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SUPCON Technology Co., LTD

Announcement of the achievement of the exercise conditions for the fourth exercise period of the 2019 stock option incentive plan

The company's board of directors and all directors guarantee that the contents of this announcement do not contain any false records, misleading statements or major omissions, and assume legal responsibility for the authenticity, accuracy and completeness of its contents in accordance with the law.

Important content reminder:

- Number of stock options to be exercised: 3,990,412
- Source of exercise stocks: Directed issuance of company A-share common shares to incentive targets

SUPCON Technology Co., Ltd. (hereinafter referred to as the "Company") held the first meeting of the sixth board of directors and the first meeting of the sixth board of supervisors on December 11, 2023, and reviewed and approved the "Motion on the achievement of the exercise conditions of the fourth exercise period of the Company's 2019 stock option incentive plan". The exercise conditions for the fourth exercise period of the company's 2019 stock option incentive plan have been met. The relevant matters are now announced as follows:

1. Approval and implementation of equity incentive plan

(1) Stock option incentive plan plan and implementation procedures

1) On August 16, 2019, the company held the 14th meeting of the fourth board of directors, and on September 2, 2019, the company held the sixth meeting of the fourth board of supervisors, which reviewed and approved the "2019 Zhejiang SUPCON

Technology Co., Ltd. Stock Option Incentive Plan" (hereinafter referred to as the "2019 Stock Option Incentive Plan ") and "Zhejiang SUPCON Technology Co., Ltd. 2019 Stock Option Incentive Plan Assessment and Management Measures" (hereinafter referred to as the "Assessment Management Measures") , the independent directors have expressed independent opinions on the current stock option incentive plan. On September 2, 2019, the company's second extraordinary shareholders' meeting in 2019 reviewed and approved the "2019 Stock Option Incentive Plan" and "Appraisal Management Measures", and agreed to the company's implementation of the current stock option incentive plan.

2. On November 21, 2019, the company held the 17th meeting of the 4th board of directors and the 8th meeting of the 4th board of supervisors, and reviewed and approved the "Proposal on Adjusting Matters Related to the 2019 Stock Option Incentive Plan" and the " Regarding the Proposal on Adjusting Matters Related to the 2019 Stock Option Incentive Plan Implementation Assessment Management Measures", it was agreed to adjust the company's performance assessment in the option incentive plan. The company's independent directors have expressed independent opinions on this matter. On December 11, 2019, the 2019 Fourth Extraordinary General Meeting of Shareholders reviewed and approved the "Proposal on Adjusting Matters Related to the 2019 Stock Option Incentive Plan" and the "Regarding the Proposal on Adjusting Matters Related to the 2019 Stock Option Incentive Plan Implementation Assessment Management Measures", agreeing to adjust the company's performance assessment in the option incentive plan.

(2) Previous stock option grants

serial number	project	Contents of the stock option incentive plan
1	Grant date	September 23, 2019
2	Waiting period	The waiting period is 12 months, if the company is not listed within 12 months, the waiting period will be extended to the date when the company is listed.
3	Grant quantity	12 million shares
4	Number of people awarded	217 people

5	Number of stock options remaining after grant	0 shares
6	Exercise price	12 yuan/share

(3) Stock option exercise and adjustments

On December 11, 2020, the company held the 26th meeting of the fourth board of directors and the 17th meeting of the fourth board of supervisors, and reviewed and approved the "Motion on the achievement of the exercise conditions for the first exercise period of the company's 2019 stock option incentive plan". Six of the company's incentive targets resigned due to personal reasons. The 230,000 stock options granted to them were recovered by the company for free and will no longer be registered. The personal performance evaluation result of one incentive target was "D" and was not eligible for exercise in this period. Under the conditions, the 7,500 stock options granted to him during the first exercise period will no longer be registered, and the stock option incentive qualifications of the incentive subject will still be retained. The 210 incentive objects who met the exercise conditions had a total of 2,806,750 stock options exercisable in the first phase. Among them, 2 incentive objects voluntarily gave up exercising in the first exercise period due to personal reasons, and the remaining 208 incentive objects actually exercised them in the first phase. The number of rights is 2,794,000. The new shares to be exercised during the first exercise period were registered at the Shanghai Branch of China Securities Depository and Clearing Co., Ltd. on January 7, 2021.

On August 22, 2021, the company held the fifth meeting of the fifth board of directors and the fifth meeting of the fifth board of supervisors, and reviewed and approved the "Motion to adjust the exercise price of the 2019 stock option incentive plan". According to the "2019 Stock Option Incentive Plan", the company has completed the implementation of the 2020 annual equity distribution plan, so it has adjusted the exercise price of the company's 2019 stock option incentive plan. The exercise price has been adjusted from 12 yuan/share to 11.74147 yuan/share. The

company's independent directors have issued agreed independent opinions on this.

