

SUPOR 苏泊尔

Zhejiang Supor Co., Ltd.

Semiannual Report 2020

August 2020

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 senior executives warrant that this semiannual report is true, accurate and complete, and does not contain any fictitious statements, misleading information or significant omissions; all directors, supervisors and senior executives of the Company undertake, separately and jointly, all responsibilities in relation to the truth, accuracy and completeness hereof.

Mr. Thierry de LA TOUR D’ARTAISE, Chairman of the Board of Directors, and Mr. Xu Bo, Chief Financial Officer of the Company, hereby confirm that the financial statement enclosed in this Semiannual Report is true, accurate and complete.

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

This semiannual report relating to such forward-looking statement as future plan does not form any substantive commitment to investors. It is of great uncertainty, for whether it can be realized or not depends on multiple factors, including market change and effort of management team. Please be careful of investment risks.

As for the risk factors confronted by the Company, see Part 10 “Risks and Countermeasures” of Section IV “Business Operation Discussion & Analysis”.

The Company has planned not to distribute cash dividends or bonus shares, and not to convert capital reserve into share capital.

Table of Contents

SECTION I IMPORTANT NOTES, TABLE OF CONTENTS AND DEFINITIONS	2
SECTION II COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS	6
SECTION III ABSTRACT FOR COMPANY BUSINESSES	10
SECTION IV BUSINESS OPERATION DISCUSSION AND ANALYSIS	12
SECTION V SIGNIFICANT EVENTS	23
SECTION VI CHANGES IN SHARE CAPITAL AND PARTICULARS ABOUT SHAREHOLDERS	38
SECTION VII INFORMATION ON PREFERRED STOCK	44
SECTION VIII CORPORATE CONVERTIBLE BONDS	45
SECTION IX PARTICULARS ABOUT DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT	46
SECTION X CORPORATE BONDS	48
SECTION XI FINANCIAL REPORT	49
SECTION XII CATALOG OF REFERENCE DOCUMENTS	162

Definitions

Items to be Defined	means	Definitions
SZSE	means	Shenzhen Stock Exchange
CSRC	means	China Securities Regulatory Commission
CSDCC	means	Shenzhen Branch of China Securities Depository and Clearing Corporation Limited
The Company/this Company	means	Zhejiang Supor Co., Ltd.
SEB Internationale	means	SEB INTERNATIONALE S.A.S
SEB Group	means	SEB S.A.
Zhejiang Supor Electrical	means	Zhejiang Supor Electrical Appliance Manufacturing Co., Ltd
Shaoxing Supor	means	Zhejiang Shaoxing Supor Domestic Electrical Appliances Co., Ltd.
Supor Vietnam	means	Supor (Vietnam) Co., Ltd
Wuhan Recycling	means	Wuhan Supor Recycling Co., Ltd
Wuhan Cookware	means	Wuhan Supor Cookware Co., Ltd.
Wuhan PC	means	Wuhan Supor Pressure Cooker Co., Ltd.
Omegna	means	Hangzhou Omegna Commercial Trade Co., Ltd.
Shanghai Marketing	means	Shanghai Supor Cookware Marketing Co., Ltd.
P&R	means	Zhejiang Supor Plastic & Rubber Co., Ltd
Wuhan Supor	means	Wuhan Supor Co., Ltd.
Yuhuan Sales Company	means	Yuhuan Supor Cookware Sales Co., Ltd.
SEADA	means	SOUTH EAST ASIA DOMESTIC APPLIANCES PTE. LTD.
AFS	means	AFS VIETNAM MANAGEMENT CO.LTD.
Shanghai WMF	means	Shanghai WMF Enterprise Development Co., Ltd.
Shanghai SEB/SSEAC	means	Shanghai SEB Electrical Appliances Co., Ltd.
Zhejiang WMF	means	Zhejiang WMF Housewares Co., Ltd.
Shaoxing Supor Housewares	means	Zhejiang Shaoxing Supor Housewares Co., Ltd.
Supor LKA	means	Zhejiang Supor Large Kitchen Appliance Co., Ltd.
Supor Water Heater	means	Zhejiang Supor Water Heater Co., Ltd.
GSIM or Indonesian Company	means	PT Groupe SEB Indonesia MSD
Stock Incentive Plan for 2017	means	2017 Restricted Stock Incentive Plan (Revised Draft)

SECTION II COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS

I. Company Information

Short Form of the Stock:	Supor	Stock Code	002032
Abbreviation of Changed Stock (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 (if any)	Supor		
English Name of the Company (if any)	ZHEJIANG SUPOR CO., LTD.		
Abbreviated English Name of the Company (if any)	SUPOR		
Legal Representative	Thierry de LA TOUR D'ARTAISE		

II. Contact Person and Contact Information

	Board Secretary	Representative of Securities Affairs
Name	Ye Jide	Fang Lin
Address	Securities Department at 23F of Supor Building, No.1772 Jianghui Road, New & High Tech Development Zone, Hangzhou, China	Securities Department at 23F 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. Other Information

1. Contact information

Are there any changes about the registered address, office address and postal code, website or email address of the Company in the reporting period?

☐ Applicable ☒ Not-applicable

The registered address, office address and postal code, website and email address of the Company did not change in the reporting period. See Annual Report 2019.

2. Media for Information Disclosure and Archiving

Are there any changes about information disclosure or archiving media in the reporting period?

☐ Applicable ☒ Not-applicable

Papers appointed by the Company for information disclosure: website appointed by CSRC for publishing semiannual report, and the place for archiving the Company's semiannual report have not been changed in the reporting period. Refer to Annual Report 2019 for details.

IV. Major Accounting Data and Financial Indicators

Does the company need to retroactively adjust or restate previous year's accounting data?

☐ Yes ☒ No

	This reporting period	Same period last year	Increased or decreased
Total sales (RMB)	8,187,236,558.24	9,835,583,688.78	-16.76%
Net profits attributable to shareholders of listed company (RMB)	666,480,783.76	838,143,797.93	-20.48%
Net profit attributable to shareholders of listed company after deducting non-recurring profit or loss (RMB)	591,114,545.46	816,709,472.11	-27.62%
Net cash flows resulting from operating activities (RMB)	-77,601,957.76	-27,385,820.47	-183.37%
Basic earnings per share (RMB/share)	0.813	1.022	-20.45%
Diluted earnings per share (RMB/share)	0.812	1.021	-20.47%
Return on weighted average net assets	9.95%	13.82%	-3.87%
	End of this reporting period	End of last year	Increased or decreased
Total assets (RMB)	11,106,682,896.55	11,847,953,986.45	-6.26%
Net assets attributable to shareholders of listed company (RMB)	6,193,418,784.17	6,836,417,032.56	-9.41%

Note: The total sales during the reporting period decreased on a YoY basis due to the effects of the COVID-19 epidemic and sales offsetting under the New Income Standards. The Ministry of Finance modified and promulgated the Accounting Standards for Business Enterprises No. 14 - Income (hereinafter referred to "New Income Standards" on July 5, 2017 that domestic listing enterprises shall implement the New Income Standards from January 1, 2020. In accordance with the new standards and related transition regulations, the Group implemented the New Income Standards from January 1, 2020. Under the New Income Standards, the Group's payable customer expenses that meet the sale offsetting requirements were offset by the operating income of "This reporting period" and "Same period last year" in the above table represents the operating income under original standards. Therefore, the total sales of the two periods are different in terms of standards. If the total sales of "This reporting period" is recalculated based on standards of that under "Same period last year", the total sales declined by 12.05% on a YoY basis.

