

SUPOR 苏泊尔

Zhejiang Supor Co., Ltd.

Annual Report 2016

March 2017

SECTION I IMPORTANT NOTES, TABLE OF CONTENTS AND DEFINITIONS

The Board of Directors and the Board of Supervisors of Zhejiang Supor Co., Ltd. (hereinafter referred to as the “Company”) and all its directors, supervisors and top management warrant that this annual report is true, accurate and complete, and does not contain any fictitious statements, misleading information or significant omissions. All directors, supervisors and top management of the Company undertake, separately and jointly, all responsibilities in relation to the truth, accuracy and completeness hereof.

Frédéric VERWAERDE Chairman of the Board of Directors, and Mr. Xu Bo, Chief Financial Officer of the Company, hereby confirm that the Financial Report enclosed in this Annual Report is true, accurate and complete.

All directors have attended the Board Meeting in person, in which the current annual report was reviewed and approved.

Investors shall be aware that future plans and all other forward-looking statements concerned in this annual report shall not constitute any virtual commitment made by the Company to any investor, for the success depends on change of market and contribution of operation team and there are large uncertainties.

The profit distribution plan adopted at this Board Meeting specifies that: based on 631,759,700 shares, the Company will distribute all shareholders at the price

of 7.70 per 10 shares (tax included) as the cash dividends, issue 3 bonus shares (tax included) and will not convert capital reserves to capital.

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Definitions

Items to be Defined	means	Definitions
SZSE	means	Shenzhen Stock Exchange
CSRC	means	China Securities Regulatory Commission
Securities Clearing Corporation	means	Shenzhen Branch of China Securities Depository and Clearing Corporation Limited
The Company /this Company	means	Zhejiang Supor Co., Ltd.
SEB Internationale	means	SEB INTERNATIONALE S.A.S
SEB Group	means	SEB S.A.
Zhejiang Supor Electrical	means	Zhejiang Supor Electrical Appliance Manufacturing Co., Ltd.
Supor Electrical	means	Shaoxing Supor Electric Appliance Co., Ltd.
Shaoxing Supor	means	Zhejiang Shaoxing Supor Domestic Electrical Appliances Co., Ltd.
Supor Vietnam	means	Supor (Vietnam) Co., Ltd
Wuhan Recycling	means	Wuhan Supor Recycling Co., Ltd
Wuhan Cookware	means	Wuhan Supor Cookware CO., Ltd.
Wuhan PC	means	Wuhan Supor Pressure Cooker Co., Ltd.
Omegna	means	Hangzhou Omegna Commercial Trade Co., Ltd.
Shanghai Marketing	means	Shanghai Supor Cookware Marketing Co., Ltd.
P&R	means	Zhejiang Supor Plastic & Rubber Co., Ltd
Wuhan Supor	means	Wuhan Supor Co., Ltd
Yuhuan Recycling	means	Yuhuan Supor Recycling Co., Ltd.
Stock Option Incentive Plan for 2012	means	Stock Option and Restricted Stock Incentive Plan (Revised Draft)
Stock Option Incentive Plan for 2013	means	Restricted Stock Incentive Plan (Revised Draft)

SECTION II COMPANY FILE AND MAJOR FINANCIAL INDICATORS

I. Company Information

Short Form of the Stock:	Supor	Stock Code	002032
Stock Exchange for Stock Listing	Shenzhen Stock Exchange		
Chinese Name of the Company	Zhejiang Supor Co., Ltd.		
Abbreviated Chinese Name of the Company	Supor		
English Name of the Company (if any)	ZHEJIANG SUPOR CO., LTD		
Abbreviated English Name of the Company (if any)	SUPOR		
Legal Representative	Frédéric VERWAERDE		
Registration Place	Damaiyu Economic Development Zone, Yuhuan, Zhejiang		
Postal Code	317604		
Office Address	19F of Supor Building, No.1772 Jianghui Road, New & High Tech Development Zone, Hangzhou China		
Postal Code	310051		
Website	www.supor.com.cn		
Email	002032@supor.com		

II. Contact Person and Contact Information

	Board Secretary	Representative of Securities Affairs
Name	Ye Jide	Fang Lin
Address	19F of Supor Building, No.1772 Jianghui Road, New & High Tech Development Zone, Hangzhou China	19F of Supor Building, No.1772 Jianghui Road, New & High Tech Development Zone, Hangzhou China
Tel.:	0571-86858778	0571-86858778
Fax:	0571-86858678	0571-86858678
Email	yjd@supor.com	flin@supor.com

III. Place for Information Disclosure and Archiving

Papers appointed by the Company for information disclosure:	<i>Securities Times, Securities Daily and China Securities Journal</i>
Website appointed by CSRC for information disclosure	www.cninfo.com.cn
Place for archiving of the Company's annual report:	Securities Department of the Company

IV. Changes of Registration

Organization Code	Unified social credit code: 913300007046976861
Change of main business since listing of the Company (if any)	No change
Change of controlling shareholders (if any)	No change

V. Other Relevant Information

Certified Public Accountants engaged by the Company

Name of the Certified Public Accountants:	Union Power Certified Public Accountants (Special General Partnership)
Office Address of the Certified Public Accountants:	No. 169, Donghu Road, Wuchang District, Wuhan City
Name of the Signatory Accountant	Li Wei, Guo Youying

Sponsor Institution engaged by the Company for performing continuous supervision duties in the reporting period

Applicable Not Applicable

Financial adviser engaged by the Company for performing continuous supervision duties in the reporting period

Applicable Not Applicable

VI. Major Accounting Data and Financial Indicators

Has the Company retroactively adjusted or restated the accounting data of previous years for the reason of accounting policy change or accounting error correction?

Yes No

	2016	2015	Increase/ decrease (%)	2014
Total sales (RMB)	11,947,123,201.12	10,909,686,625.90	9.51%	9,534,643,945.84
Net profit attributable to shareholders of listed company (RMB)	1,077,519,156.40	889,004,773.99	21.21%	689,892,322.91
Net profit attributable to shareholders of listed company deducted by non-recurring profit or loss (RMB)	980,821,460.64	830,296,996.82	18.13%	662,562,169.90
Net cash flows resulting from operating activities(RMB)	1,388,990,550.62	1,133,089,710.67	22.58%	833,189,311.71
Basic earnings per share (yuan/share)	1.712	1.413	21.16%	1.096

Diluted earnings per share (yuan/share)	1.705	1.406	21.27%	1.091
Return on weighted average net assets	22.79%	21.90%	0.89%	19.63%
	2016 year end	2015 year end	Increase/decrease in the period (%)	2014 year end
Total assets (RMB)	7,854,199,313.01	7,396,105,410.33	6.19%	6,633,644,956.98
Net assets attributable to shareholders of listed company (RMB)	4,540,328,597.59	4,421,103,278.53	2.70%	3,788,068,076.63

VII. Financial Data Difference on Principle of Domestic and Oversea Accounting

1. Difference between net profits and net assets in financial report disclosed according to International Accounting Standard and China Accounting Standard

Applicable Not Applicable

The difference between net profits and net assets in financial report disclosed according to International Accounting Standard and China Accounting Standard does not exist in the course of company report.

2. Difference between net profits and net assets in financial report disclosed according to both International Accounting Standard and China Accounting Standard

Applicable Not Applicable

The difference between net profits and net assets in financial report disclosed according to both International Accounting Standard and China Accounting Standard does not exist in the course of company report.

VIII. Quarter-based Major Financial Indicators

(Unit: RMB)

	The first quarter	The second quarter	The third quarter	The fourth quarter
Total sales	3,133,161,846.48	2,618,758,971.30	3,079,669,063.56	3,115,533,319.78
Net profit attributable to shareholders of listed company	275,208,073.37	195,328,097.97	271,603,879.81	335,379,105.25
Net profit attributable to shareholders of listed company deducted by non-recurring profit or loss	242,985,360.06	177,123,660.87	266,280,288.11	294,432,151.60
Net cash flows resulting from operating activities	166,782,789.95	39,853,740.67	402,255,709.58	780,098,310.42

Any difference between financial indicators or the total and relevant financial indicators disclosed in quarter-based report or semi-quarter-based report

Applicable Not Applicable

IX. Non-recurring Profit or Loss Items and Amount

√Applicable □Not Applicable

(Unit: RMB)

Item	Amount in 2016	Amount in 2015	Amount in 2014	Explanation
Gains on disposal of non-current assets (including the written-off of provision for impairment loss)	-1,307,688.51	-2,078,639.96	-1,384,988.05	
Tax refund, credit or exemption without authorities permission	11,559,860.13	4,487,933.27	3,975,797.87	
Government grant included in current period profit or loss (excluding those related to operating activities or regular government grants)	53,859,525.00	32,489,005.22	25,456,430.00	
Gains on changes in fair value of trading financial assets and liabilities and investment gains from disposal of trading financial assets and liabilities, and available-for-sale financial assets, excluding those arising from hedging business related to operating activities			71,568.27	
Other non-operating revenues or expenditures	-6,396,828.69	2,779,391.83	-16,893,265.57	Excluding local water conservancy construction fund
Other profit or loss satisfying the definition of non-recurring profit or loss	63,500,642.94	33,786,028.88	27,259,955.19	Investment earnings of series financial products
Less: enterprise income tax incurred by taxable gains	20,045,021.92	10,894,116.54	8,322,149.96	
Effects on minority interest (after tax)	4,472,793.19	1,861,825.53	2,833,194.74	
Total	96,697,695.76	58,707,777.17	27,330,153.01	--

The Company should state reason for defining “non-recurring profit or loss items” in *Regulations of Questions and Responses of Information Disclosure Standard by Companies Publicly Issuing Securities No. 1 --- Non-recurring Profit or Loss* and non-recurring profit or loss items in *Regulations of Questions and Responses of Information Disclosure Standard by Companies Publicly Issuing Securities No. 1 --- Non-recurring Profit or Loss* as recurring profit or loss items.

□ Applicable √ Not Applicable

The Company didn't have any recurring gains and losses defined in accordance with the definition of "non-recurring profit or loss" in the *Regulations of Questions and Responses of Information Disclosure Standard by Companies Publicly Issuing Securities No. 1 --- Non-recurring Profit or Loss*.

SECTION III ABSTRACT FOR COMPANY BUSINESSES

I. The Company's Main Businesses during Report

Does the Company need to abide by the disclosure requirements for special industry?

No

As the largest CW researcher, developer and manufacturer in China and the second largest all over the world and the leading brand of SDA in China, Zhejiang Supor Co., Ltd. (hereinafter referred to as "the Company") is the first listed company in cookware industry in China. Established in 1994, the headquarters of the Company locates in Hangzhou owning 5 R&D and manufacture bases located in Yuhuan County, Wuhan City, Hangzhou City, Shaoxing City and Ho Chi Minh City with more than 10,000 employees.

SEB Group started to cooperate with the Company since 2006 and it became the actual controller of the Company. As the world first CW researcher, developer and manufacturer and the world second SDA manufacturer with over 150-year history, SEB Group sells about 200 million products to more than 150 countries per year. In the reporting period, SEB Internationale, the Company's controlling shareholder has purchased 50 million shares from the second largest shareholder Supor Group, now holding more than 81.17% of the Company's total shares.

Supor's main businesses include: CW, SDA, Large Kitchen Appliance and H&PC products.

(1) The CW mainly include wok, pressure cooker, frypan, sauce pan, steamer, pottery pot, kettle, knife, spatula, thermal pot, thermos& flask, kitchen gadgets and crisper and the market shares rank the top for many years continuously.

(2) The SDA mainly include: electric rice cooker, electric pressure cooker, induction hob, soymilk maker, electric kettle, juice extractor, slow cooker, electric steamer, electric chafing dish, food processor, baking pan, bread maker, noodle maker and electric frying pan and the market shares rank the second in this industry.

(3) The Large Kitchen Appliance mainly include: range hood, gas cooker and sterilizer.

(4) The H&PC mainly include: air purifier, garment steamers, dust cleaner and electric iron.

The Company's cookware and small kitchen electrical appliances have been exported to more than 51 countries such as Japan, European and American countries through SEB Group.

II. Significant Changes in Main Assets

1. Significant changes in main assets

Main assets	Instruction for significant changes
Equity assets	4.97% increase, which is mainly due to the increase of earnings from the investment on associated company in this period.
Fixed assets	3.82% decrease, which is mainly due to the year-on-year increase of accrual of depreciation.
Intangible assets	15.85% increase, which is mainly due to the purchase of Supor's trademark use right.
Construction in process	73.47% decrease, which is mainly due to the completion of project in process of the subordinate subsidiary in the current period.
Financial assets at fair value	113.07% increase, which is mainly due to the increase of financial products

through profit or loss	with guaranteed capital and floating earnings as associated with interest rate.
Notes receivable	39.48% increase, which is mainly due to the more efforts made by the subordinate subsidiary in collecting payment and the increase of bank acceptances collected from clients in this period.
Advances paid	44.54% increase, which is mainly due to the increase of prepayments for bulk materials purchased in this period.
Other receivables	59.37% increase, which is mainly due to the increase of export rebates of the value-added tax receivable and margin of the subordinate subsidiaries in this period.
Advances received	114.73% increase, which is mainly due to the increase of advance collections made by some distributors of the subordinate subsidiaries in this period.
Anticipation Provisions	138.33% increase, which is mainly due to the increase of anticipation liabilities with civil patent holder for patent infringement lawsuit in the current period.
Deferred income tax liabilities	311.57% increase, which is mainly due to the temporary difference caused by the investment earnings of the financial products that are not delivered and the increase of deferrable tax payment government subsidy.

2. Main oversea assets

Applicable Not Applicable

III. Analysis of Core Competitiveness

Does the Company need to abide by the disclosure requirements for special industry?

No

1. Outstanding product innovation capability

As a company long time devoted to R&D, manufacturing and selling of CW and kitchen SDA products, Supor has an acute observation and scientific research of the needs of Chinese consumers and has developed a systematic innovation system to ceaselessly launch new products in the market.

After 1994 when Supor launched the domestic first safety pressure cooker, the Company also launched the first electric rice cooker with ceramic crystal liner in 2005, pioneered the uncoated stainless iron pan technology in 2007, successfully introduced SEB flaming dot patented technology in 2009, launched the industrial first IH electric rice cooker in 2011, pioneered the globular cauldron liner in 2013, ceremoniously launched the industrial first steam IH electric rice cooker with globular cauldron liner in 2015 and grandly promoted and freshness 100 electric pressure cooker and really-fine-grinding soymilk maker in 2016, leading the development of the industry continuously. Besides, Supor's differential products such as easy-to-open rotary pressure cooker and pottery pot are well received by consumers. Based on the monitoring data of a third party, among the main businesses of Supor, CW business has long been ranking the market first; main nine categories ranking the second.

2. Well-developed dealers network

Supor has stable dealer teams, and maintained good cooperative relationship with them. The relatively high coverage rate and density

of its sales network ensure the uninterrupted supply of Supor products.

3. Strong R&D and manufacturing capacity of CW and SDA

Supor has built up five production bases, respectively in Yuhuan, Wuhan, Hangzhou, Shaoxing and Vietnam. Wuhan Base is the CW R&D and manufacturing base with highest deliverability in the world. Shaoxing Base also boasts leading manufacturing capacity of SDA products in China. The strong R&D power and the highly professional R&D team provide a powerful guarantee for the quality and innovation capacity of Supor products. Supor always lays emphasis on the R & D and patent protection of products. During the reporting period, Supor had applied 1,740 patents altogether.

4. Synergistic effect of integration with SEB

The strategic cooperation between Supor and SEB started in 2006. Till end of reporting period, SEB Group holds 81.17% shares of the Company. As a company of more than 150 years, SEB Group ranks the first worldwide in terms of the market share of cookware and small kitchen electrical appliances. The powerful combination between Supor and SEB has brought stable export orders to the Company, and increased its overall business size and manufacturing capacity. Meanwhile, the cooperation in aspects of R&D and management will surely enhance the core competitiveness of the Company.

SECTION IV OPERATION DISCUSSION AND ANALYSIS

I. Overview

In face of the complicated and tough global economy, continuous slow-down of Chinese economic growth speed and influence of global economic conditions on exports in 2016, Supor still maintained strong growth of domestic business thanks to the upgrading of domestic consumption and the Company's overall scale kept growing stably. During reporting period, the total sale reached RMB 11,947,123,201.12 with YoY growth of 9.51%; the total profit reached RMB 1,367,467,695.83 with YoY growth of 16.51%. The earnings per share was 1.712 yuan with YoY growth of 21.16%. The CW and electrical appliances businesses were increased, among which the main businesses of CW reached RMB 4,357,401,879.57 with YoY decrease of 0.82%, the main businesses of electrical appliances reached RMB 7,465,540,938.11 with YoY growth of 17.10%. The main businesses of domestic sales reached RMB 8,333,224,447.62 with YoY growth of 16.47% while the main businesses of export trade reached RMB 3,511,037,667.94 with YoY decrease of 3.54%.

(1) Domestic sales in reporting period

1) Product strategy

In reporting period, Supor promoted production creativity strategy and new product development strategy in order to improve product competitiveness and lead industrial development continuously.

In terms of cookware, Supor maintained growths in both overall operating revenue and profit of domestic business in 2016; according to data regarding cookware market share of 30 Chinese big cities as monitored by GFK, the market shares of Supor's seven categories of products still took the leading status in the market in 2016. It also kept fast growth in terms of the development of new products such as pottery pot. It made the growth of offline retailing channel and online e-commerce of kitchenware by making innovation and upgrading in knives and thermos & flask products and promoting brands; as for the knives, it enhanced the product competitiveness of all categories of products by creating "continuous sharp" knives in virtue of brand new "sharpness technology". As for thermos & flask products, Supor released a series of brand new starry sky products in 2016, which sold well in the market with sales income growth very quickly. Therefore, Supor's competitiveness and influence in thermos & flask industry were further deepened.

In terms of appliances, Supor kept promoting innovative products to lead the development of industry, such as steam IH spherical pot rice cooker, fresh-breath 100 electric pressure cooker, real grinding soymilk maker and cell-wall breaking food processor, all of which were very popular among customers; within the reporting period, Supor's domestic sales volume kept growing very quickly. According to the monitoring data of CMM, the market investigation company, Supor's accumulative market share all round year in the market of five categories of products including electric rice cooker, electric pressure cooker, induction hob, electric kettle and soymilk maker reached 28.3%, ranking the second in the industry; it made its H&PC business develop continuously and healthily. In 2016, Supor strengthened its R & D strength by promoting a series of innovative products such as air purifier and garment steamer, which therefore helped it enhance market share effectively and driven the fast growth of sales volume.

2) Channel strategy

In terms of modern channel, Supor still maintained stable market status; in terms of cookware, Supor, as the leading enterprise in the industry, still won the trust of customers with excellent product quality and the support of dealers and retailers with excellent service. Regardless of the influence by low-price promotion of rivals, Supor still made its sales volume increase and enjoyed the absolute advantageous status in the industry. As for the appliances, Supor strengthened the investment on modern channels to ensure the overall fast growth of channel; in 2016, Supor was awarded as "VIP Strategic Cooperation Supplier" by China Resources Vanguard and "VIP Cooperation Supplier" by RenRenLe.

As for the exploration of Tier-3 and 4 market, Supor still strengthened its efforts in promoting these markets and kept enhancing the coverage rate and density of networks and improving the after-sales service capacity of Tier-3 and 4 market so as to expand the target

consumer group there.

Within the reporting period, Supor still strengthened the construction of e-commerce channel, which contributed to the high-speed growth of e-commerce. The sales volume of e-commerce channel in its overall sales volume kept increasing constantly. In Tmall's November 11 Promotion Activity, the sales volumes of Supor's several single products from different categories ranked the first.

3) Brand building

Within the reporting period, the Company maintained brand input and continuously tried diversified integrated marketing of the brand, laid emphasis on digital marketing and layout of mobile terminals. Supor continuously improved brand preference and competence.

According to 2016 study report of Nielsen, consumers enhanced their understandings on brand "innovation and intelligence", which enabled Supor to enhance its brand recognition, brand assets and brand premium constantly. In particular, the non-prompt popularity of main brands of kitchenware and that of open fire cookers ranked the first in the industry while that of small domestic appliances ranked the first in the industry for the very first time.

(2) Export sales

In terms of foreign trade, it had its annual income for main business decreased by 3.5% on year-on-year basis due to continuous slump of international market; of which, SEB export business had a 1.9% year-on-year decrease owing to SEB order decrease.

(3) Progress of SEB Integration Project

In reporting period, SEB integration project ran smoothly and synergistic effect was further intensified

SEB Group had its order quantity for electric appliance increasing continuously, though order quantity of cookware decreased on a staged basis. Both parties deepened the integration in R&D, design, manufacture, etc. and the overall competitiveness of the Company was improved further.

Lagostina Brand business was developed stably in 2016 and the H&PC business was boosted stably as planned.

With respect to overall operation of the whole year, the Company implemented strategy and policy that had been the established firmly, obtained excellent operation performance and consolidated the position in industry further, regardless of the domestic macro-economic downturn.

II. Main Business Analysis

1. Overview

In reporting period, the Company harvested main business income of RMB 11,844,262,115.56, with year-on-year increase of RMB 1,049,412,179.84 and increasing range of 9.72%, which was mainly attributed to its business increase of domestic sales channel. The main business cost was RMB 8,192,807,158.21, indicating an increase of RMB 565,071,574.53 and growing rate of 7.41%. The gross profit margin of main business was 30.83% with growth of 1.49% compared with the same period of the last year.

2. Income and Costs

(1) Contents of total sale

(Unit: RMB)

	2016		2015		Increase / decrease YoY (%)
	Amount	Proportion of total sale	Amount	Proportion of total sale	

Total sale	11,947,123,201.12	100%	10,909,686,625.90	100%	9.51%
By Industries					
Cookware	4,357,401,879.57	36.47%	4,393,613,399.33	40.27%	-0.82%
Electrical appliances	7,465,540,938.11	62.49%	6,375,125,009.83	58.44%	17.10%
Plastic& rubber	21,319,297.88	0.18%	26,111,526.56	0.24%	-18.35%
Miscellaneous	102,861,085.56	0.86%	114,836,690.18	1.05%	-10.43%
By Products					
Electric pots	3,462,194,790.53	28.98%	3,017,263,253.78	27.66%	14.75%
Miscellaneous	8,484,928,410.59	71.02%	7,892,423,372.12	72.34%	7.51%
By Areas					
Domestic sales	8,436,085,533.18	70.61%	7,269,824,521.92	66.64%	16.04%
Export sales	3,511,037,667.94	29.39%	3,639,862,103.98	33.36%	-3.54%

1) “Cookware, electrical appliance and rubber and plastic products” in separated industry income belong to the Company’s main business income while “others” belong to the Company’s other business income;

2) “Domestic sales” in separated regional income: the main business income was RMB 8,333,224,447.62 and other business income was RMB 102,861,085.56 in 2016; the main business income was RMB 7,154,987,831.74 and other business income was RMB 114,836,690.18 in 2015.

3) “Others” in separated product income include other business income which was RMB 102,861,085.56 and 114,836,690.18 in 2016 and 2015 respectively.

(2) The Company’s industry, products or area with total sale of operating profits occupying more than 10%

Applicable Not Applicable

Does the Company need to abide by the disclosure requirements for special industry?

No

(Unit: RMB)

	Total sale	Operating cost	Gross profit rate	Increase / decrease YoY (%) for total sale	Increase / decrease YoY (%) for operating cost	Increase / decrease YoY (%) for gross profit
By Industries						
Cookware	4,357,401,879.57	2,784,234,232.40	36.10%	-0.82%	-6.20%	3.66%
Electrical appliances	7,465,540,938.11	5,391,090,243.83	27.79%	17.10%	16.25%	0.53%
Plastic& rubber	21,319,297.88	17,482,681.98	18.00%	-18.35%	-20.26%	1.96%
Miscellaneous	102,861,085.56	107,191,913.57	-4.21%	-10.43%	-11.75%	1.57%
Subtotal	11,947,123,201.12	8,299,999,071.78	30.53%	9.51%	7.11%	1.56%

By products						
Electric pots	3,462,194,790.53	2,428,878,893.41	29.85%	14.75%	13.70%	0.65%
By Areas						
Domestic sales	8,436,085,533.18	5,493,371,672.81	34.88%	16.04%	14.04%	1.14%
Export sales	3,511,037,667.94	2,806,627,398.97	20.06%	-3.54%	-4.28%	0.62%
Subtotal	11,947,123,201.12	8,299,999,071.78	30.53%	9.51%	7.11%	1.56%

If the statistical caliber of the Company's operation business data is adjusted in reporting period, the main operation business data for the latest year after the statistical caliber is adjusted.

Applicable Not Applicable

(3) Comparison between practical sales income and labor income

Yes No

Industrial classification	Item	Unit	2016	2015	Increase / decrease YoY (%)
Cookware	Sales Volume	Set	45,800,519	49,803,560	-8.04%
	Production Volume	Set	38,196,686	42,529,295	-10.19%
	Inventory Volume	Set	11,346,327	10,085,586	12.50%
Electrical appliances	Sales Volume	Set	53,065,775	44,844,713	18.33%
	Production Volume	Set	43,802,144	37,141,869	17.93%
	Inventory Volume	Set	6,973,589	5,193,239	34.28%
Total	Sales Volume	Set	98,866,294	94,648,273	4.46%
	Production Volume	Set	81,998,830	79,671,164	2.92%
	Inventory Volume	Set	18,319,916	15,278,825	19.90%

Reason for increase / decrease YoY (%) of relevant data by 30%

Applicable Not Applicable

For electric appliance, 2016 inventory increased by 34.28%, compared with that in 2015, which was mainly for the fact that huge finished product inventory was prepared for supply in traditional sales season.

(4) Performance of important sales contracts signed till this reporting period.

Applicable Not Applicable

(5) Structure of operating costs

Category of industry and product

Industry	Item	2016		2015		Increase / decrease YoY (%)
		Amount	Proportion of	Amount	Proportion of	

			operating cost		operating cost	
Cookware	Business cost	2,784,234,232.40	33.54%	2,968,356,036.08	38.31%	-6.20%
Electrical appliance	Business cost	5,391,090,243.83	64.95%	4,637,456,297.99	59.84%	16.25%
Rubber and plastic products	Business cost	17,482,681.98	0.21%	21,923,249.61	0.28%	-20.26%
Others	Business cost	107,191,913.57	1.29%	121,470,401.00	1.57%	-11.75%
Subtotal	Business cost	8,299,999,071.78	100.00%	7,749,205,984.68	100.00%	7.11%

(Unit: RMB)

Product category	Item	2016		2015		Increase / decrease YoY (%)
		Amount	Proportion of operating cost	Amount	Proportion of operating cost	
Electric pots	Business cost	2,428,878,893.41	29.26%	2,136,210,418.65	27.57%	13.70%
Others	Business cost	5,871,120,178.37	70.74%	5,612,995,566.03	72.43%	4.60%
Subtotal	Business cost	8,299,999,071.78	100.00%	7,749,205,984.68	100.00%	7.11%

Introduction:

- 1) "Cookware, electrical appliance and rubber and plastic products" in separated industry cost belong to the Company's main business cost while "others" belong to the Company's other business cost;
- 2) "Others" in separated product cost include other business cost which was RMB 107,191,913.57 and 121,470,401.00 in 2016 and 2015 respectively.

(6) Change of combination scope during report
 Yes No
(7) Important change or adjustment for the Company's businesses, products or services in reporting period
 Applicable Not Applicable
(8) Main sales clients and suppliers

Main sales clients

Total amount of sales to top 5 customers (RMB)	3,955,269,586.51
Proportion in the year's total sales (%)	33.11%
Proportion for associated party's sales amount of sales amount for the top five clients in annual total sales amount	25.35%

The top 5 clients' information

No.	Customer	Sales amount (RMB)	Proportion in the total sales amount of the year (%)
1	SEB ASIA LTD	3,029,000,029.72	25.35%

2	Customer 2	324,813,256.56	2.72%
3	Customer 3	208,810,379.48	1.75%
4	Customer 4	202,319,594.35	1.69%
5	Customer 5	190,326,326.40	1.59%
Total	—	3,955,269,586.51	33.11%

Instruction for main clients' other cases

Applicable Not Applicable

The Company's main supplier

Total purchasing value from top 5 suppliers (RMB)	1,009,354,170.84
Proportion in the year's total purchasing value	11.70%
Proportion for associated party's purchase amount of purchase amount for the top five suppliers in annual total purchase amount	3.47%

The top 5 suppliers' information

No.	Supplier	Purchasing value (RMB)	Proportion in the total purchasing amount of the year
1	Wuhan Anzai Cookware Co., Ltd.	299,685,453.38	3.47%
2	Supplier 2	229,483,219.61	2.66%
3	Supplier 3	176,888,560.94	2.05%
4	Supplier 4	164,514,539.84	1.91%
5	Supplier 5	138,782,397.07	1.61%
Total	--	1,009,354,170.84	11.70%

Instruction for main suppliers' other cases

Applicable Not Applicable

3. Expenses

(Unit: RMB)

	2016	2015	Increase / decrease YoY (%)	Introduction for great change
Cost for sales	1,891,733,488.76	1,580,066,582.14	19.72%	
Costs for management	388,306,153.91	367,200,921.76	5.75%	
Costs for finance	-21,438,184.36	-23,051,245.80	7.00%	

4. R&D Input

Applicable Not Applicable

Oriented by consumers' demand, the Company engages in R & D of the differential products that meet kitchen demand and local eating and life habits. The Company lays emphasis on R & D investment, boosts technical innovation actively, further explores product category and adds product additional value; respects customer's experience and focuses on all details of consumer use in order to realize safe, environmentally friendly, convenient and fashionable products. R & D expenditure in this year accounts for 7.72% and 2.95% of net assets and business income audited in the recent period.

Applicable Not Applicable

The Company's R&D input

	2016	2015	Change proportion
Qty. of R & D persons (person)	1,245	1,270	-1.97%
Proportion of R & D personnel	9.79%	10.16%	-0.37%
Amount of R&D input (RMB)	351,893,729.50	313,983,118.94	12.07%
Proportion of R&D input in total sale	2.95%	2.88%	0.07%
Capitalization amount of R&D input (RMB)	0.00	0.00	0.00%
Proportion of Capitalization R&D input in R&D input	0.00%	0.00%	0.00%

Reason for large change for proportion of R&D input in total sale compared with that of last year

Applicable Not Applicable

Reason and rational introduction for large capitalization change of R&D input

Applicable Not Applicable

5. Cash flow

(Unit: RMB)

Item	2016	2015	Increase / decrease YoY (%)
Sub-total of cash inflows from operating activities	13,426,671,825.60	12,219,074,071.66	9.88%
Sub-total of cash outflows from operating activities	12,037,681,274.98	11,085,984,360.99	8.58%
Net cash flows resulting from operating activities	1,388,990,550.62	1,133,089,710.67	22.58%
Sub-total of cash inflows from investment activities	2,385,920,332.23	1,574,984,316.19	51.49%
Sub-total of cash outflows	2,344,683,005.27	1,981,320,411.55	18.34%
Net cash flow arising from investing activities	41,237,326.96	-406,336,095.36	110.15%
Sub-total of cash outflows from financing activities	1,591,503,970.42	271,090,805.85	487.07%
Net cash flow from financing activities	-1,591,503,970.42	-271,090,805.85	-487.07%
Net increase in cash and cash equivalents	-150,258,463.81	470,944,190.22	-131.91%

Instruction for main influence factors of relevant data with YoY (%) changed seriously

Applicable Not Applicable

1. Net amount of cash flow generated in investment increased by 110.15% compared with that in the same period of the last year, which is mainly due to the increasing financial products withdrew in this period.

2. Net amount of cash flow generated in financing decreased by 487.07% compared with that in the same period of the last year, which is mainly due to the purchase of the subsidiary's minority interest equity in this period.

3. The net added amount of cash and cash equivalents was reduced by 131.91% compared with the same period in last year, due to the purchase of the subsidiary's minority interest equity in this period.

Reason for great change between net cash flow caused by operation activities and annual net profits

Applicable Not Applicable

III. Analysis for Non-main Business

Applicable Not Applicable

IV. Analysis of Assets and Liabilities

1. Significant changes in assets

(Unit: RMB)

	2016 year end		2015 year end		Increase / decrease in proportion	Cause of change
	Amount	Proportion in total assets	Amount	Proportion in total assets		
Monetary funds	750,563,840.71	9.56%	1,041,013,222.62	14.08%	-4.52%	Mainly due to acquiring minority interests with cash in this period.
Accounts receivable	1,160,117,826.72	14.77%	1,057,146,368.61	14.29%	0.48%	
Inventories	1,696,932,203.19	21.61%	1,426,745,280.93	19.29%	2.32%	
Long-term equity investment	53,877,930.88	0.69%	51,328,807.28	0.69%	0.00%	
Fixed assets	885,129,598.11	11.27%	920,306,368.97	12.44%	-1.17%	Mainly due to year-on-year increase of accrual of depreciation for fixed assets.
Construction in progress	5,986,693.89	0.08%	22,568,331.63	0.31%	-0.23%	Mainly due to the fact that projects in process of subsidiaries in this period were completed
Financial assets at fair value through profit or loss	856,988,784.08	10.91%	402,218,888.89	5.44%	5.47%	Mainly due to increase of capital-preservation floating-earnings WMP yield related to rate of interest.
Notes receivable	843,520,455.60	10.74%	604,773,313.11	8.18%	2.56%	Mainly due to strengthening collection of payment of subsidiaries in this period

						and collecting bank acceptance draft of client.
Advances paid	157,326,657.23	2.00%	108,843,307.15	1.47%	0.53%	Mainly due to increase of payment in advance resulted from the fact that bulk material was purchased in this period.
Other receivables	55,657,951.60	0.71%	34,924,752.46	0.47%	0.24%	Mainly due to increase of receivable value-added tax rebate and gap for subsidiaries
Provisions	7,150,000.00	0.09%	3,000,000.00	0.04%	0.05%	Mainly due to the increase of anticipation liabilities with civil patent holder for patent infringement lawsuit in the current period.
Deferred tax liabilities	6,833,704.75	0.09%	1,660,392.12	0.02%	0.07%	Mainly due to increase of temporary differences resulted from increase of investment earnings of WMP not delivered and government subsidy for deferred tax.

2. Assets and liabilities measured at the fair value

√ Applicable □ Not Applicable

(Unit: RMB)

Item	Opening balance	Gains on changes in fair value	Changes in fair value included in equity	Impairment loss of the current period	Amount of purchasing of the current period	Amount of selling of the current period	Ending balance
Financial assets							
1. Financial assets at fair value through profit or loss (excluding derivative financial assets)	402,218,888.89	14,651,848.94			1,824,800,000.00	1,384,681,953.75	856,988,784.08
Total	402,218,888.89	14,651,848.94	0.00	0.00	1,824,800,000.00	1,384,681,953.75	856,988,784.08

Financial liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00
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Any change of the valuation attribute of Company's main assets

Yes No

3. Restrictions for assets and rights till the end of reporting period.

None

V. Analysis of Investment

1. General condition

Applicable Not Applicable

2. Important equity investment gained during report

Applicable Not Applicable

3. Non- equity investment handled during report

Applicable Not Applicable

4. Financial assets measured at the fair value

Applicable Not Applicable

(Unit: RMB)

Category of assets	Initial investment costs	Profit and loss for fair value change	Accumulated fair value change in rights and interest	Purchase amount during report	Sales amount during report	Accumulated investment income	Closing amount	Capital source
Others	850,000,000.00	4,769,895.19		1,824,800,000.00	1,374,800,000.00	9,881,953.75	856,988,784.08	Self-owned capital
Total	850,000,000.00	4,769,895.19	0.00	1,824,800,000.00	1,374,800,000.00	9,881,953.75	856,988,784.08	--

5. Application of capital raised

Applicable Not Applicable

No capital raised is used in reporting period

VI. Sales for Major assets and Equity

1. Sales for major assets

Applicable Not Applicable

The Company did not sell major assets till the end of this period.

