Stock Code: 688777 Stock Abbreviation: SUPCON Announcement No.: 2023-054

Zhejiang SUPCON Technology Co., Ltd.
Announcement on the plan to repurchase shares through centralized bidding transactions

The company's board of directors and all directors guarantee that there are no false records, misleading statements or major omissions in the content of this announcement, and they will bear legal responsibility for the authenticity, accuracy and completeness of the content in accordance with the law.

Important content reminder:

Zhejiang SUPCON Technology Co., Ltd. (hereinafter referred to as the “Company”) intends to use the over-raised funds and its own funds to repurchase the company’s shares through centralized bidding transactions. The main contents are as follows:

1. The purpose of the proposed share repurchase: implementation of equity incentives and / or employee stock ownership plans.
2. Proposed repurchase amount: no less than RMB 50 million (inclusive), no more than RMB 100 million (inclusive).
3. Repurchase period: within 12 months from the date when the company's board of directors approves the share repurchase plan.
4. Repurchase price: no more than RMB 80.54 per share (inclusive). It is not higher than 150% of the company's average stock trading price in the 30 trading days before the company's board of directors passed the repurchase resolution.
5. Sources of repurchase funds: the company's over-raised funds and self-owned funds.

● Whether relevant shareholders have a shareholding reduction plan: As of the disclosure date of this announcement, Mr. Shen Hui, a senior executive of the company, plans to reduce holding shares by combining centralized bidding transactions and block transactions from August 30, 2023 to September 12, 2023. The reduction is due to personal capital needs and the reduction of shares does not exceed 600,000 shares, the reduction ratio does not exceed 0.0763% of the company's total share capital. Mr. Qiu Kun, a senior executive of the company, plans to reduce his shareholding in the company by no more than 250,000 shares through centralized bidding transactions from August 30, 2023 to September 12, 2023 due to personal capital needs, and the reduction ratio will not exceed the company's total share capital 0.0318% of. Due to personal capital needs, Mr. Lai Jingyu, a senior executive of the company, plans to reduce his holdings of the company's shares by no more than 150,000 shares through centralized bidding transactions from August 30, 2023 to September 12, 2023. The reduction ratio is no more than 0.0191% of the company’s total share. In addition to the above-mentioned senior executives, the company's controlling shareholder, actual controller, other directors, supervisors, senior executives, and shareholders holding more than 5% of the company shares all replied that they will not reduce the company's shares in the next 3 months or the next 6 months. If relevant persons plan to implement a shareholding reduction plan in the future, the company will promptly perform its information disclosure obligations in accordance with relevant regulations.

- Relevant risk warning:

1. There is a risk that the company’s stock price will continue to exceed the upper limit of the repurchase price, resulting in the failure to implement the repurchase as planned;

2. If an event that has a major impact on the company's stock trading price occurs or the company's board of directors decides to terminate the repurchase plan, there is a risk that the repurchase plan cannot be implemented smoothly;

3. The shares repurchased this time are intended to be used for employee stock ownership plans or equity incentives. There are reasons such as the employee stock ownership plans or equity incentives not being reviewed and approved by decision-making bodies such as the company's board of directors and general meeting of shareholders, and incentive targets giving up subscription shares, etc., resulting in a risk that the repurchased shares cannot be granted in full. If the above-mentioned situation of inability to grant occurs, there is a risk that the repurchased but not granted shares will be cancelled;

4. Due to major changes in the company's production and operation, financial conditions, and external objective conditions, there is a risk that the repurchase plan

may be changed or terminated according to the rules;

5. There is a risk that the follow-up regulatory authorities will promulgate new regulations and requirements on the share repurchase of listed companies, resulting in the repurchase plan not meeting the new regulatory regulations and requirements, thus making it impossible to implement or requiring adjustments.

The company will make repurchase decisions according to market conditions within the repurchase period and implement them, and will perform information disclosure obligations in a timely manner according to the progress of repurchase matters. Investors are reminded to pay attention to investment risks.