V. Accounting Data Discrepancies under Chinese and Overseas Accounting Standards

1. Net profit and net assets discrepancies in financial statements disclosed separately under International Accounting Standards and Chinese Accounting Standards

☐ Applicable ☒ Not-applicable

No net profit and net assets discrepancies in financial statements disclosed separately under International Accounting Standards and Chinese Accounting Standards existed in the reporting period

2. Net profit and net assets discrepancies in financial statements disclosed separately under Overseas Accounting Standards and Chinese Accounting Standards

☐ Applicable ☒ Not-applicable

No net profit and net assets discrepancies in financial statements disclosed separately under Overseas Accounting Standards and Chinese Accounting Standards existed in the reporting period.

VI. Non-recurring Profit or Loss Items and Amount

☒ Applicable ☐ Not-applicable

Unit: Yuan

Item	Amount	Notes
Profit and loss on disposal of non-current assets (including the write-off of provision for asset impairment)	-379,445.68	
Government subsidy included in current profit or loss (excluding government subsidies closely related to operating activities of the Company and subject to uniform national standards on amount and quantity)	34,806,985.19	
Profit and loss from fair value changes due to holding of the trading financial assets, derivative financial assets, transactional financial liabilities and derivative financial liabilities, and investment income from disposal of trading financial assets, derivative financial assets, transactional financial liabilities, derivative financial liabilities and other investment in debt securities, in addition to effective hedging business related to normal businesses of the Company.	52,004,197.52	
Other non-operating revenues or expenditures except for the foregoing items	-1,854,423.16	
Other profit or loss conforming to the definition of non-recurring profit or loss	6,604,714.44	
Minus: income tax impact	15,741,345.05	
Effects on minority interest (after tax)	74,444.96	
Total	75,366,238.30	--

The Company should state reason for defining “non-recurring profit or loss items” defined in the Explanatory Announcement No.1

on Disclosure of the Information of Companies Offering Their Securities to the Public -- Non-recurring Profit or Loss and non-recurring profit or loss items listed in the Explanatory Announcement No.1 on Disclosure of the Information of Companies Offering Their Securities to the Public -- Non-recurring Profit or Loss as recurring profit or loss items.

☐ Applicable ☒ Not-applicable

The Company did not define any non-recurring profit and loss that is defined and listed the Explanatory Announcement No.1 on Disclosure of the Information of Companies Offering Their Securities to the Public -- Non-recurring Profit or Loss as recurring profit and loss.

SECTION III ABSTRACT FOR COMPANY BUSINESSES

I. Main business during reporting period

As China's famous cookware R&D and manufacturing company, Zhejiang Supor Co., Ltd. (hereinafter referred to as "the Company") is a China's leading manufacturer of small kitchen electrical appliances and also the first listed company in China's cookware industry. Established in 1994, the headquarters of the Company locates in Hangzhou owning 5 R&D and manufacture bases located in Yuhuan City, Wuhan City, Hangzhou City, Shaoxing City and Ho Chi Minh City with more than 12,000 employees.

Developed strategic cooperation relationship with the Company since 2006, SEB Group is the actual controller of the Company. By the end of the reporting period, SEB Group held 81.19% shares of the Company. With a long history of more than 160 years, SEB Group is the world's famous cookware R&D manufacturer and small home appliance manufacturer with about 350 million products sold to more than 150 countries worldwide per year.

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

(1) The CKW mainly includes wok, pressure cooker, fry pan, sauce pan, steamer, pottery pot, kettle, knife, spatula, thermal pot, thermos& flask, kitchen gadgets, crisper, etc.

(2) The SDA mainly includes: 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, electric frying pan, etc.

(3) The Large Kitchen Appliance mainly includes: range hood, gas cooker, sterilizer, water purifier, embedded steaming oven, water heater, etc.

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

The Company's cookware and electrical appliances have been exported to more than 50 countries such as Japan, European and American countries through SEB Group.

II. Significant changes in main assets

1. Significant changes in main assets

Assets	Descriptions of major changes
Equity assets	No significant change.
Fixed assets	No significant change.
Intangible assets	No significant change.
Construction in progress	No significant change.
Transactional financial assets	Decreased by 46.80% mainly due to the delivery upon expiration of investment period of financial products with guaranteed capital and floating earnings as associated with interest rate during the reporting period.

2. Main overseas assets

☐ Applicable ☒ Not-applicable

III. Core competitiveness analysis

1. Outstanding product innovation capability

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

After 1994 when Supor launched the domestic first safety pressure cooker, the Company also launched the first electric rice cooker with ceramic crystal liner in 2005, pioneered the uncoated stainless iron pan technology in 2007, successfully introduced SEB flaming dot patented technology in 2009, launched the industrial first IH electric rice cooker in 2011, pioneered the spherical liner in 2013, ceremoniously launched the industrial first steam IH electric rice cooker with spherical liner in 2015, and innovated technology of electric rice cooker liner and launched the Shallow Pot IH Rice Cooker in 2018. Supor continues leading the industry. Besides, the Company's innovative differential products such as easy-screw pressure cooker and ceramic pot are very popular among customers.

According to the market data of China's 30 key cities monitored by GFK in the first half of 2020, the Company's cookware market shares ranked the first; according to the data of China's offline small household appliance market monitored by CMM in the first half of 2020, the market shares of the Company's 9 categories of small household appliances ranked the second in total.

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 CKW and SDA

Supor has built up five production bases, respectively in Yuhuan, Wuhan, Hangzhou, Shaoxing and Vietnam. In particular, the annual production scale of Wuhan Base and Shaoxing Base ranked the top in the industry. 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

Since 2006, the Company has started to establish strategic cooperation relationship with SEB group which owns a long history of more than 160 years with leading market shares of cookware and small household appliances worldwide. The powerful cooperation between Supor and SEB group 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.

5. Professional advantage of multiple brands and varieties in kitchen field

In addition to Supor brand, the Company also introduced a lot of high-end brands under SEB, such as LAGOSTINA, KRUPS and WMF so as to fully cover the high-end brands in kitchen field. The Company's open fire cookware and small kitchen household appliances rank the first class nationwide. It also explores new varieties actively such as large kitchen appliance and kitchen utensils. The Company has formed its special competition advantages over other rivals due to its layout of multiple brands and varieties in kitchen field.

SECTION IV BUSINESS OPERATION DISCUSSION AND ANALYSIS

I. Overview

In early 2020, the Company has introduced a series of epidemic prevention and control measures and employee protection measures that give priority to the safety of employees during the tough epidemic period. The Company has been accelerating recovery of production bases and related supply chains to meet the supply demands of terminal retail channels based on strict epidemic prevention and control measures of all production bases.

In terms of domestic sales, Supor has taken consumer demand as the guide, and adhered to continuous product innovation and differentiation strategy. In the first half of 2020, the Company has launched a number of innovative SDA products. For example, Quick Rice Cooker taking only 20 minutes to cook rice and it features innovative use of the patented technology of anti-overflow wall with forced air cooling tower, which allows extension of time for high-heat cooking and boiling without overflow; Supor fierce-heat fresh breathe electric pressure cooker adopts its original full-time boiling technology, and features 2200W IH high heat that enables 8-minute quick dishes. According to the monitoring data of CMM, the third party market investigation company, Supor's accumulative offline market shares of 9 categories of products including electric rice cooker, electric pressure cooker, induction hob, electric kettle, soymilk maker, blender, juice extractor, frying & baking machine and slow cooker was increased by 1.6% on a YoY basis, consolidating its market status further. In terms of CKW, Supor launched the Thermal-Spot wok of Bingo series for young consumers who are active on the Internet and the series has been well received in the market for its unique technology of indicating temperature through thermal spot and non-stick Xingxingshi coating. According to the data of GFK, a third party market investigation company, Supor's accumulative market shares of 6 categories of products including wok, pressure cooker, fry pan, sauce pan, steamer, and pottery pot in China's 30 key cities from January to May was increased by 2.1% on a YoY basis, maintaining an absolute leading position.

