

Semiannual Business Performance Brief 2023 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 2023 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.

I. Major Financial Data for First Half Year of 2023

(Unit: RMB)

	2023	2022	Increase/decrease (%)
Total sales	9,982,616,440.73	10,323,979,744.82	-3.31%
Operating profit	1,098,684,164.80	1,253,559,387.79	-12.35%
Total profit	1,098,129,774.21	1,252,951,332.99	-12.36%
Net profit attributable to shareholders of listed company	880,618,279.79	932,849,164.03	-5.60%
Net profit attributable to shareholders of listed company after deducting non-recurring profit or loss	857,828,238.20	909,114,292.90	-5.64%
Basic earnings per share (yuan/share)	1.097	1.155	-5.02%
Return on weighted average net assets	13.29%	12.31%	Increase 0.98 pct.
	End of June 2023	Beginning of 2023	Increase/decrease (%)
Total assets	10,529,613,469.40	12,952,655,903.47	-18.71%
Net assets attributable to shareholders of listed company	5,291,005,376.59	7,036,084,863.54	-24.80%

Share capital	806,708,657.00	808,654,476.00	-0.24%
Net assets per share attributable to shareholders of listed company	6.56	8.70	-24.60%

II. Introduction of Business Performance and Financial Status

The total sales for first half year of 2023 reach 9,982,616,440.73 yuan, declined by 3.31% YoY; total profit is 1,098,129,774.21 yuan, declined by 12.36% YoY; and the net profit attributed to the listed company is 880,618,279.79 yuan, declined by 5.60% YoY. In which,

1. The total sales decreased slightly of 3.31%: for domestic sales, it declined slightly affected by the macroeconomic environment and consumers' lower willingness to spend in 2023Q1. The domestic sales as a whole increased by 6.24% YoY in 2023Q2. According to third-party monitoring data, the market shares gained for most of business units from many categories in 2023Q2 and the competitive position have further strengthened. As for the domestic online channels, Supor achieved fast growth benefiting from traffic advantages among emerging platforms. For export business, due to the continued downturn in the global economy and market demand in Europe and the United States in 2023Q1, the sales to our key export customers declined compared to the same period last year. The export sales as a whole increased by 7.26% YoY in 2023Q2 with the de-stocking of our key export customer was near the end and its export orders to us have been gradually increasing since 2023Q2.

2. The net profit attributable to shareholders of listed company decreased slightly of 5.60%: the actual gross profit margin declined slightly. The Company has taken active measures to optimize expenses structure and continuous investment in R&D innovation with more competitive products launched. The selling expenses ratio was increased during reporting period compared with that last year, mainly due to the increased investment among terminals, such as sales promotional expenses to support and promote the steady growth for domestic sales scale. The Company has good control on other expenses and the income taxes decreased compared with that last year, mainly due to the change of income tax ratio of subsidiaries and decrease of total profits.

3. The decrease rates of 18.71% and 24.80% for total assets and net assets attributable to shareholders of listed company: mainly due to implementation of Profit Distribution Plan for 2022 Fiscal Year, and the promotion of share repurchase plan.

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 2023 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 27, 2023