1. China macro-economics
2. SUPOR business overview
3. Product and market competition
4. Main levers
Sound macro-economic backdrop

- **Average growth rate over 4 years at 6.8%**
- **GDP growth driven by domestic consumption**

**GDP growth rate**

- 2015: 6.9%
- 2016: 6.7%
- 2017: 6.9%
- 2018.1-9: 6.7%

**Consumption contribution to GDP growth**

- 2015: 60%
- 2016: 67%
- 2017: 59%
- 2018H1: 79%

*Source: State Statistical Bureau*
Consumption upgrade driven by strong structural fundamentals

- Fast-growing middle-class

Household number:
(million)

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2016</th>
<th>2020E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mass class</td>
<td>7%</td>
<td>43%</td>
<td>54%</td>
</tr>
<tr>
<td>Middle Class</td>
<td>91%</td>
<td>54%</td>
<td>42%</td>
</tr>
<tr>
<td>Wealthy Class</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Stronger consumption-ability by young generation

Consumption in city:
(tril.USD)

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2016</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Old Generation</td>
<td>33%</td>
<td>44%</td>
<td>52%</td>
</tr>
<tr>
<td>Young Generation</td>
<td>67%</td>
<td>56%</td>
<td>48%</td>
</tr>
</tbody>
</table>

Source: McKinsey research 2017

Source: BCG research 2017
Robust momentum in the cookware market

2014-17 CAGR 7%

Source: GFK 2014-2017
Robust momentum in the small kitchen electric market

2014-17 CAGR 6%

Source: CMM 2014-2017
1. China macro-economics
2. SUPOR business overview
3. Product and market competition
4. Main levers
Where a Fascinating Journey begun…

Yuhuan Pressure Cooker Factory, 1987
Major milestones

Zhejiang Supor, 1994

Acquired three state owned enterprises in Wuhan, 1996

Listed in SZ Stock Exchange, 2004

Entered SDA, 2002

Alliance with Groupe SEB, 2006

Entered South East Asia, 2008
A decade of outstanding performances

Supor total sales

2007-17 CAGR 17%

YoY Sales +28%

Note: Chinese GAAP
A decade of outstanding performances

Supor net profit

2007-17 CAGR 20%

Note: Chinese GAAP
A decade of outstanding performances

Supor domestic sales

Note: Chinese GAAP
A decade of outstanding performances

Supor export group sales

2007-17 CAGR 36%

MRMB
4000
3500
3000
2500
2000
1500
1000
500
0

YoY +11%
A decade of outstanding performances

Cookware sales

2007-17 CAGR 11%
YoY Sales +13%

Note: Chinese GAAP
A decade of outstanding performances

Electric appliance sales

2007-17 CAGR 23%

Yearly sales (MRMB):
- 2007: 1,140
- 2008: 1,722
- 2009: 1,921
- 2010: 2,729
- 2011: 3,767
- 2012: 3,777
- 2013: 4,682
- 2014: 5,482
- 2015: 6,375
- 2016: 7,466
- 2017: 9,077
- 2017.1-9: 6,945
- 2018.1-9: 8,873

YoY Sales +28%

Note: Chinese GAAP
2017 sales breakdown

**Sales by Business Unit**

- Electric appliances: 64%
- Cookware: 36%

**Sales by Business Type**

- Group Sales: 28%
- Export non-SEB: 2%
- Domestic: 70%

*Note: Electric appliances include small kitchen appliances business unit, and large kitchen appliance business unit*
2007-2017 market capitalization & share price

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Cap(BRMB)/year-end</td>
<td>10.6</td>
<td>5.5</td>
<td>9.2</td>
<td>13.8</td>
<td>9.6</td>
<td>7.9</td>
<td>9.2</td>
<td>10.8</td>
<td>17.6</td>
<td>22.1</td>
<td>33.2</td>
<td>39.9</td>
</tr>
</tbody>
</table>
1. China macro-economics
2. SUPOR business overview
3. Product and market competition
4. Main levers
A decade of category expansion in cookware

<table>
<thead>
<tr>
<th>Year</th>
<th>Cookware Categories</th>
<th>Kitchenware Categories</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>2017</td>
<td>4 new</td>
<td>5 new</td>
</tr>
</tbody>
</table>
Leadership market positions in cookware

- Wok
- Pressure Cooker
- Frypan
- Set
- Pottery Pot
- Steamer

N° 1
Strong momentum in kitchenware

Drinkware

Knife

Lunch Box

Spatula

Easy Storage Box

Kitchen Tools
Undisputed cookware market leader

Widening the gap vs ASD

Source: ASD Annual Report
A decade of category expansion in SDA

2007
5 categories in small Kitchen Electrics

2017
9 new categories in small Kitchen Electrics
6 new categories in home & linen care (since 2014)
Outstanding market positions in kitchen electrics

N° 1
Slow Cooker

Rice Cooker

N° 2
Baking Pan

Electrical Pressure Cooker

N° 3
Blender

Hot Pot

Induction Hob

Kettle

Soymilk Maker
Sharply strengthened market shares over the 10-year period in Kitchen Electrics

<table>
<thead>
<tr>
<th>Market Share (2017/2007)</th>
<th>No.1</th>
<th>No.2</th>
<th>No.3</th>
<th>No.4</th>
<th>No.5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Midea</td>
<td>Supor</td>
<td>Joyoung</td>
<td>Panasonic</td>
<td>Philips</td>
</tr>
<tr>
<td>RC</td>
<td>42.71%</td>
<td>33.12%</td>
<td>12.15%</td>
<td>2.78%</td>
<td>1.31%</td>
</tr>
<tr>
<td></td>
<td>+3.76%</td>
<td>+18.11%</td>
<td>NA</td>
<td>-4.01%</td>
<td>+0.09%</td>
</tr>
<tr>
<td>MAZUBA</td>
<td>Supor</td>
<td>Joyoung</td>
<td>MAZUBA</td>
<td>Galanz</td>
<td></td>
</tr>
<tr>
<td></td>
<td>50.21%</td>
<td>25.06%</td>
<td>18.24%</td>
<td>0.91%</td>
<td>0.60%</td>
</tr>
<tr>
<td></td>
<td>+14.45%</td>
<td>+14.26%</td>
<td>+8.22%</td>
<td>NA</td>
<td>-4.19%</td>
</tr>
<tr>
<td>LUBY</td>
<td>Joyoung</td>
<td>Supor</td>
<td>LUBY</td>
<td>Galanz</td>
<td></td>
</tr>
<tr>
<td></td>
<td>44.62%</td>
<td>36.41%</td>
<td>13.89%</td>
<td>0.61%</td>
<td>0.34%</td>
</tr>
<tr>
<td></td>
<td>+3.36%</td>
<td>+19.43%</td>
<td>+12.52%</td>
<td>+0.48%</td>
<td>NA</td>
</tr>
<tr>
<td>Galanz</td>
<td>Supor</td>
<td>Joyoung</td>
<td>Joyoung</td>
<td>Gelaide</td>
<td></td>
</tr>
<tr>
<td></td>
<td>40.12%</td>
<td>23.25%</td>
<td>16.69%</td>
<td>3.00%</td>
<td>1.74%</td>
</tr>
<tr>
<td></td>
<td>+9.38%</td>
<td>+20.58%</td>
<td>+11.92%</td>
<td>-0.74%</td>
<td>NA</td>
</tr>
<tr>
<td>Philips</td>
<td>Joyoung</td>
<td>Supor</td>
<td>Supor</td>
<td>Philips</td>
<td></td>
</tr>
<tr>
<td></td>
<td>63.59%</td>
<td>20.10%</td>
<td>14.82%</td>
<td>0.42%</td>
<td>0.22%</td>
</tr>
<tr>
<td></td>
<td>-29.06%</td>
<td>+20.01%</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>ASD</td>
<td>Supor</td>
<td>Joyoung</td>
<td>Panas0nic</td>
<td>Philips</td>
<td></td>
</tr>
<tr>
<td></td>
<td>41.69%</td>
<td>29.28%</td>
<td>19.18%</td>
<td>1.14%</td>
<td>0.89%</td>
</tr>
<tr>
<td></td>
<td>+8.67%</td>
<td>+18.69%</td>
<td>+4.74%</td>
<td>-0.68%</td>
<td>+0.56%</td>
</tr>
</tbody>
</table>

Source: CMM, Dec 2007 & 2017
Strong momentum for young categories

- Garment Steamer
- Vacuum Cleaner
- Air Purifier
- Iron
- Mite Predator
- Lint Remover
Important inroads in the Large Kitchen Appliance business

- Gas Stove
- Range Hood
- Water Purification & related
- Steam Box
- Oven
- Steam Oven
- Sterilizer
1. China macro-economics
2. SUPOR business overview
3. Product and market competition
4. Main levers
Supor’s key success factors

- Strong and continuous innovation
- Sustained branding investment
- Strong distribution partnership and retail execution
- Continuously improved competitiveness
- A group of highly motivated and committed people
Strong and continuous innovation

- Solid innovation model adapting to Chinese demand, based on strong local consumer insights
- Over 1,000 new products in 2017
- Average product development cycle – 6 months
- Holds 4,039 patents, out of which 244 are invention patents
- Total 308 R&D engineers
- 384 MRMB R&D spending in 2017
Driving the transformation of wok