In terms of channel construction, Supor continued to consolidate efforts in traditional channels, constantly explored incremental opportunities in new retail field, and actively made layout for community marketing and new retail platforms to provide better service and experience for more consumer groups. As for the tier-3 and 4 markets, Supor continued to increase the coverage rate and density of sales network in the tier-3 and 4 markets, and improve the service system of the tier-3 and 4 markets. In terms of E-commerce, the Company continued to strengthen professional operation and standardized management, and enhance efficiency of cooperation with major online retailers and increase input of related resources so as to keep rapid growth in E-commerce channels.

In terms of export business, Supor was affected to a certain extent by the sustained epidemic situations overseas in the first half year, but the overall export business gradually improved with the full resumption of production bases and continuous transfer of SEB orders.

In terms of internal operation, Supor continued to advance the cost optimization and lean economy, strengthen the management of research and development, improve the quick response capacity of the industrial system to the market, and increase internal operation efficiency and cost competitiveness.

II. Main Business Analysis

Overview

During the reporting period, the Company realized the total sales RMB 8,187,236,558.24, decreasing on a YoY basis by 16.76%

(if considering the impact of sales offsetting, the total sales decreasing 12.05% YoY) , the total sales declined mainly due to the negative effects of the COVID-19 epidemic in Q1 . With the good control of epidemic situation in China, the operation and production capacity of the Company was under gradual resumption. The Company achieved an increase rate of 5.59% YoY in Q2 (if considering the impact of sales offsetting, the growth rate is 10.83%). The total profit RMB 804,430,912.84 decreasing on a YoY basis by 26.66% mainly due to the negative effects of the COVID-19 epidemic so that the Company promoted online marketing and sales further, the gross margin rate decreased slightly at the same time. The earnings per share was RMB 0.813, decreasing on a YoY basis by 20.45%. The Company's main business incomes were RMB 8,148,001,338.62, decreasing by RMB 1,643,426,803.56 than the same period of last year, with a decrease of 16.78%. The Company's main business costs were RMB 6,093,459,481.24, decreased by RMB 677,688,049.29, with a decrease of 10.01%. The main business gross profit margin of main business was 25.22%, decreased by 5.63% compared with the same period of last year. (if considering the impact of sales offsetting, the gross profit margin decreased by 1.62% affected by COVID-19 epidemic). To be specific, the business incomes of CKW were RMB 2,136,019,280.03, with a YoY decrease of 30.43%; the business incomes from electrical appliances were RMB 6,000,861,893.00, with a YoY decrease of 10.62%. The income of main domestic sales business was RMB 6,121,731,795.40, with a YoY decrease of 19.53%; the income of main export business was RMB 2,026,269,543.22, with a YoY decrease of 7.21%.

Changes of main financial data in the same period

Unit: Yuan

	This reporting period	Same period last year	Increase / decrease YoY (%)	Reason of change
Total sales	8,187,236,558.24	9,835,583,688.78	-16.76%	
Operating cost	6,130,938,343.64	6,808,551,388.82	-9.95%	
Selling expenses	973,834,031.86	1,556,184,855.80	-37.42%	Mainly due to the adoption of the New Income Standards during the reporting period to offset operating income with payments to customers that was included in the "selling expenses" of the reporting period, and also because of the reduction in promotional activities during the reporting period compared with that of the corresponding period last year under the impact of the COVID-19.
Administrative expenses	148,926,613.37	163,412,805.46	-8.86%	
Financial expenses	-20,624,068.79	-39,190,051.18	47.37%	Mainly due to the adjustment of capital investment, the related investment profit listed under Investment income, so interest incomes under Financial expenses decreased during the reporting period.
Income tax expense	139,976,225.03	260,036,528.88	-46.17%	Mainly due to the reduction of the total profits during the reporting period and the decrease in corporate income tax rate of the subsidiary.
R&D investment	184,742,945.70	182,983,476.01	0.96%	
Net cash flows from operating activities	-77,601,957.76	-27,385,820.47	-183.37%	Mainly resulted from the decrease in Cash receipts from sale of goods or rendering of services from operating activities.

Net cash flow from investment activities	673,848,534.57	1,630,972,263.84	-58.68%	Mainly resulted from the increase of cash payments for purchasing financing products in cash outflow from investment activities.
Net cash flows from financing activities	-400,685,518.74	-838,826,492.50	52.23%	Mainly due to the fact that dividends for SEB Internationale for 2019 has not been paid during the reporting period, which reduced the cash outflow from financing activities in the reporting period.
Net increase in cash and cash equivalents	201,621,752.29	767,367,153.20	-73.73%	Mainly due to the increase of cash outflows from investing activities

Significant change of profit structure or profit resource in the reporting period

☐ Applicable ☒ Not-applicable

No significant change of profit structure or profit resource in the reporting period

Contents of operating income

Unit: Yuan

	This reporting period		Same period last year		Increase / decrease YoY (%)
	Amount	Percentage to total operating income	Amount	Percentage to total operating income	
Total operating income	8,187,236,558.24	100%	9,835,583,688.78	100%	-16.76%
By Industry					
Cookware	2,136,019,280.03	26.09%	3,070,138,568.40	31.21%	-30.43%
Electrical appliances	6,000,861,893.00	73.29%	6,713,921,060.72	68.26%	-10.62%
Plastic & rubber	11,120,165.59	0.14%	7,368,513.06	0.07%	50.91%
Others	39,235,219.62	0.48%	44,155,546.60	0.45%	-11.14%
By Products					
Electric pots	1,963,485,874.59	23.98%	2,446,753,537.07	24.88%	-19.75%
Others	6,223,750,683.65	76.02%	7,388,830,151.71	75.12%	-15.77%
By Areas					
Domestic sales	6,160,967,015.02	75.25%	7,651,826,614.46	77.80%	-19.48%
Export sales	2,026,269,543.22	24.75%	2,183,757,074.32	22.20%	-7.21%

Note:

1) Among the income by industries, the income from “Cookware, Electrical appliances and Plastic & Rubber” belonged to the main business income while the “Others” belonged to the other business income.

2) The “Others” of the income by products includes the other business income; where the one in the reporting period in 2020 was RMB 39,235,219.62, but it was RMB 44,155,546.60 over the same period last year.

3) Among the “Domestic sales” of the income by areas: the main business income was RMB 6,121,731,795.40, and the income of other business was RMB 39,235,219.62; in the same period last year, the main business income was RMB 7,607,671,067.86 and the

other business income was RMB 44,155,546.60.