1. Review and implementation procedures of the repurchase plan

(1) The company held the 22nd meeting of the fifth board of directors on August 23, 2023, and reviewed and approved the "Proposal on Repurchasing the Company's Shares through Centralized Bidding Transactions ". The purchase has issued a concurring independent opinion.

(2) According to the relevant provisions of the "Zhejiang Supcon Technology Co., Ltd. Articles of Association", the share repurchase plan can be implemented after deliberation and approval at the board meeting attended by more than two-thirds of the directors, and does not need to be submitted to the general meeting of shareholders for deliberation.

(3) On August 17, 2023, Mr. CUI SHAN, the chairman of the company, proposed to the company's board of directors to repurchase the company's shares, suggesting that the company formulate and implement a share repurchase plan, and repurchase part of the company's shares through centralized bidding transactions. For details, please refer to the "Reminder from Zhejiang Supcon Technology Co., Ltd. on Receiving a Proposal from the Chairman of the Company to Repurchase the Company's Shares" disclosed by the company on the website of the Shanghai Stock Exchange (www.sse.com.cn) on August 18, 2023 (Announcement No.: 2023-046).

On August 23, 2023, the company convened the twenty-second meeting of the fifth board of directors to review and approve the above-mentioned share repurchase proposal.

The time and procedures for the above-mentioned proposals and the board of directors' deliberation time and procedures are in line with the relevant provisions of the "Guidelines for the Self-Regulation of Listed Companies No.7"

2. Main content of the repurchase plan

(1) The purpose of the company's share repurchase

Based on the confidence in the company's sustainable development in the future and the recognition of the company's value, in order to safeguard the interests of the majority of investors, enhance investors' confidence in the company's investment, and promote the company's stable and healthy development, effectively combine the interests of shareholders, the company and the personal interests of employees, after comprehensive consideration of the company's operation and financial status, development strategy, etc., the company plans to implement share repurchase for the implementation of equity incentives and/or employee stock ownership plans. If the company fails to complete the share repurchase within three years Implement equity incentives and/or employee stock ownership plans, and the shares that have not been implemented will be canceled according to law.

(2) The method of proposed repurchase of shares: centralized bidding transaction method.

(3) Repurchase period: no more than 12 months from the day when the board of directors deliberates and approves the final share repurchase plan. The company's board of directors will authorize the company's management to make repurchase decisions based on market conditions within the repurchase period and implement them. During the implementation period of the repurchase, if the company's stock is suspended for more than 10 consecutive trading days due to major events, the repurchase plan will be postponed after the resumption of stock trading and disclosed in a timely manner.

The repurchase period will expire early if the following conditions are met:

1. If within the repurchase period, the amount of repurchase funds used reaches the upper limit, the repurchase plan will be implemented and the repurchase period will expire early from that date;

2. If within the repurchase period, the amount of repurchase funds used reaches the lower limit, the repurchase plan can expire early on the date when the company's management decides to terminate the repurchase plan;

3. If the company’s board of directors decides to terminate this repurchase plan, the repurchase period will expire early from the date when the board of directors decides to terminate this repurchase plan;

4. The company shall not repurchase shares during the following periods:

(1) Within 10 trading days before the annual report, semi-annual report, and quarterly report of the listed company, if the announcement date is postponed due to special reasons, within 10 trading days before the original scheduled announcement date;

(2) Within 10 trading days before the announcement of the company's performance forecast or performance flash report;

(3) From the day when a major event that may have a greater impact on the company's stock trading price occurs or is in the process of decision-making, to the day when it is disclosed according to law;

(4) Other circumstances stipulated by the China Securities Regulatory Commission and the Shanghai Stock Exchange.

