

SUPOR 苏泊尔

Zhejiang Supor Co., Ltd.

Annual Report 2015

March 2016

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.

Investors shall be aware investment reduction risk of market demand, increase

risk of industrial competition, fluctuation risk of raw materials, rigidity rise of HR costs and fluctuation risk of foreign exchange rate.

The profit distribution plan adopted at this Board Meeting specifies that: based on the total capital stock of 631,765,700, the Company will distribute all shareholders at the price of 5.60 yuan per 10 shares (tax included) as the cash dividends, issue 0 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 Electrical Appliances	means	Zhejiang Supor Electrical Appliance Manufacturing Co., Ltd
Supor Electrical	means	Zhejaing Shaoxing Supor Domestic Electrical Appliances Co., Ltd
Shaoxing Supor	means	Zhejiang Shaoxing Supor Domestic 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 Sales	means	Shanghai Supor Cookware Selling 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
Short Form of the Stock after Changed (if any)	None		
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:	Zhejiang Pan-China Certified Public Accountants (special general partnership)
Office Address of the Certified Public Accountants:	6-10F Xinhua Business Building, No.128 Xixi Road. Hangzhou, Zhejiang, China
Name of the Signatory Accountant	Shen Peiqiang, Chen Susu

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

	2015	2014	Increase/ decrease (%)	2013
Total sales (yuan)	10,909,686,625.90	9,534,643,945.84	14.42%	8,383,249,626.61
Net profit attributable to shareholders of listed company (yuan)	889,004,773.99	689,892,322.91	28.86%	588,509,160.46
Net profit attributable to shareholders of listed company deducted by non-recurring profit or loss (yuan)	830,296,996.82	662,562,169.90	25.32%	589,145,466.45
Net cash flows resulting from operating activities	1,133,089,710.67	833,189,311.71	35.99%	587,991,877.50

Basic earnings per share (yuan/share)	1.416	1.099	28.84%	0.937
Diluted earnings per share (yuan/share)	1.404	1.089	28.93%	0.929
Return on weighted average net assets	21.90%	19.63%	2.27%	18.54%
	2015 year end	2014 year end	Increase/decrease in the period (%)	2013 year end
Total assets (yuan)	7,396,105,410.33	6,633,644,956.98	11.49%	5,737,469,958.54
Net assets attributable to shareholders of listed company (yuan)	4,421,103,278.53	3,788,068,076.63	16.71%	3,318,850,290.60

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	3,006,733,799.97	2,372,841,052.12	2,899,046,891.52	2,631,064,882.29
Net profit attributable to shareholders of listed company	230,622,341.99	164,459,057.39	241,926,923.27	251,996,451.34
Net profit attributable to shareholders of listed company deducted by non-recurring profit or loss	211,521,187.86	151,072,570.68	226,530,334.63	241,172,903.65
Net cash flows resulting from operating activities	18,749,711.93	93,128,647.45	316,270,853.78	704,940,497.51

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 2015	Amount in 2014	Amount in 2013	Explanation
Gains on disposal of non-current assets (including the written-off of provision for impairment loss)	-2,078,639.96	-1,384,988.05	-781,569.83	
Tax refund, credit or exemption without authorities permission	4,487,933.27	3,975,797.87	3,797,693.97	
Government grant included in current period profit or loss (excluding those related to operating activities or regular government grants)	32,489,005.22	25,456,430.00	21,194,605.80	
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	1,698,892.01	
Other non-operating revenues or expenditures	2,779,391.83	-16,893,265.57	-26,006,810.53	
Other profit or loss satisfying the definition of non-recurring profit or loss	33,786,028.88	27,259,955.19	2,523,716.89	Mainly about the investment income from financial products
Subtotal				
Less: enterprise income tax incurred by taxable gains	10,894,116.54	8,322,149.96	2,437,669.84	
Effects on minority interest (after tax)	1,861,825.53	2,833,194.74	625,164.46	
Total	58,707,777.17	27,330,153.01	-636,305.99	--

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

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 10 million shares from the second largest shareholder Supor Group, now holding more than 73.13% 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
Monetary funds	Increasing 67.72% due to increase of cash flow by profit increase this year.
Financial assets measured at fair value with variation included in current profit or loss	Decreasing 55.98% due to decrease of guaranteed financial products with floating profit hooked by rate
Prepaid account	Decreasing 36.47% due to reduction of part advance payment for purchase materials
Other current assets	Increasing 206.47% due to increase of guaranteed financial products with floating profit unhooked by rate

2. Main oversea assets

Applicable Not Applicable

III. Analysis of Core Competitiveness

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 promoting the first safety pressure cooker in China in 1994, the Company promoted the first ceramic linear electric rich cooker in 2005 and the first uncoated stainless pan technology in 2007, introduced SEB thermospot technology in 2009 successfully, promoted the first IH electric rice cooker in 2011 and spherical inner pot in 2013; it promoted the first steam IH spherical pot rice cooker in 2015 to lead industrial development continuously. Besides, Supor's efficient pressure cooker, pottery pot and Fresh Breath electric pressure cooker and other new differentiated products are popular among customers. According to a third party's monitoring data, Supor's CW business maintains the leading position in the market; sales of electric RC, electric pressure cooker, induction hob and electrical kettle consistently rank the second position in the SDA industry.

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.

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 73.13% 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 MANAGEMENT LAYER’S DISCUSSION AND ANALYSIS

I. Overview

The economic structure was optimized further due to the benefit from governmental macro-control policy regardless of domestic economic decline. Since the domestic CW and electrical appliances industry was recovered, the Company kept the whole scale increased stably. During report period, the total sale reached 10,909,686,625.90 yuan with YoY growth of 14.42%; the total profit reached 1,173,682,410.74 yuan with YoY growth of 29.25%. The benefit of each share was 1.416 yuan with YoY growth of 28.84%. The CW and electrical appliances businesses were increased, among which the main businesses of CW reached 4,393,613,399.33 yuan with YoY growth of 13.08%, the main businesses of electrical appliances reached 6,375,125,009.83 yuan with YoY growth of 16.28%. The main businesses of domestic sales reached 7,154,987,831.74 yuan with YoY growth of 15.17% while the main businesses of export trade reached 3,639,862,103.98 yuan with YoY growth of 14.43%.

(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.

For CW business, Supor executed its creative “one-family with two pots to fry dually” product strategy successfully by selling more than 1 million thermospot fumeless wok and rustproof(Zhenbuxiu) iron wok respectively. By means of technical creativity, Supor promoted efficient pressure cooker with 100 kPa forcing and accelerating system solely in order to improve leading technical position of pressure cooker further and lead pressure cooker development again. According to GFK, a market survey company, its monitor data of 30 large cities in China show the market shares of Supor wok, pressure cooker, frypan, sauce pan, steamer, five core categories were expanded continuously; the total shares were reached 45.8% with 0.5% higher compared with the same period of last year. At the aspect of new categories development, pottery pot entered wholly new product category and became the leading brand after 2 years. By focusing on “thermos& flask” and “knife”, two famous categories, Supor developed the kitchen gadgets quickly to improve its competitiveness in kitchen gadgets category.

At the aspect of SDA, Supor continued to highlight product creativity and the market shares of Supor electric rice cooker, electric pressure cooker, induction hob, electric kettle and soymilk maker reached 24.5% with YoY growth of 2.0% according to GFK data, in 2015, ranking the second place in SDA industry. In 2015, the first steam IH spherical pot rice cooker in China was promoted to lead industrial development continuously. The Fresh breath IH electric pressure cooker has been kept proud performance since promoted with a market share as high as 31.82%. Supor’s slow cooker market was ranked first in industry according to market shares; the baking pan shares are increased by 3.0% YoY; the high speed food processor was ranked the first in CMM list of best-selling products within 1 month after promoted. In terms of new business expansion, Supor kept promoting H&PC appliances stably as planned.

2) Channel strategy

During report period, Supor enhanced input for modern channels continuously and improved brand influence through modern channels. Though the retail market of CW was fluctuated and Supor was impacted by other brands which insisted on low price in 2015, Supor was still supported by dealers and retailer with excellent products and services, ranking first in CW industry. Besides, Supor still won the “Best CW Supplier of Wal-Mart” continuously. At the aspect of SDA, Supor was awarded with “the Best Non-Food Supplier” of Wal-Mart, which was the sixth time that Supor won it with good strategic cooperation. Besides, Supor was also “Annual Sales Star” of Vanguard supplier system, “annual excellent supplier” of Yonghui System and “VIP supplier of Ren Ren

Le System.

Furthermore, the Company kept promoting the development of tier-3 and 4 markets, enhanced service system construction of tier-3 and 4 market and improved quality of networks continuously to expand the coverage rate, converge density and single store sales.

With rapid development of domestic e-commerce channel, the Company tried O2O and intelligent internet products boldly in virtue of internet to develop e-commerce quickly. During Tmall "Double Eleven" Campaign, several Supor categories won champion sales.

3) Brand building

During report period, the Company kept developing brand marketing and categories by naming *I Love Mom* in CCTV, integrated online and offline resources and made commercial popularization and transmission themed "Great Taste" in order to consolidate and improve brand preference. In 2015, the Company started to develop digital marketing, got good performance of single media operation and performed well for promoting the core strategic products such as steam IH spherical pot rice cooker, efficient pressure cooker and Jingyun series thermos&flask.

According to Nelson's 2015 research report, Supor's high quality and credit worthiness received great popularity and Supor became the first consumer's favorite kitchen brand. The popularity of Supor's main brand was kept stable and that of Supor's small household appliances was improved gradually; the popularity of Supor's cookware ranked the first position in industry continuously.

(2) Export sales

In face of the relatively sluggish international economy and unstable international situation in 2015, the Company's export sales achieved YoY growth of 14.43%, with SEB export business of YoY growth of 18.93%.

(3) Progress of SEB Integration Project

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

After SEB orders were transferred to Supor continuously, Supor was improved at the aspects of R&D, design and manufacture and the scale effect was expanded further. Besides, SEB also assisted Supor to improve competitiveness in domestic market.

Lagostina Brand business was developed stably in 2015 and the H&PC business was boosted stably as planned.

In the context of general business performance of 2015 and the sluggish macro economy, the Company earnestly implemented the set strategic guidelines, coming out with good operating performance, increasing market shares and further consolidated industry status.

II. Main Business Analysis

1. Overview

The main business sales of the Company in reporting period were 10,794,849,935.72 yuan, with an increase of 1,401,436,226.98 yuan compared with the same period last year and a growth rate of 14.92%. The above was mainly benefited from the expanded sales of tier-3 and 4 markets, domestic e-commerce channel and export business. The main business cost was 7,627,735,583.68 yuan, indicating an increase of 1,002,486,530.36 yuan and growing rate of 15.13%. The gross profit margin of main business was 29.34% with decrease of 0.13% compared with the same period of the last year.

2. Income and Costs

(1) Contents of total sale

(Unit: RMB)

	2015		2014		Increase / decrease YoY (%)
	Amount	Proportion of total sale	Amount	Proportion of total sale	
Total sale	10,909,686,625.90	100%	9,534,643,945.84	100%	14.42%
By Industries					
Cookware	4,393,613,399.33	40.27%	3,885,344,595.60	40.75%	13.08%
Electrical appliances	6,375,125,009.83	58.44%	5,482,441,744.91	57.50%	16.28%
Plastic& rubber	26,111,526.56	0.24%	25,627,368.23	0.27%	1.89%
Miscellaneous	114,836,690.18	1.05%	141,230,237.10	1.48%	-18.69%
By Products					
Electric pots	3,017,263,253.78	27.66%	2,518,142,909.37	26.41%	19.82%
Miscellaneous	7,892,423,372.12	72.34%	7,016,501,036.47	73.59%	12.48%
By Areas					
Domestic sales	7,269,824,521.92	66.64%	6,353,911,610.14	66.64%	14.41%
Export sales	3,639,862,103.98	33.36%	3,180,732,335.70	33.36%	14.43%

1. By Industries:” Cookware/Electrical appliances/ Plastic& rubber” from the main business sales, “Miscellaneous” from the other revenue.
2. By Areas” Domestic sales”: The main business sales of the Company in reporting period were 7,154,987,831.74 yuan, other revenue were 114,836,690.18yuan. The main business sales in 2014 were 6,212,681,373.04 yuan, other revenue were 141,230,237.10yuan.
3. By Products: “Miscellaneous” including the other revenue, for 2015 were 114,836,690.18 yuan and 2014 were 141,230,237.10 yuan.

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

√ Applicable □ Not Applicable

(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	4,393,613,399.33	2,968,356,036.08	32.44%	13.08%	13.67%	-0.35%
Electrical appliances	6,375,125,009.83	4,637,456,297.99	27.26%	16.28%	16.14%	0.09%
Plastic& rubber	26,111,526.56	21,923,249.61	16.04%	1.89%	5.06%	-2.53%
Miscellaneous	114,836,690.18	121,470,401.00	-5.78%	-18.69%	-14.18%	-5.56%
Subtotal	10,909,686,625.90	7,749,205,984.68	28.97%	14.42%	14.52%	-0.06%
By products						
Electric pots	3,017,263,253.78	2,136,210,418.65	29.20%	19.82%	19.92%	-0.06%
By Areas						
Domestic sales	7,269,824,521.92	4,817,131,997.84	33.74%	14.41%	15.04%	-0.36%
Export sales	3,639,862,103.98	2,932,073,986.84	19.45%	14.43%	13.68%	0.54%
Subtotal	10,909,686,625.90	7,749,205,984.68	28.97%	14.42%	14.52%	-0.06%

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	2015	2014	Increase / decrease YoY (%)
Cookware	Sales Volume	Per 1000 Sets	49,804	42,725	16.57%
	Production Volume	Per 1000 Sets	42,529	36,104	17.80%
	Inventory Volume	Per 1000 Sets	10,086	10,190	-1.03%
Electrical appliances	Sales Volume	Per 1000 Sets	44,845	38,893	15.30%
	Production Volume	Per 1000 Sets	37,142	35,988	3.21%
	Inventory Volume	Per 1000 Sets	5,193	5,326	-2.50%

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

Applicable Not Applicable

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

Applicable Not Applicable

(5) Structure of operating costs

Industrial and product classification

(Unit: RMB)

Industrial classification	Item	2015		2014		Increase / decrease YoY (%)
		Amount	Proportion in operating costs	Amount	Proportion in operating costs	
Cookware	Costs for operating business	2,968,356,036.08	38.31%	2,611,358,606.57	38.59%	13.67%
Electrical appliances	Costs for operating business	4,637,456,297.99	59.84%	3,993,022,692.57	59.01%	16.14%
Plastic& rubber	Costs for operating business	21,923,249.61	0.28%	20,867,754.18	0.31%	5.06%
Miscellaneous	Costs for operating business	121,470,401.00	1.57%	141,534,745.27	2.09%	-14.18%
Subtotal	Costs for operating business	7,749,205,984.68	100.00%	6,766,783,798.59	100.00%	14.52%

(Unit: RMB)

Product classification	Item	2015		2014		Increase / decrease YoY (%)
		Amount	Proportion of operating cost	Amount	Proportion of operating cost	
Electric pots	Costs for operating business	2,136,210,418.65	27.57%	1,781,343,813.73	26.32%	19.92%
Miscellaneous	Costs for operating business	5,612,995,566.03	72.43%	4,985,439,984.86	73.68%	12.59%
Subtotal	Costs for operating business	7,749,205,984.68	100.00%	6,766,783,798.59	100.00%	14.52%

1. By Industries: "Cookware/Electrical appliances/ Plastic& rubber" from the main business cost, "Miscellaneous" from the cost other revenue..
2. By Products: "Miscellaneous" including the cost of other revenue, for 2015 were 121,470,401.00 yuan and 2014 were 141,534,745.27 yuan.

(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 (yuan)	3,764,463,781.91
Proportion in the year's total sales (%)	34.51%

The top 5 clients' information

No.	Customer	Sales amount (yuan)	Proportion in the total sales amount of the year (%)
1	SEB ASIA LTD	3,067,569,689.70	28.12%
2	Customer 2	207,377,929.00	1.90%
3	Customer 3	163,586,599.61	1.50%
4	Customer 4	163,386,884.80	1.50%
5	Customer 5	162,542,678.80	1.48%
Total	—	3,764,463,781.91	34.51%

Instruction for main clients' other cases

Applicable Not Applicable

The Company's main supplier

Total purchasing value from top 5 suppliers (yuan)	891,328,409.23
Proportion in the year's total purchasing value	12.12%

The top 5 suppliers' information

No.	Supplier	Purchasing value (yuan)	Proportion in the total purchasing amount of the year
1	Supplier 1	257,479,664.49	3.50%
2	Supplier 2	196,130,614.05	2.67%
3	Supplier 3	160,763,018.29	2.19%
4	Supplier 4	141,530,375.83	1.92%
5	Supplier 5	135,424,736.57	1.84%
Total	--	891,328,409.23	12.12%

Instruction for main suppliers' other cases

Applicable Not Applicable

3. Expenses

(Unit: RMB)

	2015	2014	Increase / decrease YoY (%)	Introduction for great change
Cost for sales	1,580,066,582.14	1,481,090,948.90	6.68%	
Costs for management	367,200,921.76	324,558,437.29	13.14%	
Costs for finance	-23,051,245.80	-19,280,618.58	-19.56%	

4. R&D Input

Applicable Not Applicable

Guided by customer's needs, the Company focused on developing differential products suited in kitchens and accustomed to local eating and lifestyle habits. The Company attached great importance to R&D and technical innovation to further explore product category and increase the added value. The Company also showed great respect to customers' experiences, and wouldn't miss any detail to forge safe, environmental friendly, fashionable and convenient products. The R&D expense of this year accounted for respectively 6.27% and 2.88% of the latest net assets and sales income audited.