The Company's industry, products or areas with total sales or operating profits occupying more than 10%

√ Applicable □ Not-applicable

Unit: Yuan

	Total sales	Operating cost	Gross margin	Increase / decrease YoY (%) for total operating income	Increase / decrease YoY (%) for operating cost	Increase / decrease YoY (%) for gross profit
By Industry						
Cookware	2,136,019,280.03	1,497,319,189.11	29.90%	-30.43%	-25.10%	-4.98%
Electrical appliance	6,000,861,893.00	4,587,418,422.20	23.55%	-10.62%	-3.75%	-5.46%
By Products						
Electric pots	1,963,485,874.59	1,491,223,210.58	24.05%	-19.75%	-14.37%	-4.77%
By Areas						
Domestic sales	6,160,967,015.02	4,464,545,225.10	27.53%	-19.48%	-11.00%	-6.91%
Export sales	2,026,269,543.22	1,666,393,118.54	17.76%	-7.21%	-7.03%	-0.17%

The Company's main business data adjusted based on the standard at the end of the latest reporting period if statistical standard for such data was adjusted during the reporting period

□ Applicable √ Not-applicable

Descriptions of cause with above 30% change of relevant data on a YoY basis

√ Applicable □ Not-applicable

Cookware industry revenues decreased 30.43% compare to the same period last year, mainly affected by the COVID-19.

III. Analysis on Non-Primary Business

□ Applicable √ Not-applicable

IV. Analysis on Assets and Liabilities

1. Significant changes in assets

Unit: Yuan

	End of this reporting period		End of same period last year		Increase/decrease in proportion	Cause of change
	Amount	Percentage to total assets	Amount	Percentage to total assets		

Monetary capital	1,509,754,409.45	13.59%	1,308,132,657.16	11.04%	2.55%	No significant change in the reporting period
Accounts receivable	2,022,842,823.93	18.21%	1,796,909,432.40	15.17%	3.04%	No significant change in the reporting period
Inventories	1,985,625,921.40	17.88%	2,247,612,900.00	18.97%	-1.09%	Mainly owing to the accelerated inventories turnover and reasonable control of inventories
Long-term equity investment	63,595,693.24	0.57%	61,917,730.62	0.52%	0.05%	No significant change in the reporting period
Fixed assets	968,384,635.97	8.72%	908,982,690.72	7.67%	1.05%	Mainly due to the conversion of construction in progress into fixed assets in subsidiaries as its ready to use during the reporting period.
Construction in progress	198,788,186.59	1.79%	215,167,399.12	1.82%	-0.03%	No significant change in the reporting period
Short-term borrowings	2,236,500.00	0.02%			0.02%	No significant change in the reporting period
Trading financial assets	672,739,430.97	6.06%	1,264,563,042.79	10.67%	-4.61%	Mainly due to the delivery upon expiration of investment period of financial products with guaranteed capital and floating earnings as associated with interest rate.
Other current assets	1,511,822,572.22	13.61%	1,732,984,689.16	14.63%	-1.02%	Mainly attributable to delivery of agreement deposit investment at expiry at the end of the period.

2. Assets and liabilities measured at the fair value

√ Applicable □ Not-applicable

Unit: Yuan

Item	Opening balance	Profit and loss from fair value changes in the reporting period	Accumulated fair value changes included in equity	Impairment loss of the current period	Amount of purchasing of the current period	Amount of selling of the current period	Other changes	Ending balance
Financial assets								
1. Trading financial assets	1,264,563,042.79	25,014,882.49			2,600,000,000.00	3,216,838,494.31		672,739,430.97

(excluding derivative financial assets)								
2. Financing of receivables	1,186,980,101.71						-142,404,159.34	1,044,575,942.37
Total	2,451,543,144.50	25,014,882.49			2,600,000,000.00	3,216,838,494.31	-142,404,159.34	1,717,315,373.34
Financial debts	0.00	0.00			0.00	0.00		0.00

Content of other changes

The Group discounted or transferred by endorsement part of bank acceptances before maturity as required by its daily fund management and the business mode for such bank acceptance related to management was aimed for acquisition of contact cash flow and for sales. Therefore, bank acceptance was classified as financial assets measured at fair value through other comprehensive income.

Are there any major changes about the valuation attribute of Company's main assets in the reporting period?

☐ Yes ☒ No

3. Restrictions of assets and rights by the end of the reporting period

None

V. Analysis on Investment

1. General conditions

☐ Applicable ☒ Not-applicable

2. Significant equity investment to be acquired in the reporting period

☐ Applicable ☒ Not-applicable

3. Significant non-equity investment to be handled in the reporting period

☐ Applicable ☒ Not-applicable

4. Financial assets measured at the fair value

☒ Applicable ☐ Not-applicable

Unit: Yuan

Catego	Initial	Profit and loss	Accumulated fair	Purchase	Sales amount	Accumulated	Closing amount	Capit
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ry of assets	investment costs	from fair value changes in the reporting period	value changes included in equity	amount during the reporting period	during the reporting period	investment income		al source
Others	665,000,000.00	25,014,882.49		2,600,000,000.00	3,195,000,000.00	21,838,494.31	672,739,430.97	Self-owned capital
Total	665,000,000.00	25,014,882.49	0.00	2,600,000,000.00	3,195,000,000.00	21,838,494.31	672,739,430.97	--

5. Financial asset investment

(1) Securities investment

☐ Applicable ☒ Not-applicable

There was no securities investment in the company in the reporting period.

2. Derivative products investment

☒ Applicable ☐ Not-applicable

Unit: CNY10,000

Name of derivative product investment handler	Correlated relation	Connected transaction	Type of derivative product investment	Original amount of derivative product investment	Start date	Expiry date	Opening investment amount	Purchase amount during the reporting period	Sales amount during the reporting period	Amount of provision for impairment (if any)	Ending investment amount	Proportion of ending investment amount to the Company's net assets at the end of the reporting period	Actual profit and loss amount during the reporting period
Bank	None	No	Foreign exchange derivatives	-	January 1	June 30	-	39,838.98	18,626.12	-	21,212.86	3.43%	-102.41
Total				-	--	--	-	39,838.98	18,626.12	-	21,212.86	3.43%	-102.41
Source of derivative product				Self-owned capital									

investment fund	
Proceedings (if applicable)	Not applicable
Disclosure date of the announcement of the board of directors on the approval of derivatives investment (if any)	April 29, 2020
Disclosure date of the announcement of the general meeting of directors on the approval of derivatives investment (if any)	Not applicable
Description of risk analysis and control measures for derivative positions during the reporting period (including but not limited to market risk, liquidity risk, credit risk, operating risk, legal risk, etc.)	<p>In order to reduce the risk from the fluctuation of exchange rate and interest rate and strengthen the monitoring and management of foreign currency asset position, the Company carried out foreign exchange derivatives trading business.</p> <p>1) Risks</p> <p>1. Price fluctuation risk: loss may be caused by price fluctuation of foreign exchange derivatives that was resulted from the fluctuation of market price such as target interest rate and exchange rate.</p> <p>2. Internal control risk: foreign exchange derivatives trading business is highly specialized and complex, which may cause risks due to imperfect internal control mechanism.</p> <p>3. Liquidity risk: the risk that a transaction cannot be completed due to insufficient market liquidity.</p> <p>4. Performance risk: there is a risk of default caused by the failure to perform the contract.</p> <p>5. Legal risk: loss may be caused due to changes in relevant laws or violation of relevant laws by counterparties, prohibiting the execution of the contract.</p> <p>(I) Risk control measures</p> <p>1. Clear principle: foreign exchange derivatives trading shall be based on the principle of hedging, to avoid the risk brought by exchange rate fluctuation to the greatest extent, and adjust the operation strategy in time in combination with the market situation, so as to improve the hedging effect.</p> <p>2. System construction: the Company has established the internal control system for the administration of foreign exchange derivatives trading business, which clearly defines the scope of authorization, approval procedures, key points of operation, risk management and information disclosure of derivatives transactions, and can effectively regulate foreign exchange derivatives transactions and control the risks of foreign exchange derivatives transactions.</p> <p>3. Product selection: comparative analysis shall be conducted for potential products. The foreign exchange derivatives that are most suitable for the Company's business background, strong liquidity and controllable risk shall be selected for trading.</p> <p>4. Counterparty management: carefully select the counterparties engaged in foreign exchange derivatives business. The Company only conducts foreign exchange derivatives trading business with large-scale commercial banks with legal qualifications and other foreign</p>