(4) The purpose, quantity, proportion of the company's total share capital and total amount of funds to be repurchased

1. Types of shares to be repurchased: RMB ordinary shares issued by the company (A shares).

2. The purpose of the proposed repurchase of shares: this repurchase of shares is used for employee stock ownership and/or equity incentive plans. If the company fails to use up the repurchased shares within 3 years after the implementation result of the share repurchase and the announcement date of share changes, the unused repurchased shares will be cancelled. If the state adjusts relevant policies, the repurchase plan will be implemented according to the adjusted policies.

3. The total amount of funds for repurchasing shares: no less than RMB 50 million (inclusive), no more than RMB 100 million (inclusive).

4. The number of repurchased shares and the proportion of the company's total share capital: based on the company's current total share capital of 785,924,676 shares, the upper limit of the repurchase amount is 100 million yuan, and the upper limit of the repurchase price is 80.54 yuan per share. The number of repurchases is about 1.24 million shares, and the proportion of repurchased shares accounts for 0.1580% of the company's total share capital; based on the calculation of the lower limit of the repurchase amount of RMB 50 million and the upper limit of the repurchase price of RMB 80.54 per share, the number of repurchases this time is 620 thousand shares, which is 0.0790% of the company's total share capital.

The specific repurchase quantity and the proportion of the company's total share capital are subject to the company's actual repurchase situation when the repurchase is completed or the repurchase implementation period expires. If the company implements ex-rights and ex-dividend events such as converting capital reserves into share capital, distributing stock dividends, stock splits, shrinking shares, or allotment of shares during the repurchase period, the company will follow the relevant regulations of the China Securities Regulatory Commission and the Shanghai Stock Exchange to adjust the number of repurchase shares accordingly.

Repurchase purpose	Quantity to be repurchased (share)	Proportion to the company's total share capital (%)	Total funds to be repurchased (10,000 yuan)	Repurchase implementation period
For employee stock ownership plans and/or equity incentives	620,810 -1,241,619	0.0790-0.1580	5,000-10,000	Within 12 months from the date when the company's board of directors considers and approves the repurchase plan

(5) The price of this repurchase

The company plans to repurchase shares at a price not exceeding 80.54 yuan per share, and does not exceed 150% of the company's stock trading average price in the 30 trading days before the board of directors passed the share repurchase resolution.

The specific repurchase price is determined comprehensively by the stock price in the secondary market during the repurchase implementation period. If the company implements ex-rights and ex-dividends such as bonus shares, conversion of capital reserves into share capital, cash dividends, distribution of stock dividends, or allotment of shares during the share repurchase period, since the date of ex-rights and ex-dividends of the stock price, the upper limit of the share repurchase price will be adjusted accordingly according to relevant regulations of China Securities Regulatory Commission and Shanghai stock exchange.

(6) The total amount of funds for this repurchase

The funds for this repurchase is no less than RMB 50 million (inclusive) and no more than RMB 100 million (inclusive). The sources of funds are over-raised funds and self-owned funds, of which, 1. self-owned funds range from 19.2835 million yuan to 69.2835 million yuan; 2. The over-raised funds obtained from the initial public offering of ordinary shares were 30.7165 million yuan.

(7) Estimated changes in the company's equity structure after the repurchase

Based on the company's current total share capital of 785,924,676 shares, the upper limit of the repurchase amount is 100 million yuan, and the upper limit of the repurchase price is 80.54 yuan per share. The amount of repurchase is 1.24million shares, which accounts for 0.1580% of the total share capital; calculated based on the lower limit of the repurchase amount of RMB 50 million and the upper limit of the repurchase price of RMB 80.54 per share, the number of repurchases this time is about 620,000 shares, and the proportion of repurchased shares accounts for 0.0790% of the company's total share capital. If all the shares repurchased this time are used for the implementation of employee stock ownership plans and/or equity incentives and locked up, the expected changes in the company's share capital structure are as follows:

share class	Before this repurchase		After repurchasing according to the lower limit of the repurchase amount		After repurchasing according to the upper limit of the repurchase amount	
	Number of shares (shares)	Proportion of total share capital (%)	Number of shares (shares)	Proportion of total share capital (%)	Number of shares (shares)	Proportion of total share capital (%)

