

Business Performance Forecast 2020 of Zhejiang Supor Co., Ltd.

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.

I. Performance Forecast for 2020

1. The forecast period: January 1st, 2020 to December 31st 2020.
2. The performance estimated: ☐ Turning a loss into a profit ☐ Increase ☒ decline

(Unit: Million RMB)

Items	This reporting period	Same period last year
Total sales	18,596.42	19,853.4779
	-6.33%	
Net profit attributable to shareholders of listed company	1,784~ 1,914	1,919.9142
	-7.08% ~ -0.31%	
Net profit attributable to shareholders of listed company with non-recurring profit or loss deducted	1,551 ~ 1,663	1,734.3023
	-10.57% ~ -4.11%	
Basic earnings per share	2.178 yuan per share~2.337 yuan per share	2.344 yuan per share

II. Communication with the Accounting Firm

The financial data involved in this business performance forecast were calculated by Finance Dept. of the Company, have not been audited by the accounting firm. However, the Company has communicated in advance with the annual auditing accounting firm on significant matters related to the performance forecast, and there is no disagreement between the Company and the accounting firm in respect of the performance forecast for the current reporting period.

III. Introduction to Business Performance Change

The decline for both total sales and net profit attributable to shareholders of listed company is mainly

due to the negative effects of the COVID-19 epidemic in 2020. Besides, the total sales during the reporting period decreased on a YoY basis due to the effects of the COVID-19 epidemic and sales offsetting under the New Income Standards. The Ministry of Finance modified and promulgated the Accounting Standards for Business Enterprises No. 14 - Income (hereinafter referred to “New Income Standards” on July 5, 2017 that domestic listing enterprises shall implement the New Income Standards from January 1, 2020. In accordance with the new standards and related transition regulations, the Group implemented the New Income Standards from January 1, 2020. Under the New Income Standards, the Group’s payable customer expenses that meet the sale offsetting requirements were offset by the operating income of “This reporting period” and “Same period last year” in the above table represents the operating income under original standards. Therefore, the total sales of the two periods are different in terms of standards. If the total sales of “This reporting period” is recalculated based on standards of that under “Same period last year”, the total sales declined by 1.35% on a YoY basis.

IV. Risk Reminder

The financial data involved in this business performance forecast were calculated by Finance Dept. of the Company, and the final data will be subject to the 2020 Annual Report disclosed by the Company later. The Company will fulfil information disclosure obligations in strict accordance with relevant laws and regulations. Investors are advised to make cautious decisions and pay attention to investment risks.

Board of Directors of Zhejiang Supor Co., Ltd.

January 22, 2021