	<p>exchange institutions to avoid possible legal risks.</p> <p>5. Dedicated team: the Company's management representative, treasury department, the financial sharing service center, the audit department, the securities department and other relevant departments set up a special working team to be responsible for the risk assessment, trading execution, booking and monitoring. The working team shall take emergent measures to stop loss when the market changes significantly.</p>
Changes in market prices or product fair values of invested derivatives during the reporting period (The analysis of the fair value of derivatives should be made with the disclosure of specific methods used, related assumptions and parameter settings)	The profit and loss incurred during the reporting period from foreign exchange derivatives was RMB -1,024,100; it was obtained by evaluating the spot and forward foreign exchange quotations of banking institutions.
Description of whether the accounting policies and specific accounting principles for the Company's derivatives during the reporting period have changed significantly compared with that during the previous reporting period	Not applicable
Independent directors' special opinions on the Company's derivatives investment and risk control	<p>The independent directors have addressed following independent opinions: the foreign exchange derivatives business carried out by the Company is closely related to the daily operation demand, which is conducive to avoiding the risk of exchange rate fluctuation, enhancing the financial stability of the Company, and meeting the needs of the Company's operation and development. The Company has formulated the <i>Internal Control System of Foreign Exchange Derivatives</i> and relevant risk control measures, which are conducive to strengthening the risk management and control of foreign exchange derivatives transactions. The Company has fulfilled the corresponding approval procedures and information disclosure obligations, and there is no damage to the interests of the Company and all shareholders, especially small and medium shareholders.</p>

6. Application of capital raised

☐ Applicable ☒ Not-applicable

No capital raised was used in reporting period

7. Significant project invested by non-raised funds

☐ Applicable ☒ Not-applicable

No non-raised funds were used in the 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 the reporting period.

2. Sales for major equities

☐ Applicable ☒ Not-applicable

VII. Analysis for Main Holding Companies and Joint Stock Companies

☒ Applicable ☐ Not-applicable

Status of main subsidiaries and joint stock companies with influence on the Company's net profit exceeding 10%

Unit: Yuan

Company name	Company type	Main business	Registered capital	Total assets	Net assets	Total sales	Operating profit	Net profit
Wuhan Supor Cookware Co., Ltd.	Subsidiary	Cookware	91.16 million Yuan	1,902,638,922.06	1,093,289,978.04	1,234,537,761.97	4,252,588.05	3,487,124.97
Zhejiang Supor Electrical Appliance Manufacturing Co., Ltd	Subsidiary	Electrical appliances	133.6971 million Yuan	1,381,618,959.68	945,386,228.40	1,483,088,953.81	65,966,062.17	50,168,570.58
Zhejiang Shaoxing Supor Domestic Electrical Appliances Co., Ltd.	Subsidiary	SDA, large kitchen appliances	610 million Yuan	3,977,534,273.05	3,296,681,404.31	2,871,375,527.72	520,647,168.19	439,684,465.05

Acquiring/disposing subsidiary during the reporting period

☐ Applicable ☒ Not-applicable

Introduction of main holding and joint stock company

XIII. Structural Subject under the Company's Control

☐ Applicable ☒ Not-applicable

IX. Forecast of Business Performance of Jan.-Sept. 2020

Warning and reason for the prediction that the cumulative net profit from the beginning of the year to the end of the next reporting

period may suffer a loss or a significant change from that in the same period last year

☐ Applicable ☒ Not-applicable

X. Risks and Countermeasures

1. Risk from macroeconomic fluctuation

The outbreak of COVID-19 in early 2020 has affected consumption and production at home and abroad. If macro economy fluctuates or national macro-control policy changes, especially if national economy and household disposable income slows down in growing, people's willingness and capacity to consume will be directly affected. Consequently, the CKW and SDA industry that Supor is in will slow down in growing, and the sales growth of relevant products may thus be affected.

For the possible macroeconomic fluctuation risks, Supor is actively developing new categories and cultivating new growth point. Meanwhile Supor is actively transferring SEB orders and ensuring the balanced development of domestic and overseas sales.

2. Risk from production element price change

The main materials used by Supor for producing CKW and SDA are the aluminum, copper, stainless steel and plastics. If the raw material price grows highly, the production cost will rise rapidly, so it will affect the business performance of the company. Meanwhile the CKW and SDA business belong to the labor-intensive industry; the rapid growth of labor cost in a short time will cause certain influence to the business performance of the company.

In order to cope with the risks caused by the fluctuation of production element price, Supor is actively improving the internal labor productivity and pushing to implement the lean projects to reduce the negative impacts caused by the rise in price of raw materials on the production costs. Besides the Company is actively boosting the automation of production line, improving the per capita labor output, and reduce the impact caused by rise in labor cost.

3. Risk of intensifying market competitiveness

As the operating cost of enterprise rises, industry brand concentration will be further improved, and there is the risk of intensifying market competition in the field of cookware and small domestic appliances (SDA). In order to seize market share, high-end brand will continue to sink channel and regulate product and price strategy, and certain high-end brand will enter shopping market channel by the way of point redemption to participate in high-end market competition, which will further intensify the competitiveness of industry.

The Company will keep on insisting in the strategy to take product innovation as the core, and keep on improving innovation ability to create more products with high additional value. The Company will give full play to the competitive edge of multiple brands and multiple product categories of Supor, and continue to improve market share and profitability of Supor.

4. Overseas market expansion risks

Currently, Supor has the production base in Vietnam, and is continuously expand the market in Southeast Asia. The overseas market expansion may change significantly due to the unstable political and economic situation, legal system and regulatory system of the local area. Besides, the huge rise in production cost will bring unanticipated risks.

The Company will keep close eyes on the political and economic situation in Southeast Asia, especially the Vietnam, and will make every endeavor to make a timely advanced adjustment and formulate the corresponding countermeasures.

5. Product export and exchange loss caused by exchange rate fluctuation

The foreign trade business is about 20% of the overall business of the company. The fluctuation in foreign exchange is possible to bring benefits, or the adverse influence, so it will cause the exchange loss to the company in the end.

For exchange gain or loss risk, the Company will actively push the Renminbi settlement of export business to SEB, reduce exchange risk, and meanwhile reduce exchange loss risk by forward settlement of exchange.

SECTION V SIGNIFICANT EVENTS

I. Annual general meeting of shareholders and interim general meeting of shareholders held in the reporting period

1. General Meeting of Shareholders in the Reporting Period

Session	Meeting type	Proportion of participated investors	Convening date	Date of disclosure	Reference for disclosure
The Annual General Meeting of Shareholders for 2019 Fiscal Year	Annual General Meeting of Shareholders	9.82%	May 20, 2020	May 21, 2020	References can be made to the Announcement of Resolution of the Annual General Meeting of Shareholders for 2019 Fiscal Year (2020-030) 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

II. Profit distribution and conversion of capital reserve to capital during the reporting period

☐ Applicable ☒ Not-applicable

The Company planned not to distribute cash dividends or bonus shares, and not to convert capital reserve into share capital in the first half of the year.