2. Sales for major equities

Applicable Not Applicable

VII. Analysis for Main Holding Companies and Joint Stock Companies

Applicable Not Applicable

Investment by main subsidiaries and the company with net profit influence exceeding 10%

(Unit: RMB)

Company name	Company type	Main business	Registered capital	Total assets	Net assets	Total sale	Operating profit	Net profit
Wuhan Supor Pressure Cooker Co., Ltd.	Subsidiary	Cookware	RMB 224.039 million	304,216,860.60	293,514,748.76	17,000,000.00	1,202,823.92	933,965.32
Wuhan Supor Co., Ltd.	Subsidiary	Electrical appliances	RMB 5,180,000	15,037,682.46	13,822,010.52		-501,115.81	-501,115.81
Wuhan Supor Cookware CO., Ltd.	Subsidiary	Cookware	RMB 91,160,000	2,185,475,178.24	1,354,224,293.16	3,049,837,985.74	248,944,647.08	216,530,096.81
Zhejiang Supor Electrical Appliance Manufacturing Co., Ltd.	Subsidiary	Electrical appliances	RMB 133.6971 million	2,197,337,830.70	1,334,490,834.82	2,885,686,188.02	311,835,019.22	238,437,792.31
Zhejiang Supor Plastic & Rubber Co., Ltd.	Subsidiary	Plastic and rubber manufacturing	RMB 8.0447 million	153,129,297.3	113,336,630.48	183,706,605.63	12,680,226.76	10,518,880.71
Yuhuan Supor Recycling Co., Ltd.	Subsidiary	Recycling of used metal	RMB 500,000	3,073,774.90	3,068,885.76		49,053.53	44,148.18
Zhejiang	Subsidiary	Small	RMB 610	2,490,959,918.9	1,239,696,962.8	4,603,045,588	482,534,996.	443,056,283.

Shaoxing Supor Domestic Electrical Appliances Co., Ltd.		appliance, kitchen appliance	million	8	9	.00	13	38
Supor (Vietnam) Co., Ltd	Subsidiary	CW and electrical appliances	15 million US dollars	163,401,779.36	140,089,199.69	234,013,631.72	14,131,582.50	11,005,024.60
Wuhan Supor Recycling Co., Ltd	Subsidiary	Recycling of used metal	RMB 1 million	1,880,802.06	1,671,754.54	10,167,780.48	59,417.73	53,475.95
Hangzhou Omega Commercial Trade Co., Ltd.	Subsidiary	CW and electrical appliances	RMB 10 million	26,416,143.81	-13,647,280.35	47,657,347.57	-1,743,902.45	-1,769,882.45
Shanghai Supor Cookware Marketing Co., Ltd.	Subsidiary	CW and electrical appliances	RMB 5 million	10,061,897.63	7,362,943.52	67,975,537.62	62,713.37	119,340.11

Information note on main subsidiaries and joint stock companies

Applicable Not Applicable

Instruction for main holding and joint stock company

VIII. Structural Subject under the Company's Control

Applicable Not Applicable

IX. Outlook of the Company

There are still many uncertain factors for global economy in 2017. With GDP increase speed slowing down further, China's economy steps into new normal. China's manufacture industry is still under the pressure from excess production capacity, structural adjustment and transformation and upgrading. However, with constant increase of residents' income, consumption becomes the significant engine for driving growth of China's economy. As forecasted by the agency concerned, proportion for number of middle-class and rich families will increase rapidly in future China and consumption upgrading will bring the huge development opportunity for those brand enterprises with innovation ability.

In 2017, Supor will implement strategy and route that have been established firmly. Oriented to consumers' demands, we will boost product innovation strategy and fine product strategy constantly, develop new variety continuously, cultivate new increasing point and seize the opportunity for consumption upgrading.

We will stabilize and deepen strategic cooperation with international hypermarket and domestic retail system and quicken business increase for modern channel; develop tertiary and quaternary markets, improve coverage rate and density of sales network and

enlarge single store output continuously.

We will develop e-commerce powerfully and intensify specialized operation and standardized management sustainably; improve activity planning and event marketing capacities and enlarge e-commerce proportion in the whole sales further.

We will insist on product ingenuity-focused communication strategy, strengthen brand construction continuously and increase consumer's cognition for "brand innovation" constantly. Besides those traditional media for brand launch, we should try and explore social media, e-commerce platform and other brand communication methods actively.

In terms of export business, we will promote SEB order transfer actively, boost cooperation in R&D, design, manufacture and other links continuously and improve core competitiveness.

We need to actively face those adverse factors such as price rise of raw material, strengthen R&D foundational management, boost product standardization and reduce waste and improve efficiency from the very beginning.

We will strengthen echelon building of talents, improve middle and bottom management, enhance employee's subjective initiative and create a positive and efficient working atmosphere for employees.

X. Reception of Investigation & Research, Communication and Interview Activities in the Reporting Period

1. Registration form for reception of investigation& research, communication and interview activities in the reporting period

Applicable Not Applicable

Reception time	Reception mode	Type of reception object	Index of basic information for investigation& research
September 21, 2016	On-site investigation and research	Institution	See <i>Record Form for Investor Relation Activity on September 21, 2016</i> disclosed by the Company in http://www.cninfo.com.cn on September 22, 2016 for details.
November 17, 2016	On-site investigation and research	Institution	See <i>Record Form for Investor Relation Activity on November 17, 2016 (i)</i> disclosed by the Company in http://www.cninfo.com.cn on November 18, 2016 for details.
November 17, 2016	On-site investigation and research	Institution	See <i>Record Form for Investor Relation Activity on November 17, 2016 (ii)</i> disclosed by the Company in http://www.cninfo.com.cn on November 18, 2016 for details.

SECTION V SIGNIFICANT EVENTS

I. Profit Distribution of the Company's Common Shares and Turning Add Equity Capital Accumulation Fund

According to profit distribution policy for common shares in reporting period, especially establishment, execution or adjustment for cash dividend policy

Applicable Not Applicable

The profit distribution plan for the Company's common shares (preparedness) and turning add equity capital accumulation fund (preparedness) for the latest 3 years.

1. Profit distribution plan for 2014

Based on the total capital stock of 632,875,188 shares (total capital stock of 633,853,440 shares on December 31, 2014 deducted by 978,252 shares of restricted stock will be repurchased and canceled), the Company will distribute cash dividend of RMB 4.30 (tax included) per 10 shares and the total profit distributed is RMB 272,136,330.84. There will be no distribution of bonus shares or conversion of capital reserve into share capital this year.

2. Profit distribution plan for 2015

Based on the total capital stock of 631,765,700 shares (total capital stock of 632,875,188 shares on December 31, 2015 deducted by 1,109,488 shares of restricted stock will be repurchased and canceled), the Company will distribute cash dividend of RMB 5.60 (tax included) per 10 shares and the total profit distributed is RMB 353,788,792.00. There will be no distribution of bonus shares or conversion of capital reserve into share capital this year.

3. Profit distribution plan for 2016

Based on the total capital stock of 631,759,700 shares (total capital stock of 631,765,700 shares on December 31, 2016 deducted by 6,000 shares of Restricted Stock will be repurchased and canceled), the Company will distribute cash dividends of RMB 7.70 (tax included) per 10 shares and the total cash dividends is RMB 486,454,969.00, issue 3 bonus shares (tax included) per 10 shares, and the total bonus shares are 189,527,910 shares. There will be no convert capital reserves to capital this year.

Distribution of cash dividends over the past 3 year (including this reporting period)

(Unit: RMB)

Year	Amount of cash dividends (tax included)	Net Profit in the Consolidated Statement attributable to the common shareholders of the listed company	Percentage in Net Profit in Consolidated Statement attributable to the common shareholders of the listed company	Amount of cash dividends by other means	Proportion of cash dividends by other means
2016	486,454,969.00	1,077,519,156.40	45.15%		
2015	353,788,792.00	889,004,773.99	39.80%		
2014	272,136,330.84	689,892,322.91	39.45%		

Information on profit-making in the reporting period and positive undistributed profit of parent company for common shareholders but without cash dividends plan for common shares

Applicable Not Applicable

II. Pre-proposal on Profit Distribution and Conversion of Capital Reserve to Capital for 2016

√ Applicable □ Not Applicable

Number of bonus stock per 10 shares (shares)	3
Amount of dividend (RMB) per 10 shares (tax included)	7.70
Number of Conversion per 10 shares (shares)	0
Equity base in distribution plan (shares)	631,759,700
Amount of cash dividends (RMB, tax included)	486,454,969.00
Distributable profits (RMB)	1,001,933,921.75
Proportion of cash dividends in total distribution of profits	71.96%
Detailed information on profit distribution and conversion of capital reserve to capital pre-proposal	
<p>In accordance with the standard unqualified audit report provided by UNION POWER CERTIFIED PUBLIC ACCOUNTANTS (SPECIAL GENERAL PARTNERSHIP), the parent company of Zhejiang Supor Co., Ltd. realized the net profit of RMB 1,067,520,204.35 in 2016. Pursuant to the regulations of the <i>Company Law</i> and the <i>Articles of Association</i>, the Company allocated RMB 106,752,020.43 as legal surplus reserve, plus the undistributed profit of RMB 394,954,529.83 in the beginning of the period and minus the cash dividends for 2015 of RMB 353,788,792.00 distributed on May 13, 2016, the distributable profit for shareholders by the end of the period were RMB 1,001,933,921.75. Based on the total capital stock of 631,759,700 shares (total capital stock of 631,765,700 shares on December 31, 2016 deducted by 6,000 shares of Restricted Stock), the Company will distribute all shareholders 7.70 yuan per 10 shares (tax included) and the total cash dividends is RMB 486,454,969.00, issue 3 bonus shares (tax included) per 10 shares, the total bonus shares are 189,527,910 shares.</p>	

III. Fulfillment of Commitments

1. Commitments that were fulfilled in reporting period and had not been fulfilled till the end of reporting period by actual controller, shareholder, associated party, purchaser and other commitment parties of the Company

√ Applicable □ Not Applicable

Cause of commitment	Committed by	Type of commitment	Contents of commitment	Time of commitment	Term of commitment	Performance
Commitment of share merger reform						
Commitment made in Acquisition Report or Equity Change Report	SEB Internationale	Other commitments	SEB Internationale committed in the <i>Acquisition Report</i> signed on October 19, 2011 that it would not transfer or entrust others to manage, or sell back to Supor the shares obtained from this transfer, within three years	October 19, 2011	December 22, 2011 - December 21, 2014	Completed

			as of the date of obtaining them. Meanwhile, within three years since the settlement day, the acquirer committed that it would neither make any decision nor conduct any behavior that will cause delisting of Supor or deprive its listing qualifications.			
	SEB Internationale	Other commitments	SEB Internationale committed in the <i>Acquisition Report</i> signed on October 19, 2011 that it would retain at least 25% of Supor's present or future stock within ten years.	October 19, 2011	December 22, 2011 - December 21, 2021	Performed strictly
Commitment made during asset restructuring						
Commitment made during IPO or refinancing						
Commitment for stock right encouragement						
	SEB Internationale	Other commitments	SEB Internationale committed following in the Framework Agreement of Strategic Investment signature on August 14 2006: to retain 25% of the present or future total stocks within 10 years from December 25, 2007.	August 14, 2006	December 25, 2007 - December 24, 2017	Strictly performed
Other commitments for middle and small shareholders	SEB Internationale	Commitments for share restriction	On August 3, 2015, SEB Internationale completed the purchase of 10 million of Supor shares held by Supor Group by means of contract transfer, and undertook that within three years as of the date of transfer registration, it would not transfer or entrust others to manage, or sell back to Supor the shares obtained from this	August 3, 2015	August 3, 2015- August 2, 2018	Strictly performed

			transfer.			
	SEB Internationale	Other commitments	SEB Internationale committed not to reduce the Company's shares held within 12 months as of January 15, 2016 by any means (as of January 15, 2016 to January 14, 2017).	January 15 2016	January 15 2016 January 14 2017	Completed
	SEB Internationale	Commitments for share restriction	SEB Internationale finished receiving 50,000,000 Supor shares held by Supor Group Co., Ltd. in form of agreement transfer on June 23, 2016 and committed not to transfer or entrust others to manage 50,000,000 Supor shares held or ask Supor to repurchase such shares within thirty six months upon acquiring the strategic investment 50,000,000 Supor shares.	June 23 2016	June 23 2016 June 22 2019	Performed strictly
Commitment for timely fulfillment	Yes					
Reason of un-fulfillment and next plans (if any) if the commitments cannot be fulfilled timely.	N/A					

2. Where assets or projects of the Company are expected to make profit, and the expected profiting period is in the reporting period, the Company hereby explain profiting expectation and reasons

√Applicable □ Not Applicable

Forecasted earning assets or project name	Starting time of forecast	Ending time of forecast	Current forecasted performance (in RMB 10,000)	Current actual performance (in RMB 10,000)	Reason for not reaching forecasted value (where applicable)	Disclosure date for original forecast	Disclosure index for original forecast
Acquire 25% equity of the subsidiary Zhejiang Supor	January 1, 2016	December 31, 2018	18,242.48	23,843.78	Not applicable	March 25, 2016	See No. 2016-020 <i>Announcement of Acquiring Equity Interest of Zhejiang Supor</i>

Electrical Appliance Manufacturing Co., Ltd.							<i>Electrical Appliance Manufacturing Co., Ltd. as Connected Transaction</i> disclosed on http://www.cninfo.com.cn .
Acquire 25% equity of the subsidiary Wuhan Supor Cookware Co., Ltd.	January 01, 2016	December 31, 2018	21,574.68	21,653.01	Not applicable	March 25, 2016	See No. 2016-021 Announcement of Acquiring Equity Interest of Wuhan Supor Cookware Co., Ltd. as Connected Transaction disclosed on http://www.cninfo.com.cn .

Commitments that the Company's shareholder and counterparty had made for operation performance in the reporting year

Applicable Not Applicable

Within the successive three years (2016-2018) after finishing variation registration for 25% equity respectively for Zhejiang Supor Electrical Appliance Manufacturing Co., Ltd. and Wuhan Supor Cookware Co., Ltd., accounting firm of the Company should calculate expected profit in appraisal report of assets appraisal company and actual net profit gap generated respectively in audited accounts of the two companies and issue special audit opinions on a yearly basis. The counterparty Grain Harvest Development Limited commits: Within the successive three years after finishing equity variation registration, it will compensate the Company for profit gap for actual and expect accumulative values of net profits in accordance with equity ratio that it transfers.

IV. Occupied Non-business Capital of Listed Company for Shareholders and Affiliated Company

Applicable Not Applicable

No occupied non-business capital of listed company for shareholders and affiliated company made in reporting period.

V. Explanation of the Board of Supervisors and Independent Directors (if applicable) of the "Non-standard Audit Report"

Applicable Not Applicable

VI. Change of accounting policy, accounting estimate and calculation method compared with last year's financial report

Applicable Not Applicable

No accounting policy, accounting estimate and calculation method made in reporting period.

VII. Instruction for Important Financial Errors, Correction and Restatement in Reporting Period

Applicable Not Applicable

No important financial errors, correction and restatement in reporting period.

VIII. Information on Change of the Scope of Consolidated Statement Compared with the Previous Year's Financial Statements

Applicable Not Applicable

Company name	Purpose for subsidiary acquisition and disposal during reporting period	Mode for subsidiary acquisition and disposal during reporting period	Influence on overall production and performance
Shaoxing Supor Electric Appliance Co., Ltd.	The original business has been included in operation scope of the Company's wholly-owned subsidiary Zhejiang Shaoxing Supor Domestic Electrical Appliances Co., Ltd	Cancellation	No major influence on the Company's annual profit or its overall business development, production and operation

IX. Employment and Disengagement of Certified Public Accountants

Certified public accountants engaged at the moment

Name of domestic certified public accountants:	Union Power Certified Public Accountants (Special General Partnership)
Reward for domestic certified public accountants (in 10K RMB)	150
Service years of audit for the Company	One year
Names of CPAs from domestic certified public accountants:	Li Wei, Guo Youying
Name of domestic certified public accountants: (if any)	none
Reward for domestic certified public accountants (in 10K RMB) (if any)	0
Service years of audit for the Company (if any)	none
Names of CPAs from domestic certified public accountants: (if any)	none

Intension of changing certified public accountants

Yes No

Intension of changing certified public accountants in audit report

Yes No

Tension of performing approval procedures for changing certified public accountants

Yes No

Details on alteration of accounting firm

The Company passed the *Proposal on Engaging Audit Authority 2016* in 11th session of the Fifth Board of Directors on March 24, 2016 and consented to engage Union Power Certified Public Accountants (special general partnership) as 2016 financial audit authority of the Company.

Employment of internal control counting firm, financial consultant or sponsor

Applicable Not Applicable

X. Suspension of Listing or Delisting after Disclosure of Annual Report

Applicable Not Applicable

XI. Bankruptcy or Reorganization

Applicable Not Applicable

No bankruptcy or reorganization related matters happened in the reporting period.

XII. Significant Litigations and Arbitrations

Applicable Not Applicable

No significant litigations and arbitrations made in reporting period.

XIII. Punishment and Rectification

Applicable Not Applicable

No punishment or rectification issues happened in the reporting period.

XIV. Shareholders' and Practical Controllers' Integrity

Applicable Not Applicable

XV. Implementation of Company's equity incentive plan, employee equity holding plan or other employee incentive measures

Applicable Not Applicable

There were two equity incentive plans under implementation in reporting period, *Stock Option and Restricted Stock Incentive Plan* (amended draft) (hereinafter referred to as "Equity Incentive Plan 2012") passed in the First Interim Shareholders meeting in 2012 and *Restricted Stock Incentive Plan* (amended draft) (hereinafter referred to as "Equity Incentive Plan 2013") passed in the Second Interim Shareholders meeting in 2013.

1. The Company adopted *Proposal on Annuling a Part of Stock Options and Repurchasing and Canceling a Part of Restricted Stock* on the 11th Session of the fifth Board of Directors held on March 24, 2016. Since evaluation index for *2012 Equity Incentive Plan* cannot meet relevant requirements of the year 2015 and some Incentive Objects cannot meet incentive conditions due to resignation, a total of 2,335,872 shares of stock options failing in reaching exercising conditions were annulled; and a total of 845,904 shares of restricted stocks failing in reaching unlocking conditions were repurchased and cancelled at the price of 0 yuan per share. Among these restricted stocks, 827,904 shares were repurchased and cancelled according to *2012 Equity Incentive Plan*; 18,000 shares according to *2013 Equity Incentive Plan*. The Company adopted *Proposal on Annuling a Part of Stock Options and Repurchasing and Canceling a Part of Restricted Stock* on the 7th Session of the fifth Board of Directors held on August 26, 2015. Since some Incentive Objects could not meet incentive conditions due to resignation, a total of 126,720 shares of stock options failing in reaching exercising conditions were annulled; and a total of 263,584 shares of restricted stocks failing in reaching unlocking conditions were repurchased and cancelled at the price of 0 yuan per share. Among these restricted stocks, 67,584 shares were repurchased and

cancelled according to *2012 Equity Incentive Plan*; 196,000 shares according to *2013 Equity Incentive Plan*. After confirmed by Shenzhen Branch of China Securities Depository and Clearing Co., Ltd., the Company annulled stock options and purchased and cancelled restricted shares on April 29, 2016. This time, the Company annulled 2,462,592 shares of stock options in total, and repurchased and cancelled 1,109,488 shares of restricted stocks. Now, there are 0 stock option and 0 restricted stock of the Company remaining to be involved in *2012 Equity Incentive Plan*.

For detailed contents, see *Announcement of Annulling a Part of Stock Options and Repurchasing and Canceling a Part of Restricted Stock* and *Announcement of Completion of Annulment of Stock Option Granted and Repurchase and Cancellation of Restricted Stock* disclosed on *Securities Times*, *China Securities Journal*, *Securities Daily*, and <http://www.cninfo.com.cn> on March 25, 2016 and May 4, 2016.

2. The Company adopted *Proposal on Unlocking of Restricted Stock within the Third Unlock Period and Unlocking of Reserved Restricted Stock within the Second Unlock Period of Restricted Stock Incentive Plan* on the 11th Session of the fifth Board of Directors held on March 24, 2016, agreeing to unlock in the third unlock period of Restricted Stock and the second unlock period of Reserved Restricted Stock for 114 qualified Incentive Objects according to *2013 Equity Incentive Plan*. The unlocking number of Restricted Stock of third period was 1,486,500 and the unlocking number of Reserved Restricted Stock of second period was 34,041. There were 1,520,541 in total. The shares that could be unlocked in the second period for Reserved Restricted Stock will be unlocked, circulated on October 14, 2016 and the shares that could be unlocked in the third period for Restricted Stock Incentive Plan will be unlocked, circulated on January 4, 2017.

For detailed contents, see *Announcement on Unlocking of Restricted Stock within the Third Unlock Period and Unlocking of Reserved Restricted Stock within the Second Unlock Period of Restricted Stock Incentive Plan* disclosed on *Securities Times*, *China Securities Journal*, *Securities Daily*, and <http://www.cninfo.com.cn> on March 25, 2016.

3. The Company adopted *Proposal on Repurchasing and Canceling a Part of Restricted Stock* in the 13th Session of the Fifth Board of Directors held on August 30, 2016. As one incentive object no longer met the incentive conditions of Equity Incentive Plan 2013 due to his resignation, the Company decided to repurchase and cancel 6,000 restricted stocks having granted to incentive object having left office at the price of RMB 0 (the repurchase and cancellation work have not been finished yet).

For detailed contents, see *Announcement on Repurchasing and Canceling a Part of Restricted Stock* disclosed on *Securities Times*, *China Securities Journal*, *Securities Daily*, and <http://www.cninfo.com.cn> on August 31, 2016.

XVI. Significant Connected Transactions

1. Connected transaction related to daily business

√ Applicable □ Not Applicable

Parties involved	Relation	Type of connected transactions	Content of connected transactions	Pricing rule of connected transactions	Price of connected transactions	Amount of connected transactions (10K RMB)	Proportion in similar transactions	Transaction amount approved (in RMB 10,000)	If exceeding approved amount	Settlement type of connected transactions	Market price of similar trading achievable	Date of disclosure	Reference for disclosure
Wuhan Azai	Affiliated	Goods purchasing	Finished products	Contract price	-	28,230.12	3.27%		No	Bank transfer	-		

Cookware Co., Ltd.	companies	ng								or bills			
Wuhan Azai Cookware Co., Ltd.	Affiliated companies	Goods purchasing	Accessories	Contract price	-	1,738.42	0.20%		No	Bank transfer or bills	-		
GROUPE SEB EXPORT	Same controlling shareholder with the controlling shareholder	Goods purchasing	Finished products	Contract price	-	132.57	0.02%		No	Bank transfer or bills	-		
S.A.S. GROUPE SEB MOULIN EX	Same controlling shareholder with the controlling shareholder	Goods purchasing	Accessories	Contract price	-	3,090.79	0.36%		No	Bank transfer or bills	-		
LAGOSTINA S.P.A.	Same controlling shareholder with the controlling shareholder	Goods purchasing	Finished products	Contract price	-	132.14	0.02%		No	Bank transfer or bills	-		
TEFAL S.A.S.	Same controlling shareholder with the controlling	Goods purchasing	Accessories	Contract price	-	175.79	0.02%		No	Bank transfer or bills	-		

	ng sharehol der												
SEB INTERN ATIONA L SERVICE SAS	Same controlli ng sharehol der with the controlli ng sharehol der	Goods purchasi ng	Finished products	Contract price	-	44.58	0.01%		No	Bank transfer or bills	-		
SEB ASIA LTD.	Same controlli ng sharehol der	Commo dity selling	Finished products	Contract price	-	302,236 .29	25.30%		No	Bank transfer or bills	-		
SEB ASIA LTD.	Same controlli ng sharehol der	Commo dity selling	Accesso ries	Contract price	-	663.71	0.06%		No	Bank transfer or bills	-		
S.A.S. SEB	Same controlli ng sharehol der with the controlli ng sharehol der	Commo dity selling	Finished products	Contract price	-	2,537.6 3	0.21%		No	Bank transfer or bills	-		
S.A.S. SEB	Same controlli ng sharehol der with the controlli ng sharehol der	Commo dity selling	Accesso ries	Contract price	-	164.74	0.01%		No	Bank transfer or bills	-		

TEFAL S.A.S.	Same controlling shareholder with the controlling shareholder	Commodity selling	Finished products	Contract price	-	703	0.06%		No	Bank transfer or bills	-		
TEFAL S.A.S.	Same controlling shareholder with the controlling shareholder	Commodity selling	Accessories	Contract price	-	1,551.4	0.13%		No	Bank transfer or bills	-		
S.A.S. GROUPE SEB MOULINEX	Same controlling shareholder with the controlling shareholder	Commodity selling	Finished products	Contract price	-	4,274	0.36%		No	Bank transfer or bills	-		
S.A.S. GROUPE SEB MOULINEX	Same controlling shareholder with the controlling shareholder	Commodity selling	Accessories	Contract price	-	66.83	0.01%		No	Bank transfer or bills	-		
Supor Group Co., Ltd.	Shareholder	Commodity selling	Finished products	Market price	-	871.89	0.07%		No	Bank transfer or bills	-		

SEB INTERNATIONAL SERVICE S.A.S.	Same controlling shareholder with the controlling shareholder	Commodity selling	Finished products	Contract price	-	65.48	0.01%		No	Bank transfer or bills	-		
SEB INTERNATIONAL SERVICE S.A.S.	Same controlling shareholder with the controlling shareholder	Commodity selling	Accessories	Contract price	-	465.37	0.04%		No	Bank transfer or bills	-		
ALL-CLAD METALCRAFTER S LLC	Same controlling shareholder	Commodity selling	Finished products	Contract price	-	64.12	0.01%		No	Bank transfer or bills	-		
Wuhan Anzai Cookware Co., Ltd.	Affiliated companies	Commodity selling	Finished products	Contract price	-	0.02	0.00%		No	Bank transfer or bills	-		
SEB COLOMBIA	Same controlling shareholder	Commodity selling	Finished products	Contract price	-	39.95	0.00%		No	Bank transfer or bills	-		
LAGOSTINA S.P.A.	Same controlling shareholder with the controlling shareholder	Commodity selling	Finished products	Contract price	-	65.94	0.01%		No	Bank transfer or bills	-		

	der												
LAGOST INA S.P.A.	Same controlli ng sharehol der with the controlli ng sharehol der	Commo dity selling	Accesso ries	Contract price	-	108.61	0.01%	No	Bank transfer or bills	-			
SEB DO BRASIL PRODUT	Same controlli ng sharehol der	Commo dity selling	Finished products	Contract price	-	64.8	0.01%	No	Bank transfer or bills	-			
IMUSA USA LLC	Same controlli ng sharehol der with the controlli ng sharehol der	Commo dity selling	Finished products	Contract price	-	211.49	0.02%	No	Bank transfer or bills	-			
Total					--	--	347,699 .68	--	0	--	--	--	--
Details of return for large-scale goods sold				None									
If the total amount of daily related transactions in this reporting period is predicated according to category, the practical performance in reporting period (if any)				In 2016, the amount of estimated annual daily connected transactions between the Company and SEB Group as well as its affiliates was RMB 3,341.24 million and the actual amount of daily connected transaction was RMB 3,168.59 million, reducing RMB 172.65 million (Please refer to <i>Announcement of Estimation of Daily Connected Transactions in 2016</i> disclosed in <i>Securities Times</i> , <i>China Securities Journal</i> , <i>Securities Daily</i> and http://www.cninfo.com.cn on March 25, 2016).									
Reason for large difference between transaction price and market reference price (if applicable)				None									

2. Connected transaction from purchase and sales for assets or equity

Applicable Not Applicable

Parties involved	Relation	Type of connected transaction	Content of connected transaction	Pricing rule of connected transactions	Book value of transferred assets (RMB 10,000)	Appraisal value of transferred assets (RMB 10,000)	Transfer price (RMB 10,000)	Settlement type of connected transaction	Profit or loss of transaction (RMB 10,000)	Date of disclosure	Disclosure index
Grain Harvest Development Limited (禾丰发展有限公司)	The connected party is the wholly-owned subsidiary of SEB Internationale, the controlling shareholder of the Company	Purchase of asset from connected party	The Company purchased 25% equity interest of the subsidiary, Zhejiang Supor Electrical Appliance Manufacturing Co., Ltd. held by the connected party, with own fund of RMB 642.5 million.	The appraisal value in the HDZZPBZ [2016] No. 0230143 <i>Business Valuation Report on Total Equity of Zhejiang Supor Electrical Appliance Manufacturing Co., Ltd. with regard to Zhejiang Supor Co., Ltd's Purchasing Grain Harvest Development Limited's 25% Equity in Zhejiang Supor Electrical Appliance Manufacturing Co., Ltd.</i> issued by Shanghai Orient Appraisal Co., Ltd. (with the qualification to engage in securities and futures), on the base date of December 31, 2015.	27,370.42	64,250	64,250	Cash payment	0	June 28, 2016	See the No. 2016-034 <i>Announcement of Completion of Registration Changes on Acquiring Equity Interest of Zhejiang Supor Electrical Appliance Manufacturing Co., Ltd.</i> disclosed on http://www.cninfo.com.cn for details
Grain Harvest Development Limited (禾丰发展有限公司)	The connected party is the wholly-owned subsidiary of SEB Internationale, the controlling	Purchase of asset from connected party	The Company purchased 25% equity interest of the sub-sub-sidiary, Wuhan Supor Cookware Co.,	The appraisal value in the HDZZPBZ [2016] No. 0231143 <i>Business Valuation Report on Total Equity of Wuhan Supor Cookware Co., Ltd with regard to Zhejiang Supor Co., Ltd's Purchasing Grain Harvest Development Limited's 25% Equity in</i>	28,421.91	58,000	58,000	Cash payment	0	August 19, 2016	See the No. 2016-039 <i>Announcement of Obtaining New Business License on Acquiring Equity Interest of Wuhan Supor Cookware Co., Ltd.</i> disclosed on http://www.cninfo.com.cn for details

	shareholder of the Company		Ltd. held by the connected party with own fund of RMB 580 million.	Wuhan Supor Cookware Co., Ltd issued by Shanghai Orient Appraisal Co., Ltd. (with the qualification to engage in securities and futures), on the base date of December 31, 2015.							
Reason for great difference between transfer price and book value or appraisal value (if any)				Transfer price should be determined after both parties' consensus based on appraisal value.							
Influence on the Company's operation result and financial condition				The Company has sufficient cash flow and acquisition of 25% equity for the two companies above can improve the Company's funds using efficiency further. After acquiring equity of the two companies, there will positive effect on shareholder's net profit of listed company.							
Performance realization during reporting period if there is appointment in relevant transaction and performance				Expected net profits in 2016 of Zhejiang Supor Electrical Appliance Manufacturing Co., Ltd .and Wuhan Supor Cookware Co., Ltd. were RMB 182.4248 million and RMB 215.7468 million respectively; the actual values were RMB 238.4378 million and 216.5301 million.							

3. Connected transaction for co-investment abroad

Applicable Not Applicable

No connected transaction for co-investment abroad made in reporting period

4. Connected creditor's rights and debts

Applicable Not Applicable

No related creditor's rights and debts made in reporting period.

5. Other important Connected transactions

Applicable Not Applicable

The Company, the Company's director Mr. Su Xianze and Hangzhou Ruifeng Equity Investment Management Co., Ltd. (limited partnership) jointly invested in and founded Hangzhou Ruifeng Mingkai Investment Co, Ltd. (limited partnership) (hereinafter referred as "Equity Investment Fund"). Total investment scale of Equity Investment Foundation is RMB 300 million; of which, the Company invested its own funds RMB 204 million and became the limited partner. Equity Investment Fund is focused on high coordination of operation business of companies in China involved with cookware, kitchenware and small household appliance and relevant service through specialized investment organization as well as direct equity investment conforming the Company's development strategy or private issuing subscription of listed company.

Disclosure website for announcement of important connected transactions

Name of announcement	Date of disclosure for announcement	Name of disclosure website for announcement
<i>Announcement of Establishing Equity Investment Fund as Connected Transaction</i>	October 21, 2016	http://www.cninfo.com.cn ,

XVII. Significant Contracts and Performance**1. Custody, contracting, and leasing****(1) Custody**

Applicable Not Applicable

No custody was made in the reporting period.

(2) Contracting

Applicable Not Applicable

No contracting was made in the reporting period.

(3) Leasing

Applicable Not Applicable

No leasing existed in the reporting period.

2. Important guarantee

Applicable Not Applicable

No guarantee was made in the reporting period

3. Entrusting others for cash asset management

(1) Entrustment for financial management

Applicable Not Applicable

No entrustment for financial management was made in the reporting period.

(2) Entrustment for loan

Applicable Not Applicable

No entrustment for loan was made in the reporting period.

4. Other important contracts

Applicable Not Applicable

No other important contracts were made in the reporting period.

XVIII. CSR Building

1. CSR fulfillment for accurate poverty alleviation

Applicable Not applicable

(1) Overview of annual accurate poverty alleviation

In reporting period, the Company continued donating money to improve school-running conditions in remote mountainous areas in Midwest of China. We established Supor primary schools and supported follow-up development for running schools of various schools. Nowadays, our public welfare has expanded to mountain areas of 12 provinces or autonomous regions such as Qinghai, Yunnan, Guizhou, Sichuan, Hubei, Jiangxi, Hunan, Guangxi, Henan, Shanxi, Gansu and Hebei and there have been 22 schools that we assist in building. Besides school building, the Company also donated a lot to Supor primary schools: We offered children's books and built "Nenya" Library; provided kitchenware and completed "Lilixiang" Love Dining Hall; provided training and learning tour opportunity to teachers of Supor primary schools. All of those were aimed to improve school running idea and level of various Supor primary schools and let village children obtain fair educational opportunity.

In 2016, the Company, as scheduled, completed construction of two Supor primary schools, organized a rural teacher training of Supor primary school and executed a prominent teacher reward and learning tour; dispatched volunteer teachers to schools in demand, organized employee volunteer visit, offered material support, funded poor students, etc.

In December 2016, we won the 5th Zhejiang Charity Award with Supor primary school rural education charity project.

2) Annual accurate poverty alleviation of listed company

Index	Unit	Qty./implementation
Amount input for funding poor students	In RMB 10,000	9.4
Number of students funded	Person	94
Amount input for improving education resources of poverty-stricken area	In RMB 10,000	346
Award (content and level)	——	——
Provincial		Win the 5 th Zhejiang Charity Award with Supor primary school rural education charity project.

(3) Follow-up annual accurate poverty alleviation plan

In the future, we will continue implementing Supor primary school project and donating money to build rural primary school. At present, there are five schools under construction; three Supor primary schools are expected to be completed in 2017. Meanwhile, we will continue providing training and learning tour opportunity to rural teachers in mountainous area and carry out activity beneficial to school-running development of rural primary schools in mountainous area.

2. Fulfillment of other CSRs

In reporting period, the Company held the 2nd public welfare week activity themed with “Nutrition and Unity”: We organized employee volunteers to go to Supor primary schools to cook food for children of these schools in mountainous area, advocated employees to donate money for free lunch in the Company and supported rural schoolchild nutrition improvement in remote mountainous area.

Are the Company and its subsidiary are key pollution emission organizations that environmental protection authority publishes?

No

Has social reasonability report been issued?

Yes No

XIX. Introduction for Other Important Matters

Applicable Not Applicable

The controlling shareholder SEB Internationale received the *Letter of Confirmation of Share Transfer Registration* issued by CSDCC on June 23, 2016, indicating the completion of purchase of 50,000,000 shares of Supor shares from Supor Group by means of contract transfer at the price of 29 yuan per share. SEB Internationale undertook that shares acquired by them under the Strategic Investment cannot be transferred, or entrusted to others to manage or repurchased by Supor for a lock-up period of 36 months. See *Announcement of Completion of Shares Transfer Registration for Strategic Investment in the Company by Controlling Shareholder* and *Announcement of Additional Commitment of Trading Restriction of Shares by Controlling Shareholder* disclosed on *Securities Times*, *China Securities Journal*, *Securities Daily*, and <http://www.cninfo.com.cn> on June 24, 2016 and June 28, 2016 for details.