The Company's R&D input

	2015	2014	Change proportion
Quantities of researchers& developers (person)	1,270	1,116	13.80%
Occupation of researchers& developers	10.16%	9.10%	1.06%
Amount of R&D input (yuan)	313,983,118.94	286,538,912.34	9.58%
Proportion of R&D input in total sale	2.88%	3.01%	-0.13%
Capitalization amount of R&D input (yuan)	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	2015	2014	Increase / decrease YoY (%)
Sub-total of cash inflows from operating activities	12,219,074,071.66	10,713,904,536.30	14.05%
Sub-total of cash outflows from operating activities	11,085,984,360.99	9,880,715,224.59	12.20%
Net cash flows resulting from operating activities	1,133,089,710.67	833,189,311.71	35.99%
Sub-total of cash inflows from investment activities	1,574,984,316.19	1,394,926,020.23	12.91%
Sub-total of cash outflows	1,981,320,411.55	1,965,214,346.03	0.82%
Net cash flow arising from investing activities	-406,336,095.36	-570,288,325.80	28.75%
Sub-total of cash outflows from financing activities	271,090,805.85	234,659,145.56	15.53%
Net cash flow from financing activities	-271,090,805.85	-234,659,145.56	-15.53%
Net increase in cash and cash equivalents	470,944,190.22	26,616,994.97	1,669.34%

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

Applicable Not Applicable

(1) Net cash flow from operation activities was up by 35.99% with increase of cash paid for selling commodities.

(2) Net cash flow from investment activities was up by 1,669.34% YoY with increase of new cash flow caused by operation and investment activities 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)

	2015 year end		2014 year end		Increase / decrease in proportion	Cause of change
	Amount	Proportion in total assets	Amount	Proportion in total assets		
Monetary funds	1,041,013,222.62	14.08%	620,684,489.46	9.36%	4.72%	Caused by the increase of cash inflow with increase of annual net profit
Accounts receivable	1,057,146,368.61	14.29%	1,004,256,291.61	15.14%	-0.85%	
Inventories	1,426,745,280.93	19.29%	1,568,475,227.88	23.64%	-4.35%	Caused by the faster inventory turnover and reasonable control of inventory
Long-term equity investment	51,328,807.28	0.69%	48,480,778.13	0.73%	-0.04%	
Fixed assets	920,306,368.97	12.44%	956,192,336.23	14.41%	-1.97%	Caused by YoY growth of accrual of depreciation of fixed assets
Project under construction	22,568,331.63	0.31%	24,928,527.13	0.38%	-0.07%	
Financial assets measured at fair value with variation included in current profit or loss	402,218,888.89	5.44%	913,655,148.86	13.77%	-8.33%	Caused by decrease of guaranteed financial products with floating profit hooked by rate
Other current	1,375,173,953.91	18.59%	448,717,689.40	6.76%	11.83%	Caused by increase of

assets						guaranteed financial products with floating profit unhooked by rate
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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 measured at fair value with variation included in current profit or loss (excluding derivative financial assets)	913,655,148.86	15,563,946.69			400,000,000.00	927,000,206.66	402,218,888.89
Subtotal for financial assets	913,655,148.86	15,563,946.69			400,000,000.00	927,000,206.66	402,218,888.89
Total	913,655,148.86	15,563,946.69			400,000,000.00	927,000,206.66	402,218,888.89
Financial liabilities	0.00						0.00

Any change of the valuation attribute of Company's main assets

Yes No

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 faire 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	400,000,000.00	-1,436,259.57		400,000,000.00	910,000,000.00	17,000,206.66	402,218,888.89	Self-owned capital
Total	400,000,000.00	-1,436,259.57	0.00	400,000,000.00	910,000,000.00	17,000,206.66	402,218,888.89	--

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	Subsidiary	Cookware	224.039 million yuan	299,954,304.98	291,763,070.32	16,500,000.00	610,776.69	1,333,092.65

Cooker Co., Ltd.								
Wuhan Supor Co., Ltd.	Subsidiary	Electrical appliances	5,180,000 yuan	15,568,141.95	14,323,126.33		-417,792.77	-422,772.86
Zhejiang Shaoxing Supor Domestic Electrical Appliances Co., Ltd	Subsidiary	Electrical appliances	2 million yuan	51,780,900.69	51,711,843.45		1,412,285.74	1,059,214.30
Wuhan Supor Cookware CO., Ltd.	Subsidiary	Cookware	86 million Hong Kong dollars	1,832,124,313.04	1,136,876,483.23	2,809,599,569.57	241,886,431.57	208,617,079.82
Zhejiang Supor Electrical Appliance Manufacturing Co., Ltd	Subsidiary	Electrical appliances	126 million Hong Kong dollars	1,742,822,736.05	1,094,816,674.45	2,519,135,195.04	223,472,182.83	173,060,042.81
Zhejiang Supor Plastic & Rubber Co., Ltd	Subsidiary	Plastic and rubber manufacturing	8.0447 million yuan	133,258,005.25	102,817,749.77	195,473,979.60	14,679,807.42	10,918,701.10
Yuhuan Supor Recycling Co., Ltd.	Subsidiary	Recycling of used metal	500,000 yuan	3,033,043.34	3,024,737.58		83,057.56	74,751.80
Zhejiang Shaoxing Supor Domestic Appliances Co., Ltd.	Subsidiary	Small appliance, kitchen appliance	610 million yuan	2,666,307,928.40	1,596,121,550.78	3,899,365,213.98	456,747,295.13	416,142,016.03
Supor (Vietnam) Co., Ltd	Subsidiary	CW and electrical appliances	15 million US dollars	199,601,956.86	129,947,272.78	204,244,792.36	12,704,900.14	11,175,270.82
Wuhan Supor Recycling Co., Ltd	Subsidiary	Recycling of used metal	1 million yuan	1,933,642.55	1,618,278.59	12,012,423.99	76,565.98	48,454.20
Hangzhou	Subsidiary	CW and	10 million	24,587,518.08	-11,877,397.90	34,560,058.04	-5,003,629.6	-4,948,998.1

Omegna Commercial Trade Co., Ltd.		electrical appliances	yuan				3	4
Shanghai Supor Cookware Selling Co., Ltd.	Subsidiary	CW and electrical appliances	5 million yuan	15,479,747.22	7,243,603.41	60,712,916.21	1,512,242.67	1,428,783.70

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

In consideration of many uncertain factors for global economics in 2016, China will optimize GDP structure while slowing down GDP growth with consumption as an important engine to improve economic increase. Along with the implementation of policies benefiting people such as the government's urbanization construction and improvement of social security system, domestic construction continues to grow steadily, residents' disposable income will be further increased and consumption updating can provide more chances for brand enterprise.

Supor will adhere to the preset strategic line and innovation strategy: it will keep promoting innovative products to lead industrial development, and implement fine work strategy in virtue of consumption updating opportunities; developing new categories in CW and SDA and new businesses further.

With the global competitive advantage of SEB, Supor will accelerate the development of relevant business in China and cultivate new business growth point.

As for tier 3 and 4 markets, the Company will promote more products meeting tier 3 and 4 consumers' needs, improve service system greatly, enhance tier 3 and 4 market network coverage and gradually expand tier 3 and 4 market.

With the rapid E-commerce development, the Company will enlarge input for E-commerce, enhance professional operation capacity, keep E-commerce developing rapidly, improve online shares further, arrange rural E-commerce positively and seize the opportunity of development.

Brand investment is also a key emphasis in work. The Company will increase investment in digital media to spread the awareness and reputation of Supor brand.

For export business, Supor will further expand the transfer of SEB orders. SEB's strength in R&D, design and manufacturing and will help improve the core competitiveness of Supor products.

For internal operation, Supor will improve efficiency continuously, optimize organization and process gradually, boost industrial automation and continuously improve labor productivity.

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
February 5, 2015	Telephone communication	Individual	Consulting company operation
March 10, 2015	Telephone communication	Individual	Consulting company operation
March 12, 2015	Telephone communication	Individual	Consulting company operation
April 21, 2015	On-site investigation	Institution	Consulting production operation and company product
May 7, 2015	Telephone communication	Institution	Consulting production operation and company product
October 19, 2015	On-site investigation and research	Institution	Consulting production operation and development prospect
November 3, 2015	On-site investigation and research	Institution	Consulting production operation, company product and development prospect

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 2013

Based on the total capital stock of 634,213,907 shares (total capital stock of 634,394,112 shares on December 31, 2013 deducted by 180,205 restricted stock held by the Company not awarded), the Company would distribute cash dividend of 3.70 (tax included) yuan per 10 shares, and the total profit distributed was 234,659,145.56 yuan. There will be no distribution of bonus shares or conversion of capital reserve into share capital this year.

2. 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 4.30 (tax included) per 10 shares and the total profit distributed is 272,136,330.84 yuan. There will be no distribution of bonus shares or conversion of capital reserve into share capital this year.

3. 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 5.60 yuan (tax included) per 10 shares and the total profit distributed is 353,788,792.00 yuan. There will be no distribution of bonus shares or conversion of capital reserve into share 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
2015	353,788,792.00	889,004,773.99	39.80%		
2014	272,136,330.84	689,892,322.91	39.45%		
2013	234,659,145.56	588,509,160.46	39.87%		

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 2015

√ Applicable □ Not Applicable

Number of bonus stock per 10 shares	0
Amount of dividend (yuan) per 10 shares (tax included)	5.60
Number of Conversion per 10 shares (shares)	0
Equity base in distribution plan (shares)	631,765,700
Amount of cash dividends (yuan, tax included)	353,788,792.00
Distributable profits (yuan)	394,954,529.83
Proportion of cash dividends in total distribution of profits	100.00%

Information on cash dividends of this time:

Detailed information on profit distribution and conversion of capital reserve to capital pre-proposal

In accordance with the standard unqualified audit report provided by Pan-China Certified Public Accountants (special general partnership), the parent company of Zhejiang Supor Co., Ltd. realized the net profit of CNY 424,396,334.91 in 2015. Pursuant to the regulations of the *Company Law* and the *Articles of Association*, the Company allocated CNY 42,439,633.49 as legal surplus reserve, plus the undistributed profit of CNY 285,134,159.20 in the beginning of the period and minus the cash dividends for 2014 of CNY 272,136,330.79 distributed on May 29, 2015, the distributable profit for shareholders by the end of the period were CNY 394,954,529.83. 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), the Company will distribute all shareholders 5.6 yuan per 10 shares (tax included) as cash dividends. The total profit distributed is 353,788,792.00 yuan. There is no distribution of bonus stock or conversion of capital reserves to capital this year.

III. Fulfillment of Commitments

1. Commitments made in or continued to the reporting period by the Company, shareholders, practical controllers, purchasers, directors, supervisors and senior managers

√ 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	October 19, 2011	December 22, 2011 - December 21, 2014	Completed

			Supor the shares obtained from this transfer, within three years 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						
Other commitments for middle and small shareholders	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
	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	August 3, 2015	August 3, 2015- August 2, 2018	Strictly performed

			manage, or sell back to Supor the shares obtained from this transfer.			
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

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

No change of scope of Consolidated Statement happened during the reporting period.

IX. Employment and Disengagement of Certified Public Accountants

Certified public accountants engaged at the moment

Name of domestic certified public accountants:	Zhejiang Pan-China Certified Public Accountants (special general partnership)
Reward for domestic certified public accountants (in 10K RMB)	145
Service years of audit for the Company	16 years
Names of CPAs from domestic certified public accountants:	Shen Peiqiang, Chen Susu

Intension of changing certified public accountants

Yes No

Engagement of audit certified public accountants, financial advisers or sponsors

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 the *Proposal on Unlocking of Restricted Stock within the First Unlock Period of Restricted Stock Incentive Plan* at the 22nd Session of the 4th Board of Directors held on March 25, 2014, agreeing to unlock in the first unlock period the Restricted Stock for 111 qualified Incentive Objects. The unlocking number of Restricted Stock of first period was 554,000 and the Restricted Stock was unlocked and circulated on the market on January 5, 2015.

For detailed contents, see *Announcement for Unlocking of Restricted Stock within the First Unlock Period of Restricted Stock Incentive Plan* and *Suggestive Announcement of Zhejiang Supor Co., Ltd. on Listing of Unlocked Restricted Stock during the First Unlock Period of Restricted Stock Incentive Plan* disclosed in *Securities Times*, *China Securities Journal*, *Securities Daily* and <http://www.cninfo.com.cn> on March 27, 2014 and December 30, 2014.

2. The Company adopted *Proposal on Annulling a Part of Stock Options and Repurchasing and Canceling a Part of Restricted Stock* at the 5th session of the 5th Board of Directors on March 25, 2015. Since the incentive evaluation index for equity cannot meet relevant requirements and some Incentive Objects cannot meet incentive conditions due to resignation, there were 1,920,864 shares failing in reaching performing conditions and 761,292 restricted shares that were purchased by 0 yuan per share and could not reach unlock conditions, among which there were 693,792 restricted shares purchased and cancelled according to 2012 Equity Incentive Plan and 67,500 restricted shares purchased and cancelled 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* at 2nd Session of 5th Board of Directors. Since some Incentive Object could not meet incentive conditions due to resignation, there were 221,760 shares failing in reaching performing conditions and 216,960 restricted shares that were purchased by 0 yuan per share and could not reach unlock conditions, among which there were 36,960 restricted shares purchased and cancelled according to 2012 Equity Incentive Plan and 180,000 restricted shares purchased and cancelled according to 2013 Equity Incentive Plan. After confirmed by Shenzhen Branch of China Securities Depository and Clearing Co., Ltd., the Company cancelled authorized stock options and purchase for restricted shares on May 8, 2015 in total. There were 2,142,624 shares cancelled this time and 978,252 restricted shares that were purchased by 0 yuan per share and cancelled.

For detailed contents, see *Announcement of Annulling a Part of Stock Options and Repurchasing and Canceling a Part of Restricted Stock* and *Announcement of Annulling a Part of Stock Options and Repurchasing and Canceling a Part of Restricted Stock* disclosed in *Securities Times*, *China Securities Journal*, *Securities Daily* and <http://www.cninfo.com.cn> on March 26, 2015 and May 11, 2015.

3. The Company adopted *Proposal on Unlocking of Restricted Stock within the Second Unlock Period and Unlocking of Reserved Restricted Stock within the First Unlock Period of Restricted Stock Incentive Plan* at the 5th session of 5th Board of Directors on March 25, 2015, agreeing to unlock in the second unlock period and the first unlock period for reserved restricted shares the Restricted Stock for 121 qualified Incentive Objects. The unlocking number of Restricted Stock of second period was 1,068,000 and the unlocking number of Reserved Restricted Stock of first period was 36,041. There were 1,104,041 in total. The shares that could be unlocked in the first period for Reserved Restricted Stock were listed, circulated on October 14, 2015 and the shares that could be unlocked in the second period for Restricted Stock Incentive Plan were unlocked, circulated on January 4, 2016.

For detailed contents, see *Announcement for Unlocking of Restricted Stock within the Second Unlock Period and Unlocking of Reserved Restricted Stock within the First Unlock Period of Restricted Stock Incentive Plan*, *Suggestive Announcement on Listing of Reserved Restricted Stock Unlockable during the First Unlock Period of Restricted Stock Incentive Plan* and *Suggestive Announcement on Listing of Restricted Stock Unlockable during the Second Unlock Period of Restricted Stock Incentive Plan*

disclosed in *Securities Times*, *China Securities Journal*, *Securities Daily* and <http://www.cninfo.com.cn> on March 26, 2015, October 9, 2015 and December 29, 2015.

4. The Company adopted *Proposal on Annulling a Part of Stock Options and Repurchasing and Canceling a Part of Restricted Stock* at 7th Session of 5th Board of Directors on August 26, 2015. Since some Incentive Object cannot meet incentive conditions due to resignation and performance conditions cannot be reached, there were 126,720 stock options in total and 263,584 restricted shares that were purchased by 0 yuan per share and could not reach unlock conditions, among which there were 67,584 restricted shares purchased and cancelled according to 2012 Equity Incentive Plan and 196,000 restricted shares purchased and cancelled according to 2013 Equity Incentive Plan. (The restricted shares were not purchased for cancellation)

For detailed contents, see *Announcement of Annulling a Part of Stock Options and Repurchasing and Canceling a Part of Restricted Stock* disclosed in *Securities Times*, *China Securities Journal*, *Securities Daily* and <http://www.cninfo.com.cn> on August 28, 2015.

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 Cookware Co., Ltd.	Affiliated companies	Goods purchasing	Finished products	Contract price	0	26,462.92	3.60%		No	Bank transfer or bills	-		
GROUPE SEB EXPORT	Same controlling shareholder with the controlling shareholder	Goods purchasing	Finished products	Contract price	0	826.12	0.11%		No	Bank transfer or bills	-		
S.A.S. GROUPE SEB MOULIN EX	Same controlling shareholder with	Goods purchasing	Accessories	Contract price	0	2,015.35	0.27%		No	Bank transfer or bills	-		

	the controlling shareholder												
LAGOSTINA S.P.A.	Same controlling shareholder	Goods purchasing	Finished products	Contract price	0	787.76	0.11%		No	Bank transfer or bills	-		
TEFAL S.A.S.	Same controlling shareholder with the controlling shareholder	Goods purchasing	Accessories	Contract price	0	325.22	0.04%		No	Bank transfer or bills	-		
SHANGHAI SEB	Same controlling shareholder	Goods purchasing	Finished products	Contract price	0	185.94	0.03%		No	Bank transfer or bills	-		
S.A.S. SEB	Same controlling shareholder with the controlling shareholder	Goods purchasing	Accessories	Contract price	0	2.08	0.00%		No	Bank transfer or bills	-		
SIS	Same controlling shareholder with the controlling	Goods purchasing	Finished products	Contract price	0	5.44	0.00%		No	Bank transfer or bills	-		

	shareholder												
SEB INTERNATIONAL SERVICE SAS	Same controlling shareholder with the controlling shareholder	Goods purchasing	Finished products	Contract price	0	17.93	0.00%		No	Bank transfer or bills	-		
SEB ASIA LTD.	Same controlling shareholder	Commodity selling	Finished products	Contract price	0	308,709.13	28.30%		No	Bank transfer or bills	-		
S.A.S. SEB	Same controlling shareholder with the controlling shareholder	Commodity selling	Finished products	Contract price	0	3,057.63	0.28%		No	Bank transfer or bills	-		
TEFAL S.A.S.	Same controlling shareholder with the controlling shareholder	Commodity selling	Finished products	Contract price	0	3,619.02	0.33%		No	Bank transfer or bills	-		
S.A.S. GROUPE SEB MOULIN EX	Same controlling shareholder with the	Commodity selling	Finished products	Contract price	0	3,330.49	0.31%		No	Bank transfer or bills	-		

	controlling shareholder												
Supor Group Co., Ltd.	Shareholder	Commodity selling	Finished products	Market price	0	520.64	0.05%		No	Bank transfer or bills	-		
SEB INTERNATIONAL SERVICE S.A.S.	Same controlling shareholder with the controlling shareholder	Commodity selling	Accessories	Market price	0	423.39	0.04%		No	Bank transfer or bills	-		
ALL-CLAD METALCRAFTERS LLC	Same controlling shareholder	Commodity selling	Finished products	Contract price	0	16.96	0.00%		No	Bank transfer or bills	-		
Wuhan Anzai Cookware Co., Ltd.	Affiliated companies	Commodity selling	Finished products	Contract price	0	3.91	0.00%		No	Bank transfer or bills	-		
SEB COLOMBIA	Same controlling shareholder	Commodity selling	Finished products	Contract price	0	16.90	0.00%		No	Bank transfer or bills	-		
LAGOSTINA S.P.A.	Same controlling shareholder	Commodity selling	Finished products	Contract price	0	131.29	0.01%		No	Bank transfer or bills	-		
Zhejiang Supor Pharmaceutical Sales Co., Ltd.	Subsidiary of the shareholder	Commodity selling	Finished products	Contract price	0	31.36	0.00%		No	Bank transfer or bills	-		

Total	--	--	350,489 .48	--	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 2015, the amount of estimated annual daily connected transactions between the Company and SEB Group as well as its affiliates was 3,211.34 million yuan and the actual amount of daily connected transaction was 3,234.7065 million yuan, exceeding 23.3665 million yuan (Please refer to <i>Announcement of Estimation of Daily Connected Transactions in 2015</i> and <i>Announcement of Exceeding the Estimation of Daily Connected Transactions in 2015</i> disclosed in <i>Securities Times</i> , <i>China Securities Journal</i> , <i>Securities Daily</i> and http://www.cninfo.com.cn on March 26, 2015 and February 16, 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

No connected transaction from purchase and sales for assets of equity made in reporting period.