III. Commitments that were fulfilled in the reporting period and had not been fulfilled till the end of the reporting period by actual controller, shareholder, connected party, acquirer of the Company

☐ Applicable ☒ Not-applicable

There is no commitment that was fulfilled in the reporting period and had not been fulfilled till the end of the reporting period by actual controller, shareholder, connected party, acquirer of the company.

IV. Employment and disengagement of certified public accountants

Has the financial report enclosed in this semiannual report been audited?

☐ Yes ☒ No

The semiannual report has not been audited.

V. Explanation of the Board of Directors and the Board of Supervisors on the "Non-standard Audit Report"

☐ Applicable ☒ Not-applicable

VI. Description of Board of Directors for "Non-standard audit report" last year

☐ Applicable ☒ Not-applicable

VII. Bankruptcy or reorganization

☐ Applicable ☒ Not-applicable

There was no bankruptcy, reorganization or related matters in the company in the reporting period.

VIII. Lawsuits

Significant litigations and arbitrations

☐ Applicable ☒ Not-applicable

There was no significant litigation and arbitration occurred in the reporting period.

Other lawsuits

☐ Applicable ☒ Not-applicable

IX. Questioning by media

☐ Applicable ☒ Not-applicable

No issues questioned by media happened in the reporting period.

X. Punishment and rectification

☐ Applicable ☒ Not-applicable

There was no punishment and rectification in the reporting period.

XI. Integrity Status of the Company, controlling shareholder and actual controller

☐ Applicable ☒ Not-applicable

XII. Implementation of Company's Stock Incentive Plan, employee equity holding plan or other employee incentive measures

☒ Applicable ☐ Not-applicable

1. On April 28, 2020, the 16th Session of the Sixth Board of Directors reviewed and adopted the Proposal on Unlocking of Restricted Stock within the Third Unlock Period and the Reserved Restricted Stock within the Second Unlock Period of 2017 Restricted Stock Incentive Plan, agreeing to unlock the Restricted Stock in the third unlock period and to unlock the Reserved Restricted Stock in the second unlock period for 210 qualified Incentive Objects. Totally 1,213,050 shares of restricted stock will be unlocked, in which the

Restricted Stock unlocked during the third unlock period is 1,093,650 shares and Reserved Restricted Stock unlocked during the second unlock period is 119,400 shares. The listing and circulating date of the Restricted Stock unlocked during the third unlock period is December 30, 2020 and the listing and circulating date of Reserved Restricted Stock during the second unlock period is November 16, 2020.

For detailed contents, see Announcement of Unlocking of Restricted Stock within the Third Unlock Period and the Reserved Restricted Stock of the Second Unlock Period of 2017 Restricted Stock Incentive Plan disclosed on Securities Times, China Securities Journal, Securities Daily, and cninfo.com.cn dated April 29, 2020.

2. On April 28, 2020, the 16th Session of the Sixth Board of Directors reviewed and adopted Proposal on Repurchasing and Canceling a Part of Restricted Stock. For disqualification of eight Incentive Objects due to their resignation, the Company has decided to repurchase and cancel 32,550 shares of Restricted Stock at the price of 1 yuan per share. On August 29, 2019, the 14th Session of the Sixth Board of Directors reviewed and adopted Proposal on Repurchasing and Canceling a Part of Restricted Stock. For disqualification of one Incentive Object due to resignation, the Company has decided to repurchase and cancel 3,500 shares of Restricted Stock at the price of 1 yuan per share. Totally 36,050 shares of Restricted Stock shall be repurchased and canceled. The proposals were deliberated and approved during the Annual General Meeting of Shareholders for 2019 Fiscal Year held on May 20, 2020. The Company has repurchased and canceled 36,050 shares of Restricted Stock at the price of RMB 1 per share and paid totally RMB 36,050 to the above incentive objects. After confirmed by Shenzhen Branch of CSDCC, the Company completed purchase and cancellation work on July 31, 2020.

For detailed contents, see Announcement of Repurchasing and Canceling a Part of Restricted Stock and Announcement of Completion Repurchasing and Canceling a Part of Restricted Stock disclosed on Securities Times, China Securities Journal, Securities Daily, and cninfo.com.cn dated August 30, 2019, April 29, 2020 and August 4, 2020.

XIII. Significant connected transactions

1. Connected transaction related to daily business

√ Applicable □ Not-applicable

Connected party	Correlated relation	Type of connected transaction	Contents of connected transaction	Pricing principle of connected transaction	Price of connected transaction	Amount of connected transaction (RMB10,000)	Percentage to amount of same transaction	Approved transaction limit (RMB10,000)	Exceeding approved limit or not	Means of payments of connected transaction	Market price of available same transaction	Date of disclosure	Reference for disclosure
Wuhan Anzai Cookware Co., Ltd.	Associated enterprise	Purchase of commodity	Finished products	Contract price	--	7,687.68	1.37%		No	Bank transfer or notes	--		
Wuhan Anzai Cookware Co., Ltd.	Associated enterprise	Purchase of commodity	Accessories	Market price	--	3,813.39	0.68%		No	Bank transfer or notes	--		
GROUPE SEB	Same controlling	Purchase of	Finished products	Contract price	--	648.92	0.12%		No	Bank transfer or	--		

EXPORT	ng sharehol der with the controlli ng sharehol der	comm odity								notes			
SEB INTERNAT IONAL SERVICE S.A.S.	Same controlli ng sharehol der with the controlli ng sharehol der	Purcha se of comm odity	Finished products	Contract price	--	18.28	0.00%		No	Bank transfer or notes	--		
SEB ASIA LTD.	Same controlli ng sharehol der	Purcha se of comm odity	Finished products	Contract price	--	59.72	0.01%		No	Bank transfer or notes	--		
S.A.S. GROUPE SEB MOULINE X	Same controlli ng sharehol der with the controlli ng sharehol der	Purcha se of comm odity	Accesso ries	Market price	--	201.12	0.04%		No	Bank transfer or notes	--		
LAGOSTIN A S.P.A.	Same controlli ng sharehol der	Purcha se of comm odity	Finished products	Contract price	--	110.26	0.02%		No	Bank transfer or notes	--		
TEFAL S.A.S.	Same controlli ng sharehol der with	Purcha se of comm odity	Accesso ries	Market price	--	822.11	0.15%		No	Bank transfer or notes	--		

	the controlli ng sharehol der												
CALOR SAS	Same controlli ng sharehol der with the controlli ng sharehol der	Purcha se of comm odity	Accesso ries	Market price	--	339.52	0.06%		No	Bank transfer or notes	--		
ETHERA	Same controlli ng sharehol der with the controlli ng sharehol der	Purcha se of comm odity	Accesso ries	Market price	--	98.52	0.02%		No	Bank transfer or notes	--		
WMF GROUPE GMBH	Same controlli ng sharehol der	Purcha se of comm odity	Finished products	Contract price	--	1,843.78	0.33%		No	Bank transfer or notes	--		
WMF CONSUME R-ELECTRI C GMBH	Same controlli ng sharehol der	Purcha se of comm odity	Finished products	Contract price	--	4.85	0.00%		No	Bank transfer or notes	--		
Emsa Taicang Co., Ltd.	Same controlli ng sharehol der	Purcha se of comm odity	Finished products	Contract price	--	6.06	0.00%		No	Bank transfer or notes	--		
GROUPE SEB	Same controlli	Purcha se of	Finished products	Contract price	Same contr	21.40	0.00%		No	Bank transfer or	—		