XX. Significant Event of the Company's Subsidiaries

Applicable Not Applicable

SECTION VI CHANGES IN SHARE CAPITAL AND PARTICULARS ABOUT SHAREHOLDERS

I. Changes in Share Capital

1. Changes in Share Capital

(Unit: Shares)

	Before change		Increase/decrease in the period (+, -)					After change	
	Quantity	Scale	New shares	Shares bonus	Converted capital	Others	Subtotal	Quantity	Scale
I. Restricted outstanding shares	165,399,495	26.13%				48,263,974	48,263,974	213,663,469	33.82%
1. Shares held by the State	0	0.00%				0	0	0	0.00%
2. Shares held by state-owned legal entities	0	0.00%				0	0	0	0.00%
3. Shares held by other domestic investors	6,655,195	1.05%				-1,736,026	-1,736,026	4,919,169	0.78%
In which: Shares held by domestic legal entities	0	0.00%				0	0	0	0.00%
Shares held by domestic natural persons	6,655,195	1.05%				-1,736,026	-1,736,026	4,919,169	0.78%
4. Shares held by foreign investors	158,744,300	25.08%				50,000,000	50,000,000	208,744,300	33.04%
In which: Shares held by foreign legal entities	158,744,300	25.08%				50,000,000	50,000,000	208,744,300	33.04%
Shares held by foreign natural persons	0	0.00%				0	0	0	0.00%
II. Non-restricted outstanding shares	467,475,693	73.87%				-49,373,462	-49,373,462	418,102,231	66.18%
1. RMB common shares	467,475,693	73.87%				-49,373,462	-49,373,462	418,102,231	66.18%
2. Domestically listed foreign shares	0	0.00%				0	0	0	0.00%
3. Overseas listed foreign shares	0	0.00%				0	0	0	0.00%
(4) Others	0	0.00%				0	0	0	0.00%
III. Total shares	632,875,188	100.00%				-1,109,488	-1,109,488	631,765,700	100.00%

										%
--	--	--	--	--	--	--	--	--	--	---

Reasons for share capital change

√ Applicable □ Not Applicable

1. Top management of the Company unlocked 25% of the shares registered under their names on the last trading day of the previous year.
2. On April 29, 2016, the Company repurchased and canceled 895,488 shares of restricted stock that had been granted to incentive objects who had resigned and restricted stock that not meeting the set requirements of 2015 according to Equity Incentive Plan 2012; the Company repurchased and canceled 214,000 shares of restricted stock that had been granted to incentive objects who had resigned according to Equity Incentive Plan 2013. In total, the Company repurchased and canceled 1,109,488 shares of restricted stock. After the repurchase and cancellation, the capital stock of the Company was reduced from 632,875,188 shares to 631,765,700 shares.
3. On June 28, 2016, the controlling shareholder SEB Internationale undertook an additional commitment to change the type of 50 million shares from unrestricted outstanding shares to restricted outstanding shares in Shenzhen Branch of China Securities Depository and Clearing Corporation.
4. The Company adopted *Proposal on Unlocking of Restricted Stock within the Third Unlock Period and Unlocking of Reserved Restricted Stock within the Second Unlock Period of Restricted Stock Incentive Plan* on the 11th Session of the Fifth Board of Directors. According to the Equity Incentive Plan 2013, 114 incentive objects meeting the conditions were agreed to unblock in the third unblocking period and the reserved second unblocking period of restricted stock and therefore, the quantity of unblocked stocks in the third unblocking period and reserved second unblocking period of restricted stock reached 1,486,500 and 34,041, both of which amounted to 1,520,541. In particular, the unblocked shares in the reserved second unblocking period of restricted stocks were unblocked and circulated on the market on October 14, 2016.
5. The Company adopted *Proposal on Repurchasing and Canceling a Part of Restricted Stock* in the 13th Session of the Fifth Board of Directors held on August 30, 2016. As one incentive object no longer met the incentive conditions of Equity Incentive Plan 2013 due to his resignation, the Company decided to repurchase and cancel 6,000 restricted stocks having granted to incentive object having left office at the price of RMB 0 (the repurchase and cancellation work have not been finished yet).

Approval of stock changes

√ Applicable □ Not Applicable

1. The Company adopted *Proposal on Annulling a Part of Stock Options and Repurchasing and Canceling a Part of Restricted Stock* on the 11th Session of the fifth Board of Directors held on March 24, 2016. Since evaluation index for 2012 Equity Incentive Plan cannot meet relevant requirements of the year 2015 and some Incentive Objects cannot meet incentive conditions due to resignation, a total of 2,335,872 shares of stock options failing in reaching exercising conditions were annulled; and a total of 845,904 shares of restricted stocks failing in reaching unlocking conditions were repurchased and cancelled at the price of 0 yuan per share. Among these restricted stocks, 827,904 shares were repurchased and cancelled according to 2012 Equity Incentive Plan; 18,000 shares according to 2013 Equity Incentive Plan. The Company adopted *Proposal on Annulling a Part of Stock Options and Repurchasing and Canceling a Part of Restricted Stock* on the 7th Session of the fifth Board of Directors held on August 26, 2015. Since some Incentive Objects could not meet incentive conditions due to resignation, a total of 126,720 shares of stock options failing in reaching exercising conditions were annulled; and a total of 263,584 shares of restricted stocks failing in reaching unlocking conditions were repurchased and cancelled at the price of 0 yuan per share. Among these restricted stocks, 67,584 shares were repurchased and cancelled according to 2012 Equity Incentive Plan; 196,000 shares according to 2013 Equity Incentive Plan. After confirmed by Shenzhen Branch of China Securities Depository and Clearing Co., Ltd., the Company annulled stock options and purchased and cancelled restricted shares on April 29, 2016.
2. The controlling shareholder SEB Internationale completed all procedures of purchasing 50,000,000 shares of Supor shares held by Supor Group by means of contract transfer on June 23, 2016. SEB Internationale undertook that shares acquired by them under the

Strategic Investment cannot be transferred, or entrusted to others to manage or repurchased by Supor for a lock-up period of 36 months. The Registration procedures of changing the type of 50,000,000 shares from unrestricted outstanding shares to restricted outstanding shares were completed in Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on June 30, 2016.

3. The Company adopted *Proposal on Unlocking of Restricted Stock within the Third Unlock Period and Unlocking of Reserved Restricted Stock within the Second Unlock Period of Restricted Stock Incentive Plan* on the 11th Session of the fifth Board of Directors held on March 24, 2016, agreeing to unlock in the third unlock period of Restricted Stock and the second unlock period of Reserved Restricted Stock for 114 qualified Incentive Objects according to *2013 Equity Incentive Plan*. The unlocking number of Restricted Stock of third period was 1,486,500 and the unlocking number of Reserved Restricted Stock of second period was 34,041. There were 1,520,541 in total. The shares that could be unlocked in the second period for Reserved Restricted Stock will be unlocked, circulated on October 14, 2016 and the shares that could be unlocked in the third period for Restricted Stock Incentive Plan will be unlocked, circulated on January 4, 2017.

Ownership transfer due to stock change

Applicable Not Applicable

Influence of share capital change on the past year's and the past period's basic EPS and diluted EPS, and net assets belonging to common shareholders of the Company

Applicable Not Applicable

During this reporting period, totally 1,109,488 shares have been repurchased and canceled, which would cause minimal effect on basic EPS and diluted EPS, and no effect on net assets belonging to common shareholders of the Company and other financial indicators.

Other information deemed necessary or required by securities regulatory commission for disclosure

Applicable Not Applicable

2. Changes of Restricted Stock

Applicable Not Applicable

(Unit: Shares)

Shareholder's name	Restricted outstanding shares at year-begin	Restricted outstanding shares unlocked in current period	Restricted outstanding shares increased in current period	Restricted outstanding shares at year-end	Restriction reason	Date of restriction unlock
SEB INTERNATIONAL S.A.S	158,744,300	0	50,000,000	208,744,300	Restricted sales commitment for additional strategic investment	June 22, 2019
Su Xianze	1,887,934	548,772	0	1,339,162	Stock locked by top management	Unlocking 25% of the shares registered under his name on the last trading day of the

						previous year
Ye Jide	57,109	43,725	0	13,384	Stock locked by top management	Unlocking 25% of the shares registered under his name on the last trading day of the previous year
Incentive objects of Equity Incentive Plan 2012	895,488	895,488	0	0	Restricted stock of Equity Incentive Plan 2012	Since the business performance of 2015 failed to meet the requirements of the current Equity Incentive Plan, and several incentive objects resigned, 895,488 shares of restricted stock were repurchased and canceled, which was completed on April 29, 2016
Incentive objects of Equity Incentive Plan 2013	3,814,664	248,041	0	3,566,623	Restricted stock of Equity Incentive Plan 2013	1. 214,000 restricted stocks were bought back and cancelled due to the resignation of some incentive participants; the Company finished buy-back and cancellation on April 29, 2016; 2. The performance in 2015 did not satisfy the corresponding appraisal index in this incentive plan, 1,520,541 shares could be unblocked. 34,041 unblocking shares in the 2 nd unblocking period were unblocked and circulated on the market on October 14, 2016.
Total	165,399,495	1,736,026	50,000,000	213,663,469	--	--

II. Security Offering and Listing Information

1. Security offering (excluding preferred stock) during reporting period

Applicable Not Applicable

2. Total shares of the Company, change of shareholder structure, and changes of the Company's assets and liabilities structure

Applicable Not Applicable

Notes on the change of the sum of the Company's stock caused by repurchase and cancellation of restricted stock of Equity Incentive Plan are as follows:

On April 29, 2016, totally 1,109,488 shares of restricted stock were repurchased and canceled, including 895,488 shares of restricted stock, which has been granted and not been unlocked for resigned incentive objects and which failed to satisfy the annual requirements of 2015, according to "Equity Incentive Plan 2012" and 214,000 shares of restricted stock, which has been granted and not been unlocked for resigned incentive objects, according to "Equity Incentive Plan 2013". After the repurchase and cancellation, the total capital stock of the company is reduced from 632,875,188 shares to 631,765,700 shares.

3. Staff shares

Applicable Not Applicable

III. Shareholders and the Actual Controller

1. Number of shareholders of the Company and share-holding conditions

(Unit: Shares)

Total number of common shareholders by end of reporting period	8,037	Number of common shareholders at the end of last month before the disclosure date of the annual report	7,773	Total number of preferred stockholders with restored voting right (if any).	0	Total number of preferred stockholders with restored voting right at the end of last year before the disclosure date of the annual report (if any)	0	
Information on shareholders holding more than 5% shares or information on top 10 shareholders								
Shareholder's name	Nature of shareholder	Proportion of share-holding	Number of shares held at period-end	Increase/dec rease in the reporting period	Number of restricted outstanding shares	Number of non-restricted outstanding shares	Number of shares pledged or frozen	
							State of shares	Quantity
SEB INTERNATIONAL S.A.S	Foreign legal entity	81.17%	512,832,233	50,000,000	208,744,300	304,087,933		
Fidelity Mutual Fund & Investment Management - clients' capital	Foreign legal entity	1.83%	11,562,626	-4,195,897	0	11,562,626		
China Construction Bank Corporation - Rongtong leading	Others	1.49%	9,385,516	9,385,516	0	9,385,516		

growth hybrid securities investment fund (LOF)								
DEUTSCHE BANK AKTIENGESELLSCHAFT	Foreign legal entity	1.26%	7,975,859	-14,193,237	0	7,975,859		
BNP Paribas – own fund	Foreign legal entity	1.16%	7,310,470	5,778,805	0	7,310,470		
China Construction Bank: E-fund New Flexible Configuration Hybrid Securities Investment Fund	Others	0.76%	4,800,000	4,800,000	0	4,800,000		
Industrial and Commercial Bank of China-E-fund Value Growing Hybrid Securities Investment Fund	Others	0.68%	4,300,719	4,300,719	0	4,300,719		
UBS AG	Foreign legal entity	0.66%	4,190,897	-1,337,378	0	4,190,897		
Gaohua-HSBC-GOLDMAN, SACHS & CO.	Foreign legal entity	0.64%	4,039,931	3,755,210	0	4,039,931		
Bank of China-E-fund small and medium cap hybrid securities investment fund	Others	0.57%	3,618,400	3,618,400	0	3,618,400		
Strategic investor or general corporate investor who becomes top 10 shareholder as a result of rights issue (if any)	None							
Related relationship among the above shareholders or concerted parties	The Company had no idea if the top ten shareholders have connected relationship or if they belong to the consistent action makers as specified in the <i>Measures on the Purchase Management of Listed Companies</i> .							
Top 10 shareholders holding non-restricted outstanding shares								

Shareholder's name	Number of non-restricted outstanding shares held at period-end	Nature of share	
		Nature of share	Qty.
SEB INTERNATIONALE S.A.S	304,087,933	Renminbi common shares	304,087,933
Fidelity Mutual Fund & Investment Management - clients' capital	11,562,626	Renminbi common shares	11,562,626
China Construction Bank Corporation - Rongtong leading growth hybrid securities investment fund (LOF)	9,385,516	Renminbi common shares	9,385,516
DEUTSCHE BANK AKTIENGESELLSCHAFT	7,975,859	Renminbi common shares	7,975,859
BNP Paribas – own fund	7,310,470	Renminbi common shares	7,310,470
China Construction Bank: E-fund New Flexible Configuration Hybrid Securities Investment Fund	4,800,000	Renminbi common shares	4,800,000
Industrial and Commercial Bank of China-E-fund Value Growing Hybrid Securities Investment Fund	4,300,719	Renminbi common shares	4,300,719
UBS AG	4,190,897	Renminbi common shares	4,190,897
Gaohua-HSBC-GOLDMAN, SACHS & CO.	4,039,931	Renminbi common shares	4,039,931
China Construction Bank: E-fund New Flexible Configuration Hybrid Securities Investment Fund	3,618,400	Renminbi common shares	3,618,400
Connected relationship or concerted parties among the top 10 shareholders holding non-restricted outstanding shares, and between the top 10 shareholders holding non-restricted outstanding shares and top 10 shareholders	The Company had no idea if the top ten shareholders have connected relationship or if they belong to the consistent action makers as specified in the <i>Measures on the Purchase Management of Listed Companies</i> .		
Information on top 10 common shareholders involved in securities margin trading business (if any) (see Note 4)	None		

Have top 10 common shareholders and top 10 unrestricted common shareholders repurchased securities at agreed price during the reporting period?

Yes No

No top 10 common shareholders or top 10 unrestricted common shareholders has repurchased securities at agreed price during the reporting period.

2. The controlling shareholder

Property of controlling shareholder: foreign-controlled shareholding

Type of controlling shareholder: legal entity

Name of controlling	Legal	Date of	Organization Code	Main business
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shareholder	representative/person in charge	establishment		
SEB INTERNATIONAL E.S.A.S	Thierry de La Tour d'Artaise	December 26, 1978	No	Financial participation for all kinds of French and overseas enterprises, i.e., purchasing and subscribing stock, bond, share and interests, securities and negotiable securities, transfer of such securities, participation in all financial activities related to the aforesaid financial participation, purchasing, manufacturing and sales of all kinds of household devices for the purpose of marketing and involvement in related service; all activities for helping realize the company's operation either directly or indirectly, particularly the activities in personal estate, real estate, finance, commerce and industrial field.
Shareholding of other overseas listed companies by the Company's controlling shareholder in the reporting period			No	

Change of controlling shareholder in the reporting period

Applicable Not Applicable

No change of controlling shareholder occurred in the reporting period.

3. Actual controller

Property of actual controller: other foreign organization

Type of actual controller: legal entity

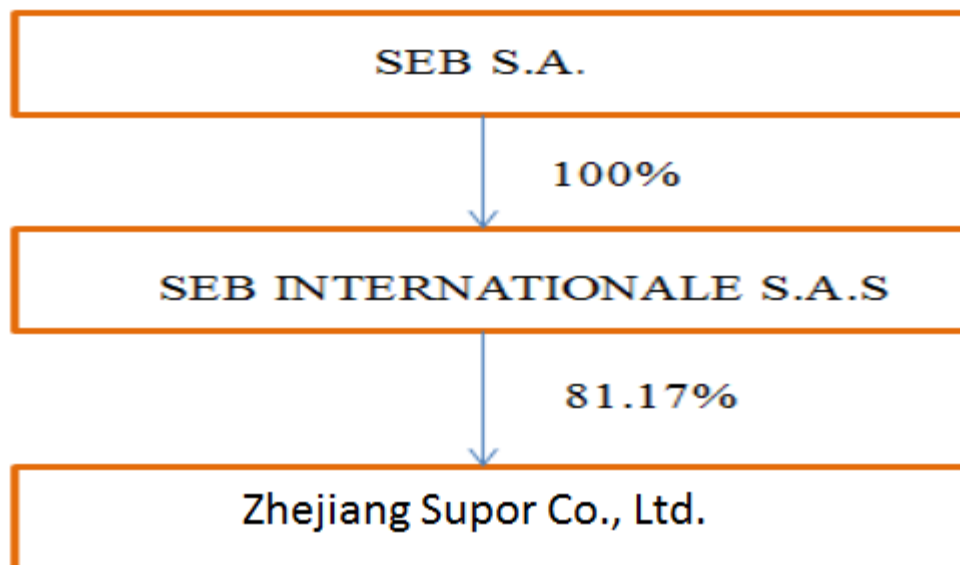
Name of the actual controller	Legal representative/person in charge	Date of establishment	Organization Code	Main business
SEB S.A.	Thierry de La Tour d'Artaise	December 28, 1973	No	Share holding, share participation and equity management in all types of enterprises
Holding of other overseas listed companies by the Company's actual controller in the reporting period	No			

Change of actual controller in the reporting period

Applicable Not Applicable

No change of actual controller occurred in the reporting period.

Property right and controlling relationship diagram between the Company and the actual controller



Actual controller controlling the Company by trust or other assets management types

Applicable Not Applicable

4. Other corporate shareholders holding more than 10% shares

Applicable Not Applicable

5. Share restriction reduction of commitment subjects such as controlling shareholder, actual controller and the recombination party

Applicable Not Applicable

SECTION VII INFORMATION ON PREFERRED STOCK

Applicable Not Applicable

No preferred stock existed in the reporting period.

SECTION VIII PARTICULARS ABOUT DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT STAFFS

I. Changes in Share Holding Status of Directors, Supervisors and Senior Management Staffs

Name	Position	Post-holding status	Gender	Age	Commencement date of term of office	Expiry date of term of office	Number of shares held at period-begin (shares)	Number of shares increased (shares)	Number of shares reduced (shares)	Number of other shares increased or reduced (shares)	Number of shares held at period-end (shares)
Frédéric VERWAERDEN	Board Chairman	Holding	Male	61	April 24, 2014	April 23, 2017	0	0	0	0	0
Thierry de La Tour d'Artaise	Director	Holding	Male	62	April 24, 2014	April 23, 2017	0	0	0	0	0
Su Xianze	Director	Holding	Male	48	April 24, 2014	April 23, 2017	2,195,086	0	645,924	0	1,549,162
Harry TOURET	Director	Holding	Male	62	April 24, 2014	April 23, 2017	0	0	0	0	0
Vincent LEONARD	Director	Holding	Male	56	April 24, 2014	April 23, 2017	0	0	0	0	0
Bertrand NEUSCHWANDER	Director	Holding	Male	56	April 20, 2016	April 23, 2017	0	0	0	0	0
Frederic BERAHA	Independent director	Holding	Male	66	April 24, 2014	April 23, 2017	0	0	0	0	0
Xiaoqing PELLEMELE	Independent director	Holding	Female	60	April 24, 2014	April 23, 2017	0	0	0	0	0
Wang Baoqing	Independent director	Holding	Male	53	April 24, 2014	April 23, 2017	0	0	0	0	0
Philippe SUMEIRE	Supervisor	Holding	Male	57	April 24, 2014	April 23, 2017	0	0	0	0	0
Zhang Junfa	Supervisor	Holding	Male	40	April 24,	April 23,	0	0	0	0	0

	or				2014	2017					
Lu Lanhua	Supervisor	Holding	Female	39	March 17, 2016	April 23, 2017	0	0	0	0	0
Tai Wai Chung	General Manager	Holding	Male	56	April 24, 2014	April 23, 2017	0	0	0	0	0
Xu Bo	Chief Financial Officer	Holding	Male	49	April 24, 2014	April 23, 2017	316,032	0	76,032	0	240,000
Ye Jide	Deputy GM and Board Secretary	Holding	Male	41	April 24, 2014	April 23, 2017	174,901	0	77,517	0	97,384
Su Yan	Director	Leaving	Female	45	April 24, 2014	January 14, 2016	0	0	0	0	0
Chia wahhock	Supervisor	Leaving	Male	61	April 24, 2014	March 17, 2016	0	0	0	0	0
Total	--	--	--	--	--	--	2,686,019	0	799,473	0	1,886,546

II. Change of directors, supervisors and senior management staffs

No

III. Incumbency of Office

Professional backgrounds, main working experiences, and main responsibilities in the Company of present directors, supervisors and senior management staffs

1. Directors

Mr. Frédéric VERWAERDE: Board chairman, graduated from AUDENCIA Nantes. Senior Executive Vice President of Asia Continental Division for Group SEB; has worked successively as the President of SEB Cookware business, director for Mercosur markets, director of product and export director.

Mr. Thierry de La Tour d'Artaise: Director, Master of Management of Paris ESCP; chartered accountant. Chairman and CEO of Group SEB; has served previously as Deputy Chairman of Group SEB, Chairman of CALOR, CFO and CEO of CROISIERES PAQUET, audit manager of Coopers & Lybrand.

Mr. Su Xianze, Director, CEIBS EMBA, engineer. Executive partner of Hangzhou Ruifeng Equity Investment Management Partnership (Limited Partnership). He has served as Board chairman of the Company from 2001 to April, 2014, concurrently general manager of this Company from 2001 to March, 2010.

Mr. Harry TOURET: Director, post-graduate diplomas in management science and corporate organizational development, currently Senior Executive Vice President of HR for SEB Group. He was former Executive VP HR WW of Aventis CropScience.

Mr. Vincent LEONARD: Director, master of business economics of ESSEC. Senior Executive Vice President of Finance for SEB Group, has worked successively audit manager of Arthur Andersen and then working in PepsiCo Group.

Mr. Bertrand NEUSCHWANDER: Director, MBA from INSEAD. He is the chief operating officer of Groupe SEB, and president of SEB ALLIANCE (investment fund of Groupe SEB). He was formerly Senior Executive Vice-President, in charge of the three Business Units of Groupe SEB (Home and Personal Care; Kitchen Electrics and Cookware), and he was also responsible for the management of Groupe SEB Brands (Tefal, Rowenta, Krups, Moulinex, All-Clad, Lagostina) and for Innovation.

Mr. Wang Baoqing: Independent director of the Company, master of economics (accounting major) of Zhongnan University of Economics and Law. Professor of Zhejiang Gongshang University, master tutor; now peer reviewer of professorate senior accountant of Zhejiang Province, China CPA (non-practicing member), director of Zhejiang Audit Society, managing director of Zhejiang Institute of Internal Audit, independent director of listed company.

Mr. Frederic BERAHA: Independent director. General manager of Shengzhi Enterprise; was the general manager of wholly-owned subsidiary of HEC Paris in China, cultural counsellor of the French Embassy, and vice president of strategy and member of the board of directors of European Aeronautic Defense and Space Company.

Ms. Xiaoqing PELLEMELE: Independent director. Secretary general of French-China Communication Committee of CRCI Paris - Ile-de-France; was International department commissioner of Chamber of Commerce and Industry of Paris.

2. Supervisors

Mr. Philippe SUMEIRE: Supervisor, graduated from Aix-en-Provence Law School with PHD's degree of Private Law and Comparative Law. Vice President Legal of Groupe SEB and Company Secretary of SEB S.A.; has worked first for PEUGEOT S.A. and ATOCHEM (chemical industry) and then held the position of General Counsel and Company Secretary for CLUB MED, GIAT INDUSTRIES and MOULINEX S.A.

Mr. Zhang Junfa: Supervisor, graduated from Northwestern Polytechnical University. Chairman of the Trade Union of the Company and office head of Yuhuan Site, he was working for security section, and then worked in legal affairs department and office.

Ms. Lu Lanhua: Supervisor, graduated from Shanghai University of Finance and Economics and is studying for MBA of University of Manchester, member of ACCA. GPS financial manager; has worked for Greif Flexible Products&Service (China) as accounting manager, UNSA (Hangzhou) Packaging Manufacturing Ltd. as financial manager.

3. Top management

Mr. Tai Wai Chung: General Manager of the Company, bachelor of industrial engineering of University of Hong Kong; was the director and general manager of Apple China, sales director of Electrolux, director and general manager of SSEAC, COO and vice president of the Company.

Mr. Xu Bo: CFO, graduated from Central University of Finance and Economics; member of CICPA and ACCA; previously worked successively as the senior auditing manager of Shenzhen Zhonghua Certified Public Accountants, CFO of Yue Sai Kan Cosmetics Limited, CFO of Molex Interconnect (Shanghai) Co., Ltd, CFO of Microsoft China.

Mr. Ye Jide: Secretary of Board of Directors, vice president, and manager of securities department, CEIBS EMBA. Independent director of Energy Explorer Electric Power Co., Ltd. since May, 2015, has worked successively the chief of equipment sector, office head and assistant of general manager of the Company.

Post information in shareholder company

√ Applicable □ Not Applicable

Name	Shareholding company	Post in the shareholding company	Commencement date of term of office	Expiry date of term of office	Payment or allowance from the shareholding company
Thierry de La Tour d'Artaise	SEB Group	Chairman & CEO	May 01, 2000		No
Frédéric	SEB Group	Senior Executive Vice	January 01, 1998		No

VERWAERDE		President of Asia Continental Division			
Philippe SUMEIRE	SEB Group	Vice President Legal of Groupe SEB and Company Secretary	December 10, 2001		No
Harry TOURET	SEB Group	Senior Executive VP of HR	September 01, 2002		No
Vincent LEONARD	SEB Group	Senior Executive VP of finance	March 01, 2013		No
Bertrand NEUSCHWANDER	SEB Group	Chief Operating Officer (COO)	January 1, 2010		No

Post information in other companies

√ Applicable □ Not Applicable

Name	Company	Post in the other companies	Commencement date of term of office	Expiry date of term of office	Payment or allowance from other companies
Su Xianze	Hangzhou Ruifeng Equity Investment Management Co., Ltd. (limited partnership)	Executive partner	November 17, 2015	November 16, 2025	No
Wang Baoqing	Zhejiang Gongshang University	Professor	July 30, 1996		Yes
Wang Baoqing	ZHEFU Holding Group	Independent director	March 17, 2017	March 16, 2020	Yes
Wang Baoqing	Hangzhou Advance Gearbox Group Co., Ltd.	Independent director	September 25, 2014	September 24, 2017	Yes
Wang Baoqing	Hangzhou Coco Healthcare Products Co., Ltd.	Independent director	January 01, 2015	December 31, 2017	Yes
Frederic BERAHA	Shengzhi Enterprise Co., Ltd.	General Manager	January 01, 2007		Yes
Xiaoqing PELLEMELE	CRCI Paris - Ile-de-France	Secretary general of French-China Communication Committee	January 01, 2007		Yes
Ye Jide	Energy Explorer Electric Power Co., Ltd.	Independent Director	May 26, 2015	May 25, 2018	Yes

Punishment of securities regulatory commission on present directors, supervisors and senior management staffs of the Company at present or leaving during reporting period

□ Applicable √ Not Applicable

IV. Remuneration for Directors, Supervisors and Senior Management Staffs

Decision-making procedures, determination basis of remuneration and actual payment for directors, supervisors and senior management staffs

Decision-making procedures of remuneration for directors, supervisors and senior management staffs	The remuneration for directors, supervisors and senior managers of the Company shall be in strict compliance with the Rules of Procedures for the Board of Directors and the Rules of Procedure of the Shareholders Meeting, as well as the regulations of the Company's Articles of Association and the Company Law.
Determination basis of remuneration for directors, supervisors and senior management staffs	The directors, supervisors and senior management staffs of Company are paid according to their positions and corresponding responsibilities and the Company's remuneration system, with an annual bonus based on the performance evaluated.

Remuneration for Directors, Supervisors and Senior Management Staffs in the Reporting Period

Unit: 10K RMB

Name	Position	Gender	Age	Post-holding status	Remuneration receivable from the Company	Remuneration receivable from shareholding company
Frédéric VERWAERDE	Board Chairman	Male	61	Holding		
Thierry de La Tour d'Artaise	Director	Male	62	Holding		
Su Xianze	Director	Male	48	Holding		
Bertrand NEUSCHWANDER	Director	Male	56	Holding		
Harry TOURET	Director	Male	62	Holding		
Vincent LEONARD	Director	Male	56	Holding		
Frederic BERAHA	Independent director	Male	66	Holding	15	No
Xiaoqing PELLEMELE	Independent director	Female	60	Holding	15	No
Wang Baoqing	Independent director	Male	53	Holding	15	No
Lu Lanhua	Supervisor	Female	39	Holding	39.95	No
Philippe SUMEIRE	Supervisor	Male	57	Holding		
Zhang Junfa	Supervisor	Male	40	Holding	28.25	No
Tai Wai Chung	General Manager	Male	56	Holding	283.5	No
Xu Bo	Chief Financial Officer	Male	49	Holding	226.96	No
Ye Jide	Deputy GM and Board Secretary	Male	41	Holding	90.31	No
Total	--	--	--	--	713.97	

Equity incentives for directors, supervisors and senior management staffs in the reporting period

 Applicable Not Applicable

V. Staffing Information

1、 Number of Personnel, Professional and Education Conditions

Number of employees in parent company (person)	1,888
Number of employees in subsidiaries (person)	10,831
Total number of personnel (person)	12,719
Total number of personnel paid during current period (person)	12,719
Retired employees for whom the Company should cover expenses (person)	0
Profession composition	
Job description	Quantity (person)
Production personnel	8,642
Sales personnel	1,346
Technician	1,839
Financial personnel	141
Administrative personnel	751
Total	12,719
Education	
Education	Quantity (person)
Postgraduate and above	69
Junior college or university	3,916
Technical secondary school or high school	3,628
Others	5,106
Total	12,719

2、 Compensation and Benefit Policy

The Company adopts floating salary system for all employees. Salary that we provide to employees include pre-tax basic salary and performance salary in the form of currency; we also offer various non-monetary welfares such as training, internal development and comfortable working environment.

We provide employees with competitive salary and welfare to keep a certain degree of competitiveness and absorb talents; while in the Company, to stabilize those key employees, embody the Company's value orientation, motivate self-improvement of employee and create high performance.

3、 Training Program

1) Supor is highly concerned with echelon building of talents. In the Company, we execute various trainings for specialized and

general knowledge and skills and leadership actively. We also pay much attention to publicity and cultivation of the Company's core values and enterprise culture; our core values have become the benchmark for leading employees to exploit and innovate constantly.

2) In order to coordinate the Company's development strategy and integrate management wisdoms at home and abroad and the Company's practical experience, we organize various business departments and responsible centers to execute different levels and grades of diversified and colorful trainings under the leadership of Supor university; where necessary, we will go out for trans-border learning.

3) According to justice and fairness principle, we provide employees with targeted training opportunity based on employees' assessments, individual career development expectations and actual work demands.

4、 Labor Outsourcing

Applicable Not Applicable

SECTION IX CORPORATION GOVERNANCE

I. Basic Situation

In the reporting period, the Company further standardized the operation of the Company and improved the governance by continuously building up and strengthening the corporate governance system, improving the internal control and management system, and deepening the governing process strictly in accordance with the *Company Law*, the *Securities Law* and the *Rules on the Corporate Governance of Listed Companies*, and the *Stocks Listing Rules of Shenzhen Stock Exchange* as well as other regulations of CSRC. By the end of the reporting period, the actual governance of the Company was basically in compliance with the relevant regulations of corporate governance of listed companies issued by the CSRC and Shenzhen Stock Exchange, and with the rules of established systems of the Company. No administrative regulation measures were taken by regulatory department upon the Company.

1. Relating to Shareholders and the General Meeting of Shareholders

The Company has convened and held the General Meetings of Shareholders strictly according to the *Rules for the General Meetings of Shareholders of Listed Companies*, *Rules of Procedures of Shareholders Meeting*, and other rules and requirements, and ensured the legality and validity of the convening. According to the *Implementing Rules for the Online Voting at the Shareholders' Assembly of Listed Companies* of Shenzhen Stock Exchange, the company clearly defined the specific process of online voting and completely implemented online voting of general meeting of shareholders, in order to involve medium and small investors in the online voting more effectively, and guarantee the legitimate rights and interests of all shareholders, especially of the minority shareholders.

During reporting period, two general meetings of shareholders were held. The convening and holding procedures, qualifications of attended persons, voting procedures, voting results and resolution contents of the meeting conformed to laws and regulations and Articles of Association.

2. Relating to the Company and the Controlling Shareholder

In the reporting period, the Company was autonomous in business and operation, and kept independent of its controlling shareholder in terms of assets, business, personnel, organization and finance. The Board of Directors, the Board of Supervisors and other internal organizations operate independently. The Controlling Shareholder of the Company exercised its rights through the General Meeting of Shareholders, and did not directly or indirectly intervene with the Company's decision-making or business activities. The connected transaction between the Company and its Controlling Shareholder was fair and reasonable; the decision-making rules were in compliance with the relevant provisions; no fund occupation by the Controlling Shareholder existed.

3. Relating to Directors and the Board of Directors

The Company elected directors strictly according to the procedures stipulated in the *Company Law* and the *Articles of Association*, and ensured the open, fair, equitable and independent appointment and election of directors, and the number and composition of the Board of Directors follow relevant laws and regulations. Now the Company has three independent directors, representing 1/3 of its directors. All directors have actively participated in the Company's operation and decision-making activities, performed their duties, attended the relevant training sessions organized by supervisory departments, pursuant to the *Company Law*, the *Guidelines on the Conduct of Directors of Companies Listed on the Small and Medium-sized Enterprise Board of Shenzhen Stock Exchange*, the *Articles of Association* and the *Rules of Procedures for the Board of Directors*. The Board of Directors consists of Strategy Committee, Audit Committee and Payment and Appraisal Committee with independent directors fully exerting their specialties, which further improves the working efficiency and decision-making level of the Board of Directors.

During the reporting period, five meetings of Board of Directors were held totally. The convening and holding procedures, qualifications of attended persons, voting procedures, voting results and resolution contents of the meeting conformed to laws and regulations and Articles of Association.

4. Relating to Supervisors and the Board of Supervisors

The Company elected supervisors strictly according to the provisions under the *Company Law* and the *Articles of Association*. The number of supervisors and composition of the Board of Supervisors met the requirement of relevant laws and regulations. All supervisors have performed their duties as required by the *Regulations of Procedure of the Board of Supervisors*, effectively supervised the legality and regulatory compliance of significant events, connected transactions, financial conditions, and duty fulfillment of directors and top management staffs of the Company, and maintained the legitimate rights and interests of the Company and its shareholders.

During the reporting period, five meetings of Board of Supervisors were held totally. The convening and holding procedures, qualifications of attended persons, voting procedures, voting results and resolution contents of the meeting conformed to laws and regulations and Articles of Association.

5. Relating to performance appraisal and the incentive and restraining mechanism

The Company has established the performance appraisal system and the incentive restraining mechanism. The appointment of and payment for directors, supervisors and top management staffs of the Company are open, clear and in line with relevant laws and regulations.

6. Relating to information disclosure and transparency

The Securities Department of the Company is responsible for information disclosure and investor's relationship management. As required by the CSRC and Shenzhen Stock Exchange on compilation of periodic reports, the Department, in association with the Financial Department of the Company, has timely and accurately compiled and submitted the 2015 Annual Report, First Quarterly Report 2016, Semi-Annual Report and Third Quarterly Report 2016, based on the strict compliance with the non-disclosure rules before the disclosure of the reports.

The Securities Department of the Company disclosed, after review and adoption by the Board of Directors or the General Meeting of Shareholders, the routine information (Board Meetings and Supervisors' Meetings), fatal information (external investments, connected transactions), significant events truly, accurately, completely, timely and fairly. In the reporting period, the Company has published 57 announcements on the basis of strict compliance with non-disclosure rules before the disclosure and kept the files in order after the disclosure. Information disclosure of the Company in the reporting period was timely, true, accurate, complete and fair, and has never been questioned by any related supervisory authorities. Besides, the Company will, in strict accordance with the requirements of Management System on Investors' Relationship, regulate the investor acceptance procedure and disclose the activity record of investors' relationship upon the completion of investor's relationship activity timely; actively receive the visiting and consulting shareholders and designate special person to be liable for replying the investors' questions on the interaction platform so as to ensure all shareholders of the Company, particularly the small and medium-sized investors can get access to the Company's information equality.

Whether there is any significant different between the actual situation of company governance and the regulations of corporate governance of listed companies issued by CSRC

Yes No

There is no significant different between the actual situation of company governance and the regulations of corporate governance of listed companies issued by CSRC.

II. Independence between the Company and Controlling Shareholders Regarding Business, Personnel, Assets, Organization and Finance

In the reporting period, the Company was totally separated from its controlling shareholder in terms of business, personnel, assets, organization and finance. The production and business operation of the Company were stable; the organization was well structured and functioning independently.

1. Independent and complete assets structure

The Company had its production and business operation place independent from that of the controlling shareholder, and had independent and complete assets structure, independent production system, auxiliary production system and supporting facilities, land using right, housing ownership, as well as independent purchasing and selling systems.

2. Independence of personnel

In terms of personnel, labor, personnel and salary management, the Company was completely independent. Such top management as the General Manager, Secretary of the Board of Directors and CFO did not hold any position concurrently in controlling shareholder or other subsidiaries excepting director and supervisors, nor receive any remuneration from the controlling shareholder or other subsidiaries.

3. Independence of finance

The Company has an independent financial department, has established independent accounting system and financial management system, and makes financial decisions independently. It has opened independent bank accounts and pays taxes independently.

4. Independent of organization structuring

The Company has set up the organization independent from the controlling shareholder completely, and there exists no mixed operation or management. It adopts a BU management system, and has departments directly under the Head Office and four BUs (CW BU, SDA BU, LA BU, and Overseas BU). Neither controlling shareholder nor any other company or individual has intervened with the organization structuring of the Company. No "superior and subordinate relationship" exists between the controlling shareholder and its functional departments on the one hand, and the Company and its functional departments on the other hand.