Alu Ceramic Fumeless Wok
Anti-Rust Iron Wok
ThermoSpot Ti Pro Wok
Driving the transformation of rice cookers’ inner pot

Spherical inner pot 1.0

Spherical inner pot 2.0
Cross-fertilization with Groupe SEB

Tefal Thermospot Pan

Supor Thermospot Wok

Red dot as a temperature indicator, letting you know when your pan is preheated to the right temperature

Control oil temperature to avoid smoke
Transforming a Chinese iconic product into a global success story

Electric Pressure Cooker

Cookeo Multi-Cooker

2,000,000 pcs
Supor’s key success factors

- Strong and continuous innovation
- **Sustained branding investment**
- Strong distribution partnership and retail execution
- Continuously improved competitiveness
- A group of highly motivated and committed people
Drive brand to be more relevant to younger generation

- Product packaging upgrade
- New celebrity – Ning Chang
- Store image (SI) upgrade

New celebrity – Ning Chang

- Famous Taiwan actress
- Good education background and sporty
- To support new category growth: Drinkware, LKA, HPC
Major campaigns in 2017
- Vacuum High-Speed Blender

Integrate 8 mainstream channels

- **TV** (8 TVs)
- **OTT** (5 Smart TVs)
- **OOH** (31 railway stations, 5 trains)
- **OTV** (3 major video platforms)
- **Mobile** (Wechat + Feed Ads)
- **Social** (KOL: Wechat + Weibo)
- **Store** (2500+ online&offline stores)
- **Tmall 11.11 party** (3 TV live broadcast)

True vacuum, True nutrition
Colors can never lie

Spread to **614M+ people**

Source: Agency & BU, Dec 2017

+ **259%**

HSB sales value 2017FY YoY

**605K units**

HSB Sales Volume 2017FY

- First time to integrate 4 platforms (Tmall, JD, Suning, Gome) to exchange resources
- First time to advertise on Tmall 11.11 evening party

**Source: Agency & BU, Dec 2017**
Major digital campaign in 2018 - Low noise High-Speed Blender

Data Marketing Practice of SUPOR Low Noise High-Speed Blender: Increase 90% CTR (in Market) by Focusing TA through Programmatic Buying

Data Resource

In-depth Analysis

Consumer profile

Basic Info
- Female
- Age: 28-48

App Use
- Social, Video, Entertainment
- Lifestyle, Food, News

Interests
- Food & Beverage, Health & Fitness, Family & Child Care
- Video, Edu, House & Home, News, Social, Sports

Region
- Chongqing, Chengdu, Beijing, Jinan, Xi'an, Nanjing, Tianjin, Zhengzhou, Shenyang, Dalian

Brand Preference
- Media, Joyoung, Aux, Philips, Vitamix

Advertising

CTR Avg

1.81%

Notes: Programmatic Buying Data in Silent High-Speed Blender Project, Oct 15-21, 2018. (Only 7 days Data, FYI)

+90% above market level (0.95%)
Supor’s media spending going digital to drive relevancy and efficiency

<table>
<thead>
<tr>
<th>Year</th>
<th>TV</th>
<th>Digital</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>67%</td>
<td>33%</td>
</tr>
<tr>
<td>2016</td>
<td>62%</td>
<td>38%</td>
</tr>
<tr>
<td>2017</td>
<td>54%</td>
<td>46%</td>
</tr>
</tbody>
</table>
Supor, the Chinese consumers’ favorite kitchen brand

- Unaided awareness: Supor ranking #1, ahead of Midea by 7 pts
- Brand preference: Supor ranking #1, ahead of Midea by 3 pts

Source: AC Nielsen 2017
Supor, the Chinese consumers’ favorite brand in kitchen electrics

- Unaided awareness: Supor ranking #1 ahead of Midea by 2 pts
- Brand preference: Supor ranking #1 ahead of Midea by 3 pts

Source: AC Nielsen 2017
Supor’ key success factors

- Strong and continuous innovation
- Sustained branding investment
- Strong distribution partnership and retail execution
- Continuously improved competitiveness
- A group of highly motivated and committed people
Extensive distribution channels  
- Easy to reach

More than 300 distributors all over China

More than 60,000 retail points, covering 100% county cities

SUPOR – the strategic partner with mainstream e-commerce platforms like Tmall, JD and Suning.
Extensive presence on the Chinese territory via Supor Life stores

Map of Life stores nationwide

- **Life store**
  - Community store in city and county town
  - Brand “showroom”, sales, service, and experience center

- **First store opened in May, 2006**

- **Owned by individuals**

- **Total 670 exclusive Life stores in China in 2017**
Supor key success factors

- Strong and continuous innovation
- Sustained branding investment
- Strong distribution partnership and retail execution
- Continuously improved competitiveness
- A group of highly motivated and committed people
Overview of Supor’s manufacturing sites

SUPOR 2017 Info.
- Production Volumes: 106 MPCS
- Total number of Employees: 10,690
- Field: 880,149m²
Supor’s industrial sites – Facts and figures

Cookware:
Production volumes 2017: 59 MPCS

YUHUAN Site:
Year: 1994
Fields: 118,180 m²
Employee: 1,947

WUHAN Site:
Year: 2005
Fields: 201,094 m²
Employee: 1,843

VIETNAM Site:
Year: 2008
Fields: 73,890 m²
Employee: 424

SDA
Production volumes 2017: 47 MPCS

HANGZHOU Site:
Year: 2004
Fields: 66,000 m²
Employee: 2,256

SHAOXING Site:
Year: 2009
Fields: 420,985 m²
Employee: 4,220

SSEAC Site:
Year: 2017
Fields: 28,000 m²
Employee: 504

Cookware:
Production volumes 2017: 59 MPCS

SDA
Production volumes 2017: 47 MPCS
Focus on industry safety

Number of loss time incidents

- No analysis
- Lack of communication
- Design defect
- Lack of risk assessment
- Lack of skills
- Material/machine failure
- Unsafe practices repeated
- Individual human factors

Year: 2013 - 2018(1-10)

- 2013: 75
- 2014: 50
- 2015: 32
- 2016: 22
- 2017: 15
- 2018(1-10): 10
Supor key success factors

- Strong and continuous innovation
- Sustained branding investment
- Strong distribution partnership and retail execution
- Maintaining competitiveness through continuous improvement
- A group of highly motivated and committed people
Highly motivated and committed people
“Need pressure, not afraid of pressure, conquer pressure”

Total staff: 12,362

- 64% Male vs 36% Female
- Average age: 32
- 11% University Graduates
- 271 Gold Medal and 1034 Silver Medal employees
Supor, the story goes on: continued solid momentum

**Ambitions**

- Continue to capture Chinese market’s brisk dynamic
- Enhance Supor’s status of strong industrial base for the Group
- Become a Marketing and R&D competence center for Asia

**Priorities**

- Innovation
- Continued expansion in Tier 3-4 cities
- Ongoing development in new categories
- Capitalization on the online expertise
- More categories’ transfer to tape into competence production advantage
- Startup with specific categories
Thank You
INNOVATION PRESENTATION
Walson WANG

INVESTOR DAYS – 21-23 Nov, 2018
1. SDA market
2. Rice-cooker
3. More innovative products
4. Conclusion
# Robust Supor SDA business growth

The chart illustrates the growth of Supor's SDA business from 2007 to 2017, with sales in million RMB. The business has shown robust growth, with a Compound Annual Growth Rate (CAGR) of +22% over the period.

<table>
<thead>
<tr>
<th>Year</th>
<th>Domestic</th>
<th>Group Export</th>
<th>Non-Group Export</th>
<th>Total Sales (M RMB)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>1,130</td>
<td>1,050</td>
<td>17</td>
<td>2,307</td>
</tr>
<tr>
<td>2008</td>
<td>1,699</td>
<td>1,507</td>
<td>17</td>
<td>3,323</td>
</tr>
<tr>
<td>2009</td>
<td>1,909</td>
<td>1,734</td>
<td>17</td>
<td>4,660</td>
</tr>
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<td>2010</td>
<td>2,684</td>
<td>2,358</td>
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<td>5,209</td>
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<td>2011</td>
<td>3,729</td>
<td>3,139</td>
<td>17</td>
<td>7,005</td>
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<tr>
<td>2012</td>
<td>3,768</td>
<td>2,943</td>
<td>17</td>
<td>7,868</td>
</tr>
<tr>
<td>2013</td>
<td>4,663</td>
<td>3,415</td>
<td>17</td>
<td>8,295</td>
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<tr>
<td>2014</td>
<td>5,483</td>
<td>4,062</td>
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<td>10,712</td>
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<tr>
<td>2015</td>
<td>6,371</td>
<td>4,700</td>
<td>17</td>
<td>12,188</td>
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<td>2016</td>
<td>7,355</td>
<td>5,401</td>
<td>17</td>
<td>13,167</td>
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<tr>
<td>2017</td>
<td>8,575</td>
<td>6,304</td>
<td>17</td>
<td>15,194</td>
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</table>