THAILAND	ng sharehol der	comm odity			ollin g share holde r					notes			
WMF Consumer Goods (Shanghai) Co, Ltd.	Same controlli ng sharehol der	Purcha se of comm odity	Finished products	Contract price	—	0.43	0.00%		No	Bank transfer or notes	—		
WMF (HE SHAN) MANUFAC TURING COMPANY LIMITED	Same controlli ng sharehol der	Purcha se of comm odity	Finished products	Contract price	--	33.14	0.01%		No	Bank transfer or notes	--		
EMSA GMBH	Same controlli ng sharehol der	Purcha se of comm odity	Finished products	Contract price	--	31.22	0.01%		No	Bank transfer or notes	--		
SEB ASIA LTD.	Same controlli ng sharehol der	Sale of comm odities	Finished products	Contract price	--	188,564.5 2	23.03%		No	Bank transfer or notes	--		
SEB ASIA LTD.	Same controlli ng sharehol der	Sale of comm odities	Accesso ries	Contract price	--	114.64	0.01%		No	Bank transfer or notes	--		
S.A.S. SEB	Same controlli ng sharehol der with the controlli ng sharehol der	Sale of comm odities	Finished products	Contract price	--	515.05	0.06%		No	Bank transfer or notes	--		
S.A.S. SEB	Same	Sale of	Accesso	Contract	--	26.4	0.00%		No	Bank	--		

	controlling shareholder with the controlling shareholder	commodities	ries	price						transfer or notes			
TEFAL S.A.S.	Same controlling shareholder with the controlling shareholder	Sale of commodities	Finished products	Contract price	--	331.52	0.04%		No	Bank transfer or notes	--		
TEFAL S.A.S.	Same controlling shareholder with the controlling shareholder	Sale of commodities	Accessories	Contract price	--	803.36	0.10%		No	Bank transfer or notes	--		
S.A.S. GROUPE SEB MOULINE X	Same controlling shareholder with the controlling shareholder	Sale of commodities	Finished products	Contract price	--	1,267.94	0.15%		No	Bank transfer or notes	--		
Supor Group Co. Ltd.	Company controlled by	Sale of commodities	Finished products	Market price	--	230.12	0.03%		No	Bank transfer or notes	--		

	related natural person												
SEB INTERNATIONAL SERVICE S.A.S.	Same controlling shareholder with the controlling shareholder	Sale of commodities	Finished products	Contract price	--	436.59	0.05%		No	Bank transfer or notes	--		
SEB INTERNATIONAL SERVICE S.A.S.	Same controlling shareholder with the controlling shareholder	Sale of commodities	Accessories	Contract price	--	73.64	0.01%		No	Bank transfer or notes	--		
Wuhan Anzai Cookware Co., Ltd.	Associated enterprise	Sale of commodities	Accessories	Contract price	--	10.1	0.00%		No	Bank transfer or notes	--		
LAGOSTIN A S.P.A.	Same controlling shareholder	Sale of commodities	Finished products	Contract price	--	1.39	0.00%		No	Bank transfer or notes	--		
LAGOSTIN A S.P.A.	Same controlling shareholder	Sale of commodities	Accessories	Contract price	--	28.55	0.00%		No	Bank transfer or notes	--		
ALL-CLAD METALCR AFTERS LLC	Same controlling shareholder	Sale of commodities	Finished products	Contract price	--	7.08	0.00%		No	Bank transfer or notes	--		

WMF Consumer Goods (Shanghai) Co, Ltd.	Same controlling shareholder	Sale of commodities	Finished products	Contract price	--	11.69	0.00%		No	Bank transfer or notes	--		
WMF GROUPE GMBH	Same controlling shareholder	Sale of commodities	Accessories	Contract price	--	10.32	0.00%		No	Bank transfer or notes	--		
VIETNAM FAN JOINT STOCK COMPANY	Same controlling shareholder	Sale of commodities	Finished products	Contract price	--	1,070.36	0.13%		No	Bank transfer or notes	--		
VIETNAM FAN JOINT STOCK COMPANY	Same controlling shareholder	Sale of commodities	Accessories	Contract price	--	1.02	0.00%		No	Bank transfer or notes	--		
GROUPE SEB CANADA INC	Same controlling shareholder	Sale of commodities	Finished products	Contract price	--	300.06	0.04%		No	Bank transfer or notes	--		
GROUPE SEB ANDEAN S.A.	Same controlling shareholder	Sale of commodities	Accessories	Contract price	--	17.71	0.00%		No	Bank transfer or notes	--		
CALOR SAS	Same controlling shareholder with the controlling shareholder	Sale of commodities	Finished products	Contract price	--	820.47	0.10%		No	Bank transfer or notes	--		
Total				--	--	210,382.93	--	0	--	--	--	--	--

Details of large sales return	Not applicable
Actual implementation of estimated total amount of connected transaction by category incurred during the reporting period in the report period (if any)	During January to June of 2020, the total amount of connected transactions between Supor and SEB Group and its affiliates was RMB 1,986,416.40 K
Reason for the big difference between transacted price and market reference price (if applicable)	Not applicable

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

☐ Applicable ☒ Not-applicable

There was no connected transactions from purchase and sales for assets or equity in the reporting period.

3. Connected transaction for co-investment abroad

☐ Applicable ☒ Not-applicable

There was no connected transaction for co-investment abroad in the reporting period

4. Connected creditor's rights and debts

☐ Applicable ☒ Not-applicable

There were no related creditor's rights and debts in the reporting period

5. Other important connected transactions

☐ Applicable ☒ Not-applicable

There were no significant connected transactions in the reporting period.

XIV. Occupied non-operating capital of listed company for shareholders and affiliated company

☐ Applicable ☒ Not-applicable

There was no non-operating occupation of capital of listed companies by controlling shareholders and their affiliates of the Company during the reporting period.

XV. 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. Entrusted financing

☒ Applicable ☐ Not-applicable

Unit: CNY10,000

Specific type	Source of fund for entrusted financing	Amount incurred of entrusted financing	Undue balance	Overdue amount unclaimed
Bank financial products	Self-owned capital	181,000.00	66,500.00	0
Total		181,000.00	66,500.00	0

Financial products purchased during reporting period and corresponding principal collection and income are shown below:

During the first half of 2020, the short-term financial products purchased have been disclosed in <http://www.cninfo.com.cn>: Announcement of Progress of Using Excessive Cash to Purchase Short-term Financial Products (2020-011), Announcement of Using Excessive Cash to Purchase Short-term Financial Products (2020-018) and Announcement of Progress of Using Excessive Cash to Purchase Short-term Financial Products (2020-040).

Specific description for high-risk entrusted finance with single significant amount, low security, poor liquidity and unguaranteed principal

☐ Applicable ☒ Not-applicable

Circumstances in which principal of entrusted financing may not be recovered or which may result in decrease in value:

☐ Applicable ☒ Not-applicable

4. Other important contracts

☐ Applicable ☒ Not-applicable

There were no other important contracts involved in the Company in the reporting period.

XVI. CSR building

1. Significant environmental protection problems

Do the listed company and its subsidiaries belong to key pollutant discharging unit posted by the environmental protection department?