On November 25, 2021, the company held the seventh meeting of the fifth board of directors and the seventh meeting of the fifth board of supervisors, and reviewed and approved the "Motion on the achievement of the exercise conditions for the second exercise period of the Company's 2019 stock option incentive plan". Twelve incentive recipients of the company resigned due to personal reasons. The 750,000 stock options granted to them (excluding the exercised portion) were recovered by the company for free and will no longer be registered. The personal performance evaluation result of one incentive recipient was "D", does not meet the current exercise conditions, and the 7,500 stock options granted to him in the second exercise period will no longer be registered, and the incentive target's stock option incentive qualifications will still be retained. A total of 2,739,000 stock options will be exercisable in the second phase for the 204 incentive targets who meet the exercise conditions. The new shares to be exercised during the second exercise period have been registered at the Shanghai Branch of China Securities Depository and Clearing Co., Ltd. on January 21, 2022.

On June 30, 2022, the company held the 13th meeting of the fifth board of directors and the 12th meeting of the fifth board of supervisors, and reviewed and approved the "Proposal on Adjusting the Exercise Price of the 2019 Stock Option Incentive Plan". According to According to the provisions of the "2019 Stock Option Incentive Plan", due to the completion of the implementation of the 2021 annual equity distribution plan, the company has adjusted the exercise price of the company's 2019 stock option incentive plan. The exercise price has been adjusted from 11.74147 yuan per share to 11.38147 yuan. /share. The company's independent directors have issued agreed independent opinions on this.

On November 24, 2022, the company held the 17th meeting of the fifth board of directors and the 15th meeting of the fifth board of supervisors, and reviewed and approved the "Motion on the achievement of the exercise conditions for the third exercise period of the company's 2019 stock option incentive plan". Twelve incentive recipients of the company resigned due to personal reasons. The 750,000 stock

options granted to them (excluding the exercised portion) were recovered by the company for free and will no longer be registered. The personal performance evaluation result of one incentive recipient was "D", does not meet the current exercise conditions, and the 17,500 stock options granted to him for the third exercise period will no longer be registered, and the incentive target's stock option incentive qualifications will still be retained. A total of 2,743,000 stock options will be exercisable in the second phase for the 204 incentive targets who meet the exercise conditions. The new shares to be exercised during the third exercise period have been registered at the Shanghai Branch of China Securities Depository and Clearing Co., Ltd. on February 13, 2023.

On August 23, 2023, the company held the 22nd meeting of the fifth board of directors and the 19th meeting of the fifth board of supervisors , and reviewed and approved the " Proposal on Adjusting the Exercise Price and Quantity of the 2019 Stock Option Incentive Plan", according to the provisions of the "2019 Stock Option Incentive Plan", the company has completed the implementation of the 2022 annual equity distribution plan, so the exercise price and quantity of the company's 2019 stock option incentive plan have been adjusted. The exercise price is from 11.38147 yuan/ The share price was adjusted to 7.33205 yuan per share, and the number of unexercised options was adjusted from 2.8125 million to 4.078125 million. The company's independent directors have issued agreed independent opinions on this matter.

2. Explanation of stock option exercise conditions

On December 11, 2023, the first meeting of the company's sixth board of directors and the first meeting of the sixth board of supervisors reviewed and approved the "Proposal on the Achievement of Exercise Conditions for the Fourth Exercise Period of the Company's 2019 Stock Option Incentive Plan" , the company's chairman and president CUI SHAN is the incentive target, and as an associated director, he abstains from voting on the proposal. The remaining directors unanimously believe that the exercise conditions for the fourth exercise period of the

2019 stock option incentive plan have been met, and authorize the company's chairman and its authorized persons to handle various specific matters for this exercise. The fulfillment of the exercise conditions is now explained as follows:

According to the provisions of the company's "2019 Stock Option Incentive Plan", the company's stock option incentive plan has a waiting period, which is 12 months. If the company is not issued and listed within 12 months, the waiting period will be extended to the time when the company is listed. day. As of the date of this announcement, the company's incentive objects have been granted options for more than 12 months since the date of grant and the company has been listed on the Shanghai Stock Exchange's Science and Technology Innovation Board on November 24, 2020. Therefore, the waiting period for the incentive objects to be granted stock options is Expired. The fourth exercise period of the 2019 stock option incentive plan is from the first trading day after the first meeting of the company's sixth board of directors has reviewed and approved the exercise conditions for the stock options to the company's listing on the Science and Technology Innovation Board of the Shanghai Stock Exchange. Ending on the last trading day within forty-eight months.