5. Independence of business operation from shareholders or other related parties

The Company is mainly engaged in designing, producing and selling cookware, small domestic appliances and large appliances, which are not produced by the controlling shareholder or any of its subsidiaries for the Chinese market. The Company has an independent "procurement, production and sales" system. It operates business independently from shareholders or any other related party.

III. Horizontal Competition

Applicable Not Applicable

IV. General Meeting of Shareholders and Interim General Meeting of Shareholders Held in the Reporting Period

1. Annual General Meeting of Shareholders

Session	Meeting type	Proportion of participated investors	Convening date	Date of disclosure	Reference for disclosure
The First Interim Shareholders Meeting for 2016	Interim Shareholders Meeting	0.06%	January 7, 2016	January 8, 2016	References can be made to the <i>Announcement of Resolution of the First Interim Shareholders Meeting for 2016 (2016-001)</i> disclosed on http://www.cninfo.com.cn
The Annual General	Annual General	0.01%	April 20, 2016	April 21, 2016	References can be made to

Shareholders Meeting for 2015	Shareholders Meeting					the <i>Announcement of Resolution of the Annual General Shareholders Meeting for 2015 (2016-026)</i> disclosed on http://www.cninfo.com.cn
The Second Interim Shareholders Meeting for 2016	Interim Shareholders Meeting	0.01%	November 7,2016	November 8,2016		References can be made to the <i>Announcement of Resolution of the Second Interim Shareholders Meeting for 2016 (2016-054)</i> disclosed on http://www.cninfo.com.cn

2. Interim General Meeting held at the request of preferred stockholders with restored voting right

Applicable Not Applicable

V. Duty Performance of Independent Directors in the Reporting Period

1. Attendance of Board Meeting and General Shareholders Meeting by independent directors

Attending board meetings						
Name of independent directors:	Due attendance (times)	Presence in on-site meetings (times)	Presence via communication (times)	Presence by entrustment (times)	Absence (times)	Absent for two consecutive times?
Wang Baoqing	5	2	3	0	0	No
Frederic BERAHA	5	2	3	0	0	No
Xiaoqing PELLEMELE	5	2	3	0	0	No
Presence in General Meetings by independent directors (times)		3				

Explanations of absence for two consecutive times

No

2. Objections by independent directors to company issues

Was there any objections raised by independent directors to company issues?

Yes No

There was no objections raised by any independent director to company issues in the reporting period.

3. Other explanations of duty performance of independent directors

Were the advices given by independent directors adopted by the Company?

Yes No

Explanations of adoption or non-adoption of the advices

During the reporting period, all independent directors of the Company were responsible and diligent. They paid close attention to the impact of external economic situation and market change on the Company business operation, to the reports about Company news by press and on the Internet, and to the progress of company events. They periodically reviewed the information reports provided by the Company, and gave relevant comments and advices. They fully exerted their specialties, actively performed the duties as independent directors, and maintained the legitimate rights and interests of the Company and minority shareholders.

VI. Duty Performance of Special Committees under the Board of Directors

The Board of Directors of the Company consists of three committees including Strategy Committee, Audit Committee and Payment and Appraisal Committee, all of which the production, personnel composition and parliamentary procedure conform to laws and regulations of CSRC and Shenzhen Stock Exchange, and relevant stipulations in Articles of Association, and committee members are able to perform responsibilities strictly according to relevant laws and regulations.

1. Strategy Committee

During the reporting period, Strategy Committee convened two meetings totally, on which all committee members communicated with the top managers of the Company regarding contents such as company operation, industrial development trend, and future plan of the Company, and researched and proposed suggestions for the long-term development strategy and significant investment decisions of the Company.

2. Audit Committee

During the reporting period, Audit Committee convened two meetings totally, in order to supervise the establishment and implementation of internal audit plan, check and approve internal audit execution and quarterly work report, and urge the audit of important items such as connected transactions, purchasing business, etc. Besides, the Committee shall supervise preparatory work for compliance of internal control; pay close attention to implementation of internal control, preparation and implementation of financial system and shared center process. Before the coming of registered accountant for annual audit and after the issuing of preliminary auditing opinions, the Audit Committee would communicate with the accountants and urge the related certified accountants to timely submit the auditing report.

3. Payment and Appraisal Committee

During the reporting period, Payment and Appraisal Committee convened one meeting totally, in order to review the payment and appraisal of directors, supervisors, and top management of the Company, their conformance to the unlock conditions of the third period of restricted stock incentive plan of the Company and the second period of reserved restricted stock, and list of incentive objects (Equity Incentive Plan 2013).

VII. Work of the Board of Supervisors

In the reporting period, did the Board of Supervisors find any risk about the Company?

Yes No

The Board of Supervisors held no objection to the issued supervised in the reporting period.

VIII. Appraisal of and Incentives for Top Management

The Company has established a perfect performance appraisal system and salary system for top management staff, which directly connects the work performance of top management staffs with their salary. Based on the indicators of the KPI system established at the beginning of 2016, the Company has conducted the year-end appraisal in January, 2017 of top management staffs of their working abilities, duty performance and target fulfillment, meanwhile, distributed annual performance salary.

During the reporting period, the Company has unlocked the unlockable restricted stock in the third unlock period and the second unlock period of reserved restricted stock granted to top management holding restricted stock in accordance with the *Restricted Stock Incentive Plan (Revised Draft)*. The Payment and Appraisal Committee of the Board of Directors, as the special committee under the Board of Directors, has reviewed the appraisal result.

IX. Evaluation Report of Internal Control

1. Significant internal control defects of internal control found in the reporting period

Yes No

2. Self evaluation report of internal control

Date of disclosure of full text of Evaluation Report of Internal Control	March 30, 2017	
Reference for full text of Evaluation Report of Internal Control	Reference can be made to Evaluation Report of the Internal Control for 2016 published in <i>Securities Times</i> , <i>China Securities Journal</i> , <i>Securities Daily</i> and http://www.cninfo.com.cn .	
The proportion of total unit assets involved in evaluation scope in total assets of financial statement	100.00%	
The proportion of operating revenue involved in evaluation scope in operating revenue of financial statement	100.00%	
Defect Identification Standard		
Class	Financial report	Non-financial report
Qualitative standard	1) Identification standard of significant defects: fraud of directors, supervisors and top management of the Company; modification of financial statement having been published; any material misstatement of the current period financial statement found by CPA but having not been found during internal control; and invalid supervision by the Audit Committee, the Board of Supervisors and internal audit authority for internal control. 2) Identification standard of important defects:	1) Identification standard of significant defects: unscientific decision procedure of the Company, such as significant decision-making mistakes which causing the M & A of significant enterprise project fails to reach expected objectives; violation of national laws and regulations, such as heavy losses of enterprise caused by non-conforming products; significant adverse influence existing in the production and operation of enterprise caused by severe

	<p>selection and application of accounting policies violating accepted accounting criteria; one or several defect(s) on the control of closing financial report, and failure of reasonably guarantee the prepared financial statement is true and accurate; no check-and-balance system and control measures preventing fraud established. 3) General defects refer to other internal control defects not constituting the standards of significant defects and important defects.</p>	<p>loss of medium and senior management persons and senior technicians; and lack of system control or systematic invalidation for important business. 2) Identification standard of important defects: defects on important business systems; failure of rectification for important defects found during internal control and internal supervision; and severe loss of business persons on key posts. 3) Identification standard of general defects: defects on general business systems; failure of rectification for general defects found during internal control and internal supervision; and severe loss of business persons on general posts.</p>
Quantitative standard	<p>1) Identification standard of significant defects: potential misstatement of total profit $\geq 5\%$ of total profit; potential misstatement of total operating revenue $\geq 2\%$ of total operating revenue; and potential misstatement of total assets $\geq 2\%$ of total assets. 2) Identification standard of important defects: 3% of total profit \leq potential misstatement of total profit $< 5\%$ of total profit; 1% of total operating revenue \leq potential misstatement of total operating revenue $\leq 2\%$ of total operating revenue; and 1% of total assets \leq potential misstatement of total assets $\leq 2\%$ of total assets. 3) Identification standard of general defects: potential misstatement of total profit $< 3\%$ of total profit; potential misstatement of total operating revenue $< 1\%$ of total operating revenue; and potential misstatement of total assets $< 1\%$ of total assets.</p>	<p>1) Identification standard of significant defects: direct property loss amount taking above (including) 0.5% in total assets, and causing significant adverse influence on the Company. 2) Identification standard of important defects: direct property loss amount taking above (including) 0.1% but no more than 0.5% in total assets, and causing no significant adverse influence on the Company. 3) Identification standard of general defects: direct property loss amount taking below 0.1% in total assets.</p>
Qty. of significant defects in financial report (pcs)		0
Qty. of significant defects in non-financial report (pcs)		0
Qty. of important defects in financial report (pcs)		0

Qty. of important defects in non-financial report (pcs)	0
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X. Audit Report or Authentication Report of Internal Control

Not Applicable

SECTION X COMPANY'S BONDS

Does the Company have company bonds that are issued publicly, listed in stock exchange, immature at the submission date of annual report or cannot be cashed totally after maturity?

No

SECTION XI FINANCIAL REPORT

Auditor's Report

I. Audit report

Type of audit opinion	Standard opinions with no reservation
Date of signature of audit report	March 29, 2017
Name of audit organization	Union Power Certified Public Accountants (special general partnership)
Name of certified accountants	Li Wei, Guo Youying

Main Text of Audit Report

ZHSZ[2017]No.010316

To the Shareholders of Zhejiang Supor Co., Ltd:

We have audited the accompanying financial statements of Zhejiang Supor Co., Ltd (the "Company"), which comprise the consolidated and parent company balance sheets as at December 31, 2016, the consolidated and parent company income statements, the consolidated and parent company cash flow statements, and the consolidated and parent company statements of changes in equity for the year then ended, as well as notes to financial statements.

I. Management's Responsibility for the Financial Statements

The preparation and fair presentation of these financial statements is the responsibility of the Company's management. This responsibility includes: (1) preparing and presenting fairly the financial statements in accordance with China Accounting Standards for Business Enterprises; and (2) designing, implementing and maintaining internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

II. Certified Public Accountants' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with China Standards on Auditing. Those standards require that we comply with the China Code of Ethics for Certified Public Accountants and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. Audit Opinion

In our opinion, the financial statements present fairly, in all material respects the financial position of the Company as at December 31, 2016, and of its financial performance and its cash flows for the year then ended in accordance with China Accounting Standards

for Business Enterprises.

UNION POWER CERTIFIED PUBLIC ACCOUNTANTS

(SPECIAL GENERAL PARTNERSHIP)

Wuhan China

Certified Public Accountant:: Li Wei

Certified Public Accountant: Guo Youying

Date of Report: March 29, 2017

The auditor's report and the accompanying financial statements are English translations of the Chinese auditor's report and statutory financial statements prepared under accounting principles and practices generally accepted in the People's Republic of China. These financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in other countries and jurisdictions. In case the English version does not conform to the Chinese version, the Chinese version prevails.

[Zhejiang Supor Co., Ltd]

Consolidated balance sheet as at December 31,2016

(Expressed in Renminbi Yuan)

Assets	Note No.	Closing balance	Opening balance
Current assets:			
Cash and bank balances	1	750,563,840.71	1,041,013,222.62
Settlement funds			
Loans to other banks			
Financial assets at fair value through profit or loss	2	856,988,784.08	402,218,888.89
Derivative financial assets			
Notes receivable	3	843,520,455.60	604,773,313.11
Accounts receivable	4	1,160,117,826.72	1,057,146,368.61
Advances paid	5	157,326,657.23	108,843,307.15
Premiums receivable			
Reinsurance accounts receivable			
Reinsurance reserve receivable			
Interest receivable	6	285,680.93	1,211,839.09
Dividend receivable			
Other receivables	7	55,657,951.60	34,924,752.46
Reverse-REPO financial assets			
Inventories	8	1,696,932,203.19	1,426,745,280.93
Assets classified as held-for-sale			
Non-current assets due within one year			
Other current assets	9	981,698,880.31	1,375,173,953.91
Total current assets		6,503,092,280.37	6,052,050,926.77
Non-current assets:			
Loans and advances paid			
Available-for-sale financial assets	10		
Held-to-maturity investments			
Long-term receivable			
Long-term equity investments	11	53,877,930.88	51,328,807.28
Investment property			
Fixed assets	12	885,129,598.11	920,306,368.97
Construction in progress	13	5,986,693.89	22,568,331.63
Construction materials			
Fixed assets disposal			
Biological assets			
Oil & gas assets			
Intangible assets	14	255,692,979.29	220,715,082.65
Development expenditures			
Goodwill			
Long-term prepayments			

Deferred tax assets	15	150,419,830.47	129,135,893.03
Other non-current assets			
Total non-current assets		1,351,107,032.64	1,344,054,483.56
Total assets		7,854,199,313.01	7,396,105,410.33

[Zhejiang Supor Co., Ltd]

Consolidated balance sheet as at December 31, 2016 (continued)

(Expressed in Renminbi Yuan)

Liabilities & Equity	Note No.	Closing balance	Opening balance
Current liabilities:			
Short-term borrowings			
Central bank loans			
Absorbing deposit and interbank deposit			
Loans from other banks			
Financial liabilities at fair value through profit or loss			
Derivative financial liabilities			
Notes payable			
Accounts payable	16	2,062,140,539.44	1,639,633,692.92
Advances received	17	779,587,538.11	363,052,756.96
Proceeds from sale of repurchase financial assets			
Handling fee and commission payable			
Employee benefits payable	18	237,919,276.03	209,100,501.70
Taxes and rates payable	19	115,333,892.17	95,969,798.95
Interest payable			
Dividend payable			
Other payables	20	80,018,747.05	66,612,278.63
Reinsurance accounts payable			
Reinsurance reserve			
Deposit for agency security transaction			
Deposit for agency security underwriting			
Liabilities classified as held-for-sale			
Non-current liabilities due within one year			
Other current liabilities			
Total current liabilities		3,274,999,992.80	2,374,369,029.16
Non-current liabilities:			
Long-term borrowings			
Bonds payable			
Long-term payables			
Long-term employee benefits payable	21	6,975,952.59	7,345,426.97
Special payables			
Provisions	22	7,150,000.00	3,000,000.00
Deferred income			
Deferred tax liabilities	15	6,833,704.75	1,660,392.12
Other non-current liabilities			
Total non-current liabilities		20,959,657.34	12,005,819.09
Total liabilities		3,295,959,650.14	2,386,374,848.25
Equity:			

Share capital/Paid-in capital	23	631,765,700.00	632,875,188.00
Capital reserve	24	39,885,839.32	557,582,021.72
Less: treasury shares			
Other comprehensive income	25	-21,115,130.39	-20,233,714.96
Special reserve			
Surplus reserve	26	295,681,206.47	197,410,981.99
General risk reserve			
Undistributed profit	27	3,594,110,982.19	3,053,468,801.78
Total equity attributable to the parent company		4,540,328,597.59	4,421,103,278.53
Non-controlling interest		17,911,065.28	588,627,283.55
Total equity		4,558,239,662.87	5,009,730,562.08
Total liabilities & equity		7,854,199,313.01	7,396,105,410.33

[Zhejiang Supor Co., Ltd]

Parent company balance sheet as at December 31, 2016

(Expressed in Renminbi Yuan)

Assets	Note No.	Closing balance	Opening balance
Current assets:			
Cash and bank balances		263,064,886.69	452,950,870.93
Financial assets at fair value through profit or loss			
Derivative financial assets			
Notes receivable		17,399,486.67	11,320,927.60
Accounts receivable	1	238,754,765.93	228,924,203.60
Advances paid		25,631,663.93	28,350,644.22
Interest receivable		31,406.25	175,101.25
Dividend receivable			250,000,000.00
Other receivables	2	24,336,542.49	81,493,789.67
Inventories		126,586,801.90	132,568,386.14
Assets classified as held-for-sale			
Non-current assets due within one year			
Other current assets		906,437,451.54	943,191,673.45
Total current assets		1,602,243,005.40	2,128,975,596.86
Non-current assets:			
Available-for-sale financial assets			
Held-to-maturity investments			
Long-term receivable			
Long-term equity investments	3	2,378,086,172.55	1,152,063,788.11
Investment property			
Fixed assets		148,234,979.95	163,971,358.61
Construction in progress		2,800,949.02	4,178,856.02
Construction materials			
Fixed assets disposal			
Biological assets			
Oil & gas assets			
Intangible assets		92,113,561.40	51,572,145.81
Development expenditures			
Goodwill			
Long-term prepayments			
Deferred tax assets		6,495,246.32	7,732,658.46
Other non-current assets			
Total non-current assets		2,627,730,909.24	1,379,518,807.01
Total assets		4,229,973,914.64	3,508,494,403.87

[Zhejiang Supor Co., Ltd]

Parent company balance sheet as at December 31, 2016 (continued)

(Expressed in Renminbi Yuan)

Liabilities & Equity	Note No.	Closing balance	Opening balance
Current liabilities:			
Short-term borrowings			
Financial liabilities at fair value through profit or loss			
Derivative financial liabilities			
Notes payable			
Accounts payable		203,158,940.49	134,383,127.66
Advances received		3,696,699.18	5,807,828.15
Employee benefits payable		59,142,122.51	40,687,386.65
Taxes and rates payable		35,057,310.03	27,151,680.91
Interest payable			
Dividend payable			
Other payables		1,424,893,390.16	1,516,287,576.78
Liabilities classified as held-for-sale			
Non-current liabilities due within one year			
Other current liabilities			
Total current liabilities		1,725,948,462.37	1,724,317,600.15
Non-current liabilities:			
Long-term borrowings			
Bonds payable			
Long-term payables			
Long-term employee benefits payable			
Special payables			
Provisions			
Deferred income			
Deferred tax liabilities			1,123,500.80
Other non-current liabilities			
Total non-current liabilities			1,123,500.80
Total liabilities		1,725,948,462.37	1,725,441,100.95
Equity:			
Share capital/Paid-in capital		631,765,700.00	632,875,188.00
Capital reserve		566,162,828.10	557,812,603.10
Less: treasury shares			
Other comprehensive income			
Special reserve			
Surplus reserve		304,163,002.42	197,410,981.99
General risk reserve			
Undistributed profit		1,001,933,921.75	394,954,529.83
Total equity		2,504,025,452.27	1,783,053,302.92

Total liabilities & equity		4,229,973,914.64	3,508,494,403.87
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[Zhejiang Supor Co., Ltd]
Consolidated income statement for the year ending December 31, 2016

(Expressed in Renminbi Yuan)

Items	Note No.	Current period cumulative	Preceding period comparative
I. Total operating revenue		11,947,123,201.12	10,909,686,625.90
Including: operating revenue	1	11,947,123,201.12	10,909,686,625.90
Interest proceeds			
Premium earned			
Revenue from handling charges and commission			
II. Total operating cost		10,697,150,773.53	9,802,292,964.81
Including: operating cost	1	8,299,999,071.78	7,749,205,984.68
Interest expenses			
Handling charges and commission expenditures			
Surrender value			
Net payment of insurance claims			
Net provision of insurance reserve			
Premium bonus expenditures			
Reinsurance expenses			
Taxes & surcharge	2	90,080,740.53	69,393,906.78
Selling expenses	3	1,891,733,488.76	1,580,066,582.14
Administrative expenses	4	388,306,153.91	367,200,921.76
Financial expense	5	-21,438,184.36	-23,051,245.80
Assets impairment loss	6	48,469,502.91	59,476,815.25
Add: gains on changes of fair value(or less: losses)	7	4,769,895.19	-1,436,259.57
Investment income (or less: losses)	8	61,079,922.28	38,513,234.19
Including: investment income from associates and joint ventures		2,349,174.53	3,290,945.74
Gains on foreign exchange (or less: losses)			
III. Operating profit(or less: losses)		1,315,822,245.06	1,144,470,635.71
Add: Non-operating revenue	9	69,386,620.68	48,607,593.76
Including: Gains on disposal of non-current assets		817,497.11	1,036,745.59
Less: Non-operating expenditures	10	17,741,169.91	19,395,818.73
Including: losses on disposal of fixed assets		2,125,185.62	3,115,385.55
IV. Profit before tax (or less: total loss)		1,367,467,695.83	1,173,682,410.74
Less: income tax	11	233,513,946.19	187,176,271.46
V. Net profit (or less: net loss)		1,133,953,749.64	986,506,139.28
Net profit attributable to owners of parent company		1,077,519,156.40	889,004,773.99
Non-controlling interest income		56,434,593.24	97,501,365.29
VI. Other comprehensive income after tax	12	-881,415.43	3,849,521.13
(I) Not reclassified subsequently to profit or loss			
Including: Changes in remeasurement on the net defined benefit liability/asset			
Items attributable to investees under equity method that will not reclassified to profit or loss			

(II) To be reclassified subsequently to profit or loss	-881,415.43	3,849,521.13
Including: Items attributable to investees under equity method that may be reclassified to profit or loss		
Profit or loss from changes in fair value of available-for-sale financial assets		
Profit or loss from reclassification of held-to-maturity investments as available-for-sale assets		
Profit or loss on cash flow hedging		
Translation difference of financial statements in foreign currencies	-881,415.43	3,849,521.13
VII. Total comprehensive income	1,133,072,334.21	990,355,660.41
Including: Items attributable to owners of parent company	1,076,637,740.97	892,854,295.12
Items attributable to non-controlling interest	56,434,593.24	97,501,365.29
VIII. Earnings per share:		
(I) Basic EPS	1.712	1.413
(II) Diluted EPS	1.705	1.406

[Zhejiang Supor Co., Ltd]

Parent company income statement for the year ending December 31, 2016

(Expressed in Renminbi Yuan)

Items	Note No.	Current period cumulative	Preceding period comparative
I. Operating revenue	1	1,674,738,027.82	1,723,481,940.71
Less: Operating cost	1	1,288,686,765.96	1,372,496,755.46
Taxes & surcharge		10,833,461.54	11,085,419.86
Selling expenses		38,953,011.03	45,591,333.29
Administrative expenses		111,721,300.83	102,348,664.13
Financial expense		-4,792,427.61	-3,146,703.94
Assets impairment loss		1,421,713.13	18,166,499.21
Add: Gain on changes of fair value (or less: losses)			-2,310,082.19
Investment income (or less: losses)	2	873,514,225.37	279,597,979.03
Including: investment income from associates and joint ventures		2,349,174.53	3,290,945.74
II. Operating profit(or less: losses)		1,101,428,428.31	454,227,869.54
Add: Non-operating revenue		13,542,360.24	4,583,294.67
Including: Gains on disposal of non-current assets		251,200.69	788,465.01
Less: Non-operating expenditures		5,584,965.04	6,539,399.75
Including: losses on disposal of non-current assets		269,963.96	840,009.46
III. Profit before tax (or less: total loss)		1,109,385,823.51	452,271,764.46
Less: income tax		41,865,619.16	27,875,429.55
IV. Net profit (or less: net loss)		1,067,520,204.35	424,396,334.91
V. Other comprehensive income after tax			
(I) Not reclassified subsequently to profit or loss			
Including: Changes in remeasurement on the net defined benefit liability/asset			
Items attributable to investees under equity method that will not reclassified to profit or loss			
(II) To be reclassified subsequently to profit or loss			
Including: Items attributable to investees under equity method that may be reclassified to profit or loss			
Profit or loss from changes in fair value of available-for-sale financial assets			
Profit or loss from reclassification of held-to-maturity investments as available-for-sale assets			
Profit or loss on cash flow hedging			
Translation difference of financial statements in foreign currencies			
VI. Total comprehensive income		1,067,520,204.35	424,396,334.91
VII. Earnings per share:			
(I) Basic EPS			
(II) Diluted EPS			

[Zhejiang Supor Co., Ltd]

Consolidated cash flow statement for the year ending December 31, 2016

(Expressed in Renminbi Yuan)

Items	Note No.	Current period cumulative	Preceding period comparative
I.Cash flows from operating activities:			
Cash receipts from sale of goods or rendering of services		13,208,930,546.45	12,004,769,332.53
Net increase of client deposit and interbank deposit			
Net increase of central bank loans			
Net increase of loans from other financial institutions			
Cash receipts of original insurance contract premium			
Net cash receipts from reinsurance			
Net increase of policy-holder deposit and investment			
Net increase of trading financial assets disposal			
Cash receipts from interest, handling charges and commission			
Net increase of loans from others			
Net increase of repurchase			
Receipts of tax refund		140,521,292.72	158,580,421.98
Other cash receipts related to operating activities	1	77,219,986.43	55,724,317.15
Subtotal of cash inflows from operating activities		13,426,671,825.60	12,219,074,071.66
Cash payments for goods purchased and services received		8,982,777,683.74	8,039,688,106.64
Net increase of loans and advances to clients			
Net increase of central bank deposit and interbank deposit			
Cash payment of insurance indemnities of original insurance			
Cash payment of interest, handling charges and commission			
Cash payment of policy bonus			
Cash paid to and on behalf of employees		1,205,285,459.97	1,097,841,214.42
Cash payments of taxes and rates		702,075,330.53	638,343,113.10
Other cash payments related to operating activities	2	1,147,542,800.74	1,310,111,926.83
Subtotal cash outflows from operating activities		12,037,681,274.98	11,085,984,360.99
Net cash flows from operating activities		1,388,990,550.62	1,133,089,710.67
II.Cash flows from investing activities:			
Cash received from return of investments			
Cash received from return on investments		59,608,200.32	30,252,004.46
Net cash received from the disposal of fixed assets, intangible assets		1,383,159.15	2,401,121.44
Net cash received from the disposal of subsidiaries & other business			
Other cash receipts related to investing activities	3	2,324,928,972.76	1,542,331,190.29
Subtotal of cash inflows from investing activities		2,385,920,332.23	1,574,984,316.19
Cash paid for acquiring fixed assets, intangible assets and other		134,683,005.27	75,916,323.71
Cash paid for acquiring investments			
Net increase of pledged loans			
Net cash paid for acquiring subsidiaries & other business units			
Other cash payments related to investing activities	4	2,210,000,000.00	1,905,404,087.84
Subtotal of cash outflows from investing activities		2,344,683,005.27	1,981,320,411.55
Net cash flows from investing activities		41,237,326.96	-406,336,095.36

III. Cash flows from financing activities:		
Cash received from investment by others		
Including: cash received by subsidiaries from non-controlling owners		
Cash received from borrowings		
Cash received from issuing of bonds		
Other cash receipts related to financing activities		
Subtotal of cash inflows from financing activities		
Cash repayments of borrowings		
Cash paid for distribution of dividends or profits and for interest	369,003,970.42	271,090,805.85
Including: cash paid for distribution of dividends or profits by subsidiaries to minority owners	15,215,178.42	
Other cash payments related to financing activities	1,222,500,000.00	
Subtotal of cash outflows from financing activities	1,591,503,970.42	271,090,805.85
Net cash flows from financing activities	-1,591,503,970.42	-271,090,805.85
IV. Effect of foreign exchange rate changes on cash & cash equivalents	11,017,629.03	15,281,380.76
V. Net increase in cash and cash equivalents	-150,258,463.81	470,944,190.22
Add: Opening balance of cash and cash equivalents	887,822,304.52	416,878,114.30
VI. Closing balance of cash and cash equivalents	737,563,840.71	887,822,304.52

[Zhejiang Supor Co., Ltd]

Parent company cash flow statement for the year ending December 31, 2016

(Expressed in Renminbi Yuan)

Items	Note No.	Current period cumulative	Preceding period comparative
I. Cash flows from operating activities:			
Cash receipts from sale of goods and rendering of services		1,757,071,524.03	1,829,854,205.31
Receipts of tax refund		33,637,881.88	69,310,321.89
Other cash receipts related to operating activities		16,614,634.10	7,665,229.24
Subtotal of cash inflow from operating activities		1,807,324,040.01	1,906,829,756.44
Cash payments for goods purchased and services received		1,181,709,454.97	1,253,304,396.22
Cash payments to and on behalf of employees		170,560,805.21	192,961,424.02
Cash payments of taxes and rates		62,520,215.52	58,958,599.32
Other cash payments related to operating activities		75,004,757.32	76,926,868.63
Subtotal of cash outflows from operating activities		1,489,795,233.02	1,582,151,288.19
Net cash flows from operating activities		317,528,806.99	324,678,468.25
II. Cash flows from investing activities:			
Cash received from return of investments		50,326,400.00	
Cash received from investments gains		1,087,256,503.41	21,079,872.97
Net cash receipts from disposals of fixed assets, intangible assets and other		1,240,781.96	1,123,903.02
Net cash receipts from disposals of subsidiaries and other business units		36,186,000.00	
Other cash receipts related to investing activities		928,723,368.84	782,845,891.10
Subtotal of cash inflow from investing activities		2,103,733,054.21	805,049,667.09
Cash payments to acquire fixed assets, intangible assets and other		56,661,913.21	18,029,659.16
Cash payments to acquire investments		1,222,500,000.00	
Net cash payments for acquisitions of subsidiaries and other business units			
Other cash payments related to investing activities		896,404,483.74	934,738,868.74
Subtotal of cash outflows from investing activities		2,175,566,396.95	952,768,527.90
Net cash flows from investing activities		-71,833,342.74	-147,718,860.81
III. Cash flows from financing activities:			
Cash receipts from investment by others			
Cash receipts from borrowings			
Cash received from issuing bonds			
Other cash receipts related to financing activities		456,661,324.82	536,321,070.73
Subtotal of cash inflows from financing activities		456,661,324.82	536,321,070.73
Cash repayments of borrowings			
Cash payments for distribution of dividends or profit or interest expenses		353,788,792.00	271,090,805.85
Other cash payments related to financing activities		548,863,868.92	130,254,296.76
Subtotal of cash outflows from financing activities		902,652,660.92	401,345,102.61
Net cash flows from financing activities		-445,991,336.10	134,975,968.12
IV. Effect of foreign exchange rate changes on cash and cash equivalents		10,409,887.61	8,913,655.99
V. Net increase in cash and cash equivalents		-189,885,984.24	320,849,231.55
Add: Opening balance of cash and cash equivalents		452,950,870.93	132,101,639.38
VI. Closing balance of cash and cash equivalents		263,064,886.69	452,950,870.93

[Zhejiang Supor Co., Ltd]

Consolidated statement of changes in equity for the year ending December 31, 2016

(Expressed in Renminbi Yuan)

Items	Current period cumulative										
	Equity attributable to parent company									Non-controlling interest	Total equity
	Share capital /Paid-in capital	Capital reserve	Less: treasury shares	Other comprehensive income	Surplus reserve	General risk reserve	Undistributed profit	Special reserve	Others		
I. Balance at the end of prior year	632,875,188.00	557,582,021.72		-20,233,714.96	197,410,981.99		3,053,468,801.787			588,627,283.55	5,009,730,562.08
Add: cumulative changes of accounting policies											
Error correction of prior period											
Others											
II. Balance at the beginning of current year	632,875,188.00	557,582,021.72		-20,233,714.96	197,410,981.99		3,053,468,801.787			588,627,283.55	5,009,730,562.08
III. Current period increase (or less: decrease)	-1,109,488.00	-517,696,182.40		-881,415.43	98,270,224.48		540,642,180.41			-570,716,218.27	-451,490,899.21
(I) Other comprehensive income				-881,415.43			1,077,519,156.40			56,434,593.24	1,133,072,334.21
(II) Capital contributed or withdrew by owners	-1,109,488.00	8,350,225.00									7,240,737.00
1. Capital contributed by owners											
2. Amount of share-based payment included in equity	-1,109,488.00	8,350,225.00									7,240,737.00
3. Others											
(III) Profit distribution					106,752,020.43		-460,540,812.43			-15,515,178.42	-369,303,970.42
1. Appropriation of surplus reserve					106,752,020.43		-106,752,020.43				
2. Appropriation of general risk reserve											
3. Appropriation of profit to owners							-353,788,792.00			-15,515,178.42	-369,303,970.42
4. Others											
(IV) Internal carry-over within equity											
1. Transfer of capital reserve to capital											
2. Transfer of surplus reserve to capital											
3. Surplus reserve to cover losses											

4.Others										
(V) Special reserve										
1. Appropriation of current period										
2. Application of current period										
(VI) Others		-526,046,407.40			-8,481,795.95		-76,336,163.56		-611,635,633.09	-1,222,500,000.00
IV. Balance at the end of current period	631,765,700.00	39,885,839.32		-21,115,130.39	295,681,206.47		3,594,110,982.19		17,911,065.28	4,558,239,662.87

[Zhejiang Supor Co., Ltd]

Consolidated statement of changes in equity for the year ending December 31, 2016 (continued)

(Expressed in Renminbi Yuan)

Items	Preceding period comparative										
	Equity attributable to parent company									Non-controlling interest	Total equity
	Share capital /Paid-in capital	Capital reserve	Less: treasury shares	Other comprehensive income	Surplus reserve	General risk reserve	Undistributed profit	Special reserve	Others		
I.Balance at the end of prior year	633,853,440.00	544,286,532.15		-24,083,236.09	154,971,348.50		2,479,039,992.07			490,748,238.51	4,278,816,315.14
Add: cumulative changes of accounting policies											
Error correction of prior period											
Others											
II.Balance at the beginning of current year	633,853,440.00	544,286,532.15		-24,083,236.09	154,971,348.50		2,479,039,992.07			490,748,238.51	4,278,816,315.14
III.Current period increase (or less: decrease)	-978,252.00	13,295,489.57		3,849,521.13	42,439,633.49		574,428,809.71			97,879,045.04	730,914,246.94
(I) Other comprehensive income				3,849,521.13			889,004,773.99			97,501,365.29	990,355,660.41
(II) Capital contributed or withdrew by owners	-978,252.00	13,295,489.57								377,679.75	12,694,917.32
1. Capital contributed by owners											
2. Amount of share-based payment included in equity	-978,252.00	13,295,489.57								377,679.75	12,694,917.32
3. Others											
(III) Profit distribution					42,439,633.49		-314,575,964.28				-272,136,330.79
1. Appropriation of surplus reserve					42,439,633.49		-42,439,633.49				
2. Appropriation of general risk reserve											
3. Appropriation of profit to owners							-272,136,330.79				-272,136,330.79
4. Others											
(IV) Internal carry-over within equity											
1. Transfer of capital reserve to capital											
2. Transfer of surplus reserve to capital											
3. Surplus reserve to cover losses											
4. Others											
(V) Special reserve											
1. Appropriation of current period											

2. Application of current period											
(VI) Others											
IV. Balance at the end of current period	632,875,188.00	557,582,021.72		-20,233,714.96	197,410,981.99		3,053,468,801.78			588,627,283.55	5,009,730,562.08

[Zhejiang Supor Co., Ltd]

Parent company statement of changes in equity for the year ending December 31, 2016

(Expressed in Renminbi Yuan)

Items	Current period cumulative								
	Share capital /Paid-in capital	Capital reserve	Less: treasury shares	Other comprehensive income	Surplus reserve	General risk reserve	Undistributed profit	Special reserve	Total equity
I. Balance at the end of prior year	632,875,188.00	557,812,603.10			197,410,981.99		394,954,529.83		1,783,053,302.92
Add: cumulative changes of accounting policies									
Error correction of prior period									
Others									
II. Balance at the beginning of current year	632,875,188.00	557,812,603.10			197,410,981.99		394,954,529.83		1,783,053,302.92
III. Current period increase (or less: decrease)	-1,109,488.00	8,350,225.00			106,752,020.43		606,979,391.92		720,972,149.35
(I) Other comprehensive income							1,067,520,204.35		1,067,520,204.35
(II) Capital contributed or withdrew by owners	-1,109,488.00	8,350,225.00							7,240,737.00
1. Capital contributed by owners									
2. Amount of share-based payment included in equity	-1,109,488.00	8,350,225.00							7,240,737.00
3. Others									
(III) Profit distribution					106,752,020.43		-460,540,812.43		-353,788,792.00
1. Appropriation of surplus reserve					106,752,020.43		-106,752,020.43		
2. Appropriation of general risk reserve							-353,788,792.00		-353,788,792.00
3. Appropriation of profit to owners									
4. Others									
(IV) Internal carry-over within equity									
1. Transfer of capital reserve to capital									
2. Transfer of surplus reserve to capital									
3. Surplus reserve to cover losses									
4. Others									
(V) Special reserve									

1. Appropriation of current period									
2. Application of current period									
(VI) Others									
IV. Balance at the end of current period	631,765,700.00	566,162,828.10			304,163,002.42		1,001,933,921.75		2,504,025,452.27

[Zhejiang Supor Co., Ltd]

Parent company statement of changes in equity for the year ending December 31, 2016 (continued)

(Expressed in Renminbi Yuan)

Items	Preceding period comparative								
	Share capital /Paid-in capital	Capital reserve	Less: treasury shares	Other comprehensive income	Surplus reserve	General risk reserve	Undistributed profit	Special reserve	Total equity
I. Balance at the end of prior year	633,853,440.00	544,139,433.78			154,971,348.50		285,134,159.20		1,618,098,381.48
Add: cumulative changes of accounting policies									
Error correction of prior period									
Others									
II. Balance at the beginning of current year	633,853,440.00	544,139,433.78			154,971,348.50		285,134,159.20		1,618,098,381.48
III. Current period increase (or less: decrease)	-978,252.00	13,673,169.32			42,439,633.49		109,820,370.63		164,954,921.44
(I) Other comprehensive income							424,396,334.91		424,396,334.91
(II) Capital contributed or withdrew by owners	-978,252.00	13,673,169.32							12,694,917.32
1. Capital contributed by owners									
2. Amount of share-based payment included in equity	-978,252.00	13,673,169.32							12,694,917.32
3. Others									
(III) Profit distribution					42,439,633.49		-314,575,964.28		-272,136,330.79
1. Appropriation of surplus reserve					42,439,633.49		-42,439,633.49		
2. Appropriation of general risk reserve							-272,136,330.79		-272,136,330.79
3. Appropriation of profit to owners									
4. Others									
(IV) Internal carry-over within equity									
1. Transfer of capital reserve to capital									
2. Transfer of surplus reserve to capital									
3. Surplus reserve to cover losses									
4. Others									
(V) Special reserve									

1. Appropriation of current period									
2. Application of current period									
(VI) Others									
IV. Balance at the end of current period	632,875,188.00	557,812,603.10			197,410,981.99		394,954,529.83		1,783,053,302.92

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[Name]

[Name]

[Name]

[Legal Representative]

[Officer in charge of accounting]

[Head of accounting department]

(Signature and stamp)

(Signature and stamp)

(Signature and stamp)

Zhejiang Supor Co., Ltd.
Notes to Financial Statements

For the year ended December 31, 2016

Monetary unit: RMB Yuan

I. Company profile

Zhejiang Supor Co., Ltd. (by shares) (“the Company”) is a limited liability company (by shares) transformed on an integral basis from 浙江苏泊尔炊具有限公司(Zhejiang Supor Cookware Co., Ltd.*) under the approval of Leading Group for Enterprise Listing of the People’s Government of Zhejiang Province with document of approval numbered Zhe Shang Shi [2000] 24. On November 10, 2000, the Company registered at Zhejiang Administration for Industry and Commerce, and acquired a corporate business license numbered 913300007046976861. Currently, the Company has registered capital of RMB 631,765,700.00, a total of 631,765,700 shares (each with par value of 1 yuan per share), of which restricted outstanding shares are 213,663,469 shares (A share), and non-restricted outstanding shares are 418,102,231 shares (A share).The Company’s shares have been listed on SME Board of Shenzhen Stock Exchange on August 17, 2004.