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 purchased registered trademarks - "苏泊尔" and "Supor" owned by Supor Group, involving Home Comfort, Floor Care, Linen Care and Personal Care products at the price of 50 million yuan. Since the Transferor, Supor Group owned 55,966,137 shares occupying 8.84% of total stock shares, this transaction was considered as connected transaction according to *Rules of Shenzhen Stock Exchange for the Listing of Stocks*. This connected transaction has been approved at 9th Session of 5th Board of Directors and the First Interim Shareholders Meeting in 2016.

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 Zhejiang Supor Co., Ltd. on</i>	December 23, 2015	http://www.cninfo.com.cn , announcement No.:

Signing Trademark Transfer Agreement - Connected Transaction with Supor Group		2015-043:
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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. Introduction for Other Important Matters

Applicable Not Applicable

SEB Internationale, the controlling shareholder purchased 50,000,000 shares held by Supor Group by means of contract transfer at the price of 29 yuan/ share and the shares to be transferred occupied 7.90% of total stock shares. It has been approved at 9th Session of 5th Board of Directors and the First Interim Shareholders Meeting in 2016. See *Announcement on Strategic Investment by SEB INTERNATIONALE S.A.S in the Company in the Form of Contract Transfer* in *Securities Times*, *China Securities Journal*, *Securities Daily* and <http://www.cninfo.com.cn> on December 23, 2015.

XIX. Significant Event of the Company's Subsidiaries

Applicable Not Applicable

XX. CSR Building

Applicable Not Applicable

The Company was active in social and public welfare undertakings in the reporting period. It supported the continuous development of Supor Primary Schools in rural areas in middle and western part of China after their establishment through the donation of Supor. Now, the public welfare undertakings have covered the mountainous areas of 11 provinces, i.e. Qinghai, Yunnan, Guizhou, Sichuan, Hubei, Jiangxi, Hunan, Guangxi, Henan, Shaanxi and Gansu Provinces. The quantity of schools donated by the Company has reached 20. Besides the donation to construction of school buildings and dormitories, the Company built up "Bud" libraries by donating books, "Lilixiang" canteen by donating kitchen utensils and tableware, and dream centers, which improved software of the Supor Primary School Project. Considering the situation of rural education in middle and western part of China, the Company invited experts in rural education field and model schools to train teachers of Supor primary schools and worked together with relevant foundations to award the excellent rural teachers in Supor primary schools and encourage all rural schools to add local advantages into school in order to promote long-term development of school and develop local rural education.

In reporting period, the Company also organized the first public benefit weekly activities and many employees participated in donation positively to provide warm clothes for more than 600 poor children in Liang Mountain, Sichuan Province, so the local children could receive social care and enjoy a warm winter.

Are the listed company or subsidiaries in the highly polluted industry category as defined by the state environmental protection department?

Yes No N/A

XXI. Issuance of Company Bonds

Does the Company have bonds which are issued in public, listed in stock exchange, have not expired on the date of approval or paid totally after the expiration?

No.

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	294,459,977	46.46%				-129,060,482	-129,060,482	165,399,495	26.13%
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	8,720,237	1.38%				-2,065,042	-2,065,042	6,655,195	1.05%
In which: Shares held by domestic legal entities	0	0.00%				0	0	0	0.00%
Shares held by domestic natural persons	8,720,237	1.38%				-2,065,042	-2,065,042	6,655,195	1.05%
4. Shares held by foreign investors	285,739,740	45.08%				-126,995,440	-126,995,440	158,744,300	25.08%
In which: Shares held by foreign legal entities	285,739,740	45.08%				-126,995,440	-126,995,440	158,744,300	25.08%
Shares held by foreign natural persons	0	0.00%				0	0	0	0.00%
II. Non-restricted outstanding shares	339,393,463	53.54%				128,082,230	128,082,230	467,475,693	73.87%
1. RMB common shares	339,393,463	53.54%				128,082,230	128,082,230	467,475,693	73.87%
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	633,853,440	100.00%					-978,252	-978,252	632,875,188	100.00%
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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. The Company adopted *Proposal on Unlocking of Restricted Stock during the Second Unlock Period and Reserved Restricted Stock during the First Unlock Period* at the 5th session of 5th Board of Directors, agreeing to unlock restricted stock in the second unlock period and reserved restricted stock in the first unlock period for all 121 qualified Incentive Objects. The unlocking number of Restricted Stock of second period was 1,068,000 and the unlocking number of Reserved Restricted Stock of first period was 36,041. There were 1,104,041 in total. The shares that could be unlocked in the first period for Reserved Restricted Stock were listed, circulated on October 14, 2015 and the shares that could be unlocked in the second period for Restricted Stock Incentive Plan were unlocked, circulated on January 4, 2016.
3. Since the business performance of 2014 failed the requirements of "Equity Incentive Plan 2012", and several incentive objects resigned, the Company adopted the *Proposal on Annulling a Part of Stock Options and Repurchasing and Canceling a Part of Restricted Stock* at the 2nd Session of the 5th Board of Directors and the 5th Session of the 5th Board of Directors, by which it would repurchase and cancel 730,752 shares of restricted stock, which had been granted and not been unlocked and which failed to meet corresponding assessment indexes of business performance of 2014 at the price of 0 yuan per share according to "Equity Incentive Plan 2012"; and 247,500 shares of restricted stock, which had been granted and not been unlocked, at the price of 0 yuan per share according to "Equity Incentive Plan 2013". In total, 978,252 shares of restricted stock would be repurchased and canceled. The Company has completed the repurchase and cancellation work on May 8, 2015, and the total capital stock of the company is reduced from 633,853,440 shares to 632,875,188 shares.
4. On May 18, 2015, the 126,995,440 shares of the Company's stock obtained by SEB Internationale through contract transfer in 2011 were unlocked.
5. Since the Company adopted the *Proposal on Annulling a Part of Stock Options and Repurchasing and Canceling a Part of Restricted Stock* at the 7th Session of the 5th Board of Directors, and several incentive objects failed to meet incentive conditions due to resignation, the company planned to repurchase and cancel 263,584 shares of restricted stock which had not met unlock conditions at the price of 0 yuan per share, among which there were 67,584 shares to be repurchased and canceled according to "Equity Incentive Plan 2012", and 196,000 shares to be repurchased and canceled according to "Equity Incentive Plan 2013" (the repurchase and cancellation work for this part are not completed).

Approval of stock changes

Applicable Not Applicable

1. The Company adopted the *Proposal on Annulling a Part of Stock Options and Repurchasing and Canceling a Part of Restricted Stock* at the 2nd Session of the 5th Board of Directors and the 5th Session of the 5th Board of Directors, by which it would repurchase and cancel 730,752 shares of restricted stock, which had been granted and not been unlocked and which failed to meet corresponding assessment indexes of business performance of 2014 at the price of 0 yuan per share according to "Equity Incentive Plan 2012"; and 247,500 shares of restricted stock, which had been granted and not been unlocked, at the price of 0 yuan per share according to "Equity Incentive Plan 2013". In total, 978,252 shares of restricted stock would be repurchased and canceled. As reviewed and confirmed by Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, the Company has completed the repurchase and cancellation of a part of stock option and restricted stock on May 8, 2015. On November 11, 2015, the Company completed relevant procedures of registration change with Zhejiang Administration for Industry and Commerce, and obtained the new Business License for Legal Corporation. After the change, registered capital of the Company is changed from 633,853,440 yuan

to 632,875,188 yuan.

2. The 126,995,440 shares of the Company's stock obtained by SEB Internationale through contract transfer in 2011 have expired three-year restriction. As reviewed and confirmed by Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, this part of stock was unlocked on May 18, 2015.

3. The Company adopted the *Proposal on Proposal on Unlocking of Restricted Stock during the Second Unlock Period and Reserved Restricted Stock during the First Unlock Period* at the 5th Session of the 5th Board of Directors, agreeing to unlock in the second unlock period and the first unlock period of reserved restricted stock for 121 qualified incentive objects according to the Equity Incentive Plan 2013. The unlocking number of Restricted Stock of second period was 1,068,000 and the unlocking number of Reserved Restricted Stock of first period was 36,041. There were 1,104,041 in total. As reviewed and confirmed by Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, the unlocking stock of the first period of reserved restricted stock was unlocked on October 14, 2015; and of the second period of restricted stock was unlocked on January 4, 2016.

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 978,252 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 INTERNATIONALE S.A.S	285,739,740	126,995,440	0	158,744,300	Stock acquisition restriction	May 18, 2015
Su Xianze	1,827,934	0	60,000	1,887,934	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	99,858	66,749	24,000	57,109	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	1,626,240	730,752	0	895,488	Restricted	Since the business

of Equity Incentive Plan 2012					stock of Equity Incentive Plan 2012	performance of 2014 failed to meet the requirements of the current Equity Incentive Plan, and several incentive objects resigned, 730,752 shares of restricted stock were repurchased and canceled, which was completed on May 8, 2015
Incentive objects of Equity Incentive Plan 2013	5,166,205	1,351,541	0	3,814,664	Restricted stock of Equity Incentive Plan 2013	1. Since several incentive objects resigned, 247,500 shares of restricted stock was repurchased and canceled, which were completed on May 8, 2015; 2. Since the business performance of 2014 met the requirements of the current Equity Incentive Plan, 1,104,041 shares of restricted stock could be unlocked, among which 1,068,000 shares of restricted stock of the second period were unlocked on January 4, 2016, and 36,041 shares of reserved restricted stock of the first period were unlocked on October 14, 2015.
Total	294,459,977	129,144,482	84,000	165,399,495	--	--

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 May 8, 2015, totally 978,252 shares of restricted stock were repurchased and canceled, including 730,752 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 2014, according to "Equity Incentive Plan 2012" and 247,500 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 633,853,440 shares to 632,875,188 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 share holders by end of reporting period	10,222	Number of common shareholders at the end of last month before the disclosure date of the annual report	9,288	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/decrease 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 INTERNATIONALE S.A.S	Foreign legal entity	73.13%	462,832,233	10000000	158,744,300	304,087,933		
Supor Group Co., Ltd.	Domestic non state-owned legal entity	8.84%	55,966,137	-18737494	0	55,966,137	Pledge	48,260,000
DEUTSCHE BANK AKTIENGESELLSCHAFT	Foreign legal entity	3.50%	22,169,096	18330432	0	22,169,096		
Fidelity Mutual Fund & Investment Management - clients' capital	Foreign legal entity	2.49%	15,758,523	2088606	0	15,758,523		
UBS AG	Foreign	0.87%	5,528,275	-2381497	0	5,528,275		

	legal entity							
Bank of Communications Co., Ltd. - ICBC Credit Bank Double-interest Bond Securities Investment Fund	Others	0.79%	5,009,554	5009554	0	5,009,554		
Central Huijin Investment Ltd.	State-owned legal entity	0.54%	3,402,800	3402800	0	3,402,800		
China International Capital Corporation Limited	Domestic non state-owned legal entity	0.46%	2,912,792	2912792	0	2,912,792		
Su Xianze	Domestic natural person	0.35%	2,195,086	-845040	2,195,086	0		
BNP Paribas – own fund	Foreign legal entity	0.24%	1,531,665	61947	0	1,531,665		
Strategic investor or general corporate investor who becomes top 10 shareholder as a result of rights issue (if any)	No							
Related relationship among the above shareholders or concerted parties	Among the top 10 shareholders, Mr. Su Xianze and president Su Zengfu of the second largest shareholder-Supor Group have a parent-child relationship. The Company is not aware of any connected relationship or concerted parties among other shareholders as stipulated in Administration of the Takeover of Listed Companies Procedures.							
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					
Supor Group Co., Ltd.	55,966,137	Renminbi common shares	55,966,137					
DEUTSCHE BANK AKTIENGESELLSCHAFT	22,169,096	Renminbi common shares	22,169,096					
Fidelity Mutual Fund & Investment Management - clients' capital	15,758,523	Renminbi common shares	15,758,523					
UBS AG	5,528,275	Renminbi common shares	5,528,275					
Bank of Communications Co., Ltd. - ICBC Credit Bank Double-interest Bond Securities Investment Fund	5,009,554	Renminbi common shares	5,009,554					
Central Huijin Investment Ltd.	3,402,800	Renminbi common shares	3,402,800					
China International Capital Corporation Limited	2,912,792	Renminbi common shares	2,912,792					
BNP Paribas – own fund	1,531,665	Renminbi common shares	1,531,665					
China Construction Bank - Yinhua Prosperity Theme Securities	1,510,775	Renminbi common shares	1,510,775					

Investment Fund			
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	Among the top 10 shareholders, Mr. Su Xianze and president Su Zengfu of the second largest shareholder-- Supor Group have a parent-child relationship. Among other top 10 shareholders holding non-restricted outstanding shares and among top 10 shareholders, the Company is not aware of any connected relationship or concerted parties as stipulated in the Administration of the Takeover of Listed Companies Procedures.		
Information on top 10 common shareholders involved in securities margin trading business (if any) (see Note 4)	No		

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 shareholder	Legal representative/person in charge	Date of establishment	Organization Code	Main business
SEB INTERNATIONAL E S.A.S	Thierry de La Tour d'Artaise	December 26, 1978	No	Equity investment in France and overseas enterprises (despite business types), namely, purchasing and subscribing of stocks, bonds, company shares, equities, various securities and valuable securities, and transfer of such securities or notes; all financial operations related to equity participation, including purchasing, manufacturing and selling home appliances for the purpose of distribution and providing relevant services; all activities directly or indirectly contributing to the realization of these operations, particularly in the areas of movable properties, estate, finance, commerce and industry.
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-beg in (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 VERWAERDE	Board Chairman	Holding	Male	60	April 24, 2014	April 23, 2017	0	0	0	0	0
Thierry de La Tour d'Artaise	Director	Holding	Male	61	April 24, 2014	April 23, 2017	0	0	0	0	0
Su Xianze	Director	Holding	Male	47	April 24, 2014	April 23, 2017	3,040,126	0	845,040	0	2,195,086
Su Yan	Director	Holding	Female	44	April 24, 2014	January 14, 2016	0	0	0	0	0
Harry TOURET	Director	Holding	Male	62	April 24, 2014	April 23, 2017	0	0	0	0	0
Vincent LEONARD	Director	Holding	Male	55	April 24, 2014	April 23, 2017	0	0	0	0	0
Frederic BERAHA	Independent director	Holding	Male	65	April 24, 2014	April 23, 2017	0	0	0	0	0
Xiaoqing PELLEMELE	Independent director	Holding	Female	59	April 24, 2014	April 23, 2017	0	0	0	0	0
Wang Baoqing	Independent director	Holding	Male	52	April 24, 2014	April 23, 2017	0	0	0	0	0
Chia wahhock	Supervisor	Holding	Male	60	April 24, 2014	April 23, 2017	0	0	0	0	0
Philippe SUMEIRE	Supervisor	Holding	Male	56	April 24, 2014	April 23, 2017	0	0	0	0	0
Zhang Junfa	Supervisor	Holding	Male	39	April 24, 2014	April 23, 2017	0	0	0	0	0
Tai Wai Chung	General	Holding	Male	55	April 24, 2014	April 23, 2017	0	0	0	0	0

	Manager				2014	2017					
Xu Bo	Chief Financial Officer	Holding	Male	48	April 24, 2014	April 23, 2017	373,056	0	57,024	0	316,032
Ye Jide	Deputy GM and Board Secretary	Holding	Male	39	April 24, 2014	April 23, 2017	266,994	0	92,093	0	174,901
Total	--	--	--	--	--	--	3,680,176	0	994,157	0	2,686,019

Note: The share reduction of directors and top management during the reporting period includes the restricted stock defined in Equity Incentive Plan 2012 repurchased and canceled for not meeting the business performance requirements of 2014.

II. Change of directors, supervisors and senior management staffs

Name	Position	Type	Date	Reason
Su Yan	Director	Leaving	January 14, 2016	Applying for resignation due to personal reason
Chia wahhock	Supervisor	Leaving	March 17, 2016	Applying for resignation due to personal reason

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 successively 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. Board chairman of this Company from 2001 to April, 2014, concurrently general manager of this Company from 2001 to March, 2010.