**Organic Growth**

<table>
<thead>
<tr>
<th>Year</th>
<th>Organic Growth*</th>
</tr>
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<tbody>
<tr>
<td>2007</td>
<td>+49%</td>
</tr>
<tr>
<td>2008</td>
<td>+50%</td>
</tr>
<tr>
<td>2009</td>
<td>+12%</td>
</tr>
<tr>
<td>2010</td>
<td>+41%</td>
</tr>
<tr>
<td>2011</td>
<td>+39%</td>
</tr>
<tr>
<td>2012</td>
<td>+1%</td>
</tr>
<tr>
<td>2013</td>
<td>+24%</td>
</tr>
<tr>
<td>2014</td>
<td>+18%</td>
</tr>
<tr>
<td>2015</td>
<td>+16%</td>
</tr>
<tr>
<td>2016</td>
<td>+15%</td>
</tr>
<tr>
<td>2017</td>
<td>+17%</td>
</tr>
</tbody>
</table>
## Strong momentum in offline market

### CHINA SDA Offline Market Share

<table>
<thead>
<tr>
<th>Year</th>
<th>Others</th>
<th>JY</th>
<th>SUPOR</th>
<th>MD</th>
<th>Delta(12-18)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>22.7%</td>
<td>21.1%</td>
<td>18.1%</td>
<td>14.9%</td>
<td>-14.1 pts</td>
</tr>
<tr>
<td>2013</td>
<td>23.5%</td>
<td>24.0%</td>
<td>24.8%</td>
<td>25.3%</td>
<td>-1.2 pts</td>
</tr>
<tr>
<td>2014</td>
<td>17.7%</td>
<td>19.3%</td>
<td>21.7%</td>
<td>23.4%</td>
<td>+11.6 pts</td>
</tr>
<tr>
<td>2015</td>
<td>36.0%</td>
<td>35.6%</td>
<td>35.4%</td>
<td>36.4%</td>
<td>+3.8 pts</td>
</tr>
<tr>
<td>2016</td>
<td>22.3%</td>
<td>22.1%</td>
<td>28.0%</td>
<td>29.3%</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>9.8%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018YTD</td>
<td>8.6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: CMM 2012-2018.9YTD
### Outstanding market positions in large categories

<table>
<thead>
<tr>
<th>Rank</th>
<th>Product 1</th>
<th>Product 2</th>
<th>Product 3</th>
<th>Product 4</th>
<th>Product 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>N° 1</td>
<td>![Product 1 Image]</td>
<td>33%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N° 2</td>
<td>![Product 2 Image]</td>
<td>![Product 3 Image]</td>
<td>![Product 4 Image]</td>
<td>![Product 5 Image]</td>
<td>25% 26% 34% 37% 28%</td>
</tr>
<tr>
<td>N° 3</td>
<td>![Product 6 Image]</td>
<td>![Product 7 Image]</td>
<td>![Product 8 Image]</td>
<td></td>
<td>26% 26% 16%</td>
</tr>
</tbody>
</table>

Source: CMM 2012-2018.9YTD
SDA business development roadmap

Start SDA, and enter into more new categories

Product innovation & differentiation

SDA

New categories

HPC

2002

2008

2014
SDA key success factors on innovation

- Dedicated consumer insight
- Full patent protection on innovation
- Sustained investments in R&D
- Strong innovation pool and research process
- Efficient innovation system
- Cross-fertilization with Groupe SEB
Consumer insight - leverage on Chinese traditional cooking intelligence into innovative products

**Team**

- Period: 24-month follow-up
- Panel: 40 families nationwide
- Forum: 100 times with communities & experts
- Test: >1000 consumers tasting

**Process**

- Define what is the best rice
- The key factor of cooking best rice is inner pot
Robust patent application

Patent Application Quantity

- Utility Model
- Invention
- Design

2013-17 CAGR +83%

- Patent risk control and innovation protection through the whole product life cycle
- Patent mining and layout to create patent pool
- Combination of Trademark, copyright and different types of patents to protect products
Strong innovation pool

Select & enter RP1

- Approved to research process
- Product committee

Pre-research

- Innovation committee

Filtering

Triangle meeting

Assessment

- Product research dept.

Product development dept.

Strategic marketing dept.

Next step

- Product committee
- Improve and optimize the process of innovation system.
- Establish innovation evaluation system, rewards system.
- Allocate internal and external innovation resources.
- Coordinate innovation projects.
Cross-fertilization with Groupe SEB

Soup & Co + Soymilk Maker = Easy Soup

More compact, easier to clean and …

€199 + €99 = €298
1. SDA market
2. **Rice-cooker**
3. More innovative products
4. Conclusion
SDA innovation example - rice cooker

- Current market evaluation – Why need a new rice cooker inner pot
- Consumer insight of Chinese cooker – How develop a new inner pot
- Benefits from the rice cooker innovation – What achieved
Constant technological product upgrade to meet consumers’ upmarket needs
Rice cooker inner pot evolution

Flat Surface Heating
1st Gen: Aluminum Alloy
2nd Gen: AA Non-Stick
3rd Gen: Hard Anodized AA
4th Gen: Hard Anodized Non-Stick AA

Traditional Dome Heating
5th Gen: Ceramic
6th Gen: Steel + Aluminum Composite Stainless Steel

Spherical Heating
7th Gen: Ceramic 2.0
8th Gen: Spherical Pot
9th Gen: Titanized Spherical Pot
10th Gen: Shallow Spherical Pot

3D Heating

Timeline:
- Before 2000
- 2001
- 2003
- 2005
- 2010
- 2011
- 2013
- 2016
- 2018
Consumer insight - Why spherical inner pot

Inner pot in market
How to develop a new inner pot, based on traditional rice cooking
New inner pot
Spherical pot RC as a key growth driver…

Sales percentage of spherical pot RC

- 2013.8: 9%
- 2014: 35%
- 2015: 43%
- 2016: 53%
- 2017: 59%
- 2018.10: 63%
... leading to strong market share gains...

Market share

- **Spherical pot 1.0**: 1st Launch Aug 2013
- **Spherical pot 1.0 upgrade**: 24.8%
- **Spherical pot 2.0**: Launch Oct 2018
- **YTD market share +9.1pts**: 33.9%
… and improved average retail price

Spherical pot 1.0

1st Launch Aug 2013

RSP 309

RSP 526

+70%

Market

Supor
1. SDA market
2. Rice-cooker
3. More innovative products
4. Conclusion
More innovative products - KE

Dual pressure valve Fresh Breath EPC
First Silent High speed blender
First Digital LED display kettle
Anti-overflow IH
First anti-overflow health pot
More innovative products - HPC

Dust monitor
Mite Remover

Pressure
Garment Steamer

Art design
Garment Steamer
1. SDA market
2. Rice-cooker
3. More innovative products
4. Conclusion
Supor, leverage on Chinese traditional cooking intelligence into innovative products

Ambition

• Continue innovation in mature categories
• Develop more new categories
• Optimize Innovation system

Priorities

• Deep dive in consumer insight
• Penetrate into market-segmentation
• Leverage on consumption upgrade

• Enter into emerging categories
• Continue to create product differentiation

• Continue investment on R&D
• Optimize the innovation process to enrich the innovation pool
• Strengthen innovative product protection by patent barrier
Thank You
1. China premium cookware market
2. WMF Consumer in China
3. Key priorities
Market upmove driven by the rise of China’s middle-class

<table>
<thead>
<tr>
<th>2017 Household Income Per Month (K RMB)</th>
<th>City Household Number (Million)</th>
<th>2016-2030 CAGR%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premium Market</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&gt;3.4万</td>
<td>2.9</td>
<td>24.5</td>
</tr>
<tr>
<td>2.6万-3.4万</td>
<td>1.4</td>
<td>29.1</td>
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<tr>
<td>Mainstream Market</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.7万-2.6万</td>
<td>4.2</td>
<td>159.8</td>
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<tr>
<td>1.2万-1.7万</td>
<td>13.2</td>
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<td>0.7-1.2万</td>
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<tr>
<td>Mass Market</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0.4-0.7万</td>
<td>44.0</td>
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<tr>
<td>&lt;0.4万</td>
<td>23.1</td>
<td></td>
</tr>
</tbody>
</table>

McKinsey & Company
Robust Chinese premium cookware market

2013-17 CAGR +9%

(M RMB)

2013 278.1
2014 300.6
2015 300.2
2016 322.1
2017 397.0

Source: GFK, Premium Cookware Brands Market size, offline, 30 cities in China
Channel diversification of premium market: B2B and ecommerce as key drivers

Department Stores

New Retail Channel

Premium Outlet Villages
Premium Boutique Stores

ecommerce

B2B/BL/TV
1. China premium cookware market
2. WMF Consumer in China
3. Key priorities
WMF Consumer China integrated into Supor in 2017

- **2010**: WMF Consumer Goods Co., established, and opened the first self-run retail store
- **2011**: Began online business, opened WMF TMALL flagship store
- **2016**: Acquisition of WMF by Groupe SEB
- **2017**: WMF China Integrated into Supor. Honored Germany’s No.1 brand in homewares by Euromonitor
- **2018**: Aligned business model on Supor

