design, and marketing method, and the proportion of young people in the brand user asset has significantly improved. In terms of consumer insight, the Company deeply explores the needs of young people through the implementation of qualitative and quantitative researches and big data analysis, and has set indicators to continuously track the brand rejuvenation performance. In terms of industrial design, through the trials of different design styles of rejuvenation and the enrichment of color combinations, the Company has launched a series of "attractive-appearance" products such as the lightweight thermo-spot non-stick wok and the instant cooking pots. In terms of marketing, the Company continuously makes breakthroughs in the interest position and aesthetic culture of young people through the operation of "Audience + Content", which induces emotional resonance and delivers emotional value.

The Company has also conducted a comprehensive upgrade to the e-commerce detail pages, e-commerce packaging, and offline terminals, which optimizes the online and offline shopping experiences, strengthens the communication between the brand and consumers, and enhances the brand competitiveness. Meanwhile, the Company also strengthens the private traffic operation and has launched the official WeChat mini-program version 2.0 that integrates life inspiration proposals, product usage tips, immersive shopping, after-sales services, and membership activities, and provides the members with a unique product and service experience and enhance the added value of products and the brand reputation.

(II) Export sales during the reporting period

In the second half of 2023, thanks to the organic growth of SEB Group and its demand for channel-based replenishment of inventory, the prospect of the Company's export business continues to recover and has achieved a rapid growth throughout the year.

Zhejiang Supor Co., Ltd.

Board Chairman: Thierry de LA TOUR D'ARTAISE

March 30, 2024