The conditions and achievements of the fourth exercise period for the stock options granted under this stock option incentive plan are as follows:

Conditions for the fourth exercise period of stock options granted	Achievements
1. The company has not experienced any of the following situations: (1) The financial accounting report of the most recent fiscal year was issued a negative opinion or an audit report in which a certified public accountant was unable to express an opinion; (2) A certified public accountant issued an audit report with a negative opinion or a disclaimer of opinion on the internal control of the financial report in the most recent fiscal year;	As of now, the company has not experienced any of the above-mentioned circumstances and meets the conditions for the exercise of this option.

Conditions for the fourth exercise period of stock options granted	Achievements
(3) In the past 36 months, there has been any failure to distribute profits in accordance with laws, regulations, company articles of association, and public commitments; (4) Equity incentives are not allowed under laws and regulations; (5) Other circumstances determined by the China Securities Regulatory Commission.	
2. None of the following circumstances have occurred to the incentive recipients: (1) Determined as an unsuitable candidate by the stock exchange within the last 12 months; (2) Has been deemed an inappropriate candidate by the China Securities Regulatory Commission and its dispatched agencies within the last 12 months; (3) In the past 12 months, he has been subject to administrative penalties or market ban measures by the China Securities Regulatory Commission and its dispatched agencies due to serious violations of laws and regulations; (4) Those who are prohibited from serving as company directors or senior managers as stipulated in the Company Law; (5) Laws and regulations prohibit participation in equity incentives of listed companies; (6) Other circumstances determined by the China Securities Regulatory Commission.	As of now, none of the incentive targets for this exercise has experienced the above-mentioned circumstances and meets the conditions for this exercise.
3. Company performance requirements: The company 's total cumulative operating income in 2019 , 2020 , 2021, and 2022 is not less than 12.05 billion yuan, and the total cumulative net profit is not less than 1.85	In 2019, the company achieved operating income of 2,536.9297 million yuan, and the net profit attributable to the parent company was 365.4964 million yuan. After deducting

Conditions for the fourth exercise period of stock options granted	Achievements
billion yuan. Note: The above net profit is the net profit attributable to the parent company after deducting the impact of share-based payment.	the impact of share-based payment, the net profit attributable to the parent company was 398.1613 million yuan. In 2020, the company achieved operating income of 3,158.7434 million yuan, with a net profit attributable to the parent company of 3.1587434 million yuan. The company's net profit was 423.2634 million yuan, and the net profit attributable to the parent company after deducting the impact of share-based payments was 494.752 million yuan . In 2021, the company achieved operating income of 4.5194125 million yuan, and the net profit attributable to the parent company was 581.6648 million yuan, after deducting share-based payments. The net profit attributable to the parent company after the impact was 636.3008 million yuan; in 2022, the company achieved operating income of 6.6238565 million yuan, and the net profit attributable to the parent company was 797.9292 million yuan. After deducting the impact of share-based payment, the net profit attributable to the parent company was 895.8834 million yuan. Yuan. To sum up, the company's total cumulative operating income in 2019, 2020, 2021 and 2022 is 16,838,942,200 yuan, and its total cumulative net profit is 2,425,097,600 yuan, which meets the conditions for this exercise.

Conditions for the fourth exercise period of stock options granted	Achievements
4. Individual level performance appraisal requirements: The individual performance evaluation results of the incentive objects are divided into four grades: A (excellent), B (outstanding), C (average), and D (needs improvement), which correspond to the standard coefficients of plan exercise for the current year: 100%, 90%, and 70%, 0% respectively.	Among the original 217 incentive objects, 12 incentive objects no longer meet the conditions to become incentive objects due to resignation. One incentive object's personal performance evaluation result was "D", and the remaining 204 incentive objects' personal performance evaluations all reached C (average) The above assessment requirements are met and the exercise conditions are met.