**SUPOR 苏泊尔**
Main product milestones

2010
Started with 4 moment product lines (preparing, cooking, drinking & dining)

2011
Launched NATURamic range

2016
Launched SDA

2017
Launched local for local new products (e.g. Chinese woks)

2018
Launch insulation jugs and mugs
Cookware-focused portfolio, gradually diversifying

2017 sales > €50m

80% Cookware

20% SDA
Sustained growth momentum in WMF brand awareness

Aided Brand Awareness
(Top 6 tier 1 and 2 cities only)

Source: Consumer Survey conducted by third party agent; n=1200 in 6 tier 1 and 2 cities (Beijing, Shanghai, Guangzhou, Chonqing, Wuhan, Nanjing); respondents with minimum household income of RMB 10,000 and RMB 15,000 for tier 1 and 2 cities respectively.
Solid Offline market share growth

GFK 2013-2018 YTD Premium Market Share (30 Cities)
– Key Premium Brands

Source: GFK, 30 cities in China
Retail store layout in 2018

The First Retail Store opened in Shanghai in 2010

142 stores
- Self-run (55)
- Distributor (87)

Business model change
- Improve retail store productivity
- Prioritizing and accelerating growth in ecommerce and B2B
Fast platform expansion and store footprint adjustment

1 Online store in 2013

20 Online Stores in 10 Key Platforms in 2018

- TAOBAO
- AMAZON
- TMALL
- JD.COM
- SUNING
- Freshhema
- MEI.COM
- RED
- VIP.COM
- KAOLA
Doubling ecommerce stake in two years

Note: other incl. B2B, TV, brand loyalty program
Enhance consumer relationship and satisfaction

Store as Media, Updated with New SI

Brand Experiential Activities:

Social E-commerce & Content Marketing
1. China premium cookware market
2. WMF Consumer in China
3. Key priorities
A more extensive coverage of all market segments

<table>
<thead>
<tr>
<th>Premium</th>
<th>Cookware</th>
<th>Drinkware</th>
<th>Kitchen Electric</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top</td>
<td>GSEB</td>
<td>Competitor</td>
<td>GSEB</td>
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<tr>
<td></td>
<td>WMF</td>
<td>Fissler</td>
<td>GSEB</td>
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<tr>
<td></td>
<td>Wüsthof</td>
<td></td>
<td>Miele</td>
</tr>
<tr>
<td>Entry / Mid</td>
<td>Logastone</td>
<td>Le Creuset</td>
<td>WMF</td>
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<tr>
<td></td>
<td>Sagafina</td>
<td>Woll</td>
<td>KRUPS</td>
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<td></td>
<td>Zojirushi</td>
<td>TIGER</td>
<td>DeLonghi</td>
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<tr>
<td>Mass</td>
<td>SUPOR</td>
<td>ASD</td>
<td>SUPOR</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Midea</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>PHILIPS</td>
</tr>
</tbody>
</table>
WMF + Supor: Global innovation mixed with local insights

WMF German Design DNA +

Local product offering: Chinese Woks and Non-stick Range
WMF leveraging Supor’s R&D and industrial expertise…

R&D
- Design of local for local products

Manufacturing
- Lower cost
- High quality standards

Supply chain
- Improved lead-time – divided by 2
… and a strong local IT Support

HR SYSTEM

CRM SYSTEM

BPM & SAP SYSTEM

IT PURCHASING

AFTERSALES SYSTEM
New journey just begins...
Investors Day
Coffee Business in China
PCM WMF & Schaerer
November, 2018
Agenda

1. Coffee market in China
   - Market Size & Consumption
   - Specifics & our answers
   - Competitive landscape

2. PCM Business China

3. luckin coffee – the first Chinese coffee unicorn
Agenda

1. Coffee market in China
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3. luckin coffee – the first Chinese coffee unicorn
China – a coffee drinking country?
1. Coffee market in China

The inevitable rise of Chinese Coffee Market

The equation of China's increasing coffee consumption

Fast-growing middle class

Higher Demand

Average income

Affordability

Number of coffee outlets

Availability

Coffee consumption

Attractivity
The Chinese middle class is already larger than in the USA...

... and it's still growing

Share of middle class adults (in mio.), 2015¹

The middle class (and therefore the main potential for coffee consumption) is already the largest in the world. In addition, the growth is expected to continue with a CAGR > 6 %

Source: Credit Suisse Wealth Report 2015 / Global Insight / Business Insider (Sep. 2016)
Higher income will lead to a democratization of coffee consumption.

Higher income will establish a much bigger target group that can afford coffee consumption.

Source: Jing DATA (Jul, 2018)
1. Market Size & Consumption – Availability

Increase of potential coffee outlets in China

More than 40,000 coffee shops will open in the next 2 years.

Compare to Japan & Korea, Convenience Stores in China still have a big potential. Therefore a solid growth in this segment can be expected.

Source: CBN DATA(Jul,2018), Forward Business & Intelligence (Sep.2018)
1. Market Size & Consumption - Attractivity

The importance of fresh coffee is still far behind many countries.

Coffee consumption in China is still low, not only compared to Europe and US, but also to Japan & Korea. But according to the current growth rate (15%), China will catch up. On top, coffee consumption still includes a lot of instant & canned coffee, a switch to fresh coffee is expected.

Source: Forward Business & Intelligence (Sep. 2018)
Coffee market in China

Coffee is booming in China, the whole industry is growing fast.

The total market size of the Chinese coffee industry is expected to grow with a CAGR of roughly 30%.

Source: Forward Business & Intelligence (May, 2018)
1. Coffee market in China

Coffee's evolution from the fringes to the mainstream of Chinese society

Why the China Market Matters
Hanging out at coffee shops with the newest drinks in hand represents a new lifestyle choice for urban Chinese consumers. As their living standards improve, Chinese consumers like to explore new products and experiences—especially from the West.

Who & how do they drink coffee? In China coffee is more likely to be drunk after work whilst socializing by young, upper class females (40% of occasions).

1. Coffee market in China

Outlook Chinese Coffee Machines Market

China will be the second biggest Coffee Machine Market in the world

750 M€*

1999
Starbucks brings Coffee to China

120 M€*
The rise of coffee drinking

200 M€*
Coffee Drinking becomes integral part of society

2018

2022

2028

Source: Estin Studies (2018 – 2022), Estimation (2028)

*Marketsize FAPCM (incl. Service)
Agenda

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Specifics of the Chinese market

Overview – Our solutions for the main trends

1. Technology Leadership & Connectivity
2. Innovation Leadership in FAPCM
3. Premium brand & quality products
4. Global footprint with 2 Bands and local presence
Specifics of the Chinese market
Four mega trends characteristic & reshaping China

New Retail & IoT
Specifics of the Chinese market

New Retail & IoT

- >800 Mio. smart phone users
- Mobile Payment (WeChat, AliPay...) & Delivery Services dominating
- By 2021, 80% of smartphone users will use mobile payment at POS
- Mobile Payment transaction >15 trillion USD (2017)
Specifics of the Chinese market

New Retail & IoT - Changing the coffee market

“The New Retail model is the best combination of self-collection <-> delivery and online <-> offline to achieve optimal balance between product, price and convenience”
– luckin coffee –
Specifics of the Chinese market
New Retail & IoT - Our solutions

Product
Customize your WMF coffee machine thanks to connected tools.

Performance
Monitor and control the performance of your business.

Service
Make sure your machines are always fit for use and running smoothly.

Data Insights
Learn more about your daily coffee business.

Tailor-Made Analytics
With the help of our Business Analysts and Data Scientists we are able to create customized reports in order to help you answer your individual questions.
Specifics of the Chinese market
New Retail & IoT - Our solutions

Video available on youtube:
https://www.youtube.com/watch?v=gGFxNvSDSR0
Specifics of the Chinese market

Four mega trends characteristic & reshaping China

Automation & Self-Serve

CHINA
Specifics of the Chinese market
Automation & Self-Serve

- Rise of unmanned convenience stores and fully automated Food & Beverage concepts

Automated stores with no human cashiers on the rise

A first-hand review of Haidilao’s ‘smart’ hotpot restaurant in Beijing
Specifics of the Chinese market

Automation & Self-Serve – a big change for our customer segments

Premium Coffee self-serve solutions for unmanned shop concepts
Specifics of the Chinese market

Automation & Self-Serve – high technology WMF based solutions

Video available on youtube:
https://www.youtube.com/watch?v=t4r6nAkav9o

Cafe X – a completely new user experience through the combination of WMF Coffee machines with a robot
Specifics of the Chinese market
Automation & Self-Serve – Our solutions

Schaerer Premium Coffee Corner

This is REAL coffee

Schaerer’s answer to a growing demand of premium Coffee-to-Go!

