

2018 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 2018 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 because there may be deviations from the financial data audited by the certified public accountants.

I. Major Financial Data for 2018

(Unit: RMB)

	2018	2017	Increase/decrease (%)
Total sales	17,851,264,801.72	14,542,193,769.70	22.75%
Operating profit	1,981,934,569.54	1,598,077,858.67	24.02%
Total profit	1,981,538,256.56	1,588,596,037.97	24.74%
Net profit attributable to shareholders of listed company	1,669,873,440.77	1,326,195,778.24	25.91%
Basic earnings per share (yuan/share)	2.043	1.622	25.96%
Return on weighted average net assets	29.00%	26.13%	2.87%
	End of Dec. 2018	Beginning of Jan. 2018	Increase/decrease (%)
Total assets	10,633,161,177.21	9,462,215,289.52	12.37%
Net assets attributable to shareholders of listed company	5,907,333,096.81	5,407,071,353.16	9.25%
Share capital	821,243,960.00	821,287,610.00	-0.01%

Net assets per share attributable to shareholders of listed company	7.19	6.58	9.27%
---	------	------	-------

II. Introduction of Business Performance and Financial Status

The total sales for 2018 reached RMB 17,851,264,801.72 yuan, increasing by 22.75% YoY; total profit was RMB 1,981,538,256.56 yuan, increasing by 24.74% YoY; and the net profit attributed to the listed company was RMB 1,669,873,440.77 yuan, increasing by 25.91% YoY. In which,

1. The increase rate of 22.75% for total sales was mainly due to the increasing sales and marketing shares both of domestic and overseas markets.

2. The increase rate of 24.74% for total profit was mainly due to the continuous optimization of product structures and other factors. In this period, the gross profit margin increased by 0.35% YoY, increasing profits by RMB 62.7214 million yuan; the management expense ratio increased by 0.28% YoY mainly due to the implementation of 2017 Restricted Stock Incentive Plan in December of 2017, in which case, the expense for the Restricted Stock Incentive Plan is RMB 61.2383 million yuan compared with that of RMB 5.8125 million yuan in the same period of 2017. Meanwhile, in order to support and realize the rapid growth of business scale, the Company has appropriately increased the investment of marketing resources such as e-commerce fees, promotion fees, freight and advertising fees, and the sales expense rate has increased by 0.50% YoY. The Company also invested in Money Market Fund and China Treasury Bond Repurchase apart from Financial Products using excess cash in this period, which has improved the capital utilization efficiency and the return on investment. Other earnings in this period increased by 34.24% YoY mainly resulting from the significant increasing of government grants earned by the Companies and subsidiaries.

III. Explanation of Deviation from Previous Forecast

The business performance as disclosed in this Performance Brief has no deviation from the forecast in the Third Quarterly Report 2018.

VI. Documents for Reference

1. The Comparative Balance Sheet and Profit Statement signed by 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 2018 Financial Statement of Zhejiang Supor Co., Ltd. issued by the Company's internal audit department.

Board of Directors of Zhejiang Supor Co., Ltd.

February 25, 2019