The Company belongs to metal products industry. It mainly involved in the manufacturing, selling and development of kitchenware, stainless steel products, general hardware, small electrical home appliances and cooker. Main products include cookware and kitchen appliance etc.

The financial statements were approved and authorized for issue by the 15th Meeting of the Fifth Session of the BOD dated on March 29, 2017.

The Company has brought 11 subsidiaries including 浙江绍兴苏泊尔生活电器有限公司(Zhejiang Shaoxing Supor Domestic Electrical Appliances Co., Ltd *), 浙江苏泊尔家电制造有限公司(Zhejiang Supor Electrical Appliance Manufacturing Co., Ltd. *), and 武汉苏泊尔压力锅有限公司(Wuhan Supor Pressure Cooker Co., Ltd.*) into the consolidated scope. Please refer to notes to changes in the consolidated scope and equity in other entities for details.

II. Preparation basis of the financial statements

(I) Preparation basis

The financial statements have been prepared on the basis of going concern.

(II) Assessment of the ability to continue as a going concern

The Company has no events or conditions that may cast significant doubts upon the Company’s ability to continue as a going concern within the 12 months after the balance sheet date.

III. Significant accounting policies and estimates

The company has set accounting policies on estimates for key transactions or matters, such as bad debts of account receivables, depreciation of fixed assets, amortization of intangible assets and revenue recognition based on its production and operation characteristics.

(I) Statement of compliance

The financial statements have been prepared in accordance with the requirements of China Accounting Standards for Business Enterprises (CASBEs), and present truly and completely the financial position, results of operations and cash flows of the Company.

(II) Accounting period

The accounting year of the Company runs from January 1 to December 31 under the Gregorian calendar.

(III) Operating cycle

The Company has a relatively short operating cycle for its business, an asset or a liability is classified as current if it is expected to be realized or due within 12 months.

(IV) Functional currency

The Company's functional currency is Renminbi (RMB) Yuan.

(V) Accounting treatments of business combination under and not under common control

1. Accounting treatment of business combination under common control

Assets and liabilities arising from business combination are measured at carrying amount of the combined party included in the consolidated financial statements of the ultimate controlling party at the combination date. Difference between carrying amount of the equity of the combined party included in the consolidated financial statements of the ultimate controlling party and that of the combination consideration or total par value of shares issued is adjusted to capital reserve, if the balance of capital reserve is insufficient to offset, any excess is adjusted to retained earnings.

2. Accounting treatment of business combination not under common control

When combination cost is in excess of the fair value of identifiable net assets obtained from the acquiree at the acquisition date, the excess is recognized as goodwill; otherwise, the fair value of identifiable assets, liabilities and contingent liabilities, and the measurement of the combination cost are reviewed, then the difference is recognized in profit or loss.

(VI) Compilation method of consolidated financial statements

The parent company brings all its controlled subsidiaries into its consolidation scope. The consolidated financial statements are compiled by the parent company according to "CASBE 33 - Consolidated Financial Statements", based on relevant information and the financial statements of the parent company and its subsidiaries.

1. Increasing subsidiaries or businesses

In the reporting period, if subsidiaries or businesses are increased due to merger under the same control, then the number of beginnings of period should be adjusted; the income, expense, and profit from the beginning of period during which subsidiaries or businesses are merged to the end of reporting period should be included in *Consolidated Statement of Income*, and the cash flow included in *Consolidated Statement of Cash Flow*. Meanwhile, adjustments should be made to the items in *Comparative Statement*. It is deemed that the reporting entity after merger exists since the final controlling party starts control.

If the investor may control the investee under the same control for such reason as additional investment, it is deemed that parties involved in merger are adjusted in the current statuses since the final controlling party starts control. For the equities held before acquisition of control power, if related profit and loss, other comprehensive incomes, and other changes in net assets are recognized from the date of acquisition of original equity or the date when the merging party and the party being merged are under the same control, whichever is later, to the merger date, then the earning retained at the beginning of comparative statement period or current profit and loss should be written down.

In the reporting period, if subsidiaries or businesses are increased due to merger under different control, then the number of beginnings of period should not be adjusted; the income, expense, and profit from acquisition date to the end of reporting period should be included in *Consolidated Statement of Income*, and the cash flow included in *Consolidated Statement of Cash Flow*.

If the investor may control the investee under different control for such reason as additional investment, our company will re-measure the equity investment in the acquiree held before acquisition date at its fair value on the acquisition date, and include

the margin between fair value and book value in the current income from investment. If the equity investment in the acquiree held before acquisition date involves the other comprehensive incomes and changes in owner's equities other than net profit and loss, other comprehensive incomes, and profit distribution accounted with equity method, then the related other comprehensive incomes and changes in other changes in owner's equities turn into the income from investment in the period of acquisition, except other comprehensive incomes arisen from the investee's re-measurement of the changes in net liabilities or assets in defined benefit plans.

2. Disposing subsidiary or business

1) General handling method: In case our company disposes subsidiary or business within report period, the income, expense and profit of this subsidiary or business from the beginning of this period to disposal date should be included in consolidated statement of income; the cash flow of this subsidiary or business from the beginning of this period to disposal date should be included the consolidated statement of cash flow. In case the control power over the investee is lost for disposal of part of equity investments or for other reasons, our company will calculate the equity investment left after disposal according to the fair value of the day losing control power. The balance obtained from the sum of consideration from equity disposal and the fair value of residual equity minus the sum of enjoyed share of net assets, which are continuously calculated from the purchase date or consolidation date based on original shareholding ratio, and goodwill of the original subsidiary; is included in the return on investment of the period during which control power is lost. Changes of other comprehensive incomes related to the equity investment of original subsidiary, or other owner's equities except for net income and loss, other comprehensive incomes and profit allocation should be changed into current investment income of the current period when the control power is lost, excluding other comprehensive incomes generated for the net liability or net asset changes caused by the re-measurement and resetting of benefit plan by the investee.

2) Stepped disposal of subsidiary: In case the control power is lost due to the disposal of equity investment by several transaction steps, and the influence of disposal on the clauses, conditions and economy of various transactions relating to subsidiary equity investment conforms to one or several of the following conditions, it is usually indicated that these transactions should be considered as a package deal for accounting treatment: i. These transactions are set up simultaneously or based on the consideration of their mutual influence; ii. These transactions can only achieve a complete business result together; iii. The occurrence of a transaction depends on the occurrence of one other transaction at least; iv. One transaction is not economic independently but economic together with other transactions. In case the transactions relating to disposal of equity investment and resulting in loss of control power belong to one package deal, our company will regard these transactions as one transaction relating to subsidiary disposal and resulting in loss of control power for accounting treatment; however, the balance between each disposal price and the share of the net assets of this subsidiary enjoyed corresponding to disposal investment should be confirmed as other comprehensive income in consolidated financial statement before losing control power, and be transferred into the income and loss of the period during which control power is lost when the control power is lost. In case the transactions relating to disposal of equity investment and resulting in loss of control power do not belong to one package deal, part of the policies on equity investment of subsidiary should be accounted with the control power deemed not lost before the control power is lost; the policies on equity investment should be accounted with general accounting treatment methods of the subsidiary when the control power is lost.

3. Purchasing minority equity

In case the premium on capital stock of capital reserves in consolidated balance sheet is adjusted for the balance between the long-term equity investments obtained from purchasing of minority equity, and the share of net assets of the subsidiary that should be enjoyed and is continuously calculated since the purchasing date (or consolidating date) based on increased shareholding ratio, while the premium on capital stock of capital reserves is not sufficient for write-down, the retained earnings should be adjusted.

4. Disposing part of the equity investments of subsidiary without the control power lost

In case the premium on capital stock of capital reserves in consolidated balance sheet is adjusted for the balance between the disposal price obtained from the disposal of long-term equity investment of the subsidiary and the share of net assets that should be enjoyed and is continuously calculated since the purchasing date or consolidating date corresponding to the disposal of long-term

equity investment, while the premium on capital stock of capital reserves is not sufficient for write-down, the retained earnings should be adjusted.

(VII) Classification of joint arrangements and accounting treatment of joint operations

1. Joint arrangements include joint operations and joint ventures.
2. When the Company is a joint operator of a joint operation, it recognizes in relation to its interest in a joint operation:
 - (1) its assets, including its share of any assets held jointly;
 - (2) its liabilities, including its share of any liabilities incurred jointly;
 - (3) its revenue from the sale of its share of the output arising from the joint operation;
 - (4) its share of the revenue from the sales of the output by the joint operation; and
 - (5) its expenses, including its share of any expenses incurred jointly.

(VIII) Recognition criteria of cash and cash equivalents

Cash as presented in cash flow statement refers to cash on hand and deposit on demand for payment. Cash equivalents refer to short-term, highly liquid investments that can be readily converted to cash and that are subject to an insignificant risk of changes in value.

(IX) Foreign currency translation

1. Translation of transactions denominated in foreign currency

Transactions denominated in foreign currency are translated into RMB at the spot exchange rate at the transaction date at initial recognition. At the balance sheet date, monetary items denominated in foreign currency are translated at the spot exchange rate at the balance sheet date with difference, except for those arising from the principal and interest of exclusive borrowings eligible for capitalization, included in profit or loss; non-cash items carried at historical costs are translated at the spot exchange rate at the transaction date, with its RMB amount unchanged; non-cash items carried at fair value in foreign currency are translated at the spot exchange rate at the date when the fair value was determined, with difference included in profit or loss or other comprehensive income.

2. Translation of financial statements measured in foreign currency

The assets and liabilities in the balance sheet are translated into RMB at the spot rate at the balance sheet date; the equity items, other than undistributed profit, are translated at the spot rate at the transaction date; the revenues and expenses in the income statement are translated into RMB at the spot exchange rate at the transaction date. The difference arising from foreign currency translation is included in other comprehensive income.

(X) Financial instruments

1. Classification of financial assets and financial liabilities

Financial assets are classified into the following four categories when initially recognized: financial assets at fair value through profit or loss (including held-for-trading financial assets and financial assets designated at initial recognition as at fair value through profit or loss), held-to-maturity investments, loans and receivables, and available-for-sale financial assets.

Financial liabilities are classified into the following two categories when initially recognized: financial liabilities at fair value through profit or loss (including held-for-trading financial liabilities and financial liabilities designated at initial recognition as at fair value through profit or loss), and other financial liabilities.

2. Recognition criteria, measurement method and derecognition condition of financial assets and financial liabilities

When the Company becomes a party to a financial instrument, it is recognized as a financial asset or financial liability. The

financial assets and financial liabilities initially recognized by the Company are measured at fair value; for the financial assets and liabilities at fair value through profit or loss, the transaction expenses thereof are directly included in profit or loss; for other categories of financial assets and financial liabilities, the transaction expenses thereof are included into the initially recognized amount.

The Company measures its financial assets at fair value subsequent to initial recognition, and does not deduct the transaction expenses that may occur when it disposes of the said financial asset in the future. However, those under the following circumstances are excluded: (1) the held-to-maturity investments, loans and receivables are measured at amortized costs using effective interest method; (2) the equity instrument investments for which there is no quotation in the active market and whose fair value cannot be measured reliably, and the derivative financial assets which are connected with the said equity instrument and must be settled by the delivery of the said equity instrument are measured at their costs.

The Company measures its financial liabilities at the amortized costs using effective interest method, with the exception of those under the following circumstances: (1) for the financial liabilities at fair value through profit or loss, they are measured at fair value, and none of the transaction expenses may be deducted, which may occur when the financial liabilities are settled in the future; (2) for the derivative financial liabilities, which are connected to the equity instrument for which there is no quotation in the active market and whose fair value cannot be reliably measured, and which must be settled by the delivery of the equity instrument, they are measured at their costs; (3) for the financial guarantee contracts which are not designated as a financial liability at fair value through profit or loss, and for the commitments to grant loans which are not designated as at fair value through profit or loss and which will enjoy an interest rate lower than that of the market, they are measured subsequent to initial recognition at the higher of the following two items 1) The amount as determined according to “CASBE13 - Contingencies”; 2) the surplus after accumulative amortization as determined according to “CASBE14 - Revenues”.

The gains or losses arising from changes in fair value of financial assets or financial liabilities, if not related to hedging, are measured with the following methods: (1) Gains or losses, arising from the changes in fair value of financial asset or liability at its fair value through profit or loss, is included in gains or losses on changes in fair value; interests or cash dividends gained during the asset-holding period are recognized as investment income; when disposing of the assets, investment income is recognized at the difference between the actual amount received and the initial recorded amount, at the same time, gains or losses on changes in fair value are adjusted accordingly. (2) For available-for-sale financial asset, changes in fair value are recorded as other comprehensive income during the holding period, interests measured at effective interest method are recorded as investment income; cash dividends from available-for-sale equity instrument investment are recognized as investment income at the date of dividend declaration; when disposing of the assets, investment income is recognized at the difference between the actual amount received and the book value deducting the accumulative amount of changes in fair value originally included in other comprehensive.

Financial assets are derecognized when the contractual rights for collecting the cash flow of the said financial assets expire or substantially all risks and rewards related to the said financial assets have been transferred. Only when the underlying present obligations of a financial liability are relieved totally or partly may the financial liability be derecognized accordingly.

3. Recognition criteria and measurement method of financial assets transfer

Where the Company has transferred substantially all of the risks and rewards related to the ownership of the financial asset to the transferee, it derecognizes the financial asset. If it retained substantially all of the risks and rewards related to the ownership of the financial asset, it continues recognizing the financial asset, and the consideration received is recognized as a financial liability. Where the Company does not transfer or retain substantially all of the risks and rewards related to the ownership of a financial asset, it is dealt with according to the circumstances as follows respectively: (1) if the Company gives up its control over the financial asset, it derecognizes the financial asset; (2) if the Company does not give up its control over the financial asset, according to the extent of its continuing involvement in the transferred financial asset, it recognizes the related financial asset and recognizes the relevant liability accordingly.

If the transfer of an entire financial asset satisfies the conditions for derecognition, the difference between the amounts of the following two items are included in profit or loss: (1) the book value of the transferred financial asset; (2) the sum of consideration received from the transfer, and the accumulative amount of the changes of the fair value originally included in equity. If the transfer of financial asset partially satisfies the conditions to derecognition, the entire book value of the transferred financial asset is, between the portion which is derecognized and the portion which is not, apportioned according to their respective relative fair value, and the difference between the amounts of the following two items are included into profit or loss: (1) the book value of the portion which is derecognized; (2) the sum of consideration of the portion which is derecognized, and the portion of the accumulative amount of the changes in the fair value originally included in equity which is corresponding to the portion which is derecognized.

4. Fair value determination method of financial assets and liabilities

The Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value. The inputs to valuation techniques used to measure fair value are arranged in the following hierarchy and used accordingly:

(1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.

(2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability, for example, interest rates and yield curves observable at commonly quoted intervals; market-corroborated inputs;

(3) Level 3 inputs are unobservable inputs for the asset or liability. Level 3 inputs include interest rate that is not observable and cannot be corroborated by observable market data at commonly quoted intervals, historical volatility, future cash flows to be paid to fulfill the disposal obligation assumed in business combination, and financial forecast developed using the Company's own data, etc.

5. Impairment test and provision for impairment loss of financial assets

(1) An impairment test is carried out at the balance sheet date on the financial assets other than those at fair value through profit or loss, and provisions for impairment loss should be made if there is objective evidence indicating impairment loss.

(2) For held-to-maturity investments, borrowings, and receivables, an impairment test is made on an individual basis on financial assets of individually significant amount; with regard to the financial assets of individually insignificant amount, they may be included in a portfolio of financial assets with similar credit risk features so as to carry out an impairment-related test; where, upon the impairment test on an individual basis, the financial asset (including those financial assets of individually significant amount and of individually insignificant amount) is not impaired, it is included in a portfolio of financial assets with similar credit risk features so as to conduct further impairment test. Where a financial asset is impaired, the carrying amount of the said financial asset is written down to the present value of the predicted future cash flow.

(3) Available-for-sale financial assets

1) Objective evidence indicating that available-for-sale debt instrument investments may be impaired includes:

- a. significant financial difficulties in the debtor;
- b. breach of contract by the debtor, such as principal or interest past due or default;
- c. concessions made to debtors with financial difficulties considering economic and legal factors;
- d. it is highly probable that the debtor is going to dissolve or going through other terms of financial restructuring;

- e. owing to significant financial difficulties occurred to the debtor, the debt instrument is discontinued to trade in active market; or
- f. Other circumstances indicating that available-for-sale debt instrument may be impaired.

2) Evidence indicating that available-for-sale equity instrument investment may be impaired includes the fair value of equity instrument investment is suffered from significant or non-temporary decline and the technical, market, economic, or legal environment in which the investee operates has significant adverse changes under which the Company may not be able to recover its investment cost.

The Company performs review on available-for-sale equity instrument investment on an individual basis at the balance sheet date. For equity instrument investment at fair value, For equity instrument investment at cost, the Company considers whether the technical, market, economic, or legal environment in which the investee operates has significant adverse changes to determine whether such equity instrument is impaired.

When an available-for-sale financial asset at fair value is impaired, the cumulative loss arising from decline in fair value that has been recognized directly in other comprehensive income is reclassified to impairment loss. If, after an impairment loss has been recognized on available-for-sale debt instrument investment, there is objective evidence of a recovery in value of the financial asset which can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss. Subsequent fair value increase in available-for-sale debt instrument investment whose impairment loss has been recognized is directly recognized in other comprehensive income.

When an available-for-sale equity instrument at cost is impaired, impairment loss on such equity instrument investment is recognized at any excess of its carrying amount over the present value of future cash flows, and such impairment loss is not reversed upon recognition.

(XI) Receivables

1. Receivables of individually significant amount and with provision made on an individual basis

Judgement basis or amount criteria of individually significant amount	Receivables amounting to more than RMB 1 million (including RMB 1 million) and accounting for more than 10% (including 10%) of the total book balance of receivables
Provision method for receivables of individually significant amount and with provision made on an individual basis	Provisions are made on the difference between the lower of present value of future cash flow and their carrying amount based on impairment testing on an individual basis.

2. Receivables with provision made on a collective basis using portfolios with similar credit risk features

(1) Specific portfolios and provision method

Provision method of provision being made on collective basis using portfolios with similar credit risk features:	
Portfolio grouped with age	Age analysis method

(2) Age analysis method

Ages	Proportion of provision for accounts receivable (%)	Proportion of provision for other receivables (%)
Within 1 year (inclusive, the same hereinafter)	5	5
1-2 years	8	8
2-3 years	15	15
3-4 years	50	50
4-5 years	80	80

Over 5 years	100	100
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3. Receivables of individually insignificant amount but with provision made on an individual basis

Reasons for provision made on an individual basis	There is difference between the present value of future cash flow of receivables and the present value of future cash flow of receivables grouped with similar credit risk featuring the same age.
Provision method	Provisions are made on the difference between the lower of present value of future cash flow and their carrying value based on independent impairment testing.

For other receivables such as notes receivable, interest receivable and long-term receivable, etc., provision for bad debts is made at the difference between the present value of future cash flow and the carrying amount.

(XII) Inventories

1. Classification of inventories

Inventories include finished goods or goods held for sale in the ordinary course of business, work in process in the process of production, and materials or suppliers etc. to be consumed in the production process or in the rendering of services. They are divided into Raw materials, Work in process, Finished Goods and Packages.

2. Accounting method for dispatching inventories:

Inventories dispatched from storage are accounted for with weighted average method.

3. Basis for determining net realizable value

At the balance sheet date, inventories are measured at the lower of cost or net realizable value; provisions for inventory write-down are made on the excess of its cost over the net realizable value. The net realizable value of inventories held for sale is determined based on the amount of the estimated selling price less the estimated selling expenses and relevant taxes and surcharges in the ordinary course of business; the net realizable value of materials to be processed is determined based on the amount of the estimated selling price less the estimated costs of completion, selling expenses and relevant taxes and surcharges in the ordinary course of business; at the balance sheet date, when only part of the same item of inventories have agreed price, their net realizable value is determined separately and is compared with their costs to set the provision for inventory write-down to be made or reversed.

4. Inventory system

Perpetual inventory counting method is adopted.

5. Amortization method of low-value consumables and packages

(1) Low-value consumables

Low-value consumables are amortized with one-off method.

(2) Packages

Packages are amortized with one-off method.

(XIII) Assets classified as held-for-sale

Non-current assets (excluding financial assets) are accounted for as held-for-sale when the following conditions are all met: a. the component must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such component; b. the Company has made a decision on the disposal of the component; c. the Company has signed an irrevocable transfer agreement with the transferee; and d. the transfer is expected to be completed within one year.

(XIV) Long-term equity investments

1. Judgment of joint control and significant influence

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of these policies.

2. Determination of investment cost

(1) For business combination under common control, if the consideration of the combining party is that it makes payment in cash, transfers non-cash assets, assumes its liabilities or issues equity securities, on the date of combination, it regards the share of the carrying amount of the equity of the combined party included in the consolidated financial statements of the ultimate controlling party as the initial cost of the investment. The difference between the initial cost of the long-term equity investment and the carrying value of the combination consideration paid or the par value of shares issued offsets capital reserve; if the balance of capital reserve is insufficient to offset, any excess is adjusted to retained earnings.

When long-term equity investments are obtained through business combination under common control achieved in stages, the Company determines whether it is a “package deal”.

If it is a “package deal”, stages as a whole are considered as one transaction in accounting treatment. If it is not a “package deal”, investment cost is initially recognized at the share of the carrying amount of net assets of the combined party included in the consolidated financial statements of the ultimate controlling party. The difference between the acquisition-date investment cost of long-term equity investments and the carrying amount of the previously held long-term equity investments plus the carrying amount of the consideration paid for the newly acquired equity is adjusted to capital reserve; if the balance of capital reserve is insufficient to offset, any excess is adjusted to retained earnings.

(2) For business combination not under common control, investment cost is initially recognized at the acquisition-date fair value of considerations paid.

When long-term equity investments are obtained through business combination not under common control achieved in stages, the Company determined whether they are stand-alone financial statements or consolidated financial statements in accounting treatment:

1) In the case of stand-alone financial statements, investment cost is initially recognized at the carrying amount of the previously held long-term equity investments plus the carrying amount of the consideration paid for the newly acquired equity.

2) In the case of consolidated financial statements, the Company determines whether it is a “package deal”.

If it is a “package deal”, stages as a whole are considered as one transaction in accounting treatment. If it is not a “package deal”, the carrying value of the acquirer’s previously held equity interest in the acquiree is remeasured at the acquisition-date fair value, and the difference between the fair value and the carrying amount is recognized in investment income; when the acquirer’s previously held equity interest in the acquiree involves other comprehensive income under equity method, the related other comprehensive income is reclassified as income for the acquisition period, excluding other comprehensive income arising from changes in net liabilities or assets from remeasurement of defined benefit plan of the acquiree.

(3) Long-term equity investment obtained through ways other than business combination: the initial cost of a long-term equity investment obtained by making payment in cash is the purchase cost which is actually paid; that obtained on the basis of issuing equity securities is the fair value of the equity securities issued; that obtained through debt restructuring is determined according to “CASBE12 - Debt Restructuring”; and that obtained through non-cash assets exchange is determined according to “CASBE7 - Non-cash Assets Exchange”.

3. Subsequent measurement and recognition method of gain or loss

For long-term equity investment with control relationship, it is accounted for with cost method in some financial report; for long-term equity investment with joint control or significant influence relationship, it is accounted for with equity method.

4. Disposal of a subsidiary in stages resulting in the Company's loss of control

(1) Stand-alone financial statements

The difference between the carrying amount of the disposed equity and the consideration obtained thereof is recognized in profit or loss. If the disposal does not result in the Company's loss of significant influence or joint control, the remained equity is accounted for with equity method; however, if the disposal results in the Company's loss of control, joint control, or significant influence, the remained equity is reclassified as available-for-sale financial assets, and accounted for according to CASBE 22 –Financial Instruments: Recognition and Measurement.

(2) Consolidated financial statements

1) Disposal of a subsidiary in stages not qualified as “package deal” resulting in the Company's loss of control

Before the Company's loss of control, the difference between the disposal consideration and the proportionate share of net assets in the disposed subsidiary from acquisition date or combination date to the disposal date is adjusted to capital reserve (capital premium), if the balance of capital reserve is insufficient to offset, any excess is adjusted to retained earnings.

When the Company loses control, the remained equity is remeasured at the loss-of-control-date fair value. The aggregated value of disposal consideration and the fair value of the remained equity, less the share of net assets in the disposed subsidiary held before the disposal from the acquisition date or combination date to the disposal date is recognized in investment income in the period when the Company loses control over such subsidiary, and meanwhile goodwill is offset correspondingly. Other comprehensive income related to equity investments in former subsidiary is reclassified as investment income upon the Company's loss of control.

2) Disposal of a subsidiary in stages qualified as “package deal” resulting in the Company's loss of control

In case of “package deal”, stages as a whole are considered as one transaction resulting in loss of control in accounting treatment. Before the Company loses control, the difference between the disposal consideration at each stage and the proportionate share of net assets in the disposed subsidiary is recognized as other comprehensive income at the consolidated financial statements and reclassified as profit or loss in the period when the Company loses control over such subsidiary.

(XV) Fixed assets

1. Recognition principles of fixed assets

Fixed assets are tangible assets held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and expected to be used during more than one accounting year. Fixed assets are recognized if, and only if, it is probable that future economic benefits associated with the assets will flow to the Company and the cost of the assets can be measured reliably.

2. Depreciation method of different categories of fixed assets

Categories	Depreciation method ¹	Useful life (years)	Estimated residual value proportion (%)	Annual depreciation rate (%)
Buildings and structures	Straight-line method	20-30	3-10	3.00-4.85
General equipment	Straight-line method	3-5	3-10	18.00-32.33
Special equipment	Straight-line method	10	3-10	9.00-9.70

¹Methods include straight-line method, unit-of-production method, double-declining-balance method, sum-of-the-years-digits method, as well as other methods.

Transport facilities	Straight-line method	4-10	3-10	9.00-24.25
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(XVI) Construction in progress

1. Construction in progress is recognized if, and only if, it is probable that future economic benefits associated with the item will flow to the Company, and the cost of the item can be measured reliably. Construction in progress is measured at the actual cost incurred to reach its designed usable conditions.

2. Construction in progress is transferred into fixed assets at its actual cost when it reaches its designed usable conditions. When the construction completion cost reaches final estimating and auditing of the construction in progress was not finished while it reaching the designed usable conditions, it is transferred to fixed assets using estimated value first, and then adjusted accordingly when the actual cost is settled, but the accumulated depreciation is not to be adjusted retrospectively.

(XVII) Borrowing costs

1. Recognition principle of borrowing costs capitalization

Where the borrowing costs incurred to the Company can be directly attributable to the acquisition and construction or production of assets eligible for capitalization, it is capitalized and included in the costs of relevant assets; other borrowing costs are recognized as expenses on the basis of the actual amount incurred, and are included in profit or loss.

2. Borrowing costs capitalization period

(1) The borrowing costs are not capitalized unless they following requirements are all met: 1) the asset disbursements have already incurred; 2) the borrowing costs have already incurred; and 3) the acquisition and construction or production activities which are necessary to prepare the asset for its intended use or sale have already started.

(2) Suspension of capitalization: where the acquisition and construction or production of a qualified asset is interrupted abnormally and the interruption period lasts for more than 3 months, the capitalization of the borrowing costs is suspended; the borrowing costs incurred during such period are recognized as expenses, and are included in profit or loss, till the acquisition and construction or production of the asset restarts.

(3) Ceasing of capitalization: when the qualified asset under acquisition and construction or production is ready for the intended use or sale, the capitalization of the borrowing costs is ceased.

3. Capitalization rate and capitalized amount of borrowing costs

For borrowings exclusively for the acquisition and construction or production of assets eligible for capitalization, the to-be-capitalized amount of interests is determined in light of the actual interest expenses incurred (including amortization of premium or discount based on effective interest method) of the special borrowings at the present period minus the income of interests earned on the unused borrowings as a deposit in the bank or as a temporary investment; where a general borrowing is used for the acquisition and construction or production of assets eligible for capitalization, the Company calculates and determines the to-be-capitalized amount of interests on the general borrowing by multiplying the weighted average asset disbursement of the part of the accumulative asset disbursements minus the general borrowing by the capitalization rate of the general borrowing used.

(XVIII) Intangible assets

1. Intangible asset includes land use right, patent right and non-patented technology etc. The initial measurement of intangible asset is based its cost.

2. For intangible assets with finite useful lives, its amortization amount is amortized within its useful lives systematically and reasonably, if it is unable to determine the expected realization pattern reliably, intangible assets are amortized by the straight-line method with details as follows:

Items	Amortization period (years)
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Land use right	43-50
Application software	2-10
Trademark use right	10

3. Expenditures on the research phase of an internal project are recognized as profit or loss when it is incurred. An intangible asset arising from the development phase of an internal project is recognized if the Company can demonstrate all of the following: (1) the technical feasibility of completing the intangible asset so that it will be available for use or sale; (2) its intention to complete the intangible asset and use or sell it; (3) how the intangible asset will generate probable future economic benefits. Among other things, the Company can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset; (4) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and (5) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Criteria for distinguishing the research phase from the development phase of an internal project to create an intangible asset:

(XIX) Impairment of part of non-current assets

For non-current assets such as long-term equity investments, investment property at cost model, fixed assets, construction in progress, intangible assets with finite useful life, etc., if at the balance sheet date there is indication of impairment, the recoverable amount is estimated. For goodwill recognized in business combination and intangible assets with indefinite useful life, no matter whether there is indication of impairment, impairment test is performed annually. Impairment test on goodwill is performed on related group of assets or a portfolio of groups of assets.

When the recoverable amount of such non-current assets is lower than their carrying amount, the difference is recognized as assets impairment loss through profit or loss, and provision for assets impairment loss is made accordingly.

(XX) Long-term prepayments

Long-term prepayments are expenses that have been recognized but with amortization period over one year (excluding one year). They are recorded with actual cost, and evenly amortized within its beneficiary period or stipulated period. If items of long-term prepayments fail to be beneficial to the following accounting periods, residual values of such items are included in profit or loss.

The assets impairment loss cannot be reversed once it is recognized.

(XXI) Employee benefits

1. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits.

2. Short-term employee benefits

The Company recognizes, in the accounting period in which an employee provides service, short-term employee benefits actually incurred as liabilities, with a corresponding charge to profit or loss or the cost of a relevant asset.

3. Post-employment benefits

The Company classifies post-employment benefit plans as either defined contribution plans or defined benefit plans.

(1) The Company recognizes in the accounting period in which an employee provides service the contribution payable to a defined contribution plan as a liability, with a corresponding charge to profit or loss or the cost of a relevant asset.

(2) Accounting treatment by the Company for defined benefit plan usually involves the following steps:

1) In accordance with the projected unit credit method, using unbiased and mutually compatible actuarial assumptions to estimate

related demographic variables and financial variables, measure the obligations under the defined benefit plan, and determine the periods to which the obligations are attributed. The Company discounts obligations under the defined benefit plan using the discount rate to determine the present value of the defined benefit plan obligations and the current service cost;

2) When a defined benefit plan has assets, the Company recognizes the deficit or surplus by deducting the present value of the defined benefit plan obligation from the fair value of defined benefit plan assets as a net defined benefit plan liability or net defined benefit plan asset. When a defined benefit plan has a surplus, the Company measures the net defined benefit plan asset at the lower of the surplus in the defined benefit plan and the asset ceiling;

3) At the end of reporting period, the Company recognizes the following components of employee benefits cost arising from defined benefit plan: a. service cost; b. net interest on the net defined benefit plan liability (asset); and c. Changes as a result of remeasurement of the net defined benefit liability (asset). Item a and item b are recognized in profit or loss or the cost of a relevant asset. Item c is recognized in other comprehensive income and is not to be reclassified subsequently to profit or loss. However, the Company may transfer those amounts recognized in other comprehensive income within equity.

4. Termination benefits

Termination benefits provided to employees are recognized as an employee benefit liability for termination benefits, with a corresponding charge to profit or loss at the earlier of the following dates: a. when the Company cannot unilaterally withdraw the offer of termination benefits because of an employment termination plan or a curtailment proposal; or b. when the Company recognizes cost or expenses related to a restructuring that involves the payment of termination benefits.

5. Other long-term employee benefits

When other long-term employee benefits provided by the Company to the employees satisfied the conditions for classifying as a defined contribution plan, those benefits are accounted for in accordance with the requirements relating to defined contribution plan. The Company recognizes and measures the net liability or net asset of other long-term employee benefits in accordance with the requirements relation to defined benefit plan. At the end of the reporting period, the Company recognizes the components of cost of employee benefits arising from other long-term employee benefits as the followings: a. service cost; b. net interest on the net liability or net assets of other long-term employee benefits; and c. changes as a result of remeasurement of the net liability or net assets of other long-term employee benefits. As a practical expedient, the net total of the aforesaid amounts are recognized in profit or loss or included in the cost of a relevant asset.

(XXII) Provisions

1. Provisions are recognized when fulfilling the present obligations arising from contingencies such as providing guarantee for other parties, litigation, products quality guarantee, onerous contract, etc., may cause the outflow of the economic benefit and such obligations can be reliably measured.

2. The initial measurement of provisions is based on the best estimated expenditures required in fulfilling the present obligations, and its carrying amount is reviewed at the balance sheet date.

(XXIII) Share-based payment

1. Types of share-based payment

Share-based payment consists of equity-settled share-based payment and cash-settled share-based payment.

2. Accounting treatment for settlements, modifications and cancellations of share-based payment terms and conditions

(1) Equity-settled share-based payment

For equity-settled share-based payment transaction with employees, if the equity instruments granted vest immediately, the fair value of those equity instruments is measured at grant date and recognized as transaction cost or expense, with a corresponding

adjustment in capital reserve; if the equity instruments granted do not vest until the counterparty completes a specified period of service, at the balance sheet date within the vesting period, the fair value of those equity instruments measured at grant date based on the best estimate of the number of equity instruments expected to vest is recognized as transaction cost or expense, with a corresponding adjustment in capital reserve.

For equity-settled share-based payment transaction with parties other than employees, if the fair value of the goods or services received can be measured reliably, the fair value is measured at the date the Company obtains the goods or the counterparty renders service; if the fair value of the goods or services received cannot be measured reliably, the fair value of the equity instruments granted measured at the date the Company obtains the goods or the counterparty renders service is referred to, and recognized as transaction cost or expense, with a corresponding increase in equity.