- 3 grinders = 3 bean types
- **Best Foam™** – premium fresh milk foam
- 2 milk types, 2 powder types, 4 syrup types
- Chilled drinks (Hot&Cold)
- 32 inch HD landscape screen
- Self-explaining user interface
- Ambient lighting
- Connected to Schaerer Coffee Link
Specifics of the Chinese market
Four mega trends characteristic & reshaping China

4 Trends reshaping Chinese Coffee Business

CHINA

Premiumisation & Quality mindset
Specifics of the Chinese market

Premiumisation & Quality mindset

- Booming middle class with growing quality mindset & spending
- Consumption takes two paths, Western and Chinese
- Lifestyle products are leveraged by social media such as WeChat
Specifics of the Chinese market

Premiumisation & Quality mindset – premium coffee concepts

Starbucks

KFC

dicos

Fresh & Future
## Specifics of the Chinese market

### Premiumisation & Quality mindset - The 5 waves of coffee

<table>
<thead>
<tr>
<th>Development Wave</th>
<th>1st</th>
<th>2nd</th>
<th>3rd</th>
<th>4th</th>
<th>5th</th>
</tr>
</thead>
<tbody>
<tr>
<td>Focus</td>
<td>Traditional Coffee Culture</td>
<td>Branded Chains</td>
<td>Artisan Coffee</td>
<td>Science of Coffee</td>
<td>Business of Coffee</td>
</tr>
<tr>
<td>Period</td>
<td>Twentieth Century</td>
<td>Begins Mid-1990s</td>
<td>Begins Mid-2000s</td>
<td>Begins 2010s</td>
<td>Begins Mid-2010s</td>
</tr>
<tr>
<td>Dominant Brand</td>
<td>Retail/supermarket brands</td>
<td>Coffee shop chain brands</td>
<td>Artisan roaster brands</td>
<td>Custom in-house roasting</td>
<td>Smart boutique concepts</td>
</tr>
<tr>
<td>Defining characteristic</td>
<td>Functional</td>
<td>Lifestyle</td>
<td>Craft</td>
<td>Science</td>
<td>Focus</td>
</tr>
<tr>
<td>Defining emotion</td>
<td>Refuelling</td>
<td>Enjoyment</td>
<td>Love</td>
<td>Obsession</td>
<td>Excellence</td>
</tr>
</tbody>
</table>

“In China, all 5 waves of coffee happening at the same time”
Specifics of the Chinese market
Premiumisation & Quality mindset – Our solutions

Breakthrough Innovation

• 1st ever fully automatic with the "look & feel & taste" of a semi-automatic coffee machine
• Delivering benchmark espresso quality
• Cutting out the barista training
Specifics of the Chinese market
Premiumisation & Quality mindset – Our solutions

WMF Dynamic Milk
Schaerer Best Foam™
Milk foam of top barista quality, fully automated, with consistently high quality.

WMF MyCoffee
Schaerer CoffeeMYsation
Our app that enables you to customize YOUR office coffee - individualization is key!

WMF CoffeeConnect
Schaerer Coffee Link
Connectivity for service optimization and new business models

Flexible Touch
iPhone touch experience on WMF coffee machines – individualize your machine!

Plug & Clean
Customer convenience through easy of maintenance

Hot & Cold
Chilled coffee drinks freshly brewed – broader offerings for our customers
### Specifics of the Chinese market

**Premiumisation & Quality mindset – Our solutions**

<table>
<thead>
<tr>
<th>Machine Type</th>
<th>Hotel / Restaurant</th>
<th>QSR</th>
<th>C-Store</th>
<th>Office</th>
</tr>
</thead>
<tbody>
<tr>
<td>Espresso</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>300 cups/h</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9000 S+</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>350 cups/h</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>5000 S</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>250 cups/h</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1500 S</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>180 cups/h</td>
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<tr>
<td>1200 S</td>
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<tr>
<td>100 cups/h</td>
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<tr>
<td>1100 S</td>
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<tr>
<td>80 cups/h</td>
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<tr>
<td>Schaar Barista</td>
<td>300 cups/h</td>
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<tr>
<td>Coffee Art Plus</td>
<td>250 cups/h</td>
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<tr>
<td>Coffee Soul</td>
<td>250 cups/h</td>
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<td>Coffee Vito</td>
<td>150 cups/h</td>
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<tr>
<td>Coffee Prime</td>
<td>100 cups/h</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coffee Club</td>
<td>80 cups/h</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Schaerer**
- **Coffee Shop**
- **Customer Segment**

---

Page 30
Specifics of the Chinese market
Four mega trends characteristic & reshaping China

CHINA

Global & local players
Speciforis of the Chinese market
Global & local players

Global Brands investing in the market:
- FamilyMart
- 7-ELEVEN
- LAWSON
- BURGER KING
- McDonald's
- KFC
- DOUTOR
- Starbucks

Local brands adapting the concepts:
- 自由蜂便利蜂
- 盒马
- 喜士多
- Dicos
- 真功夫
- Coffee Box
- luckin coffee

WMF Group
Specifíc of the Chinese market

Global & local players – Our solutions

Global Footprint

- 11 subsidiaries and ~ 200 importers globally
- Approvals and contracts with many big global accounts

Local Organization

- More than 20 People for PCM locally in China
- Shared Services & Facilities with WMF Consumer Goods & WMF Hotel Supplies
Specifics of the Chinese market
Global & local players - Our solutions

PCM Business in China

Local PM
Local IT
Local Service
Local KAM
Local Marketing

Global Functions

Local Back office with strong link to the global functions in HQ

Sales WMF
Key Accounts
regional distributors

Sales Schaerer
nationwide distributors
Key Account

2 Brand Strategy with 2 Faces to the customer
Agenda

1. Coffee market in China
   - Market Size & Consumption
   - Specifics & our answer
   - Competitive landscape

2. PCM Business China

3. luckin coffee – the first chinese coffee unicorn
Competitive landscape

Besides the normal competitors, some new Chinese players are rising
Specifics of the Chinese market

Overview – Our solutions for the main trends

1. Technology Leadership & Connectivity
2. Innovation Leadership in FAPCM
3. Premium brand & quality products
4. Global footprint with 2 Bands and local presence
Agenda

1. Coffee market in China
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PCM Business in China

Historical Timeline WMF PCM China

2005
Market Entry WMF with own subsidiary in Shanghai

Continuous sales growth with a multiple distributor partnership network for PCM
Till 2014

2014
KKR acquires WMF
Start Exclusive Distribution with DKSH

Groupe SEB acquires WMF
End of partnership with DKSH
2016

2018
Appointment of new Management
WMF strengthens local organization
Coordinated approach Schaerer and WMF

Outlook:
Accelerate sales growth
2019
PCM Business in China
Go-to-Market Model – Sales Channels

Manufacturers

Sales Channels

Customers

Consumers

Example:

Manufacturers

Sales Channels

Customers

Consumers

value is created here

Example:

PCM Business in China
Go-to-Market Model – Sales Channels

Manufacturers

Sales Channels

Customers

Consumers

Example:

Manufacturers

Sales Channels

Customers

Consumers

value is created here

Example:
PCM Business in China
Customer Success Stories in China

C-Store  C-Store  QSR  QSR  Coffee Shop  Bakery

FamilyMart  7-Eleven  Dicos  Burger King  Luckin Coffee  85°C Daily Café

WMF  schaerer  WMF  WMF  schaerer  schaerer
 PCM Business in China

Key Facts of WMF PCM Business in China

Market Share

<table>
<thead>
<tr>
<th>Year</th>
<th>Market Share</th>
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<tbody>
<tr>
<td>2014</td>
<td>12%</td>
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<tr>
<td>2018</td>
<td>34%</td>
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</table>

+22 pt

Sales

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales (Mio. €)</th>
</tr>
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<tbody>
<tr>
<td>2014</td>
<td>63%</td>
</tr>
<tr>
<td>2018</td>
<td>+616%</td>
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Installed Base

<table>
<thead>
<tr>
<th>Year</th>
<th>Installed Base</th>
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</thead>
<tbody>
<tr>
<td>2014</td>
<td>5000</td>
</tr>
<tr>
<td>2018</td>
<td>+210%</td>
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Growth Rate (CAGR)

<table>
<thead>
<tr>
<th>Period</th>
<th>Growth Rate</th>
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</thead>
<tbody>
<tr>
<td>2014</td>
<td>63%</td>
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</tbody>
</table>

2014 -> 2018

WMF Group
Agenda

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   - Competitive landscape

2. PCM Business China

3. luckin coffee – the first Chinese coffee unicorn
luckin coffee – the first Chinese coffee unicorn

The extraordinary success story of luckin started just 12 months ago

Founded by Qian Zhiya (钱治亚)

First store in Beijing

A startup challenging Starbucks in China is now worth $1 billion

By Josh Horwitz - July 11, 2018

Exclusive: Chinese upstart Luckin Coffee seeks funds to double valuation to $2 billion

luckin coffee – the first Chinese coffee unicorn

Expansion Rate in China – Starbucks vs. luckin coffee

<table>
<thead>
<tr>
<th>Year</th>
<th>Starbucks</th>
<th>Luckin Coffee</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>2500</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>2935</td>
<td></td>
</tr>
<tr>
<td>2018E</td>
<td>3300</td>
<td>2000</td>
</tr>
<tr>
<td>2022E</td>
<td>6000</td>
<td></td>
</tr>
</tbody>
</table>
luckin coffee – the first Chinese coffee unicorn

Differences Starbucks vs. luckin

Affordability / Price

Convenience

<table>
<thead>
<tr>
<th>Starbucks</th>
<th>luckin</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMERICANO</td>
<td>¥31</td>
</tr>
<tr>
<td>LATTE</td>
<td>¥24</td>
</tr>
<tr>
<td>CAPPUCCINO</td>
<td>¥24</td>
</tr>
</tbody>
</table>
luckin coffee – the first Chinese coffee unicorn
Multi-type store strategy - “Any moment” “无限场景”