3. Specific circumstances of this exercise

- (1) Award date: September 23, 2019
- (2) Number of exercised options: 3,990,412
- (3) Number of people exercising rights: 204
- (4) Exercise price: 7.33205 yuan/share
- (5) Source of stock: Targeted issuance of the company's A-share common shares to incentive targets
- (6) Exercise method: batch exercise
- (7) Exercise arrangements: Within 48 months from the first trading day after the first meeting of the company's sixth board of directors approves the fulfillment of the exercise conditions for stock options to the date the company is listed on the Science and Technology Innovation Board of the Shanghai Stock Exchange The last trading day of is the fourth exercise period of the 2019 Stock Option Incentive Plan. The company will determine the exercise window period in accordance with relevant laws and regulations, handle stock option exercise and related exercise share registration procedures for incentive objects that meet the exercise conditions, and complete the share registration procedures with the Shanghai Branch of China Securities Depository and Clearing Co., Ltd. The day of the change registration procedure is determined as the exercise date, and the industrial and commercial change registration and all other related procedures will be processed after the exercise is completed.
- (8) List of incentive targets and exercise status

Serial number	Name	Position	Number of stock options granted (shares)	Number of vested rights (share)	Ratio of exercisable number to number of stock options granted
1. Directors, senior managers and core technical personnel					
1	CUI SHAN	Chairman and CEO	111 , 250	36,250	32.58 %
2	Yu Haibin	Senior Vice President	222,500	72,500	32.58%
3	Mo wei	Senior Vice President	222,500	72,500	32.58%
4	Guo Biao	Senior Vice President	55,625	18,125	32.58%
5	Fang Yongsheng	Secretary of the Board of Directors, Chief Financial Officer	111,250	36,250	32.58%
6	Zhang Lei	Vice President	111,250	36,250	32.58%
7	Lu Weijun	Vice President, Core Technical Personnel	55,625	18,125	32.58%
8	Chen Jiangyi	Vice President	77,875	25,375	32.58 %
9	Wu Yucheng	Vice President	111,250	36,250	32.58 %
10	Wu Caibao	Vice President	77,875	25,375	32.58 %
11	Qiu Kun	Core technical personnel	222,500	72,500	32.58%
12	Yao Jie	Core technical personnel	55,625	18,125	32.58%
13	Chen Yu	Core technical personnel	55,625	18,125	32.58%
Subtotal			1,490,750	485,750	32.58%

Serial number	Name	Position	Number of stock options granted (shares)	Number of vested rights (share)	Ratio of exercisable number to number of stock options granted
Other incentive targets (191 people)			10,947,000	3,504,662	32.02 %
Subtotal			10,947,000	3,504,662	32.02 %
Total (204 people)			12,437,750	3,990,412	32.08%

Note: ① If there is any difference in the mantissa between some totals and the sum of each detailed number in the above table, it is due to rounding of the percentage results ;

②The number of stock options granted does not include the 750,000 stock options granted to the 12 incentive targets who resigned before the fourth exercise period of the 2019 stock option incentive plan;

③ The personal performance evaluation result of one incentive target is "D" and does not meet the exercise conditions of this period. The 25,375 stock options granted to him in the fourth exercise period will no longer be registered;

④ If the calculation result of the exercisable number of incentive objects in the current period is less than 1 share, the remainder will be rounded off;

⑤ In view of the implementation of the company's equity distribution in 2022, the number of unexercised options in the 2019 stock option incentive plan will be adjusted accordingly. The "Number of Stock Options Granted" and "The Ratio of the Number of Exercised Stock Options to the Number of Granted Stock Options" in the above table are adjusted data.

(9) Restrictions on the transfer of company stocks received by incentive recipients after exercising their options

According to the "2019 Stock Option Incentive Plan", the transfer restrictions on the company's shares received by the incentive objects after exercising their options are as follows:

1. The shares obtained by the incentive objects due to the exercise of rights after the company is listed shall not be reduced within 3 years from the date of exercise of rights; after the expiration of the aforementioned lock-up period, the incentive objects shall refer to the relevant stock reduction regulations for the company's directors, supervisors and senior managers. implement;

2. The company's directors, supervisors and senior managers may not transfer more than 25% of the total shares of the company they hold each year. The shares of the company held by him or her shall not be transferred within six months after resignation.

3. If the incentive objects are directors and senior managers of the company, if they sell the company's stocks within 6 months after buying them, or buy them again within 6 months after selling them, the proceeds will belong to them. The company owns the shares and the company's board of directors will take back the proceeds.

4. Other prohibition regulations stipulated in laws, administrative regulations, departmental rules, normative documents, and stock exchange business rules.

5. During the validity period of this incentive plan, if the relevant laws, regulations, normative documents such as the Company Law and the Securities Law, and the Articles of Association of the Company regarding the transfer of shares originally held by the company's directors and senior managers, If a change occurs, the transfer of company stocks held by these incentive objects shall comply with the provisions of the revised "Company Law", "Securities Law" and other relevant laws, regulations, normative documents and the "Articles of Association" at the time of transfer .