(2) Cash-settled share-based payment

For cash-settled share-based payment transactions with employees, if share appreciation rights vest immediately, the fair value of the liability incurred as the acquisition of goods or services is measured at grant date and recognized as transaction cost or expense, with a corresponding increase in liabilities; if share appreciation rights do not vest until the employees have completed a specified period of service, the liability is measured, at each balance sheet date until settled, at the fair value of the share appreciation rights measured at grant date based on the best estimate of the number of share appreciation right expected to vest.

(3) Modifications and cancellations of share-based payment terms and conditions

If the modification increases the fair value of the equity instruments granted, measured immediately before and after the modification, the Company includes the incremental fair value granted in the measurement of the amount recognized for services received as consideration for the equity instruments granted; similarly, if the modification increases the number of equity instruments granted, the Company includes the fair value of the additional equity instruments granted, measured at the date of the modification, in the measurement of the amount recognized for services received as consideration for the equity instruments granted; if the Company modifies the vesting conditions in a manner that is beneficial to the employee, the Company takes the modified vesting conditions into account.

If the modification reduces the fair value of the equity instruments granted, measured immediately before and after the modification, the Company does not take into account that decrease in fair value and continue to measure the amount recognized for services received as consideration for the equity instruments based on the grant date fair value of the equity instruments granted; if the modification reduces the number of equity instruments granted to an employee, that reduction is accounted for as a cancellation of that portion of the grant; if the Company modifies the vesting conditions in a manner that is not beneficial to the employee, the Company does not take the modified vesting conditions into account.

If the Company cancels or settles a grant of equity instruments during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied), the Company accounts for the cancellation or settlement as an acceleration of vesting, and therefore recognizes immediately the amount that otherwise would have been recognized for services received over the remainder of the vesting period.

(XXIV) Revenue

1. Revenue recognition principles

(1) Sale of goods

Revenue from sale of goods is recognized if, and only if, the following conditions are all satisfied: a) significant risks and rewards of ownership of the goods is transferred to the buyer; b) the Company retains neither continuing managerial involvement of ownership nor effective control over the goods sold; c) the amount of revenue can be measured reliably; d) it is probable that the economic benefits of the transaction will flow to the Company; and e) the costs of the transaction incurred and to be incurred can be measured reliably.

(2) Rendering of services

When the outcome of the transaction can be estimated reliably (the amount of revenue can be measured reliably, it is probable that the economic benefits will flow to the Company, the percentage of completion of the transaction can be determined reliably, and the costs of the transaction incurred and to be incurred can be measured reliably), revenue from rendering of services is recognized using the percentage of completion method, and the stage of completion is determined at the proportion of cost incurred to the total cost. When the outcome of the transaction cannot be estimated reliably at the balance sheet date, revenue is recognized based on the amount of the costs incurred and the costs incurred are charged off at the same amount when the costs incurred are expected to be recoverable; and no revenue is recognized and the costs incurred are charged off as an expense of the period when the costs incurred are not expected to be recovered.

(3) Revenue arising from use by others of assets

Revenue arising from use by others of assets is recognized if, and only if, it is probable that economic benefits associated with the transaction will flow to the Company and the amount of the revenue can be measured reliably. Interest income is recognized based on the length of time for which the Company's cash is used by others and the effective interest rate; and royalties are recognized according to the period and method of charging as specified in relevant contract or agreement.

2. Revenue recognition method adopted by the Company

The Company mainly sells cookware and electrical appliance etc. The revenue from domestic sales shall meet the following conditions: the Company has delivered the goods to the buyer as agreed in contracts, and the amount of revenue from the sale of goods is determined, and the goods payment has been received or the evidence of payment receipt has been obtained and it is probable that the economic benefits of the transaction will flow to the Company, the costs of the transaction incurred and to be incurred can be measured reliably. The revenue from overseas sales shall meet the following conditions: the Company has finished customs clearance and the goods are off the harbor with bill of lading obtained as agreed in contracts, and the amount of revenue from the sale of goods is determined, and the goods payment has been received or the evidence of payment receipt has been obtained and it is probable that the economic benefits of the transaction will flow to the Company, the costs of the transaction incurred and to be incurred can be measured reliably.

(XXV) Government grants

1. Government grants related to assets

Government grants related to assets are government grants, with which the Company purchase, construct or otherwise acquire non-current assets. They are recognized as deferred income, and amortized on a straight-line method over the useful lives of the relevant assets, and included in profit or loss. However, those measured at notional amount is directly included into profit or loss.

2. Government grants related to income

Government grants related to income are government grants other than those related to assets. Government grants related to income if used for compensating the related future expenses or losses of the Company are recognized as deferred income and are included in profit or loss during the period when the relevant expenses are recognized; if used for compensating the related expenses or losses incurred to the Company are directly included in profit or loss.

(XXVI) Deferred tax assets/Deferred tax liabilities

1. Deferred tax assets or deferred tax liabilities are calculated and recognized based on the difference between the carrying amount and tax base of assets and liabilities (and the difference of the carrying amount and tax base of items not recognized as assets and liabilities but with their tax base being able to be determined according to tax laws) and in accordance with the tax rate applicable to the period during which the assets are expected to be recovered or the liabilities are expected to be settled.

2. A deferred tax asset is recognized to the extent of the amount of the taxable income, which it is most likely to obtain and which

can be deducted from the deductible temporary difference. At the balance sheet date, if there is any exact evidence that it is probable that future taxable profits will be available against which deductible temporary differences can be utilized, the deferred tax assets unrecognized in prior periods are recognized.

3. At the balance sheet date, the carrying amount of deferred tax assets is reviewed. The carrying amount of a deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefit of the deferred tax asset to be utilized. Such reduction is subsequently reversed to the extent that it becomes probable that sufficient taxable income will be available.

4. The income tax and deferred tax for the period are treated as income tax expenses or income through profit or loss, excluding those arising from the following circumstances: (a) business combination; and (b) the transactions or items directly recognized in equity.

(XXVII) Leases

When the Company is the lessee, lease payments are recognized as cost or profit or loss with straight-line method over the lease term. Initial expenses are recognized directly into profit or loss. Contingent rents are charged as profit or loss in the periods in which they are incurred.

When the Company is the lessor, lease income is recognized as profit or loss with straight-line method over the lease term. Initial expenses, other than those with material amount and eligible for capitalization which are recognized as profit or loss by installments, are recognized directly as profit or loss. Contingent rents are charged into profit or loss in the periods in which they are incurred

IV. Taxes

(I) Main taxes and tax rates

Taxes	Tax bases	Tax rates
Value-added tax (VAT)	The taxable revenue from sales of goods or rendering of services	Revenue from sales of water and steam is levied at 13% and others are levied at 17%. After May 1, 2016, the business of financial products is levied at 6%.
Urban maintenance and construction tax	Turnover tax payable	The Company, 浙江苏泊尔橡塑制品有限公司 (Zhejiang Supor Plastic & Rubber Co., Ltd.*) (P&R Company), and 玉环县苏泊尔废旧物资回收有限公司 (Yuhuan Supor Recycling Co., Ltd.*) (Yuhuan Recycling) are levied at 5%, and other companies are levied at 7%
Enterprise income tax	Taxable income	15%、25%

Housing property tax	武汉苏泊尔压力锅有限公司(Wuhan Supor Pressure Boiler Co., Ltd.*) and 武汉苏泊尔炊具有限公司(Wuhan Supor Cookware Co., Ltd.*) are levied at the rate of 1.2% of the balance of the housing property cost after deducting 25% of the cost; other companies are levied at the rate of 1.2% of the balance of the housing property cost after deducting 30% of the cost; for housing property levied on the basis of rent, housing property tax is levied at the rate of 12% of rent revenue.	1.2% or 12%
Education surcharge	Turnover tax payable	3%
Local education surcharge	Turnover tax payable	2% .After May 1, 2016, Wuhan companies are levied at 1.5% .
Business tax	The taxable business turnover	Before May 1, 2016, levied at 5%. After May 1, 2016, no such variety of tax was needed.

Different enterprise income tax rates applicable to different taxpayers:

Taxpayers	Income tax rate
The Company	15%
Wuhan Supor Cookware Co., Ltd.	15%
Zhejiang Shaoxing Supor Domestic Electrical Appliances Co., Ltd.	15%
Taxpayers other than the above-mentioned	25%

(II) Tax preferential policies

1. Pursuant to the document numbered GuoKeHuoZi [2015] 256, the Company renewed the hi-tech enterprise qualification in 2015 and is entitled to enjoy the preferential tax rate of 15% for the three-year period starting from January 1, 2015.
2. Pursuant to the document numbered ERenDingBan[2015] 8, Wuhan Supor Cookware Co., Ltd. renewed the hi-tech enterprise qualification in 2015 and is entitled to enjoy the preferential tax rate of 15% for the three-year period starting from January 1, 2015.
3. Pursuant to the document numbered GuoKeFaHuo [2016] 149, Zhejiang Shaoxing Supor Domestic Electrical Appliances Co., Ltd. renewed the hi-tech enterprise qualification in 2016 and is entitled to enjoy the preferential tax rate of 15% for the three-year period starting from January 1, 2016.

V. Notes to items of consolidated financial statements

(I) Notes to items of the consolidated balance sheet

1. Cash and bank balances

(1) Details

Items	Closing balance	Opening balance
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Cash on hand	238,696.91	186,935.21
Cash in bank	745,002,527.81	1,040,816,287.41
Other cash and bank balances	5,322,615.99	10,000.00
Total	750,563,840.71	1,041,013,222.62
Including: deposited overseas	21,597,187.88	65,930,613.08

(2) Other remarks

1) At the end of period, the restricted amount is RMB 13,000,000.00 in total, including RMB 13,000,000.00 fixed deposit in Bank Deposit, which will be held to maturity.

2) The closing balance of Other cash and bank are Alipay moneybag and JingDong wallet settlement account, amounted to RMB 4,871,000.03 and RMB 451,615.96 respectively. The usage of these fund is not restricted.

3) Closing balance deposited in Vietnam totaled RMB 21,597,187.88, of which, USD 6,866.61 (equivalent to RMB 47,633.64) and VND 310,170,862.00 (equivalent to RMB 94,557.45) are cash on hand, and USD 892,009.80 (equivalent to RMB 6,187,871.98) and VND 50,079,791,163.00 (equivalent to RMB 15,267,124.81) are bank balances.

2. Financial assets at fair value through profit or loss

(1) Details

Items	Closing balance	Opening balance
Financial assets designated as at fair value through profit or loss	856,988,784.08	402,218,888.89
Including: Debt instrument investments [note]	856,988,784.08	402,218,888.89
Total	856,988,784.08	402,218,888.89

Note: They are the financial products purchased by Zhejiang Shaoxing Supor Domestic Electrical Appliances Co., Ltd., and Wuhan Supor Cookware Co., Ltd. respectively in amount of RMB 650 million and RMB 200 million. The financial product yield is floating and linked to interest rate, exchange rate, etc., and as of the balance sheet date, gain on changes in fair value was recognized at RMB 6,988,784.08.

3. Notes receivable

(1) Details

Items	Closing balance			Opening balance		
	Book balance	Provision for bad debts	Carrying amount	Book balance	Provision for bad debts	Carrying amount
Bank acceptance	843,520,455.60		843,520,455.60	604,773,313.11		604,773,313.11
Trade acceptance						
Total	843,520,455.60		843,520,455.60	604,773,313.11		604,773,313.11

(2) Endorsed or discounted but undue notes at the balance sheet date

Items	Closing balance derecognized	Closing balance not yet derecognized
Bank acceptance	1,999,720,911.42	
Subtotal	1,999,720,911.42	

4. Accounts receivable

(1) Details

1) Details of different categories of accounts receivable

Categories	Closing balance				Carrying amount
	Book balance		Provision for bad debts		
	Amount	Proportion (%)	Amount	Provision proportion (%)	
Receivables of individually significant amount and with provision made on an individual basis					
Receivables with provision made on a collective basis using portfolios with similar credit risk features	1,167,552,252.59	95.04%	58,931,535.16	5.05%	1,108,620,717.43
Receivable of individually insignificant amount but with provision made on an individual basis	60,877,011.97	4.96%	9,379,902.68	15.41%	51,497,109.29
Total	1,228,429,264.56	100.00%	68,311,437.84	5.56%	1,160,117,826.72

(Continued)

Categories	Opening balance				Carrying amount
	Book balance		Provision for bad debts		
	Amount	Proportion (%)	Amount	Provision proportion (%)	
Receivables of individually significant amount and with provision made on an individual basis					
Receivables with provision made on a collective basis using portfolios with similar credit risk features	1,068,992,883.17	96.06	53,866,551.59	5.04	1,015,126,331.58
Receivable of individually insignificant amount but with provision made on an individual basis	43,835,630.96	3.94	1,815,593.93	4.14	42,020,037.03
Total	1,112,828,514.13	100.00	55,682,145.52	5.00	1,057,146,368.61

2) Accounts receivable of individually significant amount and with provision made on an individual basis

Debtors	Book balance	Provision for bad debts	Provision proportion (%)	Reasons
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Lidl HongKong Ltd and other receivables covered by insurance policy	51,497,109.29			No provision for bad debts is made as such receivables are arising from export sales and covered by export insurance.
北京兴梅达经贸有限公司(Beijing Xingmeida Trading Co.,Ltd.)	7,564,308.75	7,564,308.75	100.00	Beijing Xingmeida ran into serious cashflow problem. The company has stopped cooperating with it. The amounts Receivable risk is high.
无锡和顺金贸易有限公司(Wuxi Heshunjin Trading Co., Ltd.*)	1,815,593.93	1,815,593.93	100.00	Full provisions are made as such receivables are with long age and estimated to be unrecoverable.
Subtotal	60,877,011.97	9,379,902.68	15.41	

3) In portfolios, accounts receivable with provision made on a collective basis with age analysis method

Ages	Closing balance		
	Book balance	Provision for bad debts	Provision proportion (%)
Within 1 year	1,158,191,854.33	57,909,592.72	5.00
1-2 years	8,351,949.44	668,155.95	8.00
2-3 years	610,798.21	91,619.74	15.00
3-4 years	218,002.10	109,001.05	50.00
4-5 years	132,414.00	105,931.20	80.00
Over 5 years	47,234.50	47,234.50	100.00
Subtotal	1,167,552,252.59	58,931,535.16	5.05

(2) Provisions made, collected or reversed in current period

Provision for bad debts made in current period totaled RMB 14,355,737.92, and collected or reversed in current period totaled RMB 0.00.

(3) Accounts receivable written off in current period

Accounts receivable actually written off in current period totaled RMB 1,726,445.60.

(4) Details of the top 5 debtors with largest balances

Debtors	Book balance	Proportion to the total balance of accounts receivable (%)	Provision for bad debts
SEB Asia Ltd.	800,407,513.83	65.16	40,020,375.69

Client 1	48,834,759.15	3.98	2,441,737.95
Client 2	26,199,839.02	2.13	1,309,991.95
Client 3	17,886,923.18	1.46	894,346.16
Client 4	16,883,702.93	1.37	844,185.15
Subtotal	910,212,738.11	74.10	45,510,636.90

Closing balance of top 5 debtors totaled RMB 910,212,738.11, accounting for 74.10% of the total closing balance of accounts receivable, and provision for bad debts made thereon totaled RMB 45,510,636.90.

5. Advances paid

(1) Age analysis

1) Details of ages

Ages	Closing balance				Opening balance			
	Book balance	Proportion (%)	Provision for bad debts	Carrying amount	Book balance	Proportion (%)	Provision for bad debts	Carrying amount
Within 1 year	151,896,831.31	96.55		151,896,831.31	108,680,546.77	99.85		108,680,546.77
1-2 years	5,313,859.34	3.38		5,313,859.34	144.00			144.00
2-3 years					36,000.00	0.03		36,000.00
Over 3 years	115,966.58	0.07		115,966.58	126,616.38	0.12		126,616.38
Total	157,326,657.23	100.00		157,326,657.23	108,843,307.15	100.00		108,843,307.15

(2) Details of the top 5 debtors with largest balances

Debtors	Book balance	Proportion to the total balance of advances paid (%)
Supplier 1	48,021,232.50	30.52
Supplier 2	21,153,110.98	13.45
Supplier 3	16,893,099.98	10.74
Supplier 4	12,703,052.11	8.07
Supplier 5	4,901,081.09	3.12
Subtotal	103,671,576.66	65.90

6. Interest receivable

(1) Details

Items		Opening balance
Interest for time deposit	285,680.93	1,211,839.09
Total	285,680.93	1,211,839.09

7. Other receivables

(1) Details

1) Details on categories

Categories	Closing balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	Proportion (%)	Amount	Provision proportion (%)	
Receivables of individually significant amount and with provision made on an individual basis	47,568,371.25	82.45	0.00	0.00	47,568,371.25
Receivables with provision made on a collective basis using portfolios with similar credit risk features	9,924,090.58	17.20	2,038,658.47	20.54	7,885,432.11
Receivable of individually insignificant amount but with provision made on an individual basis	204,148.24	0.35	0.00	0.00	204,148.24
Total	57,696,610.07	100.00	2,038,658.47	3.53	55,657,951.60

(Continued)

Categories	Opening balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	Proportion (%)	Amount	Provision proportion (%)	
Receivables of individually significant amount and with provision made on an individual basis	25,789,417.08	68.74			25,789,417.08
Receivables with provision made on a collective basis using portfolios with similar credit risk features	11,728,762.84	31.26	2,593,427.46	22.11	9,135,335.38
Receivable of individually insignificant amount but with provision made on an individual basis					
Total	37,518,179.92	100.00	2,593,427.46	6.91	34,924,752.46

2) Other receivables of individually significant amount and with provision made on an individual basis

Debtors	Book balance	Provision for bad debts	Provision proportion (%)	Reasons for provision made
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VAT refund on export goods	34,272,371.25			As the age is within one year, and no provision is made as there is no risk over recoverability.
The land bidding deposit	13,296,000.00			As the age is within one year, and no provision is made as there is no risk over recoverability.
Subtotal	47,568,371.25			

3) In portfolios, other receivables with provision made on a collective basis with age analysis method

Ages	Closing balance		
	Book balance	Provision for bad debts	Provision proportion (%)
Within 1 year	7,530,004.37	376,496.50	5.00
1-2 years	423,265.64	33,861.26	8.00
2-3 years	348,322.12	52,248.32	15.00
3-4 years	68,724.29	34,362.15	50.00
4-5 years	60,419.50	48,335.60	80.00
Over 5 years	1,493,354.66	1,493,354.66	100.00
Subtotal	9,924,090.58	2,038,658.47	20.54

(2) Provisions made, collected or reversed in current period

Provisions for bad debts made in current period totaled RMB 0.00, and collected or reversed in current period totaled RMB 158,268.62.

(3) Other receivables written off in current period

Other receivables actually written off in current period totaled RMB 396,500.37.

(4) Other receivables categorized by nature

Nature of receivables	Closing balance	Opening balance
Deposit as security	16,934,468.78	2,938,330.40
VAT refund on export goods	34,272,371.25	25,789,417.08
Temporary advance payment receivable	3,775,068.24	5,497,841.58
Personal deposit	2,714,701.80	3,292,590.86
Total	57,696,610.07	37,518,179.92

(5) Details of the top 5 debtors with largest balances

Debtors	Nature of receivables	Book balance	Age	Proportion to the total balance of other receivables (%)	Provision for bad debts
VAT refund on export goods	Tax refund on export goods	34,272,371.25	Within 1 year	59.40	
The land bidding deposit	Deposit as security	13,296,000.00	Within 1 year	23.04	
佛山市顺德区康卓模具有限公司 (Foshan Shunde Kang Zhuo mould Co., LTD.)	Deposit as security	1,500,000.00	Within 1 year	2.60	75,000.00
浙商财产保险 (Zheshang Property and Casualty Insurance Co.,Ltd)	Temporary payment receivable	1,232,370.68	Within 1 year	2.14	61,618.53
社保工伤医疗专户 (Social security special account for occupational injury and medical treatment)	Temporary payment receivable	467,911.21	Within 1 year	0.81	23,395.56
Subtotal		50,768,653.14		87.99	160,014.09

8. Inventories

(1) Details

Items	Closing balance			Opening balance		
	Book balance	Provision for write-down	Carrying amount	Book balance	Provision for write-down	Carrying amount
Raw materials	381,283,105.84	12,445,644.22	368,837,461.62	375,793,675.40	15,900,483.44	359,893,191.96
Work in process	37,801,722.47		37,801,722.47	16,757,809.28		16,757,809.28
Finished Goods	1,328,965,817.26	44,202,598.19	1,284,763,219.07	1,094,593,496.55	53,987,492.92	1,040,606,003.63
Packages	5,529,800.03		5,529,800.03	9,488,276.06		9,488,276.06
Total	1,753,580,445.60	56,648,242.41	1,696,932,203.19	1,496,633,257.29	69,887,976.36	1,426,745,280.93

(2) Provision for inventory write-down

1) Details

Items	Opening balance	Increase		Decrease		Closing balance
		Provision	Others	Reversal or written-off	Others	
Raw materials	15,900,483.44	7,980,004.73		11,434,843.95		12,445,644.22
Finished Goods	53,987,492.92	26,292,028.88		36,076,923.61		44,202,598.19
Subtotal	69,887,976.36	34,272,033.61		47,511,767.56		56,648,242.41

2) Remarks on basis, reason and amount of the reserve of provision for inventory write-down

Items	Basis for provision of inventory write-down	The reason of write-down
Raw materials	Net realizable value being lower than cost on individual basis	Sale/Used
Finished Goods	Net realizable value being lower than cost on individual basis	Sale

9. Other current assets

(1) Details

Items	Closing balance	Opening balance
Creditable VAT	75,056,492.01	47,519,481.09
Financial products [note]	906,437,451.54	1,327,314,904.11
Others	204,936.76	339,568.71
Total	981,698,880.31	1,375,173,953.91

10. Available-for-sale financial assets

(1) Details

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Available-for-sale debt instrument	300,000.00	300,000.00		300,000.00	300,000.00	
Including: at fair value	300,000.00	300,000.00		300,000.00	300,000.00	
Total	300,000.00	300,000.00		300,000.00	300,000.00	

(2) Available-for-sale financial assets at cost

Investees	Book balance			
	Opening balance	Increase	Decrease	Closing balance
玉环大鹿岛旅游开发有限公司(Yuhuan Dalu Island Tourism Development Co.,Ltd.)	300,000.00			300,000.00
Subtotal	300,000.00			300,000.00

(Continue)

Shareholding ratio in invested company	Cash dividend of current period
3.00%	

11. Long-term equity investments

(1) Categories

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Investments in associates	53,877,930.88		53,877,930.88	51,328,807.28		51,328,807.28
Total	53,877,930.88		53,877,930.88	51,328,807.28		51,328,807.28

(2) Details

Investees	Opening balance	Increase/decrease			
		Investments increased	Investments decreased	Investment income recognized under equity method	Adjustment in other comprehensive income
Associates					
武汉安在厨具有限 公司 (Wuhan Anzai Cookware Co., Ltd.*)	51,328,807.28			2,549,123.60	
Total	51,328,807.28			2,549,123.60	

(Continued)

Investees	Increase/decrease				Closing balance	Closing balance of provision for impairment
	Changes in other equity	Cash dividend/profit declared for distribution	Provision for impairment	Others		
Associates						
Wuhan Anzai Cookware Co., Ltd.					53,877,930.88	
Total					53,877,930.88	

Note: It includes investment income of RMB 2,349,174.53 recognized based on the Company's holding proportion in Wuhan Anzai Cookware Co., Ltd., and investment income of RMB 199,949.07 recognized due to influence of upstream transactions.

12. Fixed assets

(1) Details

Items	Buildings and structures	General equipment	Special equipment	Transport facilities	Total
Cost					
Opening balance	733,498,769.79	150,579,393.36	650,616,528.07	28,812,955.71	1,563,507,646.93
Increase	24,780,987.86	12,107,040.25	37,622,765.76	5,063,981.90	79,574,775.77
1) Acquisition	79,009.01	11,662,331.71	25,930,908.35	5,063,981.90	42,736,230.97
2) Transferred in from construction in progress	24,701,978.85	444,708.54	11,691,857.41		36,838,544.80
Decrease	1,876,308.22	1,449,817.91	46,842,523.64	4,727,481.91	54,896,131.68

1) Disposal/scrap	1,876,308.22	1,449,817.91	46,842,523.64	4,727,481.91	54,896,131.68
2) Renewal					
Closing balance	756,403,449.43	161,236,615.70	641,396,770.19	29,149,455.70	1,588,186,291.02
Accumulated depreciation					
Opening balance	167,260,901.57	107,781,310.68	347,615,812.73	20,543,252.98	643,201,277.96
Increase	25,263,868.42	12,244,522.44	68,728,085.22	4,086,383.93	110,322,860.01
Accrual	25,263,868.42	12,244,522.44	68,728,085.22	4,086,383.93	110,322,860.01
Decrease	1,708,046.72	1,160,198.06	43,526,692.22	4,072,508.06	50,467,445.06
1) Disposal/scrap	1,708,046.72	1,160,198.06	43,526,692.22	4,072,508.06	50,467,445.06
2) Renewal					
Closing balance	190,816,723.27	118,865,635.06	372,817,205.73	20,557,128.85	703,056,692.91
Carrying amount					
Closing balance	565,586,726.16	42,370,980.64	268,579,564.46	8,592,326.85	885,129,598.11
Opening balance	566,237,868.22	42,798,082.68	303,000,715.34	8,269,702.73	920,306,368.97

(2) Fixed assets with certificate of titles unsettled

Items	Carrying amount	Reasons for unsettlement
Transformer substation (35KV) of Shaoxing Supor Company	4,365,443.56	For all projects completed and completed the unification for property certificates after completion and settlement procedures
No.3 plant of Shaoxing Supor Company	35,674,864.51	
No.1 plant of Shaoxing Supor Company	32,705,281.24	
Function cafeteria of Shaoxing Supor Company	16,217,057.26	
Function dormitory of Shaoxing Supor Company	49,423,007.79	
No. 8 plant of Shaoxing Supor Company	37,376,079.61	
Stainless steel plant of Wuhan Supor Cookware	20,065,634.38	Certificate of titles under processing
Water pump building and structures of P&R Products	210,454.12	Transfer procedure of land use right certificate not settled
No. 10 workshop of P&R Products	311,949.51	
Extended plant for bakelite workshop of P&R Products	464,525.03	
Polishing workshop of P&R Products	201,600.00	

Items	Carrying amount	Reasons for unsettlement
No. 11 plant and structures of P&R Products	3,744,341.18	
Subtotal	200,760,238.19	

13. Construction in progress

(1) Details

Projects	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Plant construction of Shaoxing Supor Company	1,500,304.87		1,500,304.87	3,498,000.15		3,498,000.15
Plant construction of Wuhan Supor Cookware				9,038,249.36		9,038,249.36
Prepayment of equipment	4,159,133.00		4,159,133.00	8,411,018.74		8,411,018.74
Piecemeal projects	327,256.02		327,256.02	1,621,063.38		1,621,063.38
Total	5,986,693.89		5,986,693.89	22,568,331.63		22,568,331.63

(2) Changes in significant projects

1) Details

Projects	Budgets	Opening balance	Increase	Transferred to fixed assets	Other decrease	Closing balance
Plant construction of Shaoxing Supor Company	450 million	3,498,000.15	1,484,301.56	1,091,800.00	2,390,196.84	1,500,304.87
Plant construction of Wuhan Supor Cookware		9,038,249.36	10,786,152.44	19,824,401.80		0.00
Prepayment of equipment		8,411,018.74	4,159,133.00	2,390,919.29	6,020,099.45	4,159,133.00
Piecemeal projects		1,621,063.38	12,797,616.35	14,091,423.71		327,256.02
Subtotal	450 million	22,568,331.63	29,227,203.35	37,398,544.80	8,410,296.29	5,986,693.89

(Continued)

Projects	Accumulated investment to budget	Completion percentage (%)	Accumulated amount of borrowing cost	Amount of borrowing cost capitalization in	Annual capitalization rate (%)	Fund source
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			capitalization	current period		
Plant construction of Shaoxing Supor Company	91.00	91.00				Financing capital
Plant construction of Wuhan Supor		100.00				Other sources
Prepayment of equipment						Other sources
Piecemeal projects						Other sources
Subtotal						

14. Intangible assets

(1) Details

Items	Land use right	Trademark use right	Software	Total
Cost				
Opening balance	249,050,075.69		29,388,892.32	278,438,968.01
Increase		47,169,811.32	1,504,923.53	48,674,734.85
1) Acquisition		47,169,811.32	944,923.53	48,114,734.85
2) Transferred in from construction in progress			560,000.00	560,000.00
Decrease			841,949.85	841,949.85
Disposal			841,949.85	841,949.85
Closing balance	249,050,075.69	47,169,811.32	30,051,866.00	326,271,753.01
Accumulated amortization				
Opening balance	44,081,039.90		13,642,845.46	57,723,885.36
Increase	5,302,451.49	4,716,981.13	3,024,325.26	13,043,757.88
Accrual	5,302,451.49	4,716,981.13	3,024,325.26	13,043,757.88
Decrease			188,869.52	188,869.52
Disposal			188,869.52	188,869.52
Closing balance	49,383,491.39	4,716,981.13	16,478,301.20	70,578,773.72
Carrying amount				
Closing balance	199,666,584.30	42,452,830.19	13,573,564.80	255,692,979.29

Opening balance	204,969,035.79	0.00	15,746,046.86	220,715,082.65
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15. Deferred tax assets and deferred tax liabilities

(1) Deferred tax assets before offset

Items	Closing balance		Opening balance	
	Deductible temporary difference	Deferred tax asset	Deductible temporary difference	Deferred tax asset
Provision for impairment of assets	117,818,128.06	18,824,727.43	116,833,678.73	18,653,027.27
Accrued expenses	587,970,722.28	108,282,429.60	485,489,842.72	90,529,577.98
Accrued payroll	61,862,171.23	9,599,036.54	72,010,274.14	11,124,455.91
Temporary difference in consolidated financial statements due to offsetting of unrealized profit or loss arising from internal transactions	41,901,896.62	6,339,222.96	21,778,135.39	3,286,666.27
Provisions	7,150,000.00	1,072,500.00	3,000,000.00	450,000.00
Expenses recognized in share-based payment	37,764,904.32	6,301,913.94	30,524,167.32	5,092,165.60
Total	854,467,822.51	150,419,830.47	729,636,098.30	129,135,893.03

(2) Deferred tax liabilities before offset

Items	Closing balance		Opening balance	
	Taxable temporary difference	Deferred tax liabilities	Taxable temporary difference	Deferred tax liabilities
Interest receivable	217,946.67	48,437.14	1,098,973.20	230,323.18
Investment income of financial product			7,314,904.11	1,097,235.61
Gains on changes in fair value	6,988,784.08	1,048,317.61	2,218,888.89	332,833.33
Deferred Government Grants	22,947,800.00	5,736,950.00		
Total	30,154,530.75	6,833,704.75	10,632,766.20	1,660,392.12

(3) The net of deferred tax assets and deferred tax liabilities after offset

Items	Offset amount of deferred income tax assets and liabilities at period-end	Ending balance of deferred income tax assets or liabilities after offset	Offset amount of deferred income tax assets and liabilities at period-begin	Beginning balance of deferred income tax assets or liabilities after offset
Deferred tax assets		150,419,830.47		129,135,893.03

Deferred tax liabilities		6,833,704.75		1,660,392.12
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16. Accounts payable

(1) Details

Items	Closing balance	Opening balance
Goods payment	1,411,025,205.16	1,078,550,688.74
Equipment payment	20,947,993.17	35,552,829.39
Expenses payment	630,167,341.11	525,530,174.79
Total	2,062,140,539.44	1,639,633,692.92

17. Advances received

(1) Details

Items	Closing balance	Opening balance
Goods payment	779,587,538.11	363,052,756.96
Total	779,587,538.11	363,052,756.96

18. Employee benefits payable

(1) Details

Items	Opening balance	Increase	Decrease	Closing balance
Short-term employee benefits	205,292,977.63	1,173,748,903.15	1,145,002,600.63	234,039,280.15
Post-employment benefits - defined benefit plan	2,253,348.93	55,865,818.05	55,682,393.73	2,436,773.25
Termination benefits	1,554,175.14	1,806,751.07	1,917,703.58	1,443,222.63
Total	209,100,501.70	1,231,421,472.27	1,202,602,697.94	237,919,276.03

(2) Details of short-term employee benefits

Items	Opening balance	Increase	Decrease	Closing balance
Wage, bonus, allowance and subsidy	188,711,910.06	1,059,967,424.80	1,032,244,453.08	216,434,881.78
Employee welfare fund	2,382,134.77	49,726,560.03	49,388,953.97	2,719,740.83
Social insurance premium	1,532,254.62	22,599,779.76	22,496,588.23	1,635,446.15
Including: Medicare premium	1,254,269.95	19,101,978.00	18,962,345.19	1,393,902.76
Occupational injuries premium	137,710.68	1,901,470.42	1,914,237.94	124,943.16
Maternity premium	140,273.99	1,596,331.34	1,620,005.10	116,600.23

Housing accumulation funds		18,669,413.00	18,669,413.00	
Trade union fund and employee education fund	12,666,678.18	22,785,725.56	22,203,192.35	13,249,211.39
Subtotal	205,292,977.63	1,173,748,903.15	1,145,002,600.63	234,039,280.15

(3) Details of defined benefit plan

Items	Opening balance	Increase	Decrease	Closing balance
Basic endowment insurance premium	2,037,698.39	53,077,168.51	52,841,587.45	2,273,279.45
Unemployment insurance premium	215,650.54	2,788,649.54	2,840,806.28	163,493.80
Subtotal	2,253,348.93	55,865,818.05	55,682,393.73	2,436,773.25

Note: Due to termination of the labor contract, the Company paid Termination benefits of RMB 1,917,703.58 this year. At the end of the period, the payable balance is RMB 1,443,222.63.

19. Taxes and rates payable

Items	Closing balance	Opening balance
VAT	20,494,328.77	19,419,108.51
Enterprise income tax	77,692,195.69	59,393,379.45
Individual income tax withheld for tax authorities	3,206,008.12	5,541,536.35
Urban maintenance and construction tax	6,086,882.53	3,603,559.49
Housing property tax	1,019,241.61	557,491.94
Land use tax	949,160.19	612,376.50
Stamp tax	1,408,051.98	1,940,462.98
Water conservancy special fund	12,741.46	1,548,851.76
Education surcharge	2,752,706.76	1,845,337.34
Local education surcharge	1,711,793.73	1,277,462.99
Dike maintenance charges	781.33	1,248.95
Business tax	0.00	228,982.69
Total	115,333,892.17	95,969,798.95

20. Other payables

Items	Closing balance	Opening balance
Deposits	65,390,126.38	52,860,192.87
Temporary receipts payable	4,355,157.62	6,819,008.70
Others	10,273,463.05	6,933,077.06
Total	80,018,747.05	66,612,278.63

21. Long-term employee benefits payable

Items	Closing balance	Opening balance
Termination benefits	6,975,952.59	7,345,426.97
Total	6,975,952.59	7,345,426.97

22. Provisions

(1) Details

Items	Closing balance	Opening balance	Reasons for the balance
Pending lawsuit	7,150,000.00	3,000,000.00	Please refer to Note XI—contingencies for details
Total	7,150,000.00	3,000,000.00	

23. Share capital

(1) Details

Items	Opening balance	Movements					Closing balance
		Issue of new shares	Bonus shares	Reserve transferred to shares	Others	Subtotal	
Total shares	632,875,188.00				-1,109,488.00	-1,109,488.00	[Note] 631,765,700.00

Note: Pursuant to the resolution of the thirteenth meeting of the fifth session of the BOD, the Company repurchased 6,000 ordinary shares (each with par value of 1 yuan) of granted restricted shares at the price of 0 yuan/share in the current period as some incentive targets leave the Company. The share movement has not yet registered at administration for industry and commerce, but as of the period end, total share capital includes the repurchased shares.

(2) Other remarks

1) Current period decrease of RMB 1,109,488.00 in share capital is because pursuant to the resolution of the seventh and the eleventh meeting of the fifth session of the BOD, the Company repurchased 1,109,488.00 restricted ordinary shares (each with par value of 1 yuan) granted to some of the resigned incentive targets at the price of 0 yuan/share in the current period, and share capital is decreased by RMB 1,109,488.00 accordingly. The capital decrease has been verified by Pan-China CPAs LLP, and a Capital Verification Report numbered PCCPACVR [2016] 423 was issued thereon.