Any Moment

ELITE 旗舰店
RELAX 悠享店
PICKUP 快取店
KITCHEN 外卖厨房店

ELITE flagship store
RELAX leisure store
PICKUP express-pickup store
KITCHEN delivery kitchen store
Thank you!
Strong momentum in ecommerce

Source: CMM
Consumption structure upgrade: Stable mature category market and rapidly developing new categories

- Mature Category
  - RC: 93%
  - IH: 84%
  - KETTLE: 84%
  - SMM: 80%
  - EPC: 68%

- Emerged Category
  - STEAM IRON: 54%
  - JUICER OR BLENDER: 49%
  - VACUUM CLEANER: 45%
  - SLOW COOKER: 35%
  - HOT POT: 35%
  - AIR PURIFIER: 33%
  - ELEC STEAMER: 30%

- Emerging Category
  - GARMENT STEAMER: 27%
  - OVEN: 19%
  - TOASTER: 15%
  - ELEC FRYER: 13%
  - FOOD PROCESSOR: 13%
  - NOODLE MAKER: 10%
  - BREAD MAKER: 9%

Sample volume: total=3,393

Note: 1. Data is from AC Nielsen Brand Research Report 2015.
2. SMM has increasingly replaced by high speed blender for 2 years.
Supor SDA Domestic Sales (M RMB)

2007-17 CAGR  +20%

Supor SDA domestic sales
Sustained Supor market share growth

**CHINA SDA Offline Market by competitor (9 categories)**

- **Offline TOP 3 brands market share:** 77.3% → 91.4%

**CHINA SDA Online Market by competitor (9 categories)**

- **Online TOP 3 brands market share:** 57.8% → 64.9%

**Delta (12-18YTD):**
- **JY:** +11.6pts
- **SUPOR:** +11.6pts
- **MD:** +3.8pts
- **Others:** -14.1pts

**Delta (15-18YTD):**
- **JY:** +7.6pts
- **SUPOR:** +7.6pts
- **MD:** +3.7pts
- **Others:** -7.2pts

Source: CMM 2012-2018.9 & AVC 2015-2018.9
Strong momentum in distribution channels

- More than 300 dealers national wide
- Strategy partnership with all major retail banners
  - More than 60,000 offline retail points
  - Online sales on their ecommerce platforms
- More than 4,000 after-sale service stations

Ecommerce, 49%
Independent retailers, 33%
Electrical specialists, 7%
Key accounts, 11%
Supor, the Chinese consumers’ favorite brand in Kitchen Electrics

SUPOR BRAND AWARENESS ON THE RISE

<table>
<thead>
<tr>
<th>Year</th>
<th>Supor</th>
<th>Midea</th>
<th>Joyoung</th>
</tr>
</thead>
<tbody>
<tr>
<td>Y15</td>
<td>31</td>
<td>34</td>
<td>21</td>
</tr>
<tr>
<td>Y16</td>
<td>33</td>
<td>32</td>
<td>19</td>
</tr>
<tr>
<td>Y17</td>
<td>35</td>
<td>33</td>
<td>18</td>
</tr>
</tbody>
</table>

SUPOR, THE LEADING BRAND PREFERENCE

<table>
<thead>
<tr>
<th>Year</th>
<th>Supor</th>
<th>Midea</th>
<th>Joyoung</th>
</tr>
</thead>
<tbody>
<tr>
<td>Y15</td>
<td>34</td>
<td>36</td>
<td>14</td>
</tr>
<tr>
<td>Y16</td>
<td>36</td>
<td>34</td>
<td>14</td>
</tr>
<tr>
<td>Y17</td>
<td>36</td>
<td>33</td>
<td>14</td>
</tr>
</tbody>
</table>

Source: AC Nielsen Brand Research Report 2017
KE preferences by category - Rice Cooker
Supor gaining customer preference over the years

Source: AC Nielsen Brand Research Report 2017
KE preferences by category - Electric Pressure Cooker
Supor way ahead of competition

Source: AC Nielsen Brand Research Report 2017

Sample Volume: Y13=3,471; Y14=3,492; Y15=3,393; Y16=2,709; Y17=2,303
KE preferences by category - High Speed Blender
Supor ranking No.1 vs fierce competition

SUPOR  MIDEA  JOYOUNG  AUX  Westinghouse

23  20  22  1  0

Unit: %
Sample Volume: Y13=3,471; Y14=3,492; Y15=3,393; Y16=2,709; Y17=2,303

Source: AC Nielsen Brand Research Report 2017
Supor, a reliable brand for Chinese consumers

Supor, recognized as being high-end, high-quality, reliable and smart

Source: AC Nielsen Brand Research Report 2015

Base: Brand knower
Sample volume: 2173 2182 2052 1103

High-end
High-quality
Trustworthy
Clever
Good after-sale service
Constantly innovative
Functional
Well-designed
Intelligent product
Sci-tech associated
Warm and caring
Friendly
Socially responsible
Green and healthy
Unique
New and vibrant

Brand Image
Importance
Unit: %
Benefits from innovative design
Kitchen Electrical product lines overview

**NO.2**
- Rice Cooker
- Electrical Pressure Cooker
- Induction Hob
- Baking Pan

**NO.3**
- Blender

**NO.2**
- Kettle

**NO.1**
- Slow Cooker
Home & Linen Care product lines

NO.6 Vacuum Cleaner

NO.1 Garment Steamer

NO.9 Air Purifier

NO.6 Mite Predator

NO.3 Steam Iron
Thanks
Shaoxing site - Supor’s largest SDA plant

Field: 420K M²
Staff: 4,600

Foundation -- 2007.08
Put into production -- 2009.10
Category development milestones

2009-2011

2012-2014
Category development milestones

**Electrical cooking category**
- EPC
- Fryer
- Bread Maker

**Beverage category**
- Kettle
- Health pot
- FCM

**Food Preparation category**
- High speed blender
- Induction hob
- Soy Milk Maker
- Slow Juicer

- Blender
- Easy go
Steady ramp-up since 2009

Unit: Million RMB

- Overall volumes produced > 33 M units
- Growth driven mainly by kettle category

2009-2017 CAGR% +31%

SX Factory
Shaoxing, Groupe SEB’s centre of expertise in Kettles’

Unit: K pcs

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>3,050</td>
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<tr>
<td>2011</td>
<td>5,100</td>
</tr>
<tr>
<td>2012</td>
<td>6,300</td>
</tr>
<tr>
<td>2013</td>
<td>7,600</td>
</tr>
<tr>
<td>2014</td>
<td>9,000</td>
</tr>
<tr>
<td>2015</td>
<td>11,100</td>
</tr>
<tr>
<td>2016</td>
<td>14,500</td>
</tr>
<tr>
<td>2017</td>
<td>14,000</td>
</tr>
</tbody>
</table>
Scale effect contribute to competitiveness

UPPH
+60%
2017 VS 2012

PRU
-22%
2017 VS 2012

UPPH: Unit product per person per hour
Strongly structured innovation process

Developing teams:
- EPC
- IH
- Kettle
- Fryer
- High speed blender
- Food processor
- FCM&Toaster

Research teams:
- Electric heating
- Motor-driven

Expert teams:
- Electronic control
- Motor
- Injection
- Surface finishing
- Nutrition health

User scenario analysis
Category innovation thinking
Development direction
Next 3 years development mapping
Improved and shortened time to market

New product R&D cycle (days)

2014: 195 days
2015: 174 days
2016: 144 days
2017: 121 days
2018 YTD: 112 days

-43% decrease

100-day pilot project in 2018

97 Days
95 Days
International standardized testing center and quality assurance system

> 2000 M² area
> 700 pcs test facilities
> 50 testing engineers

Packaging | Kettle | BM | Fryer | FCM | Toaster | Blender | Hand blender | Food processor
---|---|---|---|---|---|---|---|---
validate by SBU LAB | DONE | IS Sur Tille | | | | Maryenne |
Status | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ongoing | ongoing | ongoing

QMS: ISO9001
EMS: ISO14001
OHSAS: 18001

SX getting autonomous lab validation of SEB products
Strict quality process control

**Example fryer**

- **Mock-up**
  - **Test item:** function, performance, construction & internal wire
  - **Quantity:** Life test 1-2pcs

- **First of Tooling**
  - **Test item:** Normal safety test MQS
  - **Quantity:** Life test 4pcs, other test 4pcs

- **Second of Tooling**
  - **Test item:** Normal safety test MQS
  - **Quantity:** Life test 4pcs, other test 4pcs

- **Pilot Production**
  - **Test item:** safety test, performance & life test
  - **Quantity:** Life test 6pcs, other test 6pcs

- **Mass Production**
  - **Test item:** Type test, short life test
  - **Quantity:** Life test 6pcs, other test 6pcs
Implementing PCO & Lean improvement to enhance competitiveness

PCO + LEAN savings close to 150 MRMB in 5 years

Unit: Million RMB

PRU change on Cookeo

-12% in 2 years

PCO: Product cost optimize
Launching improving system, Encouraging all people participation