4. Opinions of special meeting of independent directors

The special meeting of independent directors held that the company's 204 incentive objects meet the conditions for the exercise of the fourth exercise period stipulated in the 2019 stock option incentive plan , and the exercise qualifications of these incentive objects are legal and valid. The above incentive objects are in the sixth period of the company. During the period from the first trading day after the first meeting of the Board of Directors considers and approves the fulfillment of the stock option exercise conditions to the last trading day within 48 months from the date of the company's listing on the Science and Technology Innovation Board of the Shanghai Stock Exchange, the company can The proposed exercise arrangement adopts a batch exercise method for its exercisable stock options. The company's proposed exercise arrangement complies with relevant laws and regulations, normative documents, the "2019 Stock Option Incentive Plan" and the "Assessment Management Measures" relevant regulations.

5. Opinions of the Supervisory Board

The Board of Supervisors believes that the conditions for the exercise of the fourth exercise period of the company's 2019 stock option incentive plan have been met, and the company's 204 incentive objects meet the conditions for the fourth exercise period of the 2019 stock option incentive plan. Review of the list of exercise objects for the fourth exercise period of the 2019 stock option incentive plan . Their exercise qualifications as incentive objects are legal and valid. The above-mentioned incentive objects were reviewed and approved by the first meeting of the company's sixth board of directors to exercise stock options. From the first trading day after the conditions are fulfilled to the last trading day within 48 months from the date the company is listed on the Science and Technology Innovation Board of the Shanghai Stock Exchange 3,990,412 shares can be exercised in accordance with the exercise arrangements proposed by the company. The options are exercised in batches. The exercise arrangements proposed by the company comply with relevant laws and regulations, normative documents, the relevant provisions of the "2019 Stock Option Incentive Plan" and the "Appraisal Management Measures". The company agrees with the 2019 stock options Matters concerning the exercise of options in the fourth exercise period of the incentive plan.

6. Description of buying and selling company stocks

As of the disclosure date of this announcement, the company's then senior vice president, Mr. Shen Hui, reduced his holdings of the company's shares by 421,442 shares through centralized bidding transactions from August 30, 2023 to September 12, 2023, due to personal fund needs, with a reduction ratio of 0.0536% of the company's total share capital; Mr. Qiu Kun, the company's then vice president and core technical staff, reduced his holdings of 241,994 shares of the company through centralized bidding transactions from August 30, 2023 to September 12, 2023 due to personal fund needs. , the shareholding reduction ratio is 0.0308% of the company's total share capital; the company's then vice president, Mr. Lai Jingyu, reduced his holdings of the company's shares by 149,932 shares from August 30, 2023 to September 12, 2023, through centralized bidding transactions due to personal fund needs. , the reduction ratio is 0.0191% of the company's total share capital.

Except for the above circumstances, if the incentive targets are directors and senior managers, there will be no buying or selling of company stocks in the six

months before the date of this announcement.

7. Calculation and explanation of stock option expenses

According to "Accounting Standards for Business Enterprises No.11 - Share-based Payment" and "Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments", on the date of grant, the company uses the Black-Schole option pricing model to determine the fair value of stock options on the date of grant. value; after the date of grant, the company has amortized the expenses related to the exercise of this stock option in accordance with accounting standards during the corresponding waiting period, and included them in the relevant costs or expenses and capital reserves; on the exercise date, the company only amortized the stock option based on the actual exercise. According to the number of rights, the share capital and share premium will be confirmed. This stock exercise will not have a significant impact on the company's financial status and operating results.

8. Concluding opinions of the legal opinion

To sum up, Beijing Jindu (Hangzhou) Law Firm believes that as of the date of issuance of this legal opinion, this exercise has obtained the necessary approvals and authorizations at this stage and complies with the "Management Measures" and the "Incentive Plan" Relevant regulations: The conditions for the exercise of the fourth exercise period of the company's 2019 stock option incentive plan have been met; the company still needs to handle matters related to this exercise in accordance with authorization and perform information disclosure obligations in accordance with the law on the progress of this exercise.

9. Announcement Attachment

(1) Resolutions of the first meeting of the sixth board of directors;
(2) Resolutions of the first meeting of the sixth session of the Supervisory Board;
(3) Resolutions of the first special meeting of independent directors of the sixth session of the Board of Directors;

(4) Beijing Jindu (Hangzhou) Law Firm's legal opinion on matters related to the exercise of the fourth exercise period of the 2019 stock option incentive plan of SUPRON Technologies Co., Ltd.

Here by notice.

Board of Directors of
SUPCON Technology Co., Ltd.
December 12 , 2023