Ms. Su Yan: Director. Board chairman and general manager of Zhejiang Supor South Ocean Pharmaceutical Co., Ltd. and concurrently board chairman of Zhejiang Supor Pharmaceutical Sales Co., Ltd., general manager of Hubei South Ocean Pharmaceutical Co., Ltd., general manager of Zhejiang South Ocean Pharmaceutical Co., Ltd., general manager of Hangzhou South Ocean Pharmaceutical Co., Ltd.; was the general manager of Zhejiang Supor P&R Products Co., Ltd., and vice president of Supor Group Co., Ltd.

Mr. Harry TOURET: Director, post-graduate diplomas in management science and corporate human resources, currently Senior Executive Vice President of HR for SEB Group. He was former World HR Director 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. 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; previously the head of audit department of School of

Accounting of Zhejiang Gongshang University, director of Modern Accounting Research Institute, and visiting professor of National Accounting Institute; now peer reviewer of professorate senior accountant of Zhejiang Province, China CPA (non-practicing member), deputy secretary of Zhejiang Audit Society, managing director and director of training committee 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. Chia Wahhock: Supervisor, graduated from Singapore National University as the Electronic/Electrical Engineering Major. Director of Industrial Development Department and has worked for Philips in all business departments involving all functions including development, production, organization structure and efficiency, project management, factory management, operation management, global industry management, supply management, Asian Region sourcing, new product introduction and life cycle management, etc.

Mr. Philippe SUMEIRE: Supervisor, graduated from Aix-en-Provence Law School with doctor's degree of Private Law. President of Law Department and Company Secretary; has worked for PEUGEOT S.A. and ATOCHEM, chief legal consultant and board secretary of 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.

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 VERWAERDE	SEB Group	Senior Executive Vice President of Asia Continental	January 01, 1998		No

		Division			
Philippe SUMEIRE	SEB Group	President of Law Department &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

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
Wang Baoqing	Zhejiang Gongshang University	Professor	July 30, 1996		Yes
Wang Baoqing	ZHEFU Holding Group	Independent director	November 12, 2013	November 11, 2016	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
Su Yan	Zhejiang Supor South Ocean Pharmaceuticals Co., Ltd.	Board chairman, general manager	May 01, 2006		No
Su Yan	Zhejiang Supor Pharmaceutical Sales Co., Ltd.	Board Chairman	May 01, 2006		Yes
Su Yan	Hubei South Ocean Pharmaceuticals Co., Ltd.	General Manager	May 01, 2006		No
Su Yan	Zhejiang South Ocean Pharmaceuticals Co., Ltd.	General Manager	May 01, 2006		No
Su Yan	Hangzhou Supor South Ocean Pharmaceuticals Co., Ltd.	General Manager	May 01, 2006		No
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	No

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	60	Holding		
Thierry de La Tour d'Artaise	Director	Male	61	Holding		
Su Xianze	Director	Male	47	Holding		
Su Yan	Director	Female	44	Holding		
Harry TOURET	Director	Male	62	Holding		
Vincent LEONARD	Director	Male	55	Holding		
Frederic BERAHA	Independent director	Male	65	Holding	15	
Xiaoqing PELLEMELE	Independent director	Female	59	Holding	15	
Wang Baoqing	Independent director	Male	52	Holding	15	
Chia Wahhock	Supervisor	Male	60	Holding	288.56	
Philippe SUMEIRE	Supervisor	Male	56	Holding		
Zhang Junfa	Supervisor	Male	39	Holding	24.1	
Tai Wai Chung	General Manager	Male	55	Holding	275	
Xu Bo	Chief Financial Officer	Male	48	Holding	215.62	
Ye Jide	Deputy GM and Board Secretary	Male	39	Holding	83.53	
Total	--	--	--	--	931.81	

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	2,245
Number of employees in subsidiaries	10,258
Total number of personnel	12,503
Total number of personnel paid during current period	12,503
Retired employees for whom the Company should cover expenses	0
Profession composition	
Job description	Quantity
Production personnel	8,395
Sales personnel	1,343
Technician	1,877
Financial personnel	149
Administrative personnel	739
Total	12,503
Education	
Education	Quantity
Postgraduate and above	61
Junior college or university	3,845
Technical secondary school or high school	3,547
Others	5,050
Total	12,503

2、Compensation and Benefit Policy

- 1) The Company has adopted the floating compensation system which is closely related to working performance of each employee. The Company offer employees of basic salary and performance related salary which are paid by money. Meanwhile, the Company provides employees many different kinds of welfares such as growth opportunity, fine working environment and trainings.
- 2) The Company offer competitive salary and welfare for employees, that is attractive to excellent talents. The Company has also made policies to maintain the stability of core employees to motivate them to make contributions to the Company.

3、 Training Program

- 1) The Company laid emphasis on training not only for knowledge and technical skills, but also ability and value.
- 2) The Company provides employees with different and useful trainings by all Business Bu under the guidance of Supor University, in order to enhance comprehensive abilities and working abilities of employees to meet the needs of daily and future management and keep pace with the strategy of the Company.
- 3) The trainings offered by the Company, based on the circumstances of fair competition and actual requirements, comply with working performance evaluation, career development expectation and real needs of each employee.

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, six 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 2014 Annual Report, First Quarterly Report 2015, Semi-Annual Report and Third Quarterly Report 2015, 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), significant events truly, accurately, completely, timely and fairly. In the reporting period, the Company has published 45 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. Furthermore, in accordance with the requirement of the Management System of Investor's Relationship, the Company has standardized investors' reception procedures including visiting and consultation, and guaranteed the fair acquisition of the Company's information by all shareholders.

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 2015	Interim Shareholders Meeting	0.02%	January 30, 2015	February 2, 2015	References can be made to the <i>Announcement of Resolution of the First Interim Shareholders Meeting for 2015 (2015-005)</i> disclosed on http://www.cninfo.com.cn
The Annual General Shareholders Meeting for 2014	Annual General Shareholders Meeting	0.03%	April 15, 2015	April 16, 2015	References can be made to the <i>Announcement of Resolution of the Annual General Shareholders Meeting for 2014 (2015-018)</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	6	2	4	0	0	No
Frederic BERAHA	6	2	4	0	0	No
Xiaoqing PELLEMELE	6	2	4	0	0	No
Presence in General Meetings by independent directors (times)		2				

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 second period of restricted stock incentive plan (Equity Incentive Plan 2013) of the Company and the first period of reserved restricted stock, and list of incentive objects.

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 2015, the Company has conducted the year-end appraisal in January, 2016 of top management staffs of their working abilities, duty performance and target fulfillment. During the reporting period, the Company has unlocked the unlockable restricted stock in the second unlock period and the first 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 25, 2016	
Reference for full text of Evaluation Report of Internal Control	Reference can be made to Evaluation Report of the Internal Control for 2015 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	<p>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: 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>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 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	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.	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.
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

X. Audit Report or Authentication Report of Internal Control

Audit report of internal control

Deliberations in the audit report of internal control	
We hold the idea that Zhejiang Supor Co., Ltd. kept effective internal control for financial report on all significant aspects according to <i>Guidelines for the Conduct of Directors of Companies Listed on the Small and Medium-sized Enterprise Board of Shenzhen Stock Exchange</i> on December 31, 2015, which is concluded under the condition of inherent limitation indicated in audit report.	
Disclosure situation for audit report of internal control	Disclosed
Date of disclosure of full text of Audit Report of Internal Control	March 25, 2016

Reference for full text of Audit Report of Internal Control	Reference can be made to Audit Report of the Internal Control for 2015 published in <i>Securities Times</i> , <i>China Securities Journal</i> , <i>Securities Daily</i> and http://www.cninfo.com.cn .
Type of opinion on the audit report of internal control	Standard clean opinion
Whether any significant defect exists in non-financial report	No

Whether accounting firm issues audit report of internal control with nonstandard opinion

Yes No

Whether the opinions in audit report of internal control issued by accounting firm conforms to the self evaluation report of the Boarder of Directors

Yes No

SECTION X FINANCIAL REPORT

Auditor's Report

PCCPAAR[2016]No.

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, 2015, 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 consider 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, 2015, and of its financial performance and its cash flows for the year then ended in accordance with China Accounting Standards for Business Enterprises.

Pan-China Certified Public Accountants LLP

Certified Public Accountant

Hangzhou · China

Certified Public Accountant

Date of Report: January 22nd 2016

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.

[Company name]

Consolidated balance sheet as at December 31, 2015

(Expressed in Renminbi Yuan)

Assets	Note No.	Closing balance	Opening balance
Current assets:			
Cash and bank balances	1	1,041,013,222.63	620,684,489.46
Settlement funds			
Loans to other banks			
Financial assets at fair value through profit or loss	2	402,218,888.89	913,655,148.86
Derivative financial assets			
Notes receivable	3	604,773,313.11	486,320,125.68
Accounts receivable	4	1,057,146,368.61	1,004,256,291.61
Advances paid	5	108,843,307.15	171,336,580.71
Premiums receivable			
Reinsurance accounts receivable			
Reinsurance reserve receivable			
Interest receivable	6	1,211,839.09	1,333,136.33
Dividend receivable			
Other receivables	7	34,924,752.46	48,727,819.25
Reverse-REPO financial assets			
Inventories	8	1,426,745,280.93	1,568,475,227.88
Assets classified as held-for-sale			
Non-current assets due within one year			
Other current assets	9	1,375,173,953.91	448,717,689.40
Total current assets		6,052,050,926.77	5,263,506,509.18
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	51,328,807.28	48,480,778.13
Investment property			
Fixed assets	12	920,306,368.97	956,192,336.23
Construction in progress	13	22,568,331.63	24,928,527.13
Construction materials			
Fixed assets disposal			
Biological assets			
Oil & gas assets			
Intangible assets	14	220,715,082.65	225,590,281.93
Development expenditures			
Goodwill			
Long-term prepayments			
Deferred tax assets	15	129,135,893.03	114,946,524.38

Other non-current assets			
Total non-current assets		1,344,054,483.56	1,370,138,447.80
Total assets		7,396,105,410.33	6,633,644,956.98

[Company name]

Consolidated balance sheet as at December 31, 2015 (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	1,639,633,692.92	1,593,473,427.68
Advances received	17	363,052,756.96	355,555,918.02
Proceeds from sale of repurchase financial assets			
Handling fee and commission payable			
Employee benefits payable	18	209,100,501.70	196,269,219.29
Taxes and rates payable	19	95,969,798.95	134,947,117.26
Interest payable			
Dividend payable			
Other payables	20	66,612,278.63	52,765,467.80
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		2,374,369,029.16	2,333,011,150.05
Non-current liabilities:			
Long-term borrowings			
Bonds payable			
Long-term payables			
Long-term employee benefits payable	21	7,345,426.97	7,642,438.23
Special payables			
Provisions	22	3,000,000.00	13,013,355.00
Deferred income			
Deferred tax liabilities	15	1,660,392.12	1,161,698.56
Other non-current liabilities			
Total non-current liabilities		12,005,819.09	21,817,491.79
Total liabilities		2,386,374,848.25	2,354,828,641.84
Equity:			

Share capital/Paid-in capital	23	632,875,188.00	633,853,440.00
Capital reserve	24	557,582,021.72	544,286,532.15
Less: treasury shares			
Other comprehensive income	25	-20,233,714.96	-24,083,236.09
Special reserve			
Surplus reserve	26	197,410,981.99	154,971,348.50
General risk reserve			
Undistributed profit	27	3,053,468,801.78	2,479,039,992.07
Total equity attributable to the parent company		4,421,103,278.53	3,788,068,076.63
Non-controlling interest		588,627,283.55	490,748,238.51
Total equity		5,009,730,562.08	4,278,816,315.14
Total liabilities & equity		7,396,105,410.33	6,633,644,956.98

[Company name]

Parent company balance sheet as at December 31, 2015

(Expressed in Renminbi Yuan)

Assets	Note No.	Closing balance	Opening balance
Current assets:			
Cash and bank balances		452,950,870.93	132,101,639.38
Financial assets at fair value through profit or loss			392,310,082.19
Derivative financial assets			
Notes receivable		11,320,927.60	19,054,036.48
Accounts receivable	1	228,924,203.60	266,999,774.58
Advances paid		28,350,644.22	55,109,729.12
Interest receivable		175,101.25	6,187.51
Dividend receivable		250,000,000.00	
Other receivables	2	81,493,789.67	95,590,456.19
Inventories		132,568,386.14	181,856,988.65
Assets classified as held-for-sale			
Non-current assets due within one year			
Other current assets		943,191,673.45	392,256,657.53
Total current assets		2,128,975,596.86	1,535,285,551.63
Non-current assets:			
Available-for-sale financial assets			
Held-to-maturity investments			
Long-term receivable			
Long-term equity investments	3	1,152,063,788.11	1,146,897,559.12
Investment property			
Fixed assets		163,971,358.61	154,775,280.21
Construction in progress		4,178,856.02	19,699,960.18
Construction materials			
Fixed assets disposal			
Biological assets			
Oil & gas assets			
Intangible assets		51,572,145.81	53,341,341.02
Development expenditures			
Goodwill			
Long-term prepayments			
Deferred tax assets		7,732,658.46	3,781,521.03
Other non-current assets			
Total non-current assets		1,379,518,807.01	1,378,495,661.56
Total assets		3,508,494,403.87	2,913,781,213.19

[Company name]

Parent company balance sheet as at December 31, 2015 (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		134,383,127.66	130,258,824.88
Advances received		5,807,828.15	4,340,729.62
Employee benefits payable		40,687,386.65	33,233,491.00
Taxes and rates payable		27,151,680.91	29,287,779.19
Interest payable			
Dividend payable			
Other payables		1,516,287,576.78	1,097,876,067.93
Liabilities classified as held-for-sale			
Non-current liabilities due within one year			
Other current liabilities			
Total current liabilities		1,724,317,600.15	1,294,996,892.62
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	685,939.09
Other non-current liabilities			
Total non-current liabilities		1,123,500.80	685,939.09
Total liabilities		1,725,441,100.95	1,295,682,831.71
Equity:			
Share capital/Paid-in capital		632,875,188.00	633,853,440.00
Capital reserve		557,812,603.10	544,139,433.78
Less: treasuryshares			
Other comprehensive income			
Special reserve			
Surplus reserve		197,410,981.99	154,971,348.50
General risk reserve			
Undistributed profit		394,954,529.83	285,134,159.20
Total equity		1,783,053,302.92	1,618,098,381.48
Total liabilities & equity		3,508,494,403.87	2,913,781,213.19

[Company name]

Consolidated income statement for the year ending December 31, 2015 (Expressed in Renminbi Yuan)

Items	Note No.	Current period cumulative	Preceding period comparative
I. Total operating revenue		10,909,686,625.90	9,534,643,945.84
Including: operating revenue	1	10,909,686,625.90	9,534,643,945.84
Interest proceeds			
Premium earned			
Revenue from handling charges and commission			
II. Total operating cost		9,802,292,964.81	8,659,280,195.32
Including: operating cost	1	7,749,205,984.68	6,766,783,798.59
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 for operations	2	69,393,906.78	55,817,139.79
Selling expenses	3	1,580,066,582.14	1,481,090,948.90
Administrative expenses	4	367,200,921.76	324,558,437.29
Financial expense	5	-23,051,245.80	-19,280,618.58
Assets impairment loss	6	59,476,815.25	50,310,489.33
Add: gains on changes of fair value(or less: losses)	7	-1,436,259.57	3,667,973.86
Investment income (or less: losses)	8	38,513,234.19	26,278,044.44
Including: investment income from associates and joint ventures		3,290,945.74	2,614,494.84
Gains on foreign exchange (or less: losses)			
III. Operating profit(or less: losses)		1,144,470,635.71	905,309,768.82
Add: Non-operating revenue	9	48,607,593.76	32,746,697.98
Including: Gains on disposal of non-current assets		1,036,745.59	1,378,097.09
Less: Non-operating expenditures	10	19,395,818.73	29,981,795.70
Including: losses on disposal of fixed assets		3,115,385.55	2,763,085.14
IV. Profit before tax (or less: total loss)		1,173,682,410.74	908,074,671.10
Less: income tax	11	187,176,271.46	143,131,731.81
V. Net profit (or less: net loss)		986,506,139.28	764,942,939.29
Net profit attributable to owners of parent company		889,004,773.99	689,892,322.91
Non-controlling interest income		97,501,365.29	75,050,616.38
VI. Other comprehensive income after tax	12	3,849,521.13	-796,236.10
(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		3,849,521.13	-796,236.10

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	3,849,521.13	-796,236.10
VII. Total comprehensive income	990,355,660.41	764,146,703.19
Including: Items attributable to owners of parent company	892,854,295.12	689,096,086.81
Items attributable to non-controlling interest	97,501,365.29	75,050,616.38
VIII. Earnings per share:		
(I) Basic EPS	1.416	1.099
(II) Diluted EPS	1.404	1.089

[Company name]

Parent company income statement for the year ending December 31, 2015

(Expressed in Renminbi Yuan)

Items	Note No.	Current period cumulative	Preceding period comparative
I. Operating revenue	1	1,723,481,940.71	1,488,887,671.14
Less: Operating cost	1	1,372,496,755.46	1,197,893,543.83
Taxes & surcharge for operations		11,085,419.86	5,887,479.98
Selling expenses		45,591,333.29	49,752,673.67
Administrative expenses		102,348,664.13	75,389,641.48
Financial expense		-3,146,703.94	-4,210,517.45
Assets impairment loss		18,166,499.21	12,111,071.30
Add: Gain on changes of fair value (or less: losses)		-2,310,082.19	2,322,907.19
Investment income (or less: losses)	2	279,597,979.03	12,341,560.81
Including: investment income from associates and joint ventures		3,290,945.74	2,614,494.84
II. Operating profit(or less: losses)		454,227,869.54	166,728,246.33
Add: Non-operating revenue		4,583,294.67	4,324,815.97
Including: Gains on disposal of non-current assets		788,465.01	119,415.86
Less: Non-operating expenditures		6,539,399.75	5,625,251.74
Including: losses on disposal of non-current assets		840,009.46	1,213,993.72
III. Profit before tax (or less: total loss)		452,271,764.46	165,427,810.56
Less: income tax		27,875,429.55	23,055,164.50
IV. Net profit (or less: net loss)		424,396,334.91	142,372,646.06
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		424,396,334.91	142,372,646.06
VII. Earnings per share:			
(I) Basic EPS			