24. Capital reserve

(1) Details

Items	Opening balance	Increase	Decrease	Closing balance
Share premium	524,936,919.40	1,109,488.00	526,046,407.40	0.00
Other capital reserve	32,645,102.32	7,240,737.00		39,885,839.32
Total	557,582,021.72	8,350,225.00	526,046,407.40	39,885,839.32

(2) Other remarks

1) Current period increase of RMB 1,109,488.00 in capital reserve (share reserve) is because the Company repurchased restricted shares granted to incentive targets who leave office, which resulted in a decrease in share capital of RMB 1,109,488.00, and an increase of the same amount accordingly.

2) Other capital reserve is equity-settled share-based payment expenses with RMB 7,240,737.00 recognized in the current period. Please refer to note X – share-based payment for details.

3) In June 2016, the Company acquired 25% of minority shareholder's equity in the subsidiary Zhejiang Supor Electrical Appliance Manufacturing Co., Ltd. at the price of RMB 642,500,000.00 and 25% of minority shareholder's equity in the subsidiary Wuhan Supor Cookware Co., Ltd. at the price of RMB 580,000,000.00. The difference is RMB 610,864,366.91 between the acquisition price and equity owned by the minority shareholder on the acquisition date, including RMB 526,046,407.40 writing down the capital reserve (capital surplus), RMB 8,481,795.95 writing down the surplus reserve and RMB 76,336,163.56 writing down the undistributed profit during merger.

25. Other comprehensive income (OCI)

(1) Details

Items	Opening balance	Current period cumulative					Closing balance
		Current period cumulative before income tax	Less: OCI carried forward transferred to profit or loss	Less: income tax	Attributable to parent company	Attributable to non-controlling interest	
Items to be reclassified subsequently to profit or loss	-20,233,714.96	-881,415.43			-881,415.43		-21,115,130.39
Translation difference of financial statements in foreign currencies	-20,233,714.96	-881,415.43			-881,415.43		-21,115,130.39
Total	-20,233,714.96	-881,415.43			-881,415.43		-21,115,130.39

26. Special reserve

(1) Details

Items	Opening balance	Increase	Decrease	Closing balance
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Statutory surplus reserve	197,410,981.99	106,752,020.43	8,481,795.95	295,681,206.47
Total	197,410,981.99	106,752,020.43	8,481,795.95	295,681,206.47

(2) Other remarks

1) Current period increase is due to the appropriation of statutory surplus reserve at 10% of net profit of the parent generated in the current period; please refer to Note XII - events after the balance sheet date for details.

2) Please refer to Note 24. Capital reserve” Other remarks”.

27. Undistributed profit

(1) Details

Items	Current period cumulative	Preceding period comparative
Opening balance after adjustment	3,053,468,801.78	2,479,039,992.07
Add: Net profit attributable to owners of the parent company	1,077,519,156.40	889,004,773.99
Less: Appropriation of statutory surplus reserve	106,752,020.43	42,439,633.49
Dividend payable on ordinary shares	353,788,792.00	272,136,330.79
Acquired minority shareholder's equity	76,336,163.56	
Closing balance	3,594,110,982.19	3,053,468,801.78

(2) Other remarks

(II) Notes to items of the consolidated income statement

1. Operating revenue/cost

(1) Details

Items	Current period cumulative		Preceding period comparative	
	Income	Cost	Income	Cost
Revenue from main operation	11,844,262,115.56	8,192,807,158.21	10,794,849,935.72	7,627,735,583.68
Revenue from other operation	102,861,085.56	107,191,913.57	114,836,690.18	121,470,401.00
Total	11,947,123,201.12	8,299,999,071.78	10,909,686,625.90	7,749,205,984.68

2. Taxes and surcharge

(1) Details

Items	Current period cumulative	Preceding period comparative
Urban maintenance and construction tax	44,936,375.06	39,193,487.96

Education surcharge	19,930,979.11	17,958,259.69
Housing property tax	4,578,950.36[Note]	
Land use tax	3,023,247.70[Note]	
Vehicle and vessel use tax	50,910.00[Note]	
Stamp tax	4,687,337.79[Note]	
Business tax	-14,464.92	482,808.97
Local education surcharge	12,887,405.43	11,759,350.16
Total	90,080,740.53	69,393,906.78

Note: As specified in (CK [2016] No. 22) Provisions Concerning the Accounting Treatments on Value-Added Tax issued by Ministry of Finance on December 3, 2016, "business tax and surcharges" stated in profit statement shall be adjusted as "tax and surcharges". The content contains consumption tax, Urban maintenance and construction tax, resource tax, Education surcharge, Housing property tax, Land use tax, Vehicle and vessel use tax, Stamp tax and other related taxes arising from company's business activities. The regulation came into force from the date of issue. In case that the state accounting regulations are inconsistent with the Regulations, the Regulations shall prevail. The transactions affected assets and liabilities should be adjusted if it is under the Regulation from May 1, 2016 to issue date. The company has reclassified "Taxes and surcharge for operations" to "Taxes and surcharge" in the income statement, and listed Housing property tax, Land use tax, Vehicle and vessel use tax, Stamp tax and other related taxes under "Taxes and surcharge" from Administrative expenses since May 1, 2016.

3. Selling expenses

(1) Details

Items	Current period cumulative	Preceding period comparative
Advertising, sales promotion, and special gift expenses	1,149,982,116.28	901,593,385.55
Transportation expenses	295,166,654.82	277,038,345.59
Employee benefits	323,840,858.08	301,171,026.80
Office and business travelling expenses	93,037,401.14	83,958,697.24
Others	29,706,458.44	16,305,126.96
Total	1,891,733,488.76	1,580,066,582.14

4. Administrative expenses

(1) Details

Items	Current period cumulative	Preceding period comparative
Employee benefits	155,227,710.62	132,301,784.49

Products development and experiment expenses	130,272,556.38	108,211,971.88
Office, business travelling and depreciation and amortization expenses	59,176,760.96	61,961,751.91
Taxes	5,701,847.98	18,027,266.17
Share incentive expenses	7,240,737.00	12,694,917.32
Others	30,686,540.97	34,003,229.99
Total	388,306,153.91	367,200,921.76

5. Financial expenses

(1) Details

Items	Current period cumulative	Preceding period comparative
Interest proceeds	-10,130,839.19	-11,023,634.26
Gain or loss on foreign exchange	-11,899,044.46	-11,152,301.53
Handling charges and others	591,699.29	574,431.84
Gain or loss on hedging exchange		-1,449,741.85
Total	-21,438,184.36	-23,051,245.80

6. Assets impairment loss

Items	Current period cumulative	Preceding period comparative
Bad debts	14,197,469.30	3,210,954.80
Inventory write-down loss	34,272,033.61	56,265,860.45
Total	48,469,502.91	59,476,815.25

7. Gains on changes in fair value

(1) Details

Items	Current period cumulative	Preceding period comparative
Changes in the fair value of financial products	4,769,895.19	-1,436,259.57
Total	4,769,895.19	-1,436,259.57

8. Investment income

(1) Details

Items	Current period cumulative	Preceding period comparative
Investment income from long-term equity investments under the equity method	2,349,174.53	3,290,945.74
Investment income from financial products	58,730,747.75	35,222,288.45
Total	61,079,922.28	38,513,234.19

9. Non-operating revenue

(1) Details

Items	Current period cumulative	Preceding period comparative	Amount included in non-recurring profit or loss
Gains from disposal of non-current assets	817,497.11	1,036,745.59	817,497.11
Including: gains from disposal of fixed assets	817,497.11	1,036,745.59	817,497.11
Government grants	65,419,385.13	36,976,938.49	65,419,385.13
Default fine revenue	2,713,542.09	1,084,439.66	2,713,542.09
Others	436,196.35	9,509,470.02	436,196.35
Total	69,386,620.68	48,607,593.76	69,386,620.68

(2) Government grants

Items	Current period cumulative	Preceding period comparative	Related to assets/income
Subsidy for projects	22,627,165.00	6,869,661.00	Related to income
Government reward	31,232,360.00	25,619,344.22	Related to income
Tax refund	11,559,860.13	4,487,933.27	Related to income
Subtotal	65,419,385.13	36,976,938.49	

10. Non-operating expenditures

Items	Current period cumulative	Preceding period comparative	Amount included in non-recurring profit or loss
Losses on disposal of non-current assets	2,125,185.62	3,115,385.55	2,125,185.62
Including: Losses on disposal of fixed assets	2,125,185.62	3,115,385.55	2,125,185.62
Donation expenditures	3,202,676.90	2,800,000.00	3,202,676.90

Indemnity expenditure	4,150,000.00	3,000,000.00	4,150,000.00
Default fine expenditure	985,863.34	664,886.68	985,863.34
Water conservancy special fund	6,069,417.16	8,465,915.33	
Others	1,208,026.89	1,349,631.17	1,208,026.89
Total	17,741,169.91	19,395,818.73	11,671,752.75

11. Income tax expenses

(1) Details

Items	Current period cumulative	Preceding period comparative
Current period income tax expenses	249,624,571.00	200,866,946.55
Deferred income tax expenses	-16,110,624.81	-13,690,675.09
Total	233,513,946.19	187,176,271.46

(2) Reconciliation of accounting profit to income tax expenses

Items	Current period cumulative
Profit before tax	1,367,467,695.83
Income tax expenses based on statutory/applicable tax rate	205,120,154.37
Effect of different tax rate applicable to subsidiaries	32,327,788.06
Effect of prior income tax reconciliation	5,422,624.11
Effect of non-taxable income	-67,476.18
Effect of non-deductible costs, expenses and losses	3,838,648.51
Effect of deductible temporary differences or deductible losses not recognized	313,622.99
Effect of tax incentives	-14,592,435.95
Other effects deemed sales	1,151,020.28
Income tax expenses	233,513,946.19

Note: Calculation based on the Company's income tax rate 15% this year.

12. Other comprehensive income, net of income tax

Please refer to notes to other comprehensive income for details.

(III) Notes to items of the consolidated cash flow statement

1. Other cash receipts related to operating activities

Items	Current period cumulative	Preceding period comparative
Receipt of government grants	53,859,525.00	32,489,005.22
Receipt of deposit and staff reserve fund loan	16,556,206.86	14,048,932.80
Receipt of interest from bank deposit and others	6,804,254.57	9,186,379.13
Total	77,219,986.43	55,724,317.15

2. Other cash payments related to operating activities

Items	Current period cumulative	Preceding period comparative
Cash payment for sales expense	929,681,787.04	1,165,126,351.08
Cash payment for management expenses	200,699,571.06	133,754,677.40
Donations payment	3,202,676.90	2,800,000.00
Other payments	13,958,765.74	8,430,898.35
Total	1,147,542,800.74	1,310,111,926.83

3. Other cash receipts related to investing activities

Items	Current period cumulative	Preceding period comparative
Cash receipt from recovery of financial products, principal and interest of time deposit	2,324,928,972.76	1,542,331,190.29
Total	2,324,928,972.76	1,542,331,190.29

4. Other cash payments related to investing activities

Items	Current period cumulative	Preceding period comparative
Cash payment for financial products and time deposit	2,210,000,000.00	1,905,404,087.84
Total	2,210,000,000.00	1,905,404,087.84

5. Supplement information to the cash flow statement

(1) Supplement information to the cash flow statement

Supplement information	Current period cumulative	Preceding period comparative
(1) Reconciliation of net profit to cash flow from operating activities:		
Net profit	1,133,953,749.64	986,506,139.28

Add: Provision for assets impairment loss	48,469,502.91	59,476,815.25
Depreciation of fixed assets, oil and gas assets, productive biological assets	110,322,860.01	102,009,147.34
Amortization of intangible assets	13,043,757.88	7,908,665.18
Amortization of long-term prepayments		
Loss on disposal of fixed assets, intangible assets and other non-current assets (Less: gains)	3,697,885.35	2,078,639.96
Fixed assets retirement loss (Less: gains)		
Losses on changes in fair value (Less: gains)	-4,769,895.19	1,436,259.57
Financial expenses (Less: gains)	-16,020,940.96	-17,816,123.72
Investments losses (Less: gains)	-61,079,922.28	-38,513,234.19
Decrease of deferred tax assets (Less: increase)	-21,283,937.44	-14,189,368.65
Increase of deferred tax liabilities (Less: decrease)	5,173,312.63	498,693.56
Decrease in inventories (Less: increase)	-304,658,904.94	89,493,393.93
Decrease in operating receivables (Less: increase)	-452,524,998.09	-92,999,027.09
Increase of operating payables (Less: decrease)	927,427,344.10	34,504,792.93
Others	7,240,737.00	12,694,917.32
Net cash flow from operating activities	1,388,990,550.62	1,133,089,710.67
(2) Significant investing and financing activities not related to cash receipts and payments:		
Conversion of debt into share capital		
Convertible bonds due within one year		
Fixed assets rented in under finance leases		
(3) Net changes in cash and cash equivalents:		
Cash at the end of the period	737,563,840.71	887,822,304.52
Less: Cash at the beginning of the period	887,822,304.52	416,878,114.30
Add: Cash equivalents at the end of the period		
Less: Cash equivalents at the beginning of the period		
Net increase of cash and cash equivalents	-150,258,463.81	470,944,190.22

(2) Cash and cash equivalents

Items	Closing balance	Opening balance
1) Cash	737,563,840.71	887,822,304.52
Including: Cash on hand	238,696.91	186,935.21
Cash in bank on demand for payment	732,002,527.81	887,635,369.31

Other cash and bank balances on demand for payment	5,322,615.99	
Central bank deposit on demand for payment		
Deposit in other banks		
Loans to other banks		
2) Cash equivalents		
Including: Bond investments maturing within three months		
3) Cash and cash equivalents at the end of the period	737,563,840.71	887,822,304.52
Including: Cash and cash equivalents of parent company or subsidiaries with use restrictions		

(IV) Others

1. Assets with title or use right restrictions

(1) Details

Items	Closing carrying amount	Reasons for restrictions
Cash and bank balances	13,000,000.00	Time deposits for investment purposes and deposit for L/C
Total	13,000,000.00	

(2) Other remarks

2. Monetary items in foreign currencies

(1) Details

Items	Closing balance in foreign currencies	Exchange rate	RMB equivalent
Cash and bank balances			
Including: USD	3,622,384.55	6.9370	25,128,481.62
EUR	3,704.41	7.3068	27,067.38
GPB	3.41	8.5094	29.02
VND	50,389,962,025.00	0.000304856	15,361,682.26
Accounts receivable			
Including: USD	10,457,307.57	6.9370	72,542,342.61
VND	176,048,113,005.55	0.000304856	53,669,323.54

Accounts payable			
Including: USD	1,757,313.83	6.9370	12,190,486.04
EUR	35,255.00	7.3068	257,601.23
VND	46,417,915,785.49	0.000304856	14,150,780.13

VI. Changes in the consolidated scope

1. Change in consolidation scope for other reasons

Describe the change in consolidation scope caused by other reasons (such as new establishment and clearing of subsidiary) and relevant information:

Name of company	Purpose of acquiring and disposing the subsidiary in the reporting period	Methods for acquiring and disposing the subsidiary in the reporting period	Impact on overall production and performance
Shaoxing Supor Electric Appliance Co., Ltd.	Original businesses have been combined into the Company's wholly-owned subsidiary Zhejiang Shaoxing Supor Domestic Electrical Appliances Co., Ltd.	Cancellation	No significant impact on the annual profit of the Company; no impact on the overall business development and production management of the Company

VII. Equity in other entities

1. Equity in subsidiaries

(1) Structure of enterprise group

Subsidiaries	Main operating place	Place of registration	Business nature	Holding proportion (%)		Acquisition method
				Direct	Indirect	
浙江苏泊尔家电制造有限公司 (Zhejiang Supor Electrical Appliance Manufacturing Co., Ltd. *) [Note 1]	Hangzhou	Hangzhou	Manufacturing industry	100.00		Establishment
浙江绍兴苏泊尔生活电器有限公司 (Zhejiang Shaoxing Supor Domestic Electrical Appliances Co., Ltd. *) [Note 1]	Shaoxing	Shaoxing	Manufacturing industry	100.00		Establishment
苏泊尔(越南)责任有限公司 (Supor (Vietnam) Co., Ltd. *) [Note 1]	Vietnam	Vietnam	Manufacturing industry	100.00		Establishment
武汉苏泊尔废旧物资回收有限公司 (Wuhan Supor Recycling Co., Ltd. *) [Note 1]	Wuhan	Wuhan	Commerce	100.00		Establishment
武汉苏泊尔炊具有限公司 (Wuhan Supor Cookware Co., Ltd. *) [Note 1] & [Note 2]	Wuhan	Wuhan	Manufacturing industry	25.00	75.00	Establishment
杭州奥梅尼商贸有限公司 (Hangzhou Omega Commercial Trade Co., Ltd. *) [Note 1]	Hangzhou	Hangzhou	Commerce	100.00		Establishment

上海苏泊尔炊具销售有限公司 (Shanghai Supor Cookware Marketing Co., Ltd.*) [Note 1]	Shanghai	Shanghai	Commerce	100.00		Establishment
武汉苏泊尔压力锅有限公司 (Wuhan Supor Pressure Cooker Co., Ltd.*) [Note 1]	Wuhan	Wuhan	Manufacturing industry	99.36		Business combination under common control
浙江苏泊尔橡塑制品有限公司 (Zhejiang Supor Plastic & Rubber Co., Ltd.*) [Note 1]	Yuhuan	Yuhuan	Manufacturing industry	93.23		Business combination under common control
武汉苏泊尔有限公司 (Wuhan Supor Co., Ltd.*) [Note 1]	Wuhan	Wuhan	Manufacturing industry	96.53		Business combination under common control
玉环县苏泊尔废旧物资回收有限公司 (Yuhuan Supor Recycling Co., Ltd.*) [Note 1]	Yuhuan	Yuhuan	Commerce	60.00		Business combination not under common control

Note 1: Hereinafter referred to as Zhejiang Supor Electrical, Shaoxing Supor, Supor Vietnam, Wuhan Recycling, Wuhan Cookware, Omega, Shanghai Marketing, Wuhan PC, R&P, Wuhan Supor and Yuhuan Recycling.

Note 2: It is the subsidiary of Wuhan Supor PC. The shareholding ratio here is for Wuhan Supor PC.

2. Significant not wholly-owned subsidiaries

Subsidiaries	Holding proportion of non-controlling interest	Profit or loss attributable to non-controlling interest	Dividend declared to non-controlling interest	non-controlling interest purchase	Closing balance of non-controlling interest
Zhejiang Supor Electrical		27,212,252.59		300,035,627.79	
Supor Electrical	30.00	1,625.38	15,515,178.42		
Wuhan Cookware	0.48	28,523,837.31		311,600,005.30	6,557,163.10
Wuhan PC	0.64	5,977.38			1,873,261.03
P & R	6.77	690,630.03			7,651,391.69
Wuhan Supor	3.47	-17,388.72			479,623.76
Yuhuan Recycling	40.00	17,659.27			1,349,625.70

Note: Shaoxing Supor Electrical Appliance Co., Ltd. is referred to as "Supor Electrical".

3. Main financial information of significant not wholly-owned subsidiaries

(1) Assets and liabilities

Subsidiaries	Closing balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Zhejiang Supor Electrical	2,007,350,348.49	189,987,482.21	2,197,337,830.70	862,807,633.03	39,362.85	862,846,995.88
Wuhan Cookware	1,985,851,062.93	199,624,115.31	2,185,475,178.24	824,531,308.22	6,719,576.86	831,250,885.08
Wuhan PC	48,813,449.52	255,403,411.08	304,216,860.60	4,965,161.84	5,736,950.00	10,702,111.84
P & R	140,129,487.11	12,999,810.19	153,129,297.30	39,792,666.82		39,792,666.82

Wuhan Supor	14,996,411.47	41,270.99	15,037,682.46	612,957.77	602,714.17	1,215,671.94
Yuhuan Recycling	3,073,774.90		3,073,774.90	4,889.14		4,889.14

(Continued)

Subsidiaries	Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Zhejiang Supor Electrical	1,551,743,282.32	191,079,453.73	1,742,822,736.05	647,842,368.61	163,692.99	648,006,061.60
Supor Electrical	51,780,900.69		51,780,900.69	69,057.24		69,057.24
Wuhan Cookware	1,638,143,857.98	193,980,455.06	1,832,124,313.04	688,320,220.00	6,927,609.81	695,247,829.81
Wuhan PC	33,202,475.36	266,751,829.62	299,954,304.98	8,191,234.66		8,191,234.66
P & R	117,867,785.12	15,390,220.13	133,258,005.25	30,440,255.48		30,440,255.48
Wuhan Supor	15,526,870.96	41,270.99	15,568,141.95	599,198.46	645,817.16	1,245,015.62
Yuhuan Recycling	3,033,043.34		3,033,043.34	8,305.76		8,305.76

(2) Profit or loss and cash flows

Subsidiaries	Current period cumulative			
	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Zhejiang Supor Electrical	2,885,686,188.02	238,437,792.31	238,437,792.31	65,892,964.27
Supor Electric		-10,665.03	-10,665.03	-94,070.09
Wuhan Cookware	3,049,837,985.74	216,530,096.81	216,530,096.81	115,806,253.19
Wuhan PC	17,000,000.00	933,965.32	933,965.32	20,193,783.81
P & R	183,706,605.63	10,518,880.71	10,518,880.71	35,348,534.09
Wuhan Supor		-501,115.81	-501,115.81	-845,511.84
Yuhuan Recycling		44,148.18	44,148.18	40,731.56

(Continued)

Subsidiaries	Preceding period comparative			
	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Zhejiang Supor Electrical	2,519,135,195.04	173,060,042.81	173,060,042.81	245,153,535.84
Supor Electric		1,059,214.30	1,059,214.30	-372,754.90
Wuhan Cookware	2,809,599,569.57	208,617,079.82	208,617,079.82	207,942,864.74
Wuhan P C	16,500,000.00	1,333,092.65	1,333,092.65	19,402,402.56

P & R	195,473,979.60	10,918,701.10	10,918,701.10	23,960,676.42
Wuhan Supor		-422,772.86	-422,772.86	-865,817.25
Yuhuan Recycling		74,751.80	74,751.80	76,975.83

(II) Transaction changing owner's equity shares in subsidiary, with the control power over subsidiary unchanged

(1) Descriptions of change in subsidiary owner's equity shares

In June 2016, the Company acquired 25% of the equity interest of subsidiaries Zhejiang Supor Electrical and Wuhan Cookware at the price of RMB 1,222,500,000.00. For adjustment of the difference between acquisition price and equity owned by the minority shareholder, the capital reserve is RMB 526,046,407.40; surplus reserve is RMB 8,481,795.95; undistributed profit is RMB 76,336,163.56.

(2) Impacts of transaction on minority shareholder's equity and parent company owner's equity

(Unit: RMB)

cost of acquisition /consideration of disposal	1,222,500,000.00
--cash	1,222,500,000.00
cost of acquisition /consideration of disposal total	1,222,500,000.00
Decrease: the subsidiary's net asset share calculated at the proportion of acquired/disposed equity	611,635,633.09
Margin	610,864,366.91
Where, adjusted capital reserve	526,046,407.40
adjusted surplus reserve	8,481,795.95
Adjusted undistributed profit	76,336,163.56

(III) Equity in joint venture or associates

1. Significant joint ventures or associates

(1) Basic information

Joint ventures or associates	Main operating place	Place of registration	Business nature	Holding proportion (%)		Accounting treatment
				Direct	Indirect	
Wuhan Anzai Cookware Co., Ltd.	Wuhan	Wuhan	Manufacturing industry	30		Equity method

2. Main financial information of significant joint ventures

Items	Closing balance/current period cumulative	Opening balance/preceding period comparative
	Wuhan Anzai Cookware Co.Ltd	Wuhan Anzai Cookware Co.Ltd
Current assets	122,150,141.05	127,759,152.92
Non-current assets	57,332,309.27	61,625,740.57

Total assets	179,482,450.32	189,384,893.49
Current liabilities	72,312,030.61	90,524,638.36
Non-current liabilities	1,140,000.00	1,140,000.00
Total liabilities	73,452,030.61	91,664,638.36
Non-controlling interest		
Equity attributable to owners of parent company	106,030,419.71	97,720,255.13
Proportionate share in net assets	31,809,125.91	29,316,076.54
Adjustments		
Goodwill	22,585,444.13	22,585,444.13
Unrealized profit in internal trading		442,916.59
Others	-516,639.16	
Carrying amount of investments in joint ventures	53,877,930.88	51,328,807.28
Fair value of equity investments in joint ventures in association with quoted price		
Operating revenue	330,259,345.72	309,149,626.66
Net profit of discontinued operations	8,310,164.58	9,982,474.17
Other comprehensive income		
Total comprehensive income	8,310,164.58	9,982,474.17
Dividend from joint ventures received in current period		

VII. Risks related to financial instruments

The Company aims to seek the appropriate balance between the risks and benefits from its use of financial instruments and to mitigate the adverse effects that the risks of financial instruments have on the Company's financial performance. Based on such objectives, the Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

The Company has exposure to the following risks from its use of financial instruments, which mainly include: credit risk, liquidity risk, and market risk. Management have deliberated and approved policies concerning such risks, and details are:

(I) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's credit risk is primarily attributable to receivables. In order to control such risks, the Company has taken the following measures:

1. Notes receivable

Notes receivable of the Company is mainly bank acceptance receivable. The Company conducts ongoing monitoring on receivables, to avoid significant risks in bad debts.

2. Accounts receivable

The Company only conducts business with credible and well-reputed third parties. According to the Company's policies, credit evaluations are performed on all customers to determine the credit limit and terms applicable to the customers. In addition, the Company conducts ongoing monitoring on receivables, to avoid significant risks in bad debts.

(1) Continue to strengthen risk awareness, strengthen risk management of accounts receivable and strengthen internal control of customer credit policy management. Customer credit policy adjustments are required to pass the necessary approval procedures.

(2) Keep detailed business records and accounting work, and use the records as important reference for future credit rating. Keep real time updating on customers' information and learn their latest credit situation, in order to make suitable credit policies.

As the Company only conducts business with credible and well-reputed third parties, normally, does not obtain collateral from customers. The Company manages credit risk aggregated by customers. As of December 31, 2016, the Company's risks were centered in certain credit risks, and 65.16% (December 31, 2015: 63.60%) of the total accounts receivable was due from the related party of the Company SEB ASIA LTD. The Company expects this customer accounts receivable credit risk is relatively low.

As the Company's credit risks fall into several business partners and customers, as of December 31, 2016, 8.94% (December 31, 2015: 9.62%) of the total accounts receivable was due from the five largest customers of the Company after deducting receivables from related parties SEB ASIA LTD. The Company has no significant central credit risk.

3. Other receivables

Other receivables of the Company are mainly export rebate receivable, etc. The Company performed collective management and ongoing monitoring on such receivables and related business to avoid significant risks in bad debts.

Analysis of receivables not past due but impaired and receivables past due but not impaired are as follows:

Items	Closing balance				Total
	Neither past due nor impaired	Past due but not impaired			
		Within one year	1-2 years	Over 2 years	
Notes receivable	843,520,455.60				843,520,455.60
Subtotal	843,520,455.60				843,520,455.60

(Continued)

Items	Opening balance				Total
	Neither past due nor impaired	Past due but not impaired			
		Within one year	1-2 years	Over 2 years	
Notes receivable	604,773,313.11				604,773,313.11
Subtotal	604,773,313.11				604,773,313.11

(2) Please refer to notes to receivables for receivables with provision for impairment made on individual basis.

(II) Liquidity risk

Liquidity risk is the risk that the Company may encounter deficiency of funds in meeting obligations associated with cash or other financial assets settlement, which is possibly attributable to failure in selling financial assets at fair value on a timely basis, or failure in collecting liabilities from counterparts of contracts, or early redemption of debts, or failure in achieving estimated cash flows.

In order to control such risk, the Company optimizes financing structures, and finally maintains a balance between financing sustainability and flexibility.

Financial instruments classified based on remaining time period till maturity

Items	Closing balance				
	Carrying amount	Contract amount not yet discounted	Within one year	1-3 years	Over 3 years
Financial assets					

Cash and bank balances	750,563,840.71		750,563,840.71		
Financial assets at fair value through profit or loss	856,988,784.08		856,988,784.08		
Notes receivable	843,520,455.60		843,520,455.60		
Accounts receivable	1,160,117,826.72		1,160,117,826.72		
Interest receivable	285,680.93		285,680.93		
Other receivables	55,657,951.60		55,657,951.60		
Other current assets [Note]	906,437,451.54		906,437,451.54		
Subtotal	4,573,571,991.18		4,573,571,991.18		
Financial liabilities					
Accounts payable	2,062,140,539.44		2,062,140,539.44		
Other payables	80,018,747.05		80,018,747.05		
Subtotal	2,142,159,286.49		2,142,159,286.49		

Note: They are the financial products purchased.

(Continued)

Items	Opening balance				
	Carrying amount	Contract amount not yet discounted	Within one year	1-3 years	Over 3 years
Financial assets					
Cash and bank balances	1,041,013,222.62		1,041,013,222.62		
Financial assets at fair value through profit or loss	402,218,888.89		402,218,888.89		
Notes receivable	604,773,313.11		604,773,313.11		
Accounts receivable	1,057,146,368.61		1,057,146,368.61		
Interest receivable	1,211,839.09		1,211,839.09		
Other receivables	34,924,752.46		34,924,752.46		
Other current assets	1,327,314,904.11		1,327,314,904.11		
Subtotal	4,468,603,288.89		4,468,603,288.89		
Financial liabilities					
Accounts payable	1,639,633,692.92		1,639,633,692.92		
Other payables	66,612,278.63		66,612,278.63		
Subtotal	1,706,245,971.55		1,706,245,971.55		

Note: The financial products purchased.

(III) Market risk

Market risk is the risk that the Company may encounter fluctuation in fair value of financial instruments or future cash flows due to

changes in market price.

1. Interest risk

Interest risk is the risk that an enterprise may encounter fluctuation in fair value of financial instruments or future cash flows due to changes in market interest. As of December 31, 2016, balance of borrowings is zero, the Company's gross profit and equity will not be significantly affected by interest risk.

2. Foreign currency risk

Foreign currency risk is the risk arising from changes in exchange rate. The Company's foreign currency risk relates mainly to foreign currency monetary assets and liabilities. When short-term imbalance occurred to foreign currency assets and liabilities, the Company may trade foreign currency at market exchange rate when necessary, in order to maintain the net risk exposure within an acceptable level.

Please refer to notes to others - monetary items in foreign currencies for details in foreign currency financial assets and liabilities at the end of the period.

VIII. Fair value disclosure

(I) Details of fair value of assets and liabilities at fair value at the balance sheet date

Items	Fair value as of the balance sheet date			
	Level 1	Level 2	Level 3	Total
Recurring fair value measurement				
Financial assets at fair value through profit or loss	856,988,784.08			856,988,784.08
1. Financial assets designated as at fair value through profit or loss	856,988,784.08			856,988,784.08
Debt instrument investments	856,988,784.08			856,988,784.08
Total assets at recurring fair value measurement	856,988,784.08			856,988,784.08

IX. Related party relationships and transactions

(I) Related party relationships

1. Parent company

Parent company	Place of registration	Business nature	Registered capital	Holding proportion over the Company (%)	Voting right proportion over the Company (%)
SEB INTERNATIONALE S.A.S	France	Investment company	EUR 830 Million	81.17	81.17

Remarks on the parent company

Business scope of the parent company: equity participation in all kinds of French and overseas enterprises (regardless operation purpose), namely, purchase and subscription of shares, bonds, company shares and interest, various securities and marketable securities, and transfer of such securities or notes, all financial operations related to equity participation, purchase, manufacturing and selling of home appliance for the purpose of distribution and rendering of relevant services, all activities directly or indirectly contributing to the realization of these operations, particularly in the areas of movable properties, real estate, finance, commerce and industry operation.

(2) The Company's ultimate controlling party is SEB S.A.

2. Please refer notes to interest in other entities for details on the Company's subsidiaries.

3. Joint ventures and associates of the Company

(1) Joint ventures and associates of the Company

Please refer to notes to equity in other entities for details on the Company's significant joint ventures and associates.

Details of other joint ventures or associates carrying out related party transactions with the Company in current period or in preceding period but with balance in current period are as follows:

Joint ventures or associates	Relationships with the Company
Wuhan Anzai Cookware Co., Ltd.	Associate

4. Other related parties of the Company

Related party	Relationships with the Company	Organization code
SEB S.A.	Holding shareholder of SEB Internationale S.A.S.	
SEB ASIA LTD.	An affiliated company of SEB Internationale S.A.S.	
TEFAL S.A.S	An affiliated company of SEB S.A.	
ALL-CLAD METALCRAFTERS LLC	An affiliated company of SEB S.A.	
S.A.S SEB	An affiliated company of SEB S.A.	
SEB INTERNATIONAL SERVICE S.A.S	An affiliated company of SEB S.A.	
LAGOSTINA S.P.A.	An affiliated company of SEB S.A.	
SHANGHAI SEB	An affiliated company of SEB Internationale S.A.S.	
SEB COLOMBIA	An affiliated company of SEB Internationale S.A.S.	
S.A.S GROUPE SEB MOULINEX	An affiliated company of SEB S.A.	
GROUPE SEB EXPORT	An affiliated company of SEB S.A.	
SEB DEVELOPPMENT SAS	An affiliated company of SEB S.A.	
ROWENTA FRANCE	An affiliated company of SEB S.A.	
IMUSA USA LLC	An affiliated company of SEB S.A.	
CALOR SAS	An affiliated company of SEB S.A.	
SEB DO BRASIL PRODUT	An affiliated company of SEB Internationale S.A.S.	
GRAIN HARVEST DEVELOPMENT LIMITED	An affiliated company of SEB Internationale S.A.S.	
苏泊尔集团有限公司(Supor group co., LTD)	Shareholder	913310211484037034
杭州苏泊尔物业管理有限公司 (Hangzhou Supor Property Management Co., Ltd.*)	Subsidiary of the Company's shareholder	91330108790920396J

(II) Related party transactions

1. Purchase and sale of goods, rendering and receiving services

(1) Details

1) Purchase of goods and receiving of services

Related parties	Content of transaction	Current period cumulative	Preceding period comparative
Wuhan Anzai Cookware Co., Ltd.	Finished goods	282,301,207.27	264,629,168.97
Wuhan Anzai Cookware Co., Ltd.	Parts	17,384,246.11	
GROUPESEB EXPORT	Finished goods	1,325,745.55	8,261,184.45
S.A.S GROUPESEB MOULINEX	Parts	30,907,931.76	20,153,477.65
TEFAL S.A.S	Parts	1,757,908.25	3,252,206.41
LAGOSTINA S.P.A.	Finished goods	1,321,397.19	7,877,588.14
SEB INTERNATIONAL SERVICE SAS	Finished goods	445,784.16	179,277.23
SEB ASIA LTD	Testing fee		680,842.16
SIS	Finished goods		54,434.56
S.A.S SEB	Parts		20,801.92
SAS GROUPESEB MOULINEX	Rework fee etc.	68,513.16	
S.A.S SEB	Rework fee etc.		1,121,279.34
SHANGHAI SEB	Parts		1,859,423.05
SHANGHAI SEB	Testing fee	34,808.00	
CALOR SAS	Sample fee	21,214.54	

2) Sale of goods and rendering of services

Related parties	Content of transaction	Current period cumulative	Preceding period comparative
SEB ASIA LTD.	Finished goods	3,022,362,932.47	3,087,091,276.92
SEB ASIA LTD.	Parts	6,637,097.25	
S.A.S SEB	Finished goods	25,376,344.85	30,576,328.13
S.A.S SEB	Parts	1,647,384.08	
TEFAL S.A.S	Finished goods	7,030,017.06	36,190,215.66
TEFAL S.A.S	Parts	15,513,952.31	

S.A.S GROUPE SEB MOULINEX	Finished goods	42,739,981.01	33,304,931.97
S.A.S GROUPE SEB MOULINEX	Parts	668,293.99	
Supor Group Co., Ltd.	Finished goods	8,718,936.69	5,206,435.23
SEB INTERNATIONAL SERVICE S.A.S	Finished goods	654,830.82	4,233,881.24
SEB INTERNATIONAL SERVICE S.A.S	Parts	4,653,654.19	
SEB COLOMBIA	Parts	399,510.32	169,011.04
LAGOSTINA S.P.A.	Finished goods	659,409.92	1,312,939.57
LAGOSTINA S.P.A.	Parts	1,086,084.37	
ALL-CLAD METALCRAFTERS LLC	Finished goods	641,177.21	169,578.22
Wuhan Anzai Cookware Co., Ltd.	Finished goods	210.34	39,136.92
SEB DO BRASIL PRODUT	Finished goods	648,040.39	
IMUSA USA LLC	Finished goods	2,114,941.11	

2. Related party leases

The Company as the lessee

Lessor	Lessees	Types of asset leased	Lease income for current period	Lease income for the preceding period
Supor Group Co., Ltd.	The Company	Real estate	468,968.40	468,968.40
	Wuhan Cookware	Real estate	2,337,354.73	617,509.57
	Omegna	Real estate	220,755.13	327,902.13
	Zhejiang Supor Electrical	Real estate	3,384,045.81	2,702,578.40
	Wuhan Supor	Real estate	Temporarily not collect rent	Temporarily not collect rent
	P&R	Land	239,223.90	Temporarily not collect rent

3. Key management's emoluments

Items	Current period cumulative	Preceding period comparative
Key management's emoluments	8.2198 million	10.9832 million

10. Other related party transactions

(1) Water and electricity fee

Selling parties	Purchasing parties	Current period cumulative	Preceding period comparative
Supor Group Co., Ltd.	Zhejiang Supor Electrical	295,493.36	
Hangzhou Supor Property Management Co., Ltd.	Wuhan Cookware	493,896.96	578,811.60
	Omegna	21,681.57	26,449.00

(2) Property management fee and berth fee

Service renderer	Service receiver	Current period cumulative	Preceding period comparative
Hangzhou Supor Property Management Co., Ltd.	Wuhan Cookware	100,224.34	267,311.04
	Omegna	14,652.89	20,970.44
	The Company	104,500.00	120,000.00
	Zhejiang Supor Electrical	262,873.06	0

(3) Consulting fee

Service renderer	Service receiver	Current period cumulative	Preceding period comparative
The Company	SEB DEVELOPMENT	1,385,428.02	723,132.88
Wuhan Cookware		16,866,342.15	2,952,404.49
Zhejiang Supor Electrical		2,619,572.47	6,185,840.70
Shaoxing Supor		2,414,655.36	8,172,041.14
Supor Vietnam		302,360.90	
The Company	SEB ASIA LTD.	4,085,580.35	1,607,400.00

(4) Pursuant to the Technical License Contract entered into between Wuhan Supor Cookware Co., Ltd. and TEFAL S.A.S on January 21, 2009, TEFAL S.A.S licensed Wuhan Supor Cookware Co., Ltd. compensated use of its patent of “heating element covered with color-changing decorative layer”, and patent use charges are accrued at 3% of revenue from sales of products using licensed patent. In the current period, Wuhan Supor Cookware Co., Ltd. accrued patent use charges of RMB 13,150,030.87, and as of December 31, 2016, a balance of RMB 789,656.71 has not been paid.