Restricted tradable shares	251,136,898	31.95	251,757,708	32.03	252,378,517	32.11
Unrestricted tradable shares	534,787,778	68.05	534,166,968	67.97	533,546,159	67.89
total share capital	**785,924,676**	**100.00**	**785,924,676**	**100.00**	**785,924,676**	**100.00**

Note: The above-mentioned changes have not considered the influence of other factors for the time being. The above calculation data are for reference only. The specific number of repurchased shares and the actual changes in the company's equity structure are subject to subsequent implementation.

(8) Analysis of the possible impact of the share repurchase on the company's daily operations, finances, research and development, profitability, debt performance, future development and maintenance of listing status, etc.

As of June 30, 2023 (unaudited), the company's total assets are 17,054,030,400 yuan, and the net assets attributable to shareholders of listed companies are 9,277,734,600 yuan. It is assumed that the upper limit of the total repurchase funds of 100 million yuan (inclusive) is used up as planned, the proportion of the total repurchase funds to the company's total assets and the net assets attributable to shareholders of listed companies is 0.59 % and 1.08 %, respectively, which are relatively low. This repurchase of shares will not have a significant impact on the company's operating activities, financial status, research and development, profitability, debt performance and future development. The implementation of the share repurchase plan will not lead to changes in control rights and will not affect the company's listing status.

(9) Situation of whether the directors, supervisors, executives, controlling shareholders, actual controllers, and repurchase proposers of the listed company bought or sold the company's shares within 6 months before the board of directors made a resolution to repurchase shares, and whether there is any conflict of interest with this repurchase plan, Whether there is insider trading and market manipulation, and whether there is a plan to increase or decrease holdings during the repurchase period:

After inquiry and self-examination, except for the reduction of 300,000 shares held by director Mr. Jin Jianxiang on March 21, 2023, and senior executives Ding Xiaobo and TEO KIM HOCK who bought 16,000 shares and 10,000 shares of the company's stock on June 5, 2023 due to the vesting of the company's 2021 restricted stock incentive plan, the company's other Directors, supervisors, controlling shareholders, and actual controllers did not buy or sell the company's shares within 6 months before the board of directors made a resolution to repurchase shares, and there was no conflict of interest, insider trading or market manipulation with this repurchase plan Case. There is no conflict of interest with this repurchase plan , There is no insider trading and market manipulation.

Mr. Shen Hui, a senior executive of the company, due to his personal capital needs, plans to reduce the amount of funds through a combination of centralized bidding transactions and block transactions from August 30, 2023 to September 12, 2023. The reduction amount is not more than 600,000 shares and the reduction ratio does not exceed 0.0763% of the company's total share capital. Mr. Qiu Kun, a senior executive of the company, plans to reduce his shareholding in the company by no more than 250,000 shares through centralized bidding transactions from August 30, 2023 to September 12, 2023 due to personal capital needs, and the reduction ratio will not exceed the company's total share capital 0.0318% of. Due to personal capital needs, Mr. Lai Jingyu, a senior executive of the company, plans to reduce his holdings of the company's shares by no more than 150,000 shares through centralized bidding transactions from August 30, 2023 to September 12, 2023, and the reduction is not more than 0.0191% of the total company shares. During the repurchase period, some directors and senior executives of the company may buy the company's shares due to the exercise of the company's 2019 stock option incentive plan and the vesting of the 2021 restricted stock incentive plan. Except for the above-mentioned senior executives, the company's directors, supervisors, senior executives, controlling shareholders, actual controllers and persons acting in concert with them have no clear plan to increase or decrease their shareholdings during the repurchase period. , the company will perform its information disclosure obligations in a timely manner in accordance with relevant regulations if they have shares reduction plan.