(II) Diluted EPS

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[Company name]

Consolidated cash flow statement for the year ending December 31, 2015

(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		12,004,769,332.53	10,490,880,096.66
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		158,580,421.98	186,071,636.61
Other cash receipts related to operating activities	1	55,724,317.15	36,952,803.03
Subtotal of cash inflows from operating activities		12,219,074,071.66	10,713,904,536.30
Cash payments for goods purchased and services received		8,039,688,106.64	7,353,541,507.40
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		1,097,841,214.42	1,013,183,081.75
Cash payments of taxes and rates		638,343,113.10	507,933,973.01
Other cash payments related to operating activities	2	1,310,111,926.83	1,006,056,662.43
Subtotal cash outflows from operating activities		11,085,984,360.99	9,880,715,224.59
Net cash flows from operating activities		1,133,089,710.67	833,189,311.71
II. Cash flows from investing activities:			
Cash received from return of investments			
Cash received from return on investments		30,252,004.46	21,406,892.07
Net cash received from the disposal of fixed assets, intangible assets		2,401,121.44	3,715,232.69
Net cash received from the disposal of subsidiaries & other business			
Other cash receipts related to investing activities	3	1,542,331,190.29	1,369,803,895.47
Subtotal of cash inflows from investing activities		1,574,984,316.19	1,394,926,020.23
Cash paid for acquiring fixed assets, intangible assets and other		75,916,323.71	124,458,315.77
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	1,905,404,087.84	1,840,756,030.26
Subtotal of cash outflows from investing activities		1,981,320,411.55	1,965,214,346.03
Net cash flows from investing activities		-406,336,095.36	-570,288,325.80
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	271,090,805.85	234,659,145.56
Including: cash paid for distribution of dividends or profits by		
Other cash payments related to financing activities		
Subtotal of cash outflows from financing activities	271,090,805.85	234,659,145.56
Net cash flows from financing activities	-271,090,805.85	-234,659,145.56
IV. Effect of foreign exchange rate changes on cash & cash equivalents	15,281,380.76	-1,624,845.38
V. Net increase in cash and cash equivalents	470,944,190.22	26,616,994.96
Add: Opening balance of cash and cash equivalents	416,878,114.30	390,261,119.33
VI. Closing balance of cash and cash equivalents	887,822,304.52	416,878,114.30

[Company name]

Parent company cash flow statement for the year ending December 31, 2015

(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		1,829,854,205.31	1,368,466,103.38
Receipts of tax refund		69,310,321.89	80,409,853.44
Other cash receipts related to operating activities		7,665,229.24	7,845,778.54
Subtotal of cash inflow from operating activities		1,906,829,756.44	1,456,721,735.36
Cash payments for goods purchased and services received		1,253,304,396.22	1,174,515,961.01
Cash payments to and on behalf of employees		192,961,424.02	175,268,823.91
Cash payments of taxes and rates		58,958,599.32	41,036,132.76
Other cash payments related to operating activities		76,926,868.63	71,734,673.93
Subtotal of cash outflows from operating activities		1,582,151,288.19	1,462,555,591.61
Net cash flows from operating activities		324,678,468.25	-5,833,856.25
II. Cash flows from investing activities:			
Cash received from return of investments			
Cash received from investments gains		21,079,872.97	7,470,408.44
Net cash receipts from disposals of fixed assets, intangible assets and other		1,123,903.02	2,032,389.83
Net cash receipts from disposals of subsidiaries and other business units			
Other cash receipts related to investing activities		782,845,891.10	514,446,890.44
Subtotal of cash inflow from investing activities		805,049,667.09	523,949,688.71
Cash payments to acquire fixed assets, intangible assets and other		18,029,659.16	25,628,772.62
Cash payments to acquire investments			
Net cash payments for acquisitions of subsidiaries and other business units			
Other cash payments related to investing activities		934,738,868.74	788,807,229.92
Subtotal of cash outflows from investing activities		952,768,527.90	814,436,002.54
Net cash flows from investing activities		-147,718,860.81	-290,486,313.83
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		536,321,070.73	625,632,564.10
Subtotal of cash inflows from financing activities		536,321,070.73	625,632,564.10
Cash repayments of borrowings			
Cash payments for distribution of dividends or profit or interest expenses		271,090,805.85	234,659,145.56
Other cash payments related to financing activities		130,254,296.76	6,077,978.91
Subtotal of cash outflows from financing activities		401,345,102.61	240,737,124.47
Net cash flows from financing activities		134,975,968.12	384,895,439.63
IV. Effect of foreign exchange rate changes on cash and cash equivalents		8,913,655.99	-806,683.52
V. Net increase in cash and cash equivalents		320,849,231.55	87,768,586.03
Add: Opening balance of cash and cash equivalents		132,101,639.38	44,333,053.35
VI. Closing balance of cash and cash equivalents		452,950,870.93	132,101,639.38

[Company name]

Consolidated statement of changes in equity for the year ending December 31, 2015

(Expressed in Renminbi Yuan)

Items	Current period cumulative										Non-controlling interest	Total equity
	Equity attributable to parent company											
	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

[Company name]

Consolidated statement of changes in equity for the year ending December 31, 2015 (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	634,394,112.00	531,694,082.71	2,729,067.34	-23,286,999.99	140,734,083.89		2,038,044,079.33			414,060,593.91	3,732,910,884.51
Add: cumulative changes of accounting policies											
Error correction of prior period											
Others											
II.Balance at the beginning of current year	634,394,112.00	531,694,082.71	2,729,067.34	-23,286,999.99	140,734,083.89		2,038,044,079.33			414,060,593.91	3,732,910,884.51
III.Current period increase (or less: decrease)	-540,672.00	12,592,449.44	-2,729,067.34	-796,236.10	14,237,264.61		440,995,912.74			76,687,644.60	545,905,430.63
(I) Other comprehensive income				-796,236.10			689,892,322.91			75,050,616.38	764,146,703.19
(II) Capital contributed or withdrew by owners	-540,672.00	12,592,449.44	-2,729,067.34							1,637,028.22	16,417,873.00
1. Capital contributed by owners											
2. Amount of share-based payment included in equity	-540,672.00	12,592,449.44	-2,729,067.34							1,637,028.22	16,417,873.00
3. Others											
(III) Profit distribution					14,237,264.61		-248,896,410.17				-234,659,145.56
1. Appropriation of surplus reserve					14,237,264.61		-14,237,264.61				
2. Appropriation of general risk reserve											
3. Appropriation of profit to owners							-234,659,145.56				-234,659,145.56
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	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

[Company name]

Parent company statement of changes in equity for the year ending December 31, 2015

(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	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

[Company name]

Parent company statement of changes in equity for the year ending December 31, 2015 (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	634,394,112.00	529,909,956.12	2,729,067.34		140,734,083.89		391,657,923.31		1,693,967,007.98
Add: cumulative changes of accounting policies									
Error correction of prior period									
Others									
II. Balance at the beginning of current year	634,394,112.00	529,909,956.12	2,729,067.34		140,734,083.89		391,657,923.31		1,693,967,007.98
III. Current period increase (or less: decrease)	-540,672.00	14,229,477.66	-2,729,067.34		14,237,264.61		-106,523,764.11		-75,868,626.50
(I) Other comprehensive income							142,372,646.06		142,372,646.06
(II) Capital contributed or withdrew by owners	-540,672.00	14,229,477.66	-2,729,067.34						16,417,873.00
1. Capital contributed by owners									
2. Amount of share-based payment included in equity	-540,672.00	14,229,477.66	-2,729,067.34						16,417,873.00
3. Others									
(III) Profit distribution					14,237,264.61		-248,896,410.17		-234,659,145.56
1. Appropriation of surplus reserve					14,237,264.61		-14,237,264.61		
2. Appropriation of general risk reserve							-234,659,145.56		-234,659,145.56
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	633,853,440.00	544,139,433.78			154,971,348.50		285,134,159.20		1,618,098,381.48

[Name]

[Legal Representative]

(Signature and stamp)

[Name]

[Officer in charge of accounting]

(Signature and stamp)

[Name]

[Head of accounting department]

(Signature and stamp)

Zhejiang Supor Co., Ltd.
Notes to Financial Statements

For the year ended December 31, 2015

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 632,875,188.00 yuan, a total of 632,875,188 shares (each with par value of 1 yuan per share), of which restricted outstanding shares are 165,399,495 shares (A share), and non-restricted outstanding shares are 467,475,693 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; import & export business (please refer to the Certification of Qualification for Business Scope of Import and Export Business Entities of the People’s Republic of China for detailed business scope); electrical appliance installation and maintenance service. Main products include cookware and kitchen appliance etc.

The financial statements were approved and authorized for issue by the 11th Meeting of the Fifth Session of the BOD dated on March 24, 2016.

The Company has brought 12 subsidiaries including 浙江绍兴苏泊尔生活电器有限公司(Zhejiang Shaoxing Supor Home Appliance Co., Ltd.*), 浙江苏泊尔家电制造有限公司(Zhejiang Supor Home Appliance Manufacturing Co., Ltd.*), and 武汉苏泊尔压力锅有限公司(Wuhan Supor Pressure Boiler 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

(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

1. 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.

2. Accounting treatments on subsidiary whose equity is sold after purchase or repurchase after sold within two consecutive accounting years

(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 yuan 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

Judgementbasis or amount criteria of individually significant amount	Receivables amounting to more than [Number] million yuan (including [Number] million yuan) and/or accounting for more than [Number]% (including [Number]%) 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

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.

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 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 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 acquire 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 acquire 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; 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	5	3-10	18.00-19.40
Special equipment	Straight-line method	10	3-10	9.00-9.70
Transport facilities	Straight-line method	6-10	3-10	9.00-16.17

(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.

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

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)
Land use right	43-50
Application software	2-10

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.

(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%.
Business tax	The taxable business turnover	5%
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%
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%
Education surcharge	Turnover tax payable	3%
Local education surcharge	Turnover tax payable	2%
Enterprise income tax	Taxable income	15%、25%

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 Home Appliance Co., Ltd.	15%
Taxpayers other than the above-mentioned	25%

(II) Tax preferential policies

1. Pursuant to the document numbered ZheKeFaGao [2015] 256, the Company passed the hi-tech enterprise qualification review 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 GuoKeHuoZi[2015] 8, Wuhan Supor Cookware Co., Ltd. passed the hi-tech enterprise qualification review in 2012 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 ZheKeFaGao [2013] 294, Zhejiang Shaoxing Supor Home Appliance Co., Ltd. passed the hi-tech enterprise qualification review in 2013 and is entitled to enjoy the preferential tax rate of 15% for the three-year period starting from January 1, 2013.

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
Cash on hand	186,935.21	306,130.75
Cash in bank	1,040,816,287.41	620,368,358.71
Other cash and bank balances	10,000.00	10,000.00
Total	1,041,013,222.62	620,684,489.46
Including: deposited overseas	65,930,613.08	51,690,956.78

(2) Other remarks

1) Restricted closing balance totaled 153,190,918.10 yuan, of which, 153,180,918.10 yuan is time deposit on which the Company has an intention to hold to maturity and 10,000.00 yuan in other cash and bank balances is deposit for L/C.

2) Closing balance deposited in Vietnam totaled 65,930,613.08 yuan, of which, USD 13,017.28 (with RMB equivalent of 84,529.00 yuan) and VND 80,259,417.00 (with RMB equivalent of 23,808.70 yuan) are cash on hand, and USD 8,196,059.84 (with RMB equivalent of 53,221,934.18 yuan) and VND 42,475,894,674.00 (with RMB equivalent of 12,600,341.20 yuan) 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	402,218,888.89	913,655,148.86
Including: Debt instrument investments [note]	402,218,888.89	913,655,148.86
Total	402,218,888.89	913,655,148.86

Note: They are the financial products purchased by Zhejiang Shaoxing Supor Home Appliance Co., Ltd., and Wuhan Supor Cookware Co., Ltd. respectively in amount of 200 million yuan. 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 2,218,888.89 yuan.

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	604,773,313.11		604,773,313.11	485,980,125.68		485,980,125.68
Trade acceptance				340,000.00		340,000.00
Total	604,773,313.11		604,773,313.11	486,320,125.68		486,320,125.68

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

Items	Closing balance derecognized	Closing balance not yet derecognized
Bank acceptance	1,881,374,920.88	
Subtotal	1,881,374,920.88	

4. Accounts receivable

(1) Details

1) Details of different categories of accounts receivable

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					
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

(Continued)

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					

Receivables with provision made on a collective basis using portfolios with similar credit risk features	1,015,810,426.23	96.08	51,197,095.27	5.04	964,613,330.96
Receivable of individually insignificant amount but with provision made on an individual basis	41,458,554.58	3.92	1,815,593.93	4.38	39,642,960.65
Total	1,057,268,980.81	100.00	53,012,689.20	5.01	1,004,256,291.61

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
YONG MA CO.,LTD and other receivables covered by insurance policy	42,020,037.03			No provision for bad debts is made as such receivables are arising from export sales and covered by export insurance.
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	43,835,630.96	1,815,593.93	4.14	

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	1,066,165,280.01	53,362,979.73	5.00
1-2 years	1,967,272.00	157,381.76	8.00
2-3 years	526,510.66	78,976.60	15.00
3-4 years	132,414.00	66,207.00	50.00
4-5 years	2,000.00	1,600.00	80.00
Over 5 years	199,406.50	199,406.50	100.00
Subtotal	1,068,992,883.17	53,866,551.59	5.04%

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

Provision for bad debts made in current period totaled 2,726,162.14 yuan, and collected or reversed in current period totaled 6,403.05 yuan.

(3) Accounts receivable written off in current period

Accounts receivable actually written off in current period totaled 63,108.87 yuan.

(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.	707,780,977.97	63.60	35,389,048.90
Client 1	51,732,869.10	4.65	2,586,643.46
Client 2	19,915,343.46	1.79	995,767.17
Client 3	19,599,129.14	1.76	979,956.46
Client 4	15,810,973.44	1.42	790,548.67
Subtotal	814,839,293.11	73.22	40,741,964.66

Closing balance of top 5 debtors totaled 814,839,293.11 yuan, accounting for 73.22% of the total closing balance of accounts receivable, and provision for bad debts made thereon totaled 40,741,964.66 yuan.

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	108,680,546.77	99.85		108,680,546.77	171,083,960.01	99.86		171,083,960.01
1-2 years	144.00	0.00		144.00	110,846.30	0.06		110,846.30
2-3 years	36,000.00	0.03		36,000.00	31,428.52	0.02		31,428.52
Over 3 years	126,616.38	0.12		126,616.38	110,345.88	0.06		110,345.88
Total	108,843,307.15	100.00		108,843,307.15	171,336,580.71	100.00		171,336,580.71

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

Debtors	Book balance	Proportion to the total balance of advances paid (%)
Supplier 1	17,162,874.01	15.77
Supplier 2	11,926,481.42	10.96
Supplier 3	10,943,999.98	10.05
Supplier 4	8,637,421.27	7.94
Supplier 5	6,168,002.78	5.67

Subtotal	54,838,779.46	50.39
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6. Interest receivable

(1) Details

Items	Closing balance	Opening balance
Interest for time deposit	1,211,839.09	1,333,136.33
Total	1,211,839.09	1,333,136.33

7. Other receivables

(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	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

(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	36,925,890.74	72.54			36,925,890.74
Receivables with provision made on a collective basis using portfolios with similar credit risk features	13,977,463.31	27.46	2,175,534.80	15.56	11,801,928.51
Receivable of individually insignificant amount but with provision made on an individual basis					
Total	50,903,354.05	100.00	2,175,534.80	4.27	48,727,819.25

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
VAT refund on export goods	25,789,417.08			As the age is within one year, and no provision is made as there is no risk over recoverability.
Subtotal	25,789,417.08			

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	7,698,294.38	384,894.07	5.00
1-2 years	1,386,085.98	110,886.88	8.00
2-3 years	474,414.20	71,162.13	15.00
3-4 years	264,720.00	132,360.00	50.00
4-5 years	55,619.50	44,495.60	80.00
Over 5 years	1,849,628.78	1,849,628.78	100.00
Subtotal	11,728,762.84	2,593,427.46	22.11

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

Provisions for bad debts made in current period totaled 484,792.66 yuan.

(3) Other receivables written off in current period

Other receivables actually written off in current period totaled 66,900.00yuan.

(4) Other receivables categorized by nature

Nature of receivables	Closing balance	Opening balance
Deposit as security	2,938,330.40	4,217,205.27
VAT refund on export goods	25,789,417.08	36,925,890.74
Temporary advance payment receivable	2,412,767.06	2,583,004.26
Personal deposit	3,292,590.86	2,977,964.63
Others	3,085,074.52	4,199,289.15
Total	37,518,179.92	50,903,354.05

(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	25,789,417.08	Within 1 year	68.74	
浙商财产保险 (Zheshang Property and Casualty Insurance Co.,Ltd)	Temporary payment receivable	1,223,946.75	Within 1 year	3.26	61,197.34
社保工伤医疗专户 (Social security special account for occupational injury and medical treatment)	Deposit	543,980.12	Within 1 year	1.45	27,199.01
中华人民共和国杭州海关 (Hangzhou Customs District People's Republic of China)	Temporary payment receivable	540,136.00	Within 1 year	1.44	27,006.80
陈建荣 (Chen Jianrong)	Temporary payment receivable	363,795.39	Within 1 year	0.97	18,189.77
Subtotal		28,461,275.34		75.86	133,592.92

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	306,513,678.91	15,900,483.44	290,613,195.47	374,943,219.79	18,559,694.64	356,383,525.15
Work in process	16,757,809.28		16,757,809.28	32,674,934.91		32,674,934.91
Goods on hand	1,094,593,496.55	53,987,492.92	1,040,606,003.63	1,115,214,963.30	25,188,685.29	1,090,026,278.01
Goods dispatched				255,937.52		255,937.52
Materials on consignment for further processing	69,279,996.49		69,279,996.49	76,325,842.77		76,325,842.77
Packages	9,488,276.06		9,488,276.06	12,808,709.52		12,808,709.52
Total	1,496,633,257.29	69,887,976.36	1,426,745,280.93	1,612,223,607.81	43,748,379.93	1,568,475,227.88

(2) Provision for inventory write-down

1) Details

Items	Opening balance	Increase		Decrease		Closing balance
		Provision	Others	Reversal or written-off	Others	
Raw materials	18,559,694.64	13,133,653.93		15,792,865.13		15,900,483.44

Goods on hand	25,188,685.29	43,132,206.52		14,333,398.89		53,987,492.92
Subtotal	43,748,379.93	56,265,860.45		30,126,264.02		69,887,976.36

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
Goods on hand	Net realizable value being lower than cost on individual basis	Sale

9. Other current assets

(1) Details

Items	Closing balance	Opening balance
Creditable VAT	47,519,481.09	56,291,276.00
Prepaid tax and rates		169,755.87
Financial products [note]	1,327,314,904.11	392,256,657.53
Others	339,568.71	
Total	1,375,173,953.91	448,717,689.4

Note: The closing balance represents the break-even and income guaranteed financial products purchased by the Company.