2018 YTD:
- Got >19,000 proposals from staff
- All people participation >70%
- Getting >300 workshops
- In-direct labor participation >50%
- Getting >8M RMB savings
Labor efficiency steadily increasing

**Total labor efficiency**

- Total staff number
- Total per capita output value

**Direct labor efficiency**

- Direct labor number
- Direct labor per capita cost

- Year 2015: 1010, 960
- Year 2016: 1088, 1060
- Year 2017: 1253, 1160

- Year 2015: 267
- Year 2016: 287
- Year 2017: 319
Focus on employees’ working conditions: EHS improvement

E : reducing temperature and noise
- Cooling system
- Mute blow water

H : ergonomic
- Identification and improvement:
  - Stoop
  - Turn-back
  - Harmful substances

Person : VCS (safety interview)
- Direct labor: once per person/year
- Indirect labor: 2 times per person/year

Position : JSA (Job safety analysis)
Strengthen environmental management

Legal compliance
Basis files
Integrated control
Environmental monitoring
Emergency preparation

Resources
Energy
Wastes

- Production

Legal compliance
Basis files
Integrated control
Environmental monitoring
Emergency preparation

ISO 14001

- Production

Legal compliance
Basis files
Integrated control
Environmental monitoring
Emergency preparation

ISO 14001
Employee care & growing

- Improving workshop working environment
- Strict implementing 1 day off in every 7
- Assisting in the training of different staff
- Organizing diverse factory cultural life activities

Staff activities

Training

Factory celebration

An evening party celebrating the Spring Festival
**Shaoxing as a benchmark**

<table>
<thead>
<tr>
<th>No.</th>
<th>Association</th>
<th>Part</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>National household appliances Standardization Technical Committee</td>
<td>commissioner</td>
</tr>
<tr>
<td>2</td>
<td>China Association for Standardization</td>
<td>vice-council member</td>
</tr>
<tr>
<td>3</td>
<td>China Household Electrical Appliances Association</td>
<td>council member</td>
</tr>
<tr>
<td>4</td>
<td>IEC/MSB China expert committee</td>
<td>commissioner</td>
</tr>
</tbody>
</table>

Play a major role in category standards setting

As a team leader in:
- EPC(performance)/fryer performance test
- IH Energy efficiency standard/
- SMM standard setting
Visiting route & reminder

Put in using
To be planned
INVESTOR DAYS – 21-23 Nov, 2018

CW MARKET & PRODUCT OFFERING
Shirley Chen
目录 CONTENT

■ 炊具总体市场介绍  
   CKW OVERALL MARKET INTRODUCTION

■ 苏泊尔经营业绩及品牌表现  
   SUPOR SALES AND BRAND PERFORMANCE

■ 苏泊尔业绩增长驱动及产品介绍  
   SUPOR SALES GROWTH DRIVES AND PRODUCT OFFERING
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2017年中国炊具市场零售总额200亿元
20B RMB CKW market in China in 2017

2014-17 CAGR 7%

Date from: GFK China
炊具不同品类在中国消费者家庭的渗透率不同

Different penetration rates in Chinese households

<table>
<thead>
<tr>
<th>炊具</th>
<th>渗透率</th>
</tr>
</thead>
<tbody>
<tr>
<td>刀具</td>
<td>96</td>
</tr>
<tr>
<td>铲勺</td>
<td>93</td>
</tr>
<tr>
<td>水杯</td>
<td>93</td>
</tr>
<tr>
<td>炒锅</td>
<td>90</td>
</tr>
<tr>
<td>烹饪锅</td>
<td>84</td>
</tr>
<tr>
<td>压力锅</td>
<td>77</td>
</tr>
<tr>
<td>保鲜盒</td>
<td>69</td>
</tr>
<tr>
<td>蒸锅</td>
<td>63</td>
</tr>
<tr>
<td>煎锅</td>
<td>61</td>
</tr>
<tr>
<td>明火壶</td>
<td>51</td>
</tr>
<tr>
<td>保温壶</td>
<td>47</td>
</tr>
<tr>
<td>保温提锅</td>
<td>42</td>
</tr>
<tr>
<td>养生壶</td>
<td>37</td>
</tr>
</tbody>
</table>
目录

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  SUPOR SALES GROWTH DRIVES AND PRODUCT OFFERING
Supor, growing steadily over 10% every year in China.
2017年, 苏泊尔炊具在中国的销售超过3500万只
Over 35M pieces cookware sold in China in 2017

炊具主要8大品类：炒锅、压力锅、蒸锅、煎锅、汤奶锅、陶瓷煲、套装锅、水壶
8 Key Categories of CW including: Wok, PC, Steamer, Frypan, Pot, Pottery, Set, Kettle.
2017年，苏泊尔厨具在中国的销售超过1200万只
Over 12M pieces kitchenware sold in China in 2017

厨具主要四大品类：水杯、提锅、刀具、铲勺
4 Key Categories of KW including: Flask, Lunch box, Knife, Spatula
SUPOR, the undisputable No.1 brand of CKW in China

Data source: GFK 30 cities YTD 2018 1-8
苏泊尔在炊具行业知名度排名第一

SUPOR has the highest brand awareness in Cookware

总认知 General awareness
无提示第一提及 Unaided first mentioned
苏泊尔的消费者喜好度保持最高并逐年提高
SUPOR, the Top One preferred brand

- 苏泊尔SUPOR
- 美的MIDEA
- 九阳JOYOUNG
- 爱仕达ASD

前两喜爱 Top two preferences
第一喜爱 Top one preference

单位：%
基数所有被访者 all interviewees
样本量Sample numbers：Y13=3,471; Y14=3,492; Y15=3,393; Y16=2,709; Y17=2,303

苏泊尔SUPOR 52  53  54  59  62  美的MIDEA 60  59  63  64  64  九阳JOYOUNG 31  38  37  39  40
36  35  36  36  36  爱仕达ASD 22  22  20  24
8  9  8  8  8
目录 CONTENT

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SUPOR SALES GROWTH DRIVES AND PRODUCT OFFERING
Your kitchen small issues

Our attentively big solutions

你的厨房小事

我们的用心大事
以消费者“需求”出发，进行产品创新

Consumer needs, the key of our product innovation

如何产品创新？

How to innovate?

谁是目标消费者？

Who are target consumers?

洞察什么需求？

What is consumer insight?

产品

product

消费者

consumer

需求

needs
渗透率高的品类：细分需求，让消费者拥有更多

High penetration categories: lead our consumers to buy more.

“让消费者买更多”
“Give consumers a reason to buy more”
炒锅：一家两锅 文武双炒（不粘锅+铁锅）
Wok: double equipment in the kitchen (nonstick + iron)

问题
Problems

解决方案
Solutions
炒锅：一家两锅 文武双炒（不粘锅+铁锅）
Wok: double equipment in the kitchen (nonstick + iron)
Red spot fumeless wok

Visible to oil temperature, goodbye to fume
专利火红点技术  Patented Groupe SEB Red spot technology

油温可见 油烟再见  Oil temperature indicator, no more fume

当锅内的温度达到180 ℃左右时，红点上的图案将会消失，火红点变成全红色，成为一个实心的火红点，此时即为开始烹饪的最佳时刻。When temperature reaches 180℃, the red spot at the bottom of the wok will disappear and become a plain spot, which shows the best time for cooking.
Triply anti-rust Iron Wok

芯铁
真不锈炒锅

铁锅有芯 爆炒 得心应手

Triply layers Comfortable for stir fry
锅体采用铁-铝-铁 1:3:1黄金配比，在高温环境下进行多重特殊工艺处理，重组表面结构，让您感受轻重称手、持久不生锈的铁锅爆炒新体验。

Triply layers(iron/Alum/iron 1:3:1) with special treatment to realize light weight, nonstick and suitable for stir fry.
More than 10M new families buy a SUPOR wok every year
渗透率高的品类：消费升级，激发更新需求
High penetration categories: stimulate new demands by consumption upgrade

“给消费者一个购买苏泊尔的理由”
“Give consumers a reason to buy SUPOR”
Knife: “Golden arc + golden chop”--- Sharp Range Chip & Chop
切割更省力
Golden arc, Easy chipping
golden chop, Robust chopping
渗透率低的品类：创造使用场景，激活新购需求
Low penetration categories: create scenarios to activate new needs.

“给消费者一个拥有的理由”
“Give consumers a reason to try it.”
持续贯彻大平底，更适合煎烙烹饪，突出煎锅特点

BIG-Flat for better frying

Supor red spot fry pan
Right temperature for better taste
One frypan and one work, best for cooking

As the characteristics of the frying pan is more suitable for frying and making a rich delicacy.