(10) Opinions of the independent directors on the compliance, necessity, rationality, feasibility and other related matters of the share repurchase plan

1. The company's share repurchase is in line with the "Company Law of the People's Republic of China", "Securities Law of the People's Republic of China", "Opinions on Supporting Share Repurchase by Listed Companies", "Stock Buyback Rules for Listed Companies", "Self-discipline of Listed Companies on the Shanghai Stock Exchange" Regulatory Guidelines No. 7 - Repurchase of Shares and other relevant provisions of laws, regulations, and normative documents, and the voting procedures of board meetings are in compliance with relevant laws, regulations and the relevant provisions of the "Articles of Association".

2. The total amount of funds for the company’s share repurchase this time is not less than RMB 50 million (inclusive) and not more than RMB 100 million. It has a significant impact on the company's operation, finance and future development, and the company has the ability to pay the repurchase price. After the repurchase, the company's equity distribution meets the conditions of a listed company and will not affect the company's listing status.

3. The implementation of the company's share repurchase plan is conducive to safeguarding the interests of the company and shareholders, improving the company's long-term incentive mechanism, fully mobilizing the enthusiasm of the company's employees, and promoting the company's healthy and sustainable development. The company's share repurchase purchase is necessary.

4. This repurchase is implemented in the form of centralized bidding transaction, and there is no circumstance that will damage the interests of the company and all shareholders, especially the interests of small and medium shareholders.

To sum up, we believe that the company’s share repurchase is legal and compliant, the repurchase plan is feasible and necessary, and is in the interests of the company and all shareholders. Therefore, we agree to the "Proposal on the Plan of Repurchasing the Company's Shares by means of Centralized Bidding Transactions".

(11) The listed company inquires from directors, supervisors, senior management, controlling shareholders, actual controllers, repurchase proposers, and shareholders holding more than 5% of the shares, whether there is a shareholding reduction plan in the next 3 months or the next 6 months, etc.:

Due to personal capital needs, Mr. Shen Hui, a senior executive of the company, plans to reduce the company's shares by no more than 600,000 shares from August 30, 2023 to September 12, 2023 through a combination of centralized bidding transactions and block transactions. It is no more than 0.0763% of the company's total share capital. Mr. Qiu Kun, a senior executive of the company, plans to reduce his shareholding in the company by no more than 250,000 shares through centralized bidding transactions from August 30, 2023 to September 12, 2023 due to personal capital needs, and the reduction ratio will not exceed the company's total share capital 0.0318% of. Due to personal capital needs, Mr. Lai Jingyu, a senior executive of the company, plans to reduce his holdings of the company's shares by no more than 150,000 shares through centralized bidding transactions from August 30, 2023 to September 12, 2023. 0.0191%. In addition to the above-mentioned senior management personnel, the company's controlling shareholder, actual controller, other directors, supervisors, senior management personnel, and shareholders holding more than 5% of the shares all replied that there will be no reduction in the company's shares in the next 3 months or the next 6 months. plan. If relevant personnel plan to implement a shareholding reduction plan in the future, the company will promptly perform its information disclosure obligations in accordance with relevant regulations.

(12) Relevant information about the proposer's proposed repurchase

The proposer, Mr. CUI SHAN, is the chairman and president of the company. On August 17, 2023, the proposer, Mr. CUI SHAN, proposed to the company’s board of directors to repurchase shares. Based on his confidence in the company’s future sustainable development and recognition of the company’s value, in order to maintain the interests of the majority of investors can enhance investors' confidence in the company's investment, while promoting the company's stable and healthy development, effectively combining the interests of shareholders, the company's interests and the personal interests of employees, and suggesting that the company conduct share repurchases through centralized bidding transactions. The proposer, Mr. CUI SHAN, did not buy or sell the company's shares within 6 months before the proposal; he had no plan to increase or decrease the company's shares during the repurchase period; he promised to actively promote the company to advance the repurchase of shares as soon as possible, and will The board of directors voted in favor of the company's share repurchase proposal.