(5) Pursuant to the Technical License Contract entered into between Wuhan Supor Cookware Co., Ltd. And SEB S.A. on December 29, 2013, SEB S.A. licensed Wuhan Supor Cookware Co., Ltd. compensated use of its patent of “with the safety valve of elastomer used in pressure cooking” and other four utility patents, and patents use charges are accrued at 3% of revenue from sales of

products using licensed patent. In the current period, Wuhan Supor Cookware Co., Ltd. accrued patent use charges of RMB 433,770.01, and as of December 31, 2016, a balance of RMB 19,060.90 has not been paid.

(6) Pursuant to the Technical License Contract entered into between Wuhan Supor Cookware Co., Ltd. and LAGOSTINA SPA. on December 15, 2014, LAGOSTINA SPA. licensed Wuhan Supor Cookware Co., Ltd. compensated use of its patent of “home appliances is equipped with elastomer relief valve used for cooking food under pressure” other five utility patents, and patent use charges are accrued at 4% of revenue from sales of products using licensed patent. In the current period, Wuhan Supor Cookware Co., Ltd. accrued patent use charges of RMB 20,424.69, and as of December 31, 2016, a balance of RMB 304,501.67 has not been paid.

(7) Pursuant to the Technical License Contract entered into between Shaoxing Supor Company. and Rowenta France SAS on July 23, 2014, Rowenta France SAS licensed Shaoxing Supor Company. compensated use of its patent of “Air purifier equipped with degradation of formaldehyde” other two utility patents, and patent use charges are accrued at 3% of revenue from sales of products using licensed patent. In the current period, Shaoxing Supor Cookware Co., Ltd. accrued patent use charges of RMB 259,137.40, and as of December 31, 2016, a balance of RMB 66,994.99 has not been paid.

(8) Pursuant to the Patent License Contract entered into between Omegna and LAGOSTINA SPA. on December 15, 2016, Rowenta France SAS licensed Omegna compensated use of its trademark “LAGE”, and patent use charges are accrued at 4% of revenue from sales of products using licensed patent. In the current period, Omegna accrued patent use charges of RMB 1,243,837.13, and as of December 31, 2016, a balance of RMB 1,901,067.97 has not been paid.

(9) The company purchased part of the land from Supor Group Co., Ltd. where is located Nanyou Industrial Zone, Damaiyu Subdistrict, Yuhuan Country, Zhejiang Province. The number of land parcel A is “玉国用（2004）字第 093 号土地”, and the land parcel B is “玉土字 201610242009”. Total land area is 2,990 square meters. Total price is RMB 3,588,000, and as of December 31, 2016, a balance of RMB 2,242,500.00 has been paid in advance.

(10) The company purchased the registered trademark of “苏泊尔” and “SUPOR” from Supor Group Co., Ltd. involving household electrical appliances, floor maintenance, garment maintenance, personal care and so on. The transfer price is RMB 50,000,000. As of December 31, 2016, the trademark transfer was full paid.

(11) The Company acquired 25% of minority shareholder’s equity in the subsidiary Zhejiang Supor Electrical Appliance Manufacturing Co., Ltd. at the price of RMB 642,500,000.00 and 25% of minority shareholder’s equity in the subsidiary Wuhan Supor Cookware Co., Ltd. at the price of RMB 580,000,000.00 with Self-owned capital from GRAIN HARVEST DEVELOPMENT LIMITED. As of December 31, 2016, the transaction was completed and full paid.

(III) Balance due to or from related parties

1. Balance due from related parties

Items	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable					
	SEB ASIA LTD.	800,407,513.83	40,020,375.69	707,780,977.97	35,389,805.20
	S.A.S SEB	3,679,410.35	179,707.70	5,401,929.87	270,096.49
	TEFAL S.A.S	2,943,656.86	147,182.84	7,299,327.00	364,966.35
	SEBINTERNATIONAL SERVICE S.A.S	1,593,370.21	79,668.51	983,211.09	49,160.55
	SEB INTERNATIONAL	120,615.00	6,030.75		

	SEB COLOMBIA	77,933.31	3,896.67		
	LAGOSTINAS.P.A.	275,979.53	13,798.98	437,027.65	21,851.38
	ALL-CLADMETALCRAFTERS LLC	68,398.13	3,419.91	63,011.95	3,150.60
	S.A.S GROUPESEB MOULINEX	12,439,851.65	621,992.58	7,849,204.64	392,460.23
	IMUSA USA LLC	318,937.46			
	Supor Group Co., Ltd.			688,207.00	34,410.35
Subtotal		821,925,666.33	41,076,073.63	730,502,897.17	36,525,144.85
Advances paid					
	Supor Group Co., Ltd.			153,516.72	
Subtotal				153,516.72	
Other receivables					
	Supor Group Co., Ltd.	30,000.00	1,500.00	10,000.00	500.00
Subtotal		30,000.00	1,500.00	10,000.00	500.00

2. Balance due to related parties

Items	Related parties	Closing balance	Opening balance
Accounts payable			
	Wuhan Anzai Cookware Co., Ltd.	30,129,239.80	26,705,510.44
	GROUPESEB EXPORT	312,463.87	1,253,799.87
	TEFAL S.A.S	1,060,863.35	1,029,739.45
	SHANGHAISEB	34,587.90	78,866.24
	S.A.S SEB	75,135.27	737,967.29
	LAGOSTINAS.P.A.	2,666,840.16	6,271,342.30
	S.A.S GROUPESEB MOULINEX	3,268,412.57	969,104.21
	SEB DEVELOPPMENT SAS	25,650,060.12	18,304,880.60
	SEB INTERNATIONAL SERVICE S.A.S	299,102.29	58,613.57
	ROWENTA FRANCE	66,994.99	590,496.49
	Supor Group Co., Ltd.	872,394.76	

	SEB SAS	18,891.10	
Subtotal		64,454,986.18	56,000,320.46
Advances received			
	SEB COLOMBIA		23,070.16
	Supor Group Co., Ltd.	1,310,530.72	149,160.00
Subtotal		1,310,530.72	172,230.16
Other payables			
	Wuhan Anzai Cookware Co., Ltd.		20,000.00
	Hangzhou Supor Property Management Co., Ltd.	40,162.20	157,587.10
Subtotal		40,162.20	177,587.10

X. Share-based payment

(I) Overall information

1. Details

Items	Remarks [Note]
Total equity instruments granted in current period	
Total equity instruments vested in current period	1,520,541.00 shares
Total equity instruments retired in current period	Options of 2,335,872 shares, restricted shares of 845,904 shares
The range of exercise prices of share options outstanding at the end of the period and the remaining contractual life	14.15 yuan/share, 0.5 years
The range of exercise prices of equity instruments at the end of the period and the remaining contractual life	0yuan/share, 0.5years& 1.96 years

Note: Details are disclosed below.

2. Other remarks

(1) Pursuant to the “Proposal on the Company’s Restricted Share Incentive Plan (Revised Draft) and Its Summary” passed by the Second Extraordinary General Meeting of the Year 2013 on October 28, 2013 (“Incentive Plan 2013”), and reviewed by China Securities Regulatory Commission without comment, the Company is to grant restricted shares of 5,720,205 shares, to incentive targets. The Company repurchased 5,720,205 shares of the Company’s shares in the period from November 6, 2013 to December 5, 2013. In 2013, the Company for the first time granted 5,540,000 shares, of which, 180,205 shares were granted in 2014 at the price of 0 yuan/share.

The Incentive Plan 2013 is valid for five years from the grant date, within which, the first 12 months are the lock-up period for first grant, and the following 48 months are the unlocking period, which may be unlocked in four phases provided that all conditions for unlocking are met. Incentive targets may apply for unlocking 10%, 20%, 30% and 40% of the total restricted shares respectively in 12 months, 24 months, 36 months and 48 months after the grant date. The lock-up period of reservation is 12 months, and the unlocking period is 36 months, which may be unlocked in three phases provided that all conditions for unlocking are met. Incentive targets may apply for unlocking 20%, 20% and 60% of the total restricted shares respectively in 12 months, 24 months and 36

months after the grant date. As of December 31, 2016, the aforesaid incentive plan has a remaining term of 1.96 years.

Pursuant to the Bill on the First Unlocking Phase of the Restricted Share Incentive Plan deliberated and passed by the 22nd meeting of the fourth session of the BOD, restricted shares unlocked in 2014 totaled 554,000 shares.

Pursuant to the Bill on the Second Unlocking Phase of the Restricted Share and the First Unlocking Phase of Reserved Restricted Stock Incentive Plan deliberated and passed by the 5th meeting of the fifth session of the BOD, restricted shares and reserved restricted shares unlocked in 2015 are 1,068,000 shares and 36,041 shares, totaled 1,104,041 shares.

Pursuant to the Bill on the Third Unlocking Phase of the Restricted Share and the Second Unlocking Phase of the Reserved Restricted Share Incentive Plan deliberated and passed by the eleventh meeting of the fifth session of the BOD, restricted shares and reserved restricted shares unlocked in the current period are 1,486,500 shares and 34,041 shares, totaled 1,520,541 shares.

Pursuant to the resolution of the second meeting of the fifth session of the BOD, the Company repurchased 180,000 shares of granted restricted shares at the price of 0 yuan/share as some incentive targets leave the Company.

Pursuant to the resolution of the fifth meeting of the fifth session of the BOD, the Company repurchased 67,500 shares of granted restricted shares at the price of 0 yuan/share as some incentive targets leave the Company.

Pursuant to the resolution of the seventh meeting of the fifth session of the BOD, the Company repurchased 196,000 shares of granted restricted shares at the price of 0 yuan/share as some incentive targets leave the Company.

Pursuant to the resolution of the eleventh meeting of the fifth session of the BOD, the Company repurchased 18,000 shares of granted restricted shares at the price of 0 yuan/share this year as some incentive targets leave the Company.

Pursuant to the resolution of the thirteenth meeting of the fifth session of the BOD, the Company repurchased 6,000 shares of granted restricted shares at the price of 0 yuan/share as some incentive targets leave the Company (the cancellation work temporarily has not finished yet).

(2) Pursuant to the “Proposal on the Company’s Restricted Share Incentive Plan (Revised Draft) and Its Summary” passed by the First Extraordinary General Meeting of the Year 2012 on June 29, 2012 (“Incentive Plan 2012”), and reviewed by China Securities Regulatory Commission without comment, the Company is to grant share option and restricted shares respectively of 7,275,840 shares and 2,640,000 shares to incentive targets, and to reserve share option and restricted shares respectively of 794,640 shares and 110,000 share at the price of 14.15 yuan/share and 0 yuan/share respectively.

The Incentive Plan 2012 is valid for five years from the grant date, within which, the first 12 months are the lock-up period for first grant, and the following 48 months are the unlocking period, which may be unlocked in four phases provided that all conditions for unlocking are met. Incentive targets may apply for unlocking 10%, 20%, 30% and 40% of the total restricted shares respectively in 12 months, 24 months, 36 months and 48 months after the grant date. The lock-up period of reservation is 12 months, and the unlocking period is 36 months, which may be unlocked in three phases provided that all conditions for unlocking are met. Incentive targets may apply for unlocking 20%, 20% and 60% of the total restricted shares respectively in 12 months, 24 months and 36 months after the grant date. As of December 31, 2016, the aforesaid incentive plan has a remaining term of 0.5 years.

Pursuant to the resolution of the 14th meeting of the fourth session of the BOD, the Company cancelled share option of 1,088,736 shares in 2013, and repurchased 473,088 shares of granted restricted shares at the price of 0 yuan/share, as the unlocking conditions are not met and some incentive targets leave the Company.

Pursuant to the resolution of the 17th meeting of the fourth session of the BOD, the Company cancelled the reserved share option and restricted shares respectively of 794,640 shares and 110,000 shares in 2013.

Pursuant to the resolution of the 22nd meeting of the fourth session of the BOD, the Company cancelled granted share option of 1,581,888 shares, and repurchased 540,672 shares of granted restricted shares at the price of 0 yuan/share in the current period.

Pursuant to the resolution of the second meeting of the fifth session of the BOD, the Company cancelled granted share option of 221,760 shares, and repurchased 36,960 shares of granted restricted shares at the price of 0 yuan/share in 2014 as some incentive targets leave the Company.

Pursuant to the resolution of the fifth meeting of the fifth session of the BOD, the Company cancelled granted share option of 1,920,864 shares and repurchased 693,792 shares of granted restricted shares at the price of 0 yuan/share.

Pursuant to the resolution of the seventh meeting of the fifth session of the BOD, the Company cancelled granted share option of 126,720 shares and repurchased 67,584 shares of granted restricted shares at the price of 0 yuan/share.

Besides, pursuant to the resolution of the eleventh meeting of the fifth session of the BOD, the Company cancelled granted share option of 2,335,872 shares and repurchased 827,904 shares of granted restricted shares at the price of 0 yuan/share.

(II) Equity-settled share-based payment

1. Details

Determination method for grant-date fair value of equity instruments	According to revised Black-Scholes Model
Determination method for the best estimate of the number of equity instruments expected to vest	Based on the corresponding equity instruments of incentive targets, the performance of the Company and the forecast of future performance of the Company
Reasons for significant difference between the estimates in current period and preceding period	
Capital reserve accumulated due to equity-settled share-based payment	RMB -84,205,963.84 [Note 1]
Total expenses incurred due to equity-settled share-based payment transactions	RMB 7,240,737.00 [Note 2]

Note1: The cumulative amount of RMB -84,205,963.84 includes an opening balance of RMB -91,446,700.84 and amount incurred in the current period of RMB 7,240,737.00.

Note2: The Company previously recognized share-based payment expenses of RMB 30,524,167.32. Based on the actual conditions of the Company's domestic income and domestic operating profit in 2015, it is estimated that Incentive Plan implemented in 2013 may reach unlocking conditions as set in the "Proposal on the Company's Restricted Share Incentive Plan (Revised Draft) and Its Summary". The Company recognized share-based payment expenses of RMB 7,240,737.00 in the current period.

All above, the Company recognized share-based payment expenses at a total of RMB 37,764,904.32.

XI. Commitments and contingencies

(I) Significant commitments

Up to the balance sheet date, the Company has no significant commitments to be disclosed.

(II) Contingencies

Contingent liabilities incurred by pending lawsuit/arbitration and the financial effect

Against the subsidiary Shaoxing Supor Company, a civil patent holder files an administrative complaint to the Intellectual Property Office of Guangzhou Municipality for patent infringement, and claims the cease of infringement and compensation for loss.

Intellectual Property Office of Guangzhou Municipality made the administrative decision on January 11, 2016: the Company's product constitutes patent infringement, and the Company is required to cease the infringement activities. The Company appealed to Guangzhou Intellectual Property Office to propose administrative review on January 22, 2016 and Guangzhou Intellectual Property Office released its decision on March 18, 2016: the original administrative review should be maintained. The Company has filed the administrative reconsideration to Guangdong Intellectual Property Court on April 22, 2016, and received the first instance judgment from the court made in November 18, 2016 on December 22, 2016: the decision of administrative review of Guangdong Intellectual Property Office should be maintained. Based on the probability of the result of potential civil lawsuit, the Company made a provision of RMB 7,150,000.00.

XII. Events after the balance sheet date

According to the profit distribution plan 2016 adopted by the fifth meeting of the fifth session of the BOD dated March 29, 2017, statutory surplus reserve is appropriated at 10% of the net profit generated by the parent company in 2016, and annual dividend to all shareholders for every 10 shares represented 7.70 yuan per cash dividend (including tax), and issue 3 bonus shares (tax included).

According to the Proposal on Repurchasing and Canceling a Part of Restricted Stock passed by the 13th meeting of the fifth session of the BOD, the Company repurchased 6,000 shares of granted restricted shares as some incentive object left the Company. Therefore, based on the Company's total capital 631,765,700 shares after the deduction of totaled 6,000 repurchased restricted shares mentioned above, the Company will pay dividend for every 10 shares represented 7.70 yuan per cash dividend (including tax) and the total cash dividends is RMB 486,454,969.00, issue 3 bonus shares (tax included) per 10 shares and the total bonus shares are 189,527,910 shares. The profit distribution plan is yet to be discussed and approved by the annual shareholders meeting of 2016.

The Company has recognized surplus reserve of 106,752,020.43 yuan based on the profit distribution plan, and closing balance of undistributed profit includes dividend of 675,982,879.00 yuan to be distributed.

XIII. Other significant events

Segment information

1. Identification basis and accounting policies for reportable segments

Reportable segments are identified based on operating segments which are determined based on the structure of the Company's internal organization, management requirements and internal reporting system. An operating segment is a component of the Company that:

- (1) Engages in business activities from which it may earn revenues and incur expenses;
- (2) Whose financial performance are regularly reviewed by management to make decisions about resource to be allocated to the segment and assess its performance; and
- (3) For which financial information regarding financial position, financial performance and cash flows is available.

The main products of the Company are cookware and kitchen appliances. The Company identified reportable segments based on products. Assets and liabilities shared by various product segments cannot be clearly distinguished.

2. Financial information of reportable segments

(1) Products segment

Items	Cooking products	Electrical products	R&P products	Inter-segment offset	Total
Revenue from main operations	4,976,385,762.73	7,481,562,602.73	182,769,763.80	796,456,013.70	11,844,262,115.56

Cost of main operations	3,400,462,032.70	5,406,825,780.45	165,754,951.61	780,235,606.55	8,192,807,158.21
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(2) Geographic segment

Items	Domestic	Overseas	Inter-segment offsetting	Total
Revenue from main operations	9,109,417,746.08	3,531,300,383.18	796,456,013.70	11,844,262,115.56
Cost of main operations	6,142,386,221.17	2,830,656,543.59	780,235,606.55	8,192,807,158.21

XIV. Notes to items of parent company financial statements

(I) Notes to items of parent company balance sheet

1. Accounts receivable

(1) Details

1) Details on categories

Categories	Closing balance				Carrying amount
	Book balance		Provision for bad debts		
	Amount	Proportion (%)	Amount	Provision proportion (%)	
Receivables of individually significant amount and with provision made on an individual basis					
Receivables with provision made on a collective basis using portfolios with similar credit risk features	214,016,048.19	85.79	10,700,802.41	5.00	203,315,245.78
Receivable of individually insignificant amount but with provision made on an individual basis	35,439,520.15	14.21			35,439,520.15
Total	249,455,568.34	100.00	10,700,802.41	4.29	238,754,765.93

(Continued)

Categories	Opening balance				Carrying amount
	Book balance		Provision for bad debts		
	Amount	Proportion (%)	Amount	Provision proportion (%)	
Receivables of individually significant amount and with provision made on an individual basis					
Receivables with provision made on a collective basis using portfolios with similar credit risk features	213,627,815.83	89.16	10,681,644.73	5.00	202,946,171.10
Receivable of individually insignificant amount but with provision made on an individual basis	25,978,032.50	10.84			25,978,032.50
Total	239,605,848.33	100.00	10,681,644.73	4.46	228,924,203.60

2) Accounts receivable of individually significant amount and with provision made on an individual basis

Debtors	Book balance	Provision for bad debts	Provision proportion (%)	Reasons for provision made
Lidl HongKong Ltd and other receivables covered by insurance policy	35,439,520.15			No provision for bad debts is made as such receivables are arising from export sales and covered by export insurance.
Subtotal	35,439,520.15			

3) In portfolios, accounts receivable with provision made on a collective basis with age analysis method

Ages	Closing balance		
	Book balance	Provision for bad debts	Provision proportion (%)
Within 1 year	214,016,048.19	10,700,802.41	5.00
Subtotal	214,016,048.19	10,700,802.41	5.00

(Continued)

Ages	Opening balance		
	Book balance	Provision for bad debts	Provision proportion (%)
Within 1 year	213,625,276.43	10,681,263.82	5.00
2-3 years	2,539.40	380.91	15.00
Subtotal	213,627,815.83	10,681,644.73	5.00

(2) Provisions made, collected or reversed in current period

Provision for bad debts made in current period totaled RMB 19,157.68

(3) Accounts receivable written off in current period

Accounts receivable actually written off in current period totaled RMB 0.00 .

(5) Details of the top 5 debtors with largest balances

Debtors	Book balance	Proportion to the total balance of accounts receivable (%)	Provision for bad debts
SEB ASIA LTD	212,127,988.88	85.04	10,606,399.44
Client 1	15,341,445.83	6.15	
Client 2	8,868,922.60	3.56	
Client 3	3,172,193.66	1.27	
Client 4	2,554,271.39	1.02	
Subtotal	242,064,822.36	97.04	10,606,399.44

Closing balance of top 5 debtors totaled RMB 242,064,822.36, accounting for 97.04 % of the total closing balance of accounts receivable, and provision for bad debts made thereon totaled RMB 10,606,399.44.

2. Other receivables

(1) Details

1) Details on categories of other receivables

Categories	Closing balance				Carrying amount
	Book balance		Provision for bad debts		
	Amount	Proportion (%)	Amount	Provision proportion (%)	
Receivables of individually significant amount and with provision made on an individual basis	22,436,201.47	89.24			22,436,201.47
Receivables with provision made on a collective basis using portfolios with similar credit risk features	2,504,339.33	9.96	803,998.31	32.10	1,700,341.02
Receivable of individually insignificant amount but with provision made on an individual basis	200,000.00	0.80			200,000.00
Total	25,140,540.80	100.00	803,998.31	3.20	24,336,542.49

(Continued)

Categories	Opening balance				Carrying amount
	Book balance		Provision for bad debts		
	Amount	Proportion (%)	Amount	Provision proportion (%)	
Receivables of individually significant amount and with provision made on an individual basis	79,731,527.38	96.80			79,731,527.38
Receivables with provision made on a collective basis using portfolios with similar credit risk features	2,639,244.43	3.20	876,982.14	33.23	1,762,262.29
Receivable of individually insignificant amount but with provision made on an individual basis					
Total	82,370,771.81	100.00	876,982.14	1.06	81,493,789.67

2) As the age is within one year, and no provision is made as there is no risk over recoverability.

Debtors	Book balance	Provision for bad debts	Provision proportion (%)	Reasons for provision made
Omegna	22,436,201.47			No provision is made as it is principal and interest of borrowings due from subsidiaries, and it is estimated with no risk in recoverability.
Subtotal	22,436,201.47			

3) In portfolios, other receivables with provision made on a collective basis with age analysis method

Ages	Closing balance
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	Book balance	Provision for bad debts	Provision proportion (%)
Within 1 year	1,636,815.66	81,840.78	5.00
1-2 years	129,200.00	10,336.00	8.00
2-3 years			
3-4 years	53,004.29	26,502.15	50.00
4-5 years			
Over 5 years	685,319.38	685,319.38	100.00
Subtotal	2,504,339.33	803,998.31	32.10

(Continued)

Ages	Opening balance		
	Book balance	Provision for bad debts	Provision proportion (%)
Within 1 year	1,682,920.76	84,146.04	5.00
1-2 years	44,770.29	3,581.62	8.00
2-3 years	26,234.00	3,935.10	15.00
3-4 years	200,000.00	100,000.00	50.00
4-5 years			
Over 5 years	685,319.38	685,319.38	100.00
Subtotal	2,639,244.43	876,982.14	33.23

(2) Provisions made, collected or reversed in current period

Bad debts collected or reversed in current period totaled RMB 67,714.83.

(3) Accounts receivable written off in current period

Accounts receivable actually written off in current period totaled RMB 5,269.00.

(4) Other receivables categorized by nature

Nature of receivables	Closing balance	Opening balance
Deposit as security	200,000.00	314,719.00
Call loans	22,436,201.47	79,731,527.38
Temporary advance payment receivable	1,633,367.59	1,174,341.48

Personal deposit	870,971.74	1,150,183.95
Total	25,140,540.80	82,370,771.81

(4) Details of the top 5 debtors with largest balances

Debtors	Nature of receivables	Book balance	Age	Proportion to the total balance of other receivables (%)	Provision for bad debts
Omegna	Loans	22,436,201.47	Within one year	89.24	
社保工伤医疗专户 (Social security special account for occupational injury and medical treatment)	Temporary payment receivable	467,911.21	Within one year	1.86	23,395.56
Yuhuan County Imperial Garden Catering Co., Ltd)	Temporary payment receivable	342,475.00	Over 5 years	1.36	342,475.00
陈建荣 (Chen Jianrong)	Personal deposit	291,721.86	Within one year	1.16	14,586.09
Dalian WenLiuShan law firm	Temporary payment receivable	248,451.00	Over 5 years	0.99	248,451.00
Subtotal		23,786,760.54		94.61	628,907.65

3. Long-term equity investments

(1) Categories

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Investments in subsidiaries	2,325,336,332.79		2,325,336,332.79	1,101,663,122.88		1,101,663,122.88
Investments in associates and joint ventures	52,749,839.76		52,749,839.76	50,400,665.23		50,400,665.23
Total	2,378,086,172.55		2,378,086,172.55	1,152,063,788.11		1,152,063,788.11

(2) Investments in subsidiaries

Investees	Opening balance	Increase [Note]	Decrease [Note]	Closing balance	Provision for impairment made in current period
Wuhan Pressure Cooker	224,842,366.96	817,713.12		225,660,080.08	

Supor Electrical	1,400,000.00		1,400,000.00		
P&R Products	13,131,408.04			13,131,408.04	
Yuhuan Recycling	1,762,595.51			1,762,595.51	
Wuhan Supor	10,700,959.54			10,700,959.54	
Zhejiang Supor Electrical	106,289,023.43	643,736,368.06		750,025,391.49	
Shaoxing Supor	622,393,603.76	519,128.73		622,912,732.49	
Supor Vietnam	105,143,165.64			105,143,165.64	
Wuhan Recycling	1,000,000.00			1,000,000.00	
Omegna	10,000,000.00			10,000,000.00	
Shanghai Marketing	5,000,000.00			5,000,000.00	
Wuhan Supor Cookware		580,000,000.00		580,000,000.00	
Subtotal	1,101,663,122.88	1,225,073,209.91	1,400,000.00	2,325,336,332.79	

Note: 1)The increasing in Wuhan Supor Cookware and Zhejiang Supor Electrical, was due to the acquired 25% of minority shareholder's equity in the subsidiary Zhejiang Supor Electrical Appliance Manufacturing Co., Ltd. at the price of RMB 642,500,000.00 and 25% of minority shareholder's equity in the subsidiary Wuhan Supor Cookware Co., Ltd. at the price of RMB 580,000,000.00.

2)The increasing in Wuhan Pressure Cooker, Zhejiang Supor Electrical, Shaoxing Supor Company, was due to the implementation of share incentive plan of the Company, and the share-based payment expenses assumed by the aforesaid subsidiaries receiving service are recognized as the change of the Company's long-term equity investments accordingly.

3)The decrease of Supor Electric Appliance, was due to the cancellation in May 2016.

(3) Investments in associates and joint ventures

Investees	Opening balance	Increase/decrease			
		Investments increased	Investments decreased	Investment income recognized under equity method	Adjustment in other comprehensive income
Associates					
Wuhan Anzai Cookware Co., Ltd.	50,400,665.23			2,349,174.53	
Total	50,400,665.23			2,349,174.53	

(Continued)

Investees	Increase/decrease				Closing balance	Closing balance of provision for
	Changes in	Cash dividend/profit	Provision for	Others		

	other equity	declared for distribution	impairment			impairment
Associates						
Wuhan Anzai Cookware Co., Ltd.					52,749,839.76	
Total					52,749,839.76	

(II) Notes to items of the parent company income statement

1. Operating revenue/cost

Items	Current period cumulative		Preceding period comparative	
	Revenue	Cost	Revenue	Cost
Revenue from main operations	1,646,127,795.58	1,255,332,765.76	1,699,018,456.95	1,343,171,058.99
Revenue from other operations	28,610,232.24	33,354,000.20	24,463,483.76	29,325,696.47
Total	1,674,738,027.82	1,288,686,765.96	1,723,481,940.71	1,372,496,755.46

2. Investment income

Items	Current period cumulative	Preceding period comparative
Investment income from long-term equity investments under equity method	2,349,174.53	3,290,945.74
Investment income from long-term equity investments under the cost method	834,786,000.00(note)	250,000,000.00
Investment income from forward foreign exchange		
Investment income from financial products	36,379,050.84	26,307,033.29
Total	873,514,225.37	279,597,979.03

XV. Other supplementary information

(I) Non-recurring profit or loss

1. Schedule of non-recurring profit or loss of current period

Items	Amount	Remarks
Gains on disposal of non-current assets, including written-off of provision for impairment	-1,307,688.51	
Tax refund, credit or exemption approved beyond the power of authorities, without formal documents, or with occasionality	11,559,860.13	
Government grant included in profit or loss (excluding those closely related to operating activities, or regular government grants)	53,859,525.00	
Fund possession charge from non-financial entities and included in profit or loss		
Gains on acquisition of subsidiaries, joint ventures and associates due to the surplus of acquisition-date fair value of net identifiable assets in acquiree over the acquisition cost		
Gains on non-cash assets exchange		
Gains on assets consigned to the third party for investment or management		

Assets impairment loss incurred due to force majeure such as natural disasters		
Gains on debt restructuring		
Entity restructuring expenses, such as staffing and integrating expenses		
Gains on transactions with unfair value		
Net profit gains on subsidiaries acquired through business combination under common control from the beginning of the period to the combination date		
Contingent gains on non-operating activities		
Gains on changes in fair value of held-for-trading financial assets and liabilities and investment income from disposal of held-for-trading financial assets and liabilities, and available-for-sale financial assets, excluding those arising from hedging business related to operating activities		
The reversed provision for impairment of receivables based on impairment testing on an individual basis		
Gains on designated loans		
Gains on changes in fair value of investment properties with subsequent measurement at the fair value mode		
Gains on reconciliation of current period profit or loss following legal and regulative requirements		
Management charges for consigned operations		
Other non-operating revenue or expenditures	-6,396,828.69	Without Water conservancy special fund
Other profit or loss satisfying the definition of non-recurring profit or loss	63,500,642.94	Mainly about the investment income from financial products
Subtotal	121,215,510.87	
Less: enterprise income tax affected	20,045,021.92	
Non-controlling interest affected (after tax)	4,472,793.19	
Net non-recurring profit or loss attributable to shareholders of the parent company	96,697,695.76	

(II) RONA and EPS

1. Details

Profit of the reporting period	Weighted average RONA (%)	EPS (yuan/share)	
		Basic EPS	Diluted EPS
Net profit attributable to shareholders of ordinary shares	22.79	1.712	1.705
Net profit attributable to shareholders of ordinary shares after deducting non-recurring profit or loss	20.75	1.559	1.552

2. Calculation process of weighted average RONA

Items	Symbols	Current period cumulative	
Net profit attributable to shareholders of ordinary shares	A	1,077,519,156.40	
Non-recurring profit or loss	B	96,697,695.76	
Net profit attributable to shareholders of ordinary shares after deducting non-recurring profit or loss	C=A-B	980,821,460.64	
Opening balance of net assets attributable to shareholders of ordinary shares	D	4,421,103,278.53	
Net assets attributable to shareholders of ordinary shares increased due to offering of new shares or conversion of debts into shares	E		
Number of months counting from the next month when the net assets were increased to the end of thereportingperiod	F		
Net assets attributable to shareholders of ordinary shares decreased due to share repurchase or cash dividends appropriation	G	353,788,792.00	
Number of months counting from the next month when the net assets were decreased to the end ofthereportingperiod	H	8.00	
Others	Share-based payment expenses included in equity	I1	7,240,737.00
	Number of months counting from the next month when other net assets were increased or decreased to the end of the reporting period	J1	6.00
	Increase of translation difference of financial statements in foreign currencies	I2	-881,415.43
	Number of months counting from the next month when other net assets were increased or decreased to the end of the reporting period	J2	6.00
Number of months in the reporting period	K	12	
Weighted average net assets	$L = D + A \times 1/2 + E \times F/K - G \times H/K \pm I \times J/K$	4,727,183,322.85	
Weighted average RONA	M=A/L	22.79%	
Weighted average RONA after deducting non-recurring profit or loss	N=C/L	20.75%	

3. Calculation process of basic EPS and diluted EPS

(1) Calculation process of basic EPS

Items	Symbols	Current period cumulative
Net profit attributable to shareholders of ordinary shares	A	1,077,519,156.40
Non-recurring profit or loss	B	96,697,695.76
Net profit attributable to shareholders of ordinary shares after deducting non-recurring profit or loss	C=A-B	980,821,460.64
Opening balance of total shares	D	628,165,036.00
Number of shares increased due to conversion of reserve to share capital or share dividend appropriation	E	
Number of shares increased due to offering of new shares or conversion of debts into shares	F	1,520,541.00
Number of months counting from the next month when the share was increased to the end of the reporting period	G	9.00
Number of shares decreased due to share repurchase	H	
Number of months counting from the next month when the share	I	

was decreased to the end of the reporting period		
Number of shares decreased in the reporting period	J	
Number of months in the reporting period	K	12
Weighted average of outstanding ordinary shares	$L=D+E+F \times G/K-H \times I/K-J$	629,305,441.75
Basic EPS	$M=A/L$	1.712
Basic EPS after deducting non-recurring profit or loss	$N=C/L$	1.559

(2) Calculation process of diluted EPS

Items	Symbols	Current period cumulative
Net profit attributable to shareholders of ordinary shares	A	1,077,519,156.40
Potential dilutive ordinary shares impacted on net profit	B	
Diluted Net profit attributable to shareholders of ordinary shares	$C=A-B$	1,077,519,156.40
Non-recurring profit or loss	D	96,697,695.76
Diluted Net profit attributable to shareholders of ordinary shares after deducting non-recurring profit or loss	$E=C-D$	980,821,460.64
Weighted average of outstanding ordinary shares	F	629,305,441.75
The warrants, share options and convertible bonds increase the weighted average of the common stock	G	2,830,087.58
Diluted Weighted average of outstanding ordinary shares	$H=F+G$	632,135,529.33
Diluted EPS	$M=C/H$	1.705
Diluted EPS after deducting non-recurring profit or loss	$N=E/H$	1.552

SECTION XII DOCUMENTS AVAILABLE FOR REFERENCE

- I. Original Annual Report 2016 and Abstract bearing the signature of the legal representative of the Company.
 - II. The financial statements bearing the signature and official stamps of the legal representative, the person responsible for the accounting work, and the person responsible for the accounting department.
 - III. Original Audit Report bearing the official stamp of certified accountants office, and signatures and stamps of certified public accountants.
 - IV. The original copy of all documents and notices disclosed in the reporting period in the newspapers designated by the CSRC.
- Place for archiving the reference documents: Securities Department of the Company.

Zhejiang Supor Co., Ltd.

Board Chairman: Frédéric VERWAERDE

March 30, 2017