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	300,000.00			300,000.00
Subtotal	300,000.00			300,000.00

(Continue)

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	51,328,807.28		51,328,807.28	48,480,778.13		48,480,778.13
Total	51,328,807.28		51,328,807.28	48,480,778.13		48,480,778.13

(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.*)	48,480,778.13			2,848,029.15[Note]	
Total	48,480,778.13			2,848,029.15	

(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.					51,328,807.28	
Total					51,328,807.28	

Note: It includes investment income of 3,290,945.74 yuan recognized based on the Company's holding proportion in Wuhan Anzai Cookware Co., Ltd., and investment income of -442,916.59 yuan 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	737,177,327.61	75,530,948.83	675,266,778.68	30,645,659.36	1,518,620,714.48
Increase	7,982,622.11	2,613,255.68	58,277,710.67	2,184,676.75	71,058,265.21
1) Acquisition	995,715.99	2,041,314.41	32,081,958.86	2,184,676.75	37,303,665.97
2) Transferred in from construction in progress	6,986,906.12	571,941.31	26,195,751.81		33,754,599.24

Decrease	451,923.07	2,975,731.46	18,137,386.56	4,606,291.67	26,171,332.76
1) Disposal/scrap	451,923.07	2,716,395.08	18,107,198.80	4,606,291.67	25,881,808.62
2) Renewal		259,336.38	30,187.76		289,524.14
Closing balance	744,708,026.65	75,168,473.05	715,407,102.79	28,224,044.44	1,563,507,646.93
Accumulated depreciation					
Opening balance	147,390,706.82	54,838,355.15	339,485,169.83	20,714,146.45	562,428,378.25
Increase	24,447,961.34	10,195,139.61	63,314,127.28	4,030,863.64	102,009,147.34
Accrual	24,447,961.34	10,195,139.61	63,314,127.28	4,030,863.64	102,009,147.34
Decrease	57,146.94	2,744,291.91	14,536,103.58	3,898,705.20	21,236,247.63
1) Disposal/scrap	57,146.94	2,684,618.74	14,534,475.34	3,898,705.20	21,174,946.22
2) Renewal		59,673.17	1,628.24		61,301.41
Closing balance	171,781,521.22	62,289,202.85	388,263,193.53	20,846,304.89	643,201,277.96
Carrying amount					
Closing balance	572,926,505.43	12,879,270.20	327,143,909.26	7,377,739.55	920,306,368.97
Opening balance	589,786,620.79	20,692,593.68	335,781,608.85	9,931,512.91	956,192,336.23

(2) Fixed assets with certificate of titles unsettled

Items	Carrying amount	Reasons for unsettlement
Transformer substation (35KV) of Shaoxing Supor Home Appliance	4,513,382.06	Completion clearing procedure not settled
No.3 plant of Shaoxing Supor Home Appliance	36,887,434.10	
No.1 plant of Shaoxing Supor Home Appliance	33,812,596.73	
Function cafeteria of Shaoxing Supor Home Appliance	16,733,477.33	
Function dormitory of Shaoxing Supor Home Appliance	50,981,402.97	
No. 8 plant of Shaoxing Supor Home Appliance	38,487,207.51	
Stainless steel plant of Wuhan Supor Cookware	21,498,655.78	Certificate of titles under processing
Water pump building and structures of P&R Products	229,883.80	Transfer procedure of land use right

Items	Carrying amount	Reasons for unsettlement
No. 10 workshop of P&R Products	340,749.39	certificate not settled
Extended plant for bakelite workshop of P&R Products	507,411.11	
Polishing workshop of P&R Products	218,880.00	
No. 11 plant and structures of P&R Products	4,077,723.92	
Subtotal	208,288,804.70	

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 Home Appliance	3,498,000.15		3,498,000.15	1,762,273.48		1,762,273.48
Plant construction of Wuhan Supor Home Appliance	9,038,249.36		9,038,249.36			
Prepayment of equipment	8,411,018.74		8,411,018.74	6,535,048.91		6,535,048.91
Piecemeal projects	1,621,063.38		1,621,063.38	16,631,204.74		16,631,204.74
Total	22,568,331.63		22,568,331.63	24,928,527.13		24,928,527.13

(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 Home Appliance	450 million	1,762,273.48	2,653,426.67	917,700.00		3,498,000.15
Plant construction of Wuhan Supor Home Appliance			9,038,249.36			9,038,249.36
Incremental capacity of power for Zhejiang Supor Home Appliance			1,221,229.39	1,221,229.39		

Special equipment for pressure-cook of Wuhan Supor cookware			3,784,815.06	3,784,815.06		
Prepayment of equipment		6,535,048.91	8,411,018.74	6,535,048.91		8,411,018.74
Piecemeal projects		16,631,204.74	6,627,544.88	21,295,805.88	341,880.36	1,621,063.38
Subtotal	450 million	24,928,527.13	31,736,284.10	33,754,599.24	341,880.36	22,568,331.63

(Continued)

Projects	Accumulated investment to budget	Completion percentage (%)	Accumulated amount of borrowing cost capitalization	Amount of borrowing cost capitalization in current period	Annual capitalization rate (%)	Fund source
Plant construction of Shaoxing Supor Home Appliance	91.00	91.00				Financing capital
Plant construction of Wuhan Supor Home Appliance						Other sources
Incremental capacity of power for Zhejiang Supor Home Appliance						Other sources
Special equipment for pressure-cook of Wuhan Supor cookware						Other sources
Prepayment of equipment						Other sources
Piecemeal projects						Other sources
Subtotal						

14. Intangible assets

(1) Details

Items	Land use right	Non-patent technology	Total
Cost			
Opening balance	249,050,075.69	26,355,426.42	275,405,502.11
Increase		3,033,465.90	3,033,465.90
1) Acquisition		2,691,585.54	2,691,585.54
2) Transferred in from construction in progress		341,880.36	341,880.36
Decrease			
Disposal			

Closing balance	249,050,075.69	29,388,892.32	278,438,968.01
Accumulated amortization			
Opening balance	38,939,578.86	10,875,641.32	49,815,220.18
Increase	5,141,461.04	2,767,204.14	7,908,665.18
Accrual	5,141,461.04	2,767,204.14	7,908,665.18
Decrease			
Disposal			
Closing balance	44,081,039.90	13,642,845.46	57,723,885.36
Carrying amount			
Closing balance	204,969,035.79	15,746,046.86	220,715,082.65
Opening balance	210,110,496.83	15,479,785.10	225,590,281.93

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	116,833,678.73	18,653,027.27	89,725,161.06	14,751,631.93
Accrued expenses	485,489,842.72	90,529,577.98	461,351,046.83	81,196,315.44
Accrued payroll	72,010,274.14	11,124,455.91	75,136,483.55	11,712,053.59
Temporary difference in consolidated financial statements due to offsetting of unrealized profit or loss arising from internal transactions	21,778,135.39	3,286,666.27	14,256,778.23	2,141,140.97
Provisions	3,000,000.00	450,000.00	13,013,355.00	1,952,003.25
Expenses recognized in share-based payment	30,524,167.32	5,092,165.60	17,829,250.00	3,193,379.20
Total	729,636,098.30	129,135,893.03	671,312,074.67	114,946,524.38

(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	1,098,973.20	230,323.18	1,186,935.39	274,927.60
Investment income of financial product	7,314,904.11	1,097,235.61	2,256,657.53	338,498.63
Gains on changes in fair value	2,218,888.89	332,833.33	3,655,148.86	548,272.33
Total	10,632,766.20	1,660,392.12	7,098,741.78	1,161,698.56

16. Accounts payable

(1) Details

Items	Closing balance	Opening balance
Goods payment	1,078,550,688.74	1,074,226,350.57
Equipment payment	35,552,829.39	39,836,985.40
Expenses payment	525,530,174.79	479,410,091.71
Total	1,639,633,692.92	1,593,473,427.68

17. Advances received

(1) Details

Items	Closing balance	Opening balance
Goods payment	363,052,756.96	355,555,918.02
Total	363,052,756.96	355,555,918.02

18. Employee benefits payable

(1) Details

Items	Opening balance	Increase	Decrease	Closing balance
Short-term employee benefits	193,180,635.58	1,061,316,092.82	1,049,203,750.77	205,292,977.63
Post-employment benefits - defined benefit plan	1,515,573.79	47,813,516.55	47,075,741.41	2,253,348.93
Termination benefits	1,573,009.92	1,916,902.65	1,935,737.43	1,554,175.14
Total	196,269,219.29	1,111,046,512.02	1,098,215,229.61	209,100,501.7

(2) Details of short-term employee benefits

Items	Opening balance	Increase	Decrease	Closing balance
Wage, bonus, allowance and subsidy	177,046,012.73	952,779,845.45	941,113,948.12	188,711,910.06
Employee welfare fund	2,200,912.40	48,621,247.29	48,440,024.92	2,382,134.77
Social insurance premium	1,107,515.71	20,787,802.17	20,363,063.26	1,532,254.62

Including: Medicare premium	893,759.18	17,003,921.57	16,643,410.80	1,254,269.95
Occupational injuries premium	128,397.23	1,947,237.00	1,937,923.55	137,710.68
Maternity premium	85,359.30	1,836,643.60	1,781,728.91	140,273.99
Housing accumulation funds	600.00	16,110,286.41	16,110,886.41	
Trade union fund and employee education fund	12,825,594.74	23,016,911.50	23,175,828.06	12,666,678.18
Subtotal	193,180,635.58	1,061,316,092.82	1,049,203,750.77	205,292,977.63

(3) Details of defined benefit plan

Items	Opening balance	Increase	Decrease	Closing balance
Basic endowment insurance premium	1,304,397.19	43,752,457.01	43,019,155.81	2,037,698.39
Unemployment insurance premium	211,176.60	4,061,059.54	4,056,585.60	215,650.54
Subtotal	1,515,573.79	47,813,516.55	47,075,741.41	2,253,348.93

19. Taxes and rates payable

Items	Closing balance	Opening balance
VAT	19,419,108.51	17,004,126.42
Business tax	228,982.69	339,904.61
Enterprise income tax	59,393,379.45	70,712,568.06
Individual income tax withheld for tax authorities	5,541,536.35	4,118,081.26
Urban maintenance and construction tax	3,603,559.49	21,340,601.62
Housing property tax	557,491.94	380,341.98
Land use tax	612,376.50	612,376.56
Stamp tax	1,940,462.98	752,803.91
Water conservancy special fund	1,548,851.76	1,337,557.16
Education surcharge	1,845,337.34	9,325,565.78
Local education surcharge	1,277,462.99	6,217,719.80
Dike maintenance charges	1,248.95	2,805,470.10

Total	95,969,798.95	134,947,117.26
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20. Other payables

Items	Closing balance	Opening balance
Deposits	52,860,192.87	39,785,638.44
Temporary receipts payable	6,819,008.70	5,021,419.82
Others	6,933,077.06	7,958,409.54
Total	66,612,278.63	52,765,467.80

21. Long-term employee benefits payable

Items	Closing balance	Opening balance
Termination benefits	7,345,426.97	7,642,438.23
Total	7,345,426.97	7,642,438.23

22. Provisions

(1) Details

Items	Closing balance	Opening balance	Reasons for the balance
Pending lawsuit	3,000,000.00	13,013,355.00	Please refer to Note XI—contingencies for details
Total	3,000,000.00	13,013,355.00	

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	633,853,440.00				-978,252.00	-978,252.00	[Note] 632,875,188.00

Note: Pursuant to the resolution of the seventh meeting of the fifth session of the BOD, the Company repurchased 263,584 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 been registered at administration for industry and commerce, and as of the period end, total share capital includes the repurchased shares.

(2) Other remarks

1) Current period decrease of 978,252.00 yuan in share capital is because pursuant to the resolution of the 2nd and the 5th meeting of the fifth session of the BOD, the Company repurchased 978,252.00 restricted RMB 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 978,252.00 yuan accordingly. The capital decrease has been verified by Pan-China CPAs LLP, and a Capital Verification Report numbered PCCPACVR [2015] 429 was issued thereon.

24. Capital reserve

(1) Details

Items	Opening balance	Increase	Decrease	Closing balance
Share premium	523,958,667.40	978,252.00		524,936,919.40
Other capital reserve	20,327,864.75	12,317,237.57		32,645,102.32
Total	544,286,532.15	13,295,489.57		557,582,021.72

(2) Other remarks

1) Current period increase of 978,252.00 yuan 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 978,252.00 yuan, and an increase of the same amount accordingly.

2) Other capital reserve is equity-settled share-based payment expenses recognized in the current period amounting to 12,694,917.32 yuan, of which, 377,679.75yuan is included in non-controlling interest, and the remaining amount of 12,317,237.57yuan is included in capital reserve (other capital reserve).Please refer to note X – share-based payment for details.

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 not to be reclassified subsequently to profit or loss							
Translation difference of financial statements in foreign currencies	-24,083,236.09	3,849,521.13			3,849,521.13		-20,233,714.96
Total	-24,083,236.09	3,849,521.13			3,849,521.13		-20,233,714.96

26. Special reserve

(1) Details

Items	Opening balance	Increase	Decrease	Closing balance
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Statutory surplus reserve	154,971,348.50	42,439,633.49		197,410,981.99
Total	154,971,348.50	42,439,633.49		197,410,981.99

(2) Other remarks

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.

27. Undistributed profit

(1) Details

Items	Current period cumulative	Preceding period comparative
Opening balance after adjustment	2,479,039,992.07	2,038,044,079.33
Add: Net profit attributable to owners of the parent company	889,004,773.99	689,892,322.91
Less: Appropriation of statutory surplus reserve	42,439,633.49	14,237,264.61
Dividend payable on ordinary shares	272,136,330.79	234,659,145.56
Closing balance	3,053,468,801.78	2,479,039,992.07

(2) Other remarks

Pursuant to the resolution passed by the General Meeting of 2014 dated April 15, 2015, taking the total shares at the year end of 2014 deducting the reserved restricted treasury shares, a total of 632,875,188 shares, as the base, cash dividend of 4.30 yuan (tax included) per 10 shares is distributed to all shareholders.

(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	10,794,849,935.72	7,627,735,583.68	9,393,413,708.74	6,625,249,053.32
Revenue from other operation	114,836,690.18	121,470,401.00	141,230,237.10	141,534,745.27
Total	10,909,686,625.90	7,749,205,984.68	9,534,643,945.84	6,766,783,798.59

2. Taxes and surcharge for operations

(1) Details

Items	Current period cumulative	Preceding period comparative
Business tax	482,808.97	164,979.73

Urban maintenance and construction tax	39,193,487.96	31,978,366.08
Education surcharge	17,958,259.69	14,207,630.42
Local education surcharge	11,759,350.16	9,466,163.56
Total	69,393,906.78	55,817,139.79

3. Selling expenses

(1) Details

Items	Current period cumulative	Preceding period comparative
Advertising, sales promotion, and special gift expenses	901,593,385.56	849,336,329.35
Transportation expenses	277,038,345.59	244,352,061.97
Employee benefits	301,171,026.80	279,820,002.89
Office and business travelling expenses	83,958,697.24	83,079,735.15
Others	16,305,126.95	24,502,819.54
Total	1,580,066,582.14	1,481,090,948.90

4. Administrative expenses

(1) Details

Items	Current period cumulative	Preceding period comparative
Employee benefits	132,301,784.49	129,107,988.92
Products development and experiment expenses	108,211,971.88	91,132,734.03
Office, business travelling and depreciation and amortization expenses	61,961,751.91	64,645,180.71
Taxes	18,027,266.17	15,567,964.04
Share incentive expenses	12,694,917.32	16,417,873.00
Others	34,003,229.99	7,686,696.59
Total	367,200,921.76	324,558,437.29

5. Financial expenses

(1) Details

Items	Current period cumulative	Preceding period comparative
Interest proceeds	-11,023,634.26	-18,099,714.54

Gain or loss on foreign exchange	-11,152,301.53	725,192.11
Handling charges and others	574,431.84	784,649.75
Gain or loss on hedging exchange	-1,449,741.85	-2,690,745.90
Total	-23,051,245.80	-19,280,618.58

6. Assets impairment loss

Items	Current period cumulative	Preceding period comparative
Bad debts	3,210,954.80	17,015,137.21
Inventory write-down loss	56,265,860.45	33,295,352.12
Total	59,476,815.25	50,310,489.33

7. Gains on changes in fair value

(1) Details

Items	Current period cumulative	Preceding period comparative
Changes in fair value of forward foreign exchange		12,825.00
Changes in the fair value of financial products	-1,436,259.57	3,655,148.86
Total	-1,436,259.57	3,667,973.86

8. Investment income

(1) Details

Items	Current period cumulative	Preceding period comparative
Investment income from long-term equity investments under the equity method	3,290,945.74	2,614,494.84
Investment income from forward exchange settlement		58,743.27
Investment income from financial products	35,222,288.45	23,604,806.33
Total	38,513,234.19	26,278,044.44

9. Non-operating revenue

(1) Details

Items	Current period cumulative	Preceding period comparative	Amount included in
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			non-recurring profit or loss
Gains from disposal of non-current assets	1,036,745.59	1,378,097.09	1,036,745.59
Including: gains from disposal of fixed assets	1,036,745.59	1,378,097.09	1,036,745.59
Government grants	36,976,938.49	29,432,227.87	36,976,938.49
Default fine revenue	1,084,439.66	888,182.65	1,084,439.66
Others	9,509,470.02[Note]	1,048,190.37	9,509,470.02
Total	48,607,593.76	32,746,697.98	48,607,593.76

Note: In 2014, the competitor has sued for patent infringement to subsidiary-Shaoxing Supor and dealers such as Hangzhou Carrefour Supermarket Co., Ltd etc. And the competitor requested that Shaoxing Supor, Hangzhou Carrefour Supermarket Co., Ltd and other dealers stop the act of infringement. Therefore, the company accrued provision of 13,013,355 yuan. In current period, the subsidiary and the competitor reached a settlement agreement, therefore, the margin 9,478,930.00 yuan between estimated provision and related costs 3,534,425.00 recording to settlement agreement shall be accounted for non-operating expenditures.

