

Stock code: 002032

Short form: Supor

Announcement No.:2024-014

## **Announcement of Profit Distribution Plan for 2023 Fiscal Year**

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.

On March 29, 2024, the Proposal on Profit Distribution Plan 2023 was reviewed and adopted at the 7<sup>th</sup> Session of the Eighth Board of Directors and the 7<sup>th</sup> Session of the Eighth Board of Supervisors of Zhejiang Supor Co., Ltd. (hereinafter referred to as “the Company”, “this Company” or “Supor”). The above proposal shall be submitted to the Annual General Meeting of Shareholders for 2023 Fiscal Year for approval, and the details are as follows:

### **I. Brief of the Profit Distribution Preplan**

In accordance with the standard unqualified audit report provided by KPMG Certified Public Accountants (Special General Partnership), the parent company of Zhejiang Supor Co., Ltd. realized the net profits of CNY1,979,653,497.56 in 2023 (including the cash dividends paid by subsidiaries, amounting to CNY1,748,623,145.25), and could distribute profits of CNY3,782,559,441.04 to shareholders at the end of the year based on relevant provisions of Company Law and the Articles of Association, after allocating CNY85,151,939.97 as legal surplus reserve (note: the accumulated amount of legal surplus reserve reached 50% of total capital stock), plus the undistributed profit of CNY4,331,212,701.66 at the beginning of this reporting period, deducting the annual cash dividends for 2022 fiscal year of CNY2,439,504,228.21 distributed on May 26, 2023 and decreased distributable profit of CNY3,650,590.00 due to the grant of Restricted Stocks on February 24, 2023 with respect to the postponed portion of 2022 Restricted Stock Incentive Plan.

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 will distribute all shareholders cash dividends of CNY27.30 per 10 shares (tax included), and total amount of cash dividends is CNY2,175,512,858.61. The Company will issue 0 bonus shares (tax included) and

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.

To provide positive returns to all shareholders, the Profit Distribution Preplan gives full consideration to the Company's long-term development and the interests of all shareholders. In addition, it considers both the current and future financial conditions and fund demands of the Company, and is in compliance with *the Company Law*, *Regulatory Guidelines for Listed Companies No.3-Cash Dividend of Listed Companies*, *the Articles of Association* of the Company, and other regulations. The implementation of the profit distribution plan 2023 will not have any significant impact on the Company's operating cash flow and debt repayment capability, and will not be harmful to the interests of the Company's shareholders, specially the minority shareholders. The Company did not use raised funds to supplement liquidity in the past twelve months and does not have any plan to use raised funds to supplement liquidity in the next twelve months.

## II. Relevant Approval Procedures

1. On March 29, 2024, the 7<sup>th</sup> Session of the Eighth Board of Directors reviewed and adopted the Proposal on Profit Distribution Plan 2023, and the Board of Directors agrees to submit the above proposal to the Annual General Meeting of Shareholders for 2023 Fiscal Year for approval.
2. On March 29, 2024, the 7<sup>th</sup> Session of the Eighth Board of Supervisors reviewed and adopted the Proposal on Profit Distribution Plan 2023, and the Board of Supervisors concludes that the Profit Distribution Preplan is law and rule compliant, and conforms to the commitment made by the Company in the profit distribution policy specified in *the Articles of Association*, and agrees to submit the above proposal to the Annual General Meeting of Shareholders for 2023 Fiscal Year for approval.

## III. Relevant Risk Reminder

Before implementation, the Profit Distribution Preplan for 2023 shall be submitted to the Annual General Meeting of Shareholders for 2023 Fiscal Year for approval, please take caution to relevant investment risks.

**IV. Reference Documents**

1. Resolutions of the 7<sup>th</sup> Session of the Eighth Board of Directors;
2. Resolutions of the 7<sup>th</sup> Session of the Eighth Board of Supervisors;
3. 2023 Annual Audit Report (KPMG Huazhen Shenzi No. 2404032).

Board of Directors of Zhejiang Supor Co., Ltd.

March 30, 2024