One fry and one stir-fry for easier to meet the cooking requirement, and to increase the ratio of frypan and wok.
◆ 快速 —— 导热快（生活节奏快）
Quick - fast heat conduction(fast pace of life)

◇ 健康 —— 火红点控油温+环保涂层（一天之计在于晨，防止油温过高使食物析出有害物质，supor清晨就开始呵护您的健康）
Healthy – red spot to control oil temperature + healthy coatings

◆ 易洁 —— 不粘表面易清洁（早上时间紧，没时间刷锅，晚上回家再清洁依旧轻松）
Easy to clean – non-stick surface is easy to clean (time is tight in the morning, no time for wok clean, easy clean even at night)
开拓新品类，培育未来增长点
Develop new categories, to nurture further growth

“苏泊尔，给消费者更好的选择”
“SUPOR, a better choice for consumers”
Color lid Pottery pot

养生煲 • 盖无双

650–20℃ 煲体冷热骤变不开裂
no crack even with violent temperature change from 650-20℃

澳洲进口 6.5级 锂辉石
6.5-class imported spodumene from Australia
上市4年时间成为陶瓷煲品类行业第一
Supor, NO.1 in the pottery category 4 years after launch

单位:K RMB


MS: 45%
抓住新生代年轻消费者
Capture the new generation of young consumers

品牌&产品年轻化、时尚化
Turn Supor into a younger, more fashionable brand
温暖 知性 时尚

warm intellectual fashion
Supor AIR light weight thermos,
Warm and light
2014-2018年5年销售额实现10倍增长
Drinkware 2018(e) revenue 10X that of 2014

2014 - 18 CAGR 80%
Serialization and colorization
Our objective: continue to consolidate our overall leadership

但是，我们将持续提升，永不止步。
Thank You
INVESTOR DAYS – 21-23 Nov, 2018

YUHUAN PLANT
Jian Hu
Yuhuan – Outstanding location
...where everything started
Category development milestones

- **1980~1997**
  - Started manufacturing aluminum cookware with new process of PTFE & Anodization

- **1997~**
  - Best seller of 1996 in China
  - Responsible to draft the National Standard for pressure cooker

- **2002**
  - Cast aluminum launch

- **2006**
  - New SS line launch

- **2008**
  - Launched 1st thermospot line from SEB
Constant sales expansion

2008 - 17 CAGR 8%

Sales (M RMB)

NSEB, 15%
SEB, 85%
Focus on Cookware with innovation

- Cross fertilization with Groupe SEB on coatings, materials, Thermospot, Ingenio and industrial processes
Rolling-out OPS to drive constant savings

<table>
<thead>
<tr>
<th>Type of OPS project</th>
<th>WORKSHOP</th>
<th>QCC</th>
<th>LEAN</th>
<th>Six Sigma</th>
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<tbody>
<tr>
<td></td>
<td>200/Year</td>
<td>20/Year</td>
<td>20/Year</td>
<td>20/Year</td>
</tr>
</tbody>
</table>

PCO+ LEAN savings above 40M RMB in 5 years

```
Year     | Savings (M RMB)
---------|-----------------|
Y2013    | 8000            |
Y2014    | 8000            |
Y2015    | 10000           |
Y2016    | 12000           |
Y2017    | 10000           |
```
Constant improvement in productivity

Output value per person: KRMB/Year

Output volume per person: KPCS/Year

2013 -17 CAGR 7.2%

2013 – 17 CAGR: 7.4%
Quality assurance system

◆ 10 labs and 80 testing machines in 727m².
◆ A professional quality control team of 63 people

<table>
<thead>
<tr>
<th>Area &amp; team</th>
<th>Test range</th>
<th>qualification</th>
</tr>
</thead>
<tbody>
<tr>
<td>GS.CE certificate</td>
<td>Pressure cooker UL certificate</td>
<td></td>
</tr>
</tbody>
</table>

◆ All cookware test for global ranges
◆ Food safety testing
Outstanding management system to ensure sustainable development

Was recognized by Quality/Environment/Occupational health and safety systems as from 2004.
Repeatedly praised

- 2013~2017 Julong Enterprises Award in Yuhuan city
- 2014 Zhejiang Famous brands
- 2014 Top 100 innovation on technology enterprises in Zhejiang
- 2015 High-tech personnel cultivation site in Taizhou
- 2015 Customers’ Favorite Brand in China
- 2017 Certified by Zhejiang Made
- 2018 Famous Brand of Export in Zhejiang
## Reliable quality and social responsibility

<table>
<thead>
<tr>
<th>No</th>
<th>Audit Catalogs</th>
<th>Customer</th>
<th>Audit Date</th>
<th>Result</th>
<th>Business Dept.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Quality</td>
<td>H. Kellermann GmbH &amp; Co. KG</td>
<td>1.29</td>
<td>PASS</td>
<td>NSEB</td>
</tr>
<tr>
<td>2</td>
<td>Quality</td>
<td>卓艺餐具用品（深圳）有限公司</td>
<td>3.28</td>
<td>PASS</td>
<td>NSEB</td>
</tr>
<tr>
<td>3</td>
<td>Social responsibility</td>
<td>Q.E.I.LIMITED</td>
<td>4.3</td>
<td>PASS</td>
<td>NSEB</td>
</tr>
<tr>
<td>4</td>
<td>Anti-terrorist</td>
<td>Marks and spencer</td>
<td>4.24</td>
<td>PASS</td>
<td>NSEB</td>
</tr>
<tr>
<td>5</td>
<td>Social responsibility</td>
<td>BIRGMA ASIA TRADING LIMITED</td>
<td>5.30</td>
<td>PASS</td>
<td>NSEB</td>
</tr>
<tr>
<td>6</td>
<td>Social responsibility</td>
<td>AMAZON EU SARL</td>
<td>6.1</td>
<td>PASS</td>
<td>NSEB</td>
</tr>
<tr>
<td>7</td>
<td>Anti-terrorist&amp;</td>
<td>COSTCO</td>
<td>6.4</td>
<td>PASS</td>
<td>SEB</td>
</tr>
<tr>
<td>8</td>
<td>Social responsibility</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Quality</td>
<td>Walmart</td>
<td>8.2</td>
<td>PASS</td>
<td>SEB</td>
</tr>
<tr>
<td>10</td>
<td>Quality</td>
<td>AMAZON EU SARL</td>
<td>8.2-8.3</td>
<td>PASS</td>
<td>NSEB</td>
</tr>
<tr>
<td>11</td>
<td>Social responsibility</td>
<td>BSCI</td>
<td>8.8-8.9</td>
<td>PASS</td>
<td>NSEB</td>
</tr>
<tr>
<td></td>
<td>Anti-terrorist</td>
<td>WM SCAN</td>
<td>9.21</td>
<td>PASS</td>
<td>SEB</td>
</tr>
</tbody>
</table>
Constant improvement on safety

<table>
<thead>
<tr>
<th>Organization</th>
<th>Training</th>
<th>Inspection</th>
<th>Rewards</th>
<th>VCS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improved security management structure</td>
<td>Ensure all personnel involved in safety training</td>
<td>All personnel are involved in safety inspection</td>
<td>Establish a review and evaluation mechanism for continuous safety improvement</td>
<td>Managers and workers jointly promote safety improvement</td>
</tr>
</tbody>
</table>

Minor injuries numbers reduced every year

<table>
<thead>
<tr>
<th>Year</th>
<th>Minor Injuries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Y2010</td>
<td>60</td>
</tr>
<tr>
<td>Y2011</td>
<td>50</td>
</tr>
<tr>
<td>Y2012</td>
<td>40</td>
</tr>
<tr>
<td>Y2013</td>
<td>30</td>
</tr>
<tr>
<td>Y2014</td>
<td>20</td>
</tr>
<tr>
<td>Y2015</td>
<td>10</td>
</tr>
<tr>
<td>Y2016</td>
<td>5</td>
</tr>
<tr>
<td>Y2017</td>
<td>3</td>
</tr>
</tbody>
</table>
Constant improvement in environment protection

<table>
<thead>
<tr>
<th>Using electrical power compensation device</th>
<th>Revamping of electric heating equipment</th>
<th>Using low energy consumption equipment</th>
<th>Direct gas heating system</th>
<th>Solar and air energy utilization</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image1.png" alt="Image" /></td>
<td><img src="image2.png" alt="Image" /></td>
<td><img src="image3.png" alt="Image" /></td>
<td><img src="image4.png" alt="Image" /></td>
<td><img src="image5.png" alt="Image" /></td>
</tr>
</tbody>
</table>

**Diagram:**

<table>
<thead>
<tr>
<th>Year</th>
<th>TCE/10KRB (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>-3%</td>
</tr>
<tr>
<td>2011</td>
<td>-3%</td>
</tr>
<tr>
<td>2012</td>
<td>-5%</td>
</tr>
<tr>
<td>2013</td>
<td>-3%</td>
</tr>
<tr>
<td>2014</td>
<td>-8%</td>
</tr>
<tr>
<td>2015</td>
<td>-7%</td>
</tr>
<tr>
<td>2016</td>
<td>13%</td>
</tr>
<tr>
<td>2017</td>
<td>-16%</td>
</tr>
<tr>
<td>2018</td>
<td>-14%</td>
</tr>
</tbody>
</table>

Unit: TCE/10KRB
Stable team as a key pillar

Total employees 2,152 in Oct.2018. Skill certificated workers take up 25%
Employee care & growing
Employee care & growing
Visiting route & reminder

For your Health & Safety

- Please Walk the sidewalk
- Please wear the PPE
- Please don't touch the product
- No photos

Showroom
Test center
Manufacturing 1
Warehouse
Manufacturing 2
Manufacturing 3
Manufacturing 2
FDC
Manufacturing 2
P&R
Manufacturing 2
P&R
Manufacturing 2
P&R
Thank You!