(2) Government grants

Items	Current period cumulative	Preceding period comparative	Related to assets/income
Subsidy for projects	6,869,661.00	2,098,330.00	Related to income
Government reward	25,619,344.22	23,358,100.00	Related to income
Tax refund	4,487,933.27	3,975,797.87	Related to income
Subtotal	36,976,938.49	29,432,227.87	

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	3,115,385.55	2,763,085.14	3,115,385.55
Including: Losses on disposal of fixed assets	3,115,385.55	2,763,085.14	3,115,385.55
Donation expenditures	2,800,000.00	5,223,730.93	2,800,000.00
Indemnity expenditure	3,000,000.00	13,013,355.00	3,000,000.00
Default fine expenditure	664,886.68	537,448.98	664,886.68
Water conservancy special fund	8,465,915.33	6,878,178.03	
Dike maintenance charges		1,510,893.94	

Others	1,349,631.17	55,103.68	1,349,631.17
Total	19,395,818.73	29,981,795.70	10,929,903.40

11. Income tax expenses

(1) Details

Items	Current period cumulative	Preceding period comparative
Current period income tax expenses	200,866,946.55	186,793,252.58
Deferred income tax expenses	-13,690,675.09	-43,661,520.77
Total	187,176,271.46	143,131,731.81

(2) Reconciliation of accounting profit to income tax expenses

Items	Current period cumulative	Preceding period comparative
Profit before tax	1,173,682,410.74	908,074,671.10
Income tax expenses based on statutory/applicable tax rate	293,420,602.69	227,018,667.78
Effect of different tax rate applicable to subsidiaries	-92,556,354.69	-82,783,596.36
Effect of prior income tax reconciliation	-5,606,338.19	1,884,294.59
Effect of non-taxable income	-561,741.86	-10,950,000.00
Effect of non-deductible costs, expenses and losses	4,227,926.30	8,411,722.73
Utilization of deductible losses not previously recognized		-92,249.72
Effect of deducible temporary differences or deductible losses not recognized	128,682.79	
Effect of tax incentives	-12,779,932.27	-1,177,500.00
Other effects deemed sales	903,426.61	820,392.79
Income tax expenses	187,176,271.46	143,131,731.81

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	32,489,005.22	25,456,430.00

Receipt of deposit and staff reserve fund loan	14,048,932.80	3,813,618.96
Receipt of interest from bank deposit and others	9,186,379.13	7,682,754.07
Total	55,724,317.15	36,952,803.03

2. Other cash payments related to operating activities

Items	Current period cumulative	Preceding period comparative
Cash payment for sales expense	1,165,126,351.08	882,034,615.45
Cash payment for management expenses	133,754,677.40	100,095,234.12
Donations payment	2,800,000.00	5,223,730.93
Other payments	8,430,898.35	18,703,081.93
Total	1,310,111,926.83	1,006,056,662.43

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	1,542,331,190.29	1,369,803,895.47
Total	1,542,331,190.29	1,369,803,895.47

4. Other cash payments related to investing activities

Items	Current period cumulative	Preceding period comparative
Cash payment for financial products and time deposit	1,905,404,087.84	1,840,756,030.26
Total	1,905,404,087.84	1,840,756,030.26

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	986,506,139.28	764,942,939.29
Add: Provision for assets impairment loss	59,476,815.25	50,310,489.33
Depreciation of fixed assets, oil and gas assets, productive biological assets	102,009,147.34	91,093,414.66
Amortization of intangible assets	7,908,665.18	7,641,327.34
Amortization of long-term prepayments		

Loss on disposal of fixed assets, intangible assets and other non-current assets (Less: gains)	2,078,639.96	1,384,988.05
Fixed assets retirement loss (Less: gains)		
Losses on changes in fair value (Less: gains)	1,436,259.57	-3,667,973.86
Financial expenses (Less: gains)	-17,816,123.72	-12,620,158.58
Investments losses (Less: gains)	-38,513,234.19	-26,278,044.44
Decrease of deferred tax assets (Less: increase)	-14,189,368.65	-44,002,157.33
Increase of deferred tax liabilities (Less: decrease)	498,693.56	340,636.56
Decrease in inventories (Less: increase)	89,493,393.93	-277,763,094.35
Decrease in operating receivables (Less: increase)	-92,999,027.09	-85,137,119.62
Increase of operating payables (Less: decrease)	34,504,792.93	350,526,191.64
Others	12,694,917.32	16,417,873.02
Net cash flow from operating activities	1,133,089,710.67	833,189,311.71
(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	887,822,304.52	416,878,114.30
Less: Cash at the beginning of the period	416,878,114.30	390,261,119.33
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	470,944,190.22	26,616,994.97

(2) Cash and cash equivalents

Items	Closing balance	Opening balance
1) Cash	887,822,304.52	416,878,114.30
Including: Cash on hand	186,935.21	306,130.75
Cash in bank on demand for payment	887,625,369.31	416,561,983.55
Other cash and bank balances on demand for payment		10,000.00
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	887,822,304.52	416,878,114.30
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	153,190,918.10	Time deposits for investment purposes and deposit for L/C
Total	153,190,918.10	

(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	15,381,455.33	6.4936	99,881,018.33
EUR	581,902.67	7.0952	4,128,715.82
GPB	2.13	9.6159	20.48
VND	42,556,154,091.00	0.000296647	12,624,155.44
Accounts receivable			
Including: USD	13,428,632.72	6.4936	87,200,169.43
VND	24,620,868,120.60	0.000296647	7,303,706.67
Accounts payable			
Including: USD	5,411,908.02	6.4936	35,142,765.93
VND	26,893,170,941.22	0.000296647	7,977,778.48

VI. Changes in the consolidated scope**(I) Business combination not under common control****1. Business combination not under common control in current period****(1) Basic information**

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 Home Appliance Manufacturing Co., Ltd.*) [Note 1]	Hangzhou	Hangzhou	Manufacturing industry	75.00		Establishment
绍兴苏泊尔电器有限公司 (Shaoxing Supor Electric Appliance Co., Ltd.*) [Note 1]	Shaoxing	Shaoxing	Manufacturing industry	70.00		Establishment
浙江绍兴苏泊尔生活电器有限公司 (Zhejiang Shaoxing Supor Home Appliance 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		75.00	Establishment
杭州奥梅尼商贸有限公司 (Hangzhou Aomeini Commerce and 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: These companies are referred to hereinafter respectively as Zhejiang Home Appliance, Supor Electric Appliance, Supor Vietnam, Wuhan Recycling, Aomeini Trade, Shanghai Marketing, Wuhan Pressure Cooker, P & R Products, Wuhan Supor and Yuhuan Recycling.

Note 2: The company is a subsidiary of Wuhan Supor Pressure Cooker Co., Ltd., the holding proportion disclosed are referred to the equity proportion held by Wuhan Supor Pressure Cooker Co., Ltd.

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	Closing balance of non-controlling interest
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Zhejiang Home Appliance	25.00	43,265,010.70		272,823,375.20
Supor Electric Appliance	30.00	317,764.29		15,513,553.04
Wuhan Cookware	25.00	52,154,269.96		284,219,120.81
Wuhan Pressure Cooker	0.64	1,009,893.77		7,281,493.93
P & R Products	6.77	739,196.07		6,960,761.66
Wuhan Supor	3.47	-14,670.22		497,012.48
Yuhuan Recycling	40.00	29,900.72		1,331,966.43

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 Home Appliance	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 Electric Appliance	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 Pressure Cooker	1,671,346,333.34	388,873,861.98	2,060,220,195.32	696,511,454.66	6,927,609.81	703,439,064.47
P & R Products	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

(Continued)

Subsidiaries	Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Zhejiang Home Appliance	1,313,391,679.67	184,448,320.92	1,497,840,000.59	575,786,638.75	242,218.22	576,028,856.97
Supor Electric Appliance	50,762,335.35		50,762,335.35	109,706.20		109,706.20
Wuhan Cookware	1,457,309,062.19	195,950,858.14	1,653,259,920.33	719,357,262.40	7,178,999.22	726,536,261.62
Wuhan Pressure Cooker	1,480,525,585.60	398,681,614.32	1,879,207,199.92	726,732,987.02	7,178,999.22	733,911,986.24

P & R Products	110,475,505.69	18,271,478.47	128,746,984.16	36,847,935.49		36,847,935.49
Wuhan Supor	15,965,894.22	51,551.08	16,017,445.30	648,207.10	623,339.01	1,271,546.11
Yuhuan Recycling	2,956,067.51		2,956,067.51	6,081.73		6,081.73

(2) Profit or loss and cash flows

Subsidiaries	Current period cumulative			
	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Zhejiang Home Appliance	2,519,135,195.04	173,060,042.81	173,060,042.81	245,153,535.84
Supor Electric Appliance		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 Pressure Cooker	2,809,599,569.57	209,950,172.47	209,950,172.47	227,345,267.30
P & R Products	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

(Continued)

Subsidiaries	Preceding period comparative			
	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Zhejiang Home Appliance	2,033,110,217.59	116,931,861.04	116,931,861.04	149,558,642.76
Supor Electric Appliance		1,039,416.49	1,039,416.49	-403,305.83
Wuhan Cookware	2,481,748,219.26	175,425,892.30	175,425,892.30	172,745,079.95
Wuhan Pressure Cooker	2,481,748,219.26	183,465,407.01	183,465,407.01	191,939,803.28
P & R Products	186,056,981.70	10,976,828.72	10,976,828.72	772,233.71
Wuhan Supor		-264,254.41	-264,254.41	-930,132.20
Yuhuan Recycling		54,735.58	54,735.58	28,482.39

(II) 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	127,759,152.92	120,313,967.29
Non-current assets	61,625,740.57	59,323,857.25
Total assets	189,384,893.49	179,637,824.54
Current liabilities	90,524,638.36	92,080,044.54
Non-current liabilities	1,140,000.00	1,240,000.00
Total liabilities	91,664,638.36	93,320,044.54
Non-controlling interest		
Equity attributable to owners of parent company	97,720,255.13	86,317,780.00
Proportionate share in net assets	29,316,076.54	25,895,334.00
Adjustments		
Goodwill	22,585,444.13	22,585,444.13
Unrealized profit in internal trading	442,916.59	1,371,058.64
Others		
Carrying amount of investments in joint ventures	51,328,807.28	47,109,719.49
Fair value of equity investments in joint ventures in association with quoted price		
Operating revenue	309,149,626.66	295,959,059.00
Net profit of discontinued operations	9,982,474.17	8,714,982.80
Other comprehensive income		
Total comprehensive income	9,982,474.17	8,714,982.80
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, 2014, the Company's risks were centered in certain credit risks, and 63.6% (December 31, 2014: 62.73%) 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 2015, 9.62% (December 31, 2014: 10.09%) 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	604,773,313.11				604,773,313.11
Subtotal	604,773,313.11				604,773,313.11

(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	486,320,125.68				486,320,125.68
Subtotal	486,320,125.68				486,320,125.68

(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	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 [Note]	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: 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	620,684,489.46		620,684,489.46		
Financial assets measured at fair value with variation included in current profits and losses	913,655,148.86		913,655,148.86		
Notes receivable	486,320,125.68		486,320,125.68		
Accounts receivable	1,004,256,291.61		1,004,256,291.61		
Interest receivable	1,333,136.33		1,333,136.33		
Other receivables	48,727,819.25		48,727,819.25		
Other current assets	392,256,657.53		392,256,657.53		
Subtotal	3,467,233,668.72		3,467,233,668.72		

Financial liabilities					
Derivative financial liabilities					
Accounts payable	1,593,473,427.68		1,593,473,427.68		
Other payables	52,765,467.80		52,765,467.80		
Subtotal	1,646,238,895.48		1,646,238,895.48		

(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, 2015, 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	402,218,888.89			402,218,888.89
1. Financial assets designated as at fair value through profit or loss	402,218,888.89			402,218,888.89
Debt instrument investments	402,218,888.89			402,218,888.89
Total assets at recurring fair value measurement	402,218,888.89			402,218,888.89

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 80,000,000.00	73.13	73.13

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 Internationale S.A.S.	
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 Internationale S.A.S.	
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.	
SEB USA	An affiliated company of SEB Internationale S.A.S.	
GROUPE SEB EXPORT	An affiliated company of SEB S.A.	
GROUPE SEB KOREA,LTD	An affiliated company of SEB Internationale S.A.S.	
SEB DEVELOPMENT	An affiliated company of SEB S.A.	

Rowenta france	An affiliated company of SEB S.A.	
SIS	An affiliated company of SEB S.A.	
Supor Group Co., Ltd.	Shareholder	14840370-3
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	79092039-6
浙江苏泊尔房地产开发有限公司 (Zhejiang Supor Real Estate Development Co., Ltd.*)	Subsidiary of the Company's shareholder	76017461-X
浙江南洋药业有限公司 (Zhejiang Nanyang Pharmaceutical Co., Ltd.*)	Subsidiary of the Company's shareholder	14838032-9
浙江苏泊尔药品销售有限公司 (Zhejiang Supor Pharmaceutical Retail Co.,Ltd.*)	Subsidiary of the Company's shareholder	78530677-0

(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	264,629,168.97	265,874,313.75
GROUPE SEB EXPORT	Finished goods	8,261,184.45	11,277,494.10
S.A.S GROUPE SEB MOULINEX	Parts	20,153,477.65	10,305,633.86
TEFAL S.A.S	Parts	3,252,206.41	5,651,386.66
LAGOSTINA S.P.A.	Finished goods	7,877,588.14	5,893,487.20
S.A.S SEB	Parts	20,801.92	385,268.36
S.A.S SEB	Rework fee etc.	1,121,279.34	1,219,084.49
SHANGHAI SEB	Finished goods	1,859,423.05	1,459,880.52
GROUPE SEB KOREA,LTD	Testing fee		111,457.00
SEB INTERNATIONAL SERVICE SAS	Finished goods	179,277.23	115,211.80
SIS	Finished goods	54,434.56	
SEB ASIA LTD	Rework fee etc.	680,842.16	

2) Sale of goods and rendering of services

Related parties	Content of transaction	Current period	Preceding period
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		cumulative	comparative
SEB ASIA LTD.	Finished goods	3,087,091,276.92	2,606,920,366.97
S.A.S SEB	Finished goods	30,576,328.13	34,445,854.94
TEFAL S.A.S	Finished goods	36,190,215.66	23,011,713.45
S.A.S GROUPE SEB MOULINEX	Finished goods	33,304,931.97	14,207,836.87
Supor Group Co., Ltd.	Finished goods	5,206,435.23	3,791,017.64
SEB INTERNATIONAL SERVICE S.A.S	Parts	4,233,881.24	3,458,488.47
SEB COLOMBIA	Finished goods	169,011.04	1,376,780.88
LAGOSTINA S.P.A.	Finished goods	1,312,939.57	1,147,655.02
ALL-CLAD METALCRAFTERS LLC	Finished goods	169,578.22	244,861.93
Wuhan Anzai Cookware Co., Ltd.	Finished goods	39,136.92	641,371.28
Zhejiang Supor Pharmaceutical Retail Co.,Ltd	Finished goods	313,574.36	
Zhejiang Supor Real Estate Development Co., Ltd. Co., Ltd.	Finished goods		157,756.42
SEB USA	Parts		36,995.47

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	379,296.00
	Wuhan Cookware	Real estate	617,509.57	609,911.85
	Aomeini Trade	Real estate	327,902.13	203,523.36
	Zhejiang Home Appliance	Real estate	2,702,578.40	2,491,292.90
	Wuhan Supor	Real estate	Temporarily not collect rent	Temporarily not collect rent
	P&R Products	Land	Temporarily not collect rent	Temporarily not collect rent

3. Key management's emoluments

Items	Current period cumulative	Preceding period comparative
Key management's emoluments	10.9832 million	11.8568 million

10. Other related party transactions

(1) Water and electricity fee

Selling parties	Purchasing parties	Current period cumulative	Preceding period comparative
Hangzhou Supor Property Management Co., Ltd.	Wuhan Cookware	578,811.60	789,734.76
	Aomeini Trade	26,449.00	17,697.92
The Company	Zhejiang Nanyang Pharmaceutical Co., Ltd.	1,150,826.18	888,264.17
The Company	Supor Group Co., Ltd.	0	3,948.72

(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	267,311.04	293,845.92
	Aomeini Trade	20,970.44	15,489.00
	The Company	120,000.00	0

(3) Consulting fee

Service renderer	Service receiver	Current period cumulative	Preceding period comparative
The Company	SEB DEVELOPMENT	723,132.88	
Wuhan Cookware		2,952,404.49	
Zhejiang Home Appliance		6,185,840.70	
Shaoxing Supor Co., Ltd.		8,172,041.14	
The Company	SEB ASIA LTD.	1,607,400.00	
The Company	SHANGHAI SEB	550,000.00	

(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 11,615,005.65 yuan, and as of December 31, 2015, a balance of 627,822.65 yuan 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 477,624.46 yuan, and as of December 31, 2015, a balance of 37,233.67 yuan has not been paid.

