

## 2020 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 2020 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 2020

(Unit: RMB)

	2020	2019	Increase/decrease (%)
Total sales	18,596,944,289.02	19,853,477,882.97	-6.33%
Operating profit	2,200,788,049.94	2,296,301,130.20	-4.16%
Total profit	2,204,027,545.10	2,273,457,833.79	-3.05%
Net profit attributable to shareholders of listed company	1,849,126,316.50	1,919,914,191.25	-3.69%
Basic earnings per share (yuan/share)	2.258	2.344	-3.67%
Return on weighted average net assets	27.01%	30.54%	-3.53%
	End of Dec. 2020	Beginning of Jan. 2020	Increase/decrease (%)
Total assets	12,341,010,607.02	11,847,953,986.45	4.16%
Net assets attributable to shareholders of listed company	7,203,844,687.32	6,836,417,032.56	5.37%
Share capital	821,083,860.00	821,119,910.00	0.00%

Net assets per share attributable to shareholders of listed company	8.77	8.33	5.28%
---	------	------	-------

## II. Introduction of Business Performance and Financial Status

The total sales for 2020 reached RMB 18,596,944,289.02 yuan, declined by 6.33% YoY; total profit was RMB 2,204,027,545.10 yuan, declined by 3.05% YoY; and the net profit attributed to the listed company was RMB 1,849,126,316.50 yuan, declined by 3.69% YoY. In which,

1. The decrease rate of 6.33% for total sales was 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 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.

2. The decrease rate of 3.05% for total profit: the gross profit margin decreased by 1.01% YoY (if considering the impact of sales offsetting, the gross profit margin decreased by 4.73%) affected by COVID-19 epidemic so that the Company promoted online marketing and sales further, decreasing profits by RMB 198.39 million yuan. During the reporting period, the Company had strict control on selling expenses and management expenses and the period expenses ratio decreased by 0.51% YoY, increasing profits by RMB 99.11 million yuan. Other income increased by 22.37% YoY, mainly due to the large increase in government subsidy income received by the subsidiaries during the reporting period. Above two items offset the negative effects towards total profits caused by the declined gross profit margin.

3. The increase rate of 5.37% for net assets attributable to shareholders of listed company was mainly

due to accumulation of the Company's own operating profit.

### **III. Explanation on Difference of Previous Performance Forecast**

On January 22, 2021, the Company disclosed the Business Performance Forecast of 2020 and estimated that the total sales for 2020 would be RMB 18.60 billion yuan, declined by 6.33% YoY, and range for the net profit attributable to shareholders of the listed company would be RMB 1784 million yuan to RMB 1914 million yuan, declined by 7.08% to 0.31%.

The total sales for 2020 disclosed in this flash report was RMB 18.60 billion yuan and the net profit attributable to shareholders of the listed company was RMB 1849 million yuan, decreased by 3.69% YoY, in line with business performance forecast previously disclosed.

### **IV. 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 2020 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, 2021