

Semiannual Business Performance Brief 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.

Special Notes:

The financial data for first half year of 2019 as stated below, audited by the internal Auditing Department of the Company, have not been audited by the certified public accountants. Therefore, investors are kindly reminded to pay attention to possible investment risks, there may be deviations from the financial data audited by the certified public accountants.

I. Major Financial Data for First Half Year of 2019

(Unit: RMB)

| | 2019 | 2018 | Increase/decrease (%) |
|---|------------------|-------------------|-----------------------|
| Total sales | 9,835,583,688.78 | 8,849,159,546.48 | 11.15% |
| Operating profit | 1,111,787,416.12 | 935,377,457.32 | 18.86% |
| Total profit | 1,096,889,363.69 | 940,902,939.38 | 16.58% |
| Net profit attributable to shareholders of listed company | 838,143,797.93 | 739,416,193.05 | 13.35% |
| Basic earnings per share (yuan/share) | 1.025 | 0.904 | 13.38% |
| Return on weighted average net assets | 13.82% | 13.21% | 0.61% |
| | End of June 2019 | Beginning of 2019 | Increase/decrease (%) |
| Total assets | 9,168,303,456.57 | 10,633,161,177.21 | -13.78% |
| Net assets attributable to shareholders of listed company | 5,941,752,510.72 | 5,907,337,461.81 | 0.58% |
| Share capital | 821,119,910.00 | 821,243,960.00 | -0.02% |

| | | | |
|---|------|------|-------|
| Net assets per share attributable to shareholders of listed company | 7.24 | 7.19 | 0.70% |
|---|------|------|-------|

During the reporting period, the Company paid repurchase fund amounting to RMB 124,050 yuan to Incentive Objects who had resigned from the Company. Zhejiang Pan-China Certified Public Accountants (special general partnership) issued the Capital Verification Report No. 196(2019), totally 124,050 shares of Restricted Stock were repurchased and canceled by Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on July 15, 2019. The share capital of the Company has been reduced from 821,243,960 shares to 821,119,910 shares at the end of June 2019.

II. Introduction of Business Performance and Financial Status

The total sales for first half year of 2019 reach 9,835,583,688.78 yuan, increased by 11.15% YoY; total profit is 1,096,889,363.69 yuan, increased by 16.58% YoY; and the net profit attributed to the listed company is 838,143,797.93 yuan, increased by 13.35% YoY. In which,

1. The increase rate of 11.15% for total sales: mainly due to the increased sales and marketing shares both of domestic business and overseas business.

2. The increase rate of 16.58% for total profits (higher than the increase of total sales): the period expenses have been controlled generally, especially the sales expense rate and management expense rate are reduced by 0.57% and 0.23% respectively. During the reporting period, the investment return reached fast increase compared with the same period of last year mainly due to the enhanced utilization efficiency of capital fund.

3. The increase rate of 13.35% for net profits attributed to the listed company (lower than the increase of total profit): mainly due to increased income tax caused by the change of income tax rate of the subsidiary.

4. The decrease rate of 13.78% for total assets: mainly due to decreased current assets and total assets compared with that at beginning of the year caused by implementation of Profit Distribution Plan 2018 and decreased balance of stock by enhanced management towards inventories.

III. Documents for Reference

1. The Comparative Balance Sheet and Profit Statement signed by the legal representative of the Company Mr. Thierry de LA TOUR D'ARTAISE and the person responsible for accounting work and Accounting Department Mr. Xu Bo, and sealed by the Company;

2. Internal Audit Report of 2019 Semiannual Financial Statement of Zhejiang Supor Co., Ltd.

issued by the Company's internal Audit Department.

Board of Directors of Zhejiang Supor Co., Ltd.

July 24, 2019