(6) Pursuant to the Technical License Contract entered into between Wuhan Supor Cookware Co., Ltd. and LAGOSTINA SPA. on March 22, 2011, 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 284,076.98yuan, and as of December 31, 2015, a balance of 284,076.98yuan has not been paid.

(7) Pursuant to the Technical License Contract entered into between Shaoxing Supor Cookware Co., Ltd. and Rowenta France SAS on July 23, 2014, Rowenta France SAS licensed Shaoxing Supor Cookware Co., Ltd. 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 581,739.42yuan, and as of December 31, 2015, a balance of 581,739.42yuan has not been paid.

(8) Pursuant to the Patent License Contract entered into between Aomeini Trade and LAGOSTINA SPA. on December 15, 2014, Rowenta France SAS licensed Aomeini Trade 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, Aomeini Trade accrued patent use charges of 657,230.84yuan, and as of December 31, 2015, a balance of 657,230.84yuan 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 not handled land certificate yet. Total land area is 2,990 square meters. Total price is 3,588,000yuan, and as of December 31, 2015, a balance of 2,242,500yuan has been paid in advance.

(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.	707,780,977.97	35,389,805.20	663,176,661.54	33,158,945.22
	S.A.S SEB	5,401,929.87	270,096.49	10,698,702.62	534,935.13
	TEFAL S.A.S	7,299,327.00	364,966.35	4,672,758.68	233,637.93
	SEBINTERNATIONAL SERVICE S.A.S	983,211.09	49,160.55	1,011,305.60	50,565.28
	SEB COLOMIBIA			362,564.58	18,128.23
	LAGOSTINA S.P.A.	437,027.65	21,851.38	67,369.46	3,368.47
	ALL-CLADMETALCRAFTE RS LLC	63,011.95	3,150.60	79,059.87	3,952.99

	SEB USA			36,995.47	1,849.77
	S.A.S GROUPE SEB MOULINEX	7,849,204.64	392,460.23		
	Supor Group Co., Ltd.	688,207.00	34,410.35		
Subtotal		730,502,897.17	36,525,901.15	680,105,417.82	34,005,383.02
Advances paid					
	Supor Group Co., Ltd.	153,516.72		147,374.91	
	Hangzhou Supor Property Management Co., Ltd.			140,634.48	
Subtotal		153,516.72		288,009.39	
Other receivables					
	Supor Group Co., Ltd.	10,000.00	500.00	10,000.00	500.00
Subtotal		10,000.00	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.	26,705,510.44	36,538,954.11
	GROUPE SEB EXPORT	1,253,799.87	4,092,250.27
	TEFAL S.A.S	1,029,739.45	1,645,463.70
	SHANGHAI SEB	78,866.24	1,005,306.50
	S.A.S SEB	737,967.29	998,564.24
	LAGOSTINA S.P.A.	6,271,342.30	884,408.87
	S.A.S GROUPE SEB MOULINEX	969,104.21	94,053.93
	SEB INTERNATIONAL SERVICE S.A.S		7,167.13
	SEB Asia Ltd.		
	SEB DEVELOPPMENT	18,304,880.60	
	SIS	58,613.57	
	Rowenta france	590,496.49	
Subtotal		56,000,320.46	45,266,168.75

Advances received			
	SAS GROUPE SEB MOULINEX		92,416.97
	LAGOSTINA S.P.A.		5,430.12
	Groupe SEB Colombia	23,070.16	
	Supor Group Co., Ltd.	149,160.00	
	Zhejiang Supor Pharmaceutical Retail Co.,Ltd	70,472.00	
Subtotal		242,702.16	97,847.09
Other payables			
	Wuhan Anzai Cookware Co., Ltd.	20,000.00	20,000.00
	Hangzhou Supor Property Management Co., Ltd.	157,587.10	
Subtotal		177,587.10	20,000.00

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	1,104,041 shares
Total equity instruments retired in current period	Options of 2,047,584 shares, restricted shares of 1,024,876 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, 1.5 years
The range of exercise prices of equity instruments at the end of the period and the remaining contractual life	0yuan/share, 1.5years& 2.96years

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 the current period 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, 2015, the aforesaid incentive plan has a remaining term of 2.96 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 the 2014 totaled 554,000 shares. Pursuant to the Bill on the Second Unlocking Phase of the Restricted Share Incentive Plan deliberated and passed by the 5th meeting of the fifth session of the BOD, restricted shares unlocked in the current period totaled 1,104,041 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 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 repurchased 67,500 shares of granted restricted shares at the price of 0 yuan/share in current period as some incentive targets leave the Company. Pursuant to the resolution of the second meeting of the seventh session of the BOD, the Company repurchased 196,000 shares of granted restricted shares at the price of 0 yuan/share in current period 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.

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 216,960 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. Besides, 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 (the cancellation work temporarily has not finished yet).

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, 2015, the aforesaid incentive plan has a remaining term of 1.5 years.

(II) Equity-settled share-based payment

1. Details

Determination method for grant-date fair value of equity instruments	According to revised Black-Scholes Model
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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	-91,446,700.84yuan [Note 1]
Total expenses incurred due to equity-settled share-based payment transactions	12,694,917.32yuan [Note 2]

Note1: The cumulative amount of -91,446,700.84yuan includes an opening balance of -104,141,618.16yuan and amount incurred in the current period of 12,592,449.44 yuan.

Note2: The Company previously recognized share-based payment expenses of 14,029,648.81yuan. Based on the actual conditions of the Company's domestic income and domestic operating profit in 2014, it is estimated that Incentive Plan implemented in 2014 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 12,694,917.32yuan in the current period.

All above, the Company recognized share-based payment expenses at a total of 26,724,566.13yuan.

2. Other remarks

(1)When determining the fair value of equity instruments including share options and restricted shares at grant date with revised Black-Scholes Model, related parameters are as follows:

- 1) The grant price: the grant price of restricted shares is 0 yuan/share;
- 2) The average cost of restricted share repurchased is 15.14yuan/share;
- 3) The unlocking period of restricted shares at different phases is: 1 year, 2 years, 3 years, and 4 years;
- 4) The expected volatility of share price is: 48.9%;
- 5) Risk-free rate of returns is: 4.13%
- 6) Beta value is: 1.05;
- 7) Risk rate of returns is: 6.82%
- 8) Cash dividend yield is: 2.38%

(2)The cost of restricted shares in Incentive Plan 2013 based on above parameters is 40,657,760.11yuan.

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

A patent-owner charged administrative complaint against the subsidiary, Zhejiang Shaoxing Supor Home Appliance Co., Ltd. to Guangzhou Intellectual Property Office for the infringement of its patents, and claimed Zhejiang Shaoxing Supor Home Appliance Co., Ltd. to stop the infringement and compensate for loss. Guangzhou Intellectual Property Office has made administrative

decision on January 11, 2016 which the Company's products constitute tort, and shall stop infringement. Currently, the Company has filed the administrative reconsideration and made estimations of complainant bringing civil lawsuit, the probable result of judgement. The Company accrued provision 3,000,000yuan.

XII. Events after the balance sheet date

1. According to the proposal about the Company and Supor Group Co, Ltd signed trademark transfer agreement and related transaction of 2015 passed by the ninth meeting of the fifth session of the BOD dated December 22, 2015. To meet the needs of the Company's future business development, and to further clarify trademark belonging with Supor Group Co., Ltd. The Company intends to accept the registered trademark 'Supor' which is owned by Supor Group Co.,Ltd involving household appliances, floor care, clothes care, personal care products and etc. The price of trademark transferring is 50,000,000yuan. The related party transaction has been deliberated and passed by the 1st extraordinary general meeting of shareholders in 2016.
2. According to the profit distribution proposal of 2015 passed by the fifth meeting of the fifth session of the BOD dated March 24, 2016, statutory surplus reserve is appropriated at 10% of the net profit generated by the parent company in 2015, and annual dividend to all shareholders for every 10 shares represented 5.60 yuan per cash dividend (including tax).

According to the Bill on Cancelling Part of Granted Share Options and Repurchased Restricted Shares passed by the seventh meeting of the fifth session of the BOD, the Company repurchased 263,584 shares of granted restricted shares as some incentive targets leave the Company. According to the Bill on Cancelling Part of Granted Share Options and Repurchased Restricted Shares passed by current BOD, the Company plans to repurchase 845,904 shares of granted restricted shares. Therefore, based on the Company's total capital 632,875,188 shares after the deduction of totaled 1,109,488 repurchased restricted shares mentioned above, the Company will pay dividend for every 10 shares represented 5.60 yuan per cash dividend (including tax), total cash dividend distribution is 353,788,792.00yuan. The profit distribution proposal is yet to be discussed and approved by the annual shareholders meeting of 2015.

The Company has recognized surplus reserve of 42,439,633.49 yuan based on the profit distribution plan, and closing balance of undistributed profit includes cash dividend of 353,788,792.00 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	4,748,953,566.75	6,381,582,443.01	195,361,727.30	531,047,801.34	10,794,849,935.72
Cost of main operations	3,335,720,880.94	4,644,974,005.17	176,150,235.77	529,109,538.20	7,627,735,583.68

(2) Geographic segment

Items	Domestic	Overseas	Inter-segment offsetting	Total
Revenue from main operations	7,677,484,610.80	3,648,413,126.26	531,047,801.34	10,794,849,935.72
Cost of main operations	5,209,556,511.67	2,947,288,610.21	529,109,538.20	7,627,735,583.68

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	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

(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	248,224,469.65	88.82	12,456,808.00	5.02	235,767,661.65

risk features					
Receivable of individually insignificant amount but with provision made on an individual basis	31,232,112.93	11.18			31,232,112.93
Total	279,456,582.58	100.00	279,456,682.58	4.46	266,999,774.58

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	25,964,282.50			No provision for bad debts is made as such receivables are arising from export sales and covered by export insurance.
Zhejiang Supor Home Appliance Co.,Ltd)	13,750.00			No provision is made as it is due from the Company's subsidiary, and it is estimated with no risk in bad debt.
Subtotal	25,978,032.50			

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	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 -1,712,054.40yuan

(3) Accounts receivable written off in current period

Accounts receivable actually written off in current period totaled 63,108.87 yuan.

(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	208,816,964.36	87.15	10,440,848.22
Client 1	11,436,631.05	4.77	
Client 2	6,131,789.71	2.56	

Client 3	2,934,975.52	1.22	
Client 4	2,334,142.10	0.97	
Subtotal	231,654,502.74	96.67	10,440,848.22

Closing balance of top 5 debtors totaled 231,654,502.74 yuan, accounting for 96.67 % of the total closing balance of accounts receivable, and provision for bad debts made thereon totaled 10,440,848.22 yuan.

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	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

(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	92,195,604.02	95.43			92,195,604.02
Receivables with provision made on a collective basis using portfolios with similar credit risk features	4,411,189.25	4.57	1,016,337.08	23.04	3,394,852.17
Receivable of individually insignificant amount but with provision made on an individual basis					
Total	96,606,793.27	100.00	1,016,337.08	1.05	95,590,456.19

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
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Supor Vietnam	53,699,809.65			No provision is made as it is principal and interest of borrowings due from subsidiaries, and it is estimated with no risk in recoverability.
Aomeini Trade	26,031,717.73			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	79,731,527.38			

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	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	0	0	80.00
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

.Provisions for bad debts made in current period totaled -139,354.94 yuan.

(3) Other receivables categorized by nature

Nature of receivables	Closing balance	Opening balance
Deposit as security	314,719.00	1,330,900.00
Call loans	79,731,527.38	74,992,658.64
Temporary advance payment receivable	1,174,341.48	1,788,073.13
VAT refund on export goods		17,202,945.38
Personal deposit	1,150,183.95	1,292,216.12
Total	82,370,771.81	96,606,793.27

(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
Supor Vietnam	Loans	53,699,809.65	[Note]	65.19	

Aomeini Trade	Loans	26,031,717.73	Within one year	31.60	
社保工伤医疗专户 (Social security special account for occupational injury and medical treatment)	Temporary payment receivable	543,980.12	Within one year	0.66	27,199.01
陈建荣 (Chen Jianrong)	Temporary payment receivable	363,795.39	Within one year	0.44	18,189.77
Yuhuan County Imperial Garden Catering Co., Ltd)	Temporary payment receivable	342,475.00	Over 5 years	0.42	342,475.00
Subtotal		80,981,777.89		98.31	387,863.78

Note: The balance includes 1,716,864.75 yuan within one year, 1,495,134.63 yuan of 1-2 years, 1,509,673.48yuan of 2-3 years, and 48,978,136.79yuan of 3-4 years.

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	1,101,663,122.88		1,101,663,122.88	1,099,787,839.63		1,099,787,839.63
Investments in associates and joint ventures	50,400,665.23		50,400,665.23	47,109,719.49		47,109,719.49
Total	1,152,063,788.11		1,152,063,788.11	1,146,897,559.12		1,146,897,559.12

(2) Investments in subsidiaries

Investees	Opening balance	Increase [Note]	Decrease [Note]	Closing balance	Provision for impairment made in current period
Wuhan Pressure Cooker	223,306,622.26	1,535,744.70		224,842,366.96	
Supor Electric Appliance	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 Home Appliance	106,343,535.41	-54,511.98		106,289,023.43	

ShaoxingSupor Home Appliance	621,999,553.23	394,050.53		622,393,603.76	
Supor Vietnam	105,143,165.64			105,143,165.64	
Wuhan Recycling	1,000,000.00			1,000,000.00	
Aomeini Trade	10,000,000.00			10,000,000.00	
Shanghai Marketing	5,000,000.00			5,000,000.00	
Subtotal	1,099,787,839.63	1,875,283.25		1,101,663,122.88	

Note: Current period increase in Wuhan Pressure Cooker, Zhejiang Home Appliance, Shaoxing Supor Home Appliance, 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) 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.	47,109,719.49			3,290,945.74	
Total	47,109,719.49			3,290,945.74	

(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.					50,400,665.23	
Total					50,400,665.23	

(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	1,699,018,456.95	1,343,171,058.99	1,458,234,348.46	1,166,344,245.21
Revenue from other operations	24,463,483.76	29,325,696.47	30,653,322.68	31,549,298.62
Total	1,723,481,940.71	1,372,496,755.46	1,488,887,671.14	1,197,893,543.83

2. Investment income

Items	Current period cumulative	Preceding period comparative
Investment income from long-term equity investments under equity method	3,290,945.74	2,614,494.84
Investment income from long-term equity investments under the cost method	250,000,000.00	
Investment income from forward foreign exchange		58,743.27
Investment income from financial products	26,307,033.29	9,668,322.70
Total	279,597,979.03	12,341,560.81

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	-2,078,639.96	
Tax refund, credit or exemption approved beyond the power of authorities, without formal documents, or with occasionality	4,487,933.27	
Government grant included in profit or loss (excluding those closely related to operating activities, or regular government grants)	32,489,005.22	
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	2,779,391.83	
Other profit or loss satisfying the definition of non-recurring profit or loss	33,786,028.88	Mainly about the investment income from financial products
Subtotal	71,463,719.24	
Less: enterprise income tax affected	10,894,116.54	
Non-controlling interest affected (after tax)	1,861,825.53	
Net non-recurring profit or loss attributable to shareholders of the parent company	58,707,777.17	

(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	21.90	1.416	1.404
Net profit attributable to shareholders of ordinary shares after deducting non-recurring profit or loss	20.45	1.322	1.311

2. Calculation process of weighted average RONA

Items	Symbols	Current period cumulative
Net profit attributable to shareholders of ordinary shares	A	889,004,773.99
Non-recurring profit or loss	B	58,707,777.17
Net profit attributable to shareholders of ordinary shares after deducting non-recurring profit or loss	C=A-B	830,296,996.82
Opening balance of net assets attributable to shareholders of ordinary shares	D	3,788,068,076.63
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	272,136,330.79
Number of months counting from the next month when the net assets were decreased to the end ofthereportingperiod	H	8
Others	Share-based payment expenses included in equity	12,317,237.57
	Number of months counting from the next month when other net assets were increased or decreased to the end of the reporting period	J1

	Increase of translation difference of financial statements in foreign currencies	I2	3,849,521.13
	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
Number of months in the reporting period		K	12
Weighted average net assets		$L = D + A \times 1/2 + E \times F/K - G \times H/K \pm I \times J/K$	4,059,229,622.45
Weighted average RONA		$M = A/L$	21.90%
Weighted average RONA after deducting non-recurring profit or loss		$N = C/L$	20.45%

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	889,004,773.99
Non-recurring profit or loss	B	58,707,777.17
Net profit attributable to shareholders of ordinary shares after deducting non-recurring profit or loss	$C = A - B$	830,296,996.82
Opening balance of total shares	D	627,060,995.00
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	1,104,041.00
Number of months counting from the next month when the share was increased to the end of the reporting period	G	9
Number of shares decreased due to share repurchase	H	
Number of months counting from the next month when the share was decreased to the end of the reporting period	I	
Number of shares decreased in the reporting period	J	
Number of months in the reporting period	K	12
Weighted average of outstanding ordinary shares	$L = D + E + F \times G/K - H \times I/K - J$	627,889,025.75
Basic EPS	$M = A/L$	1.416
Basic EPS after deducting non-recurring profit or loss	$N = C/L$	1.322

(2) Calculation process of diluted EPS

Items	Symbols	Current period cumulative
Net profit attributable to shareholders of ordinary shares	A	889,004,773.99
Potential dilutive ordinary shares impacted on net profit	B	
Diluted Net profit attributable to shareholders of ordinary shares	$C = A - B$	889,004,773.99
Non-recurring profit or loss	D	58,707,777.17
Diluted Net profit attributable to shareholders of ordinary shares after deducting non-recurring profit or loss	$E = C - D$	830,296,996.82

Weighted average of outstanding ordinary shares	F	627,889,025.75
The warrants, share options and convertible bonds increase the weighted average of the common stock	G	5,393,767.25
Diluted Weighted average of outstanding ordinary shares	H=F+G	633,282,793.00
Diluted EPS	M=C/H	1.404
Diluted EPS after deducting non-recurring profit or loss	N=E/H	1.311

SECTION XI DOCUMENTS AVAILABLE FOR REFERENCE

I. Original Annual Report 2015 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.