(13) Relevant arrangements for legal cancellation or transfer after repurchase of shares

The shares repurchased this time will all be used for equity incentives and/or employee stock ownership plans at an appropriate time in the future. And transfer within 3 years after the release of the share repurchase implementation results and share change announcement; if the company fails to complete the transfer within 3 years after the share repurchase implementation results and share change announcement, it will perform the procedure of reducing registered capital according to law, and the shares that have not been transferred will be unregistered.

(14) Relevant arrangements for the company to prevent infringement on the interests of creditors

The repurchase of shares this time will not affect the normal and continuous operation of the company, and will not cause the company to become insolvent. If the company intends to cancel the repurchased shares in the future, the company will fully protect the legitimate rights and interests of creditors in accordance with the relevant provisions of the "Company Law of the People's Republic of China" and other laws and regulations.

(15) Relevant information on authorizing the management of the company to handle matters related to the share repurchase

In order to ensure the smooth implementation of this repurchase, according to the "Company Law", "Articles of Association" and other relevant regulations, the company's board of directors authorizes the company's management to handle this repurchase within the scope of laws and regulations and in accordance with the principle of maximally protecting the interests of the company and shareholders. The content and scope of the authorization include but are not limited to:

1. To the extent permitted by laws, regulations and normative documents, formulate and adjust the specific implementation plan for this repurchase according to the specific conditions of the company and the market, including but not limited to repurchase timing, repurchase price, and repurchase quantity and other matters related to this repurchase.

2. In addition to matters related to relevant laws, regulations, normative documents and the "Articles of Association" that must be voted on by the company's board of directors and shareholders' meeting, according to the opinions of regulatory authorities, changes in policies or changes in market conditions, matters related to this repurchase Make corresponding adjustments, or decide whether to continue to implement all or part of the work of this repurchase according to the actual situation.

3. Decide and hire relevant intermediaries to assist the company in handling matters related to the share repurchase (if necessary).

4. Sign, implement, revise and complete all documents related to this repurchase, and disclose relevant information in accordance with relevant laws and regulations and the listing rules of the Shanghai Stock Exchange.

5. Set up a special securities account for repurchase or other related securities accounts.

6. During the repurchase period, choose an opportunity to repurchase shares according to the actual situation, including the time, price and quantity of repurchase.

7. If trading is suspended during the implementation of the repurchase plan, decide to postpone the repurchase related matters.

8. Handle other matters related to the repurchase of shares. This authorization starts from the date when the company's board of directors considers and approves the share repurchase plan to the date when the above-mentioned authorization matters are completed.

3. Uncertainty risks of the repurchase program

1. If during the repurchase period, the company’s stock price continues to exceed

the price upper limit disclosed in the repurchase plan, resulting in the risk that the repurchase plan cannot be implemented smoothly.

2. If there is a major event that has a major impact on the company's stock price, or there are major changes in the company's production and operation, financial status, and external objective conditions, or other events that cause the company's board of directors to decide to terminate this repurchase plan, there will be a risk that the repurchase plan cannot be implemented smoothly, or the repurchase plan is changed or terminated according to the rules.

3. The company intends to repurchase shares this time to implement equity incentives. If the company fails to implement the above-mentioned purposes within the time limit stipulated by laws and regulations, there is a risk of initiating the cancellation procedure of the untransferred part of the shares. During the period of the share repurchase, the company will make a repurchase decision according to market conditions and implement it.

The company will perform its information disclosure obligations in a timely manner according to the progress of the implementation of the share repurchase. Investors are reminded to pay attention to investment risks.

Hereby notice.

Board of Directors of Zhejiang SUPCON Technology Co., Ltd.

August 24, 2023