Yes

Name of the Company or subsidiary	Name of main pollutant or specific pollutant	Discharge mode	Number of discharge ports	Distribution of discharge ports	Discharge concentration	Executive pollutant discharge standard	Total discharge amount	Total discharge amount checked	Excessive discharge
Zhejiang Supor Co., Ltd.	COD	Manage after pollutants are treated up to standards	2	Wastewater discharge port of the wastewater treatment station in plant area	≤30 mg/L (count according to the indexes of design parameters of effluent quality of Damaiyu Wastewater Station in Yuhuan after discharging into piping)	“Quasi-IV” standards in the Table of Effluent Indexes and Standard Limits for Urban Sewage Treatment Stations in Taizhou”	4.29267 t	20.32 t	None
	Ammoniacal nitrogen				≤1.5 mg/L (count according to the indexes of design parameters of effluent quality of Damaiyu Wastewater Station in Yuhuan after discharging into piping)	Grade I-A in the Discharge Standard of Pollutants for	0.21463 t	3.05 t	
Zhejiang Supor Electrical Appliance	COD		1		50 mg/L (count according to the indexes of design parameters of		5.53 t	14.6 t	

Manufacturing Co., Ltd				effluent quality of Qianjiang Wastewater Station in Xiaoshan after discharging into piping)	Municipal Wastewater Treatment Plant (GB18918-2002)		
	Ammoniacal nitrogen			5 mg/L (count according to the indexes of design parameters of effluent quality of Qianjiang Wastewater Station in Xiaoshan after discharging into piping)	Indirect Discharge for Emission Limitation of Nitrogen and Phosphorus for Industrial Wastewater (DB33/887-2013)	0.39 t	0.73 t
Zhejiang Shaoxing Supor Domestic Electrical Appliances Co., Ltd.	COD		1	28 mg/L (count according to the indexes of design parameters of effluent quality of Qianjiang Wastewater Station in Xiaoshan after discharging into piping)	Grade III in Form 4 of the Integrated Wastewater Discharge Standard (GB8978-1996)	8.8885 t	25.83 t
	Ammoniacal nitrogen			1.6 mg/L (count according to the indexes of design parameters of effluent quality of Qianjiang Wastewater Station in Xiaoshan after discharging into piping)	Indirect Discharge for Emission Limitation of Nitrogen and Phosphorus for Industrial Wastewater (DB33/887-2013)	0.5079 t	5.38 t

Construction and operation of pollution prevention facilities

Under special sewage treatment mechanism in the Company, all wastewater generated will gather at this station for central treatment. After chemical precipitation and autocatalyzed oxidation, wastewater will meet the first grade discharge standards and then

be discharged into urban wastewater pipes. At the same time, the Company has reclaimed water reuse facilities that can arrange water treatment plan according to water quality. The production wastewater is first treated at the sewage treatment station and then disposed through the reclaimed water system for production. After that, part of the sanitary sewage after combined treatment enters municipal sewage network. In reporting period, the environmental protection department monitored the wastewater treatment station online and found it operating normally and discharging water up to standard.

Environmental impact assessment of construction projects and other administrative permissions for environmental protection

None

Environmental emergency plan

Environmental Emergency Plan of Zhejiang Supor Co., Ltd.

Environmental monitoring scheme

(1) Monitoring contents

Discharge of water pollutants;

(2) Monitoring mode

Self-monitoring is completed through auto monitoring and manual monitoring.

(3) Monitoring indicators, monitoring frequency and monitoring method

1. Main monitoring indicators: pH, suspended matters, chemical oxygen demand, five daybod, oils, ammoniacal nitrogen, copper, zinc, lead, nickel and fluorides;

2. The pH value of wastewater treatment station is monitored 24 hours per day; suspended matters and chemical oxygen demand are analyzed once a week; oils, ammoniacal nitrogen, copper, zinc, lead, nickel and fluorides is tested once year by a third-party environmental protection institution.

Other environmental information that should be made public

None

Other environmental protection related information

None

2. Performance of the social responsibility of targeted poverty alleviation

(1) Targeted poverty alleviation plan

“Letting children in remote mountainous areas get fair education opportunities” is the charity purpose that the Company has upheld for more than 10 years. At present, the Company has been joining hand with local governments to improve the environment of the schools in remote and backward villages, promote village teacher teams to grow, care stay-at-home children, etc. with the hope to change the education situation in these areas through continuous efforts. The Company was also active in encouraging and supporting employees to take part in charity activities to contribute to the social progress.

(2) Overview of semi-annual targeted poverty alleviation

During the reporting period, although it was unable to carry out group activities due to the impact of the epidemic, the Company still kept on promoting the “Supor primary schools” charity project to help improving rural education in remote and mountainous areas in the central and western China. During the epidemic period, the Company and its charity partners assisted a part of village schools in remote and mountainous areas to have online live classes so as to help children who were unable to return to school, achieving good results; and donated forehead thermometers, masks and other materials to more than 20 village schools in remote and mountainous areas in the central and western China for epidemic prevention and control. In addition, a new contract was signed to

donate for and build a mountain village school in Yulong, Yunnan to advance the improvement of rural school buildings.

During the reporting period, the Company continued donating resources to middle and west China's remote mountainous areas to improve the schooling conditions, constructed Supor primary schools and supported the following development of these schools. At present, the Company's commonweal map has covered the mountainous areas in 12 provinces and autonomous regions, including Qinghai, Yunnan, Guizhou, Sichuan, Hubei, Jiangxi, Hunan, Guangxi, Shaanxi, Gansu and Hebei; it now has built 27 schools. In addition to school buildings, the Company built "NenYaEr" libraries, constructed "LiLiXiang" canteens, provided training and overseas study opportunities for the teachers of Supor primary schools, and introduced live online courses of music, fine arts and English to rural primary schools that lack teacher resources, fully improving their philosophy of schooling and schooling level and enabling children in villages to have faire education opportunities.

In the first half year, the Company further donated 1 school, the construction of 3 schools proceeded as scheduled, and the Company also introduced online live art courses to 8 rural schools, and increased teachers in the rural schools.

(3) Effects of targeted poverty alleviation

Indicator	Measurement unit	Quantity/fulfillment
Education for poverty alleviation	——	——
Amount invested to aid poor students	RMB 10,000	2
Number of aid poor students	Person	40
Amount invested to improve the education resources in poor areas	RMB 10,000	100

(4) Subsequent targeted poverty alleviation plan

In the future, the Company will continue implementing Supor primary school project and donating to build primary schools in the villages in mountainous areas, so as to improve their schooling conditions. By estimate, there will be 2 Supor primary schools built in 2020. At the same time, the Company will invest more to help teachers of these schools to grow, and cooperate with relevant organizations to carry out activities that can benefit their development.

XVII. Introduction for other important matters

☐ Applicable ☒ Not-applicable

There were no other important contracts to be noted in the reporting period.

XVIII. Significant event of the company's subsidiaries

☐ Applicable ☒ Not-applicable

SECTION VI CHANGES IN SHARE CAPITAL AND PARTICULARS ABOUT SHAREHOLDERS

I. Changes in share capital

1. Changes in share capital

Unit: share

	Before change		Increase/decrease in the period (+, -)					After change	
	Share number	Ratio	New shares	Shares bonus	Converted capital	Others	Subtotal	Share number	Ratio
I. Restricted outstanding shares	210,377,667	25.62%				-329,445	-329,445	210,048,222	25.58%
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	4,010,077	0.49%				-329,445	-329,445	3,680,632	0.45%
Including: Shares held by domestic legal entities	0	0.00%				0	0	0	0.00%
Shares held by domestic natural persons	4,010,077	0.49%				-329,445	-329,445	3,680,632	0.45%
4. Shares held by foreign investors	206,367,590	25.13%				0	0	206,367,590	25.13%
Including: Shares held by foreign legal entities	206,367,590	25.13%				0	0	206,367,590	25.13%
Shares held by foreign natural persons	0	0.00%				0	0	0	0.00%
II. Non-restricted outstanding shares	610,742,243	74.38%				329,445	329,445	611,071,688	74.42%
1. RMB common shares	610,742,243	74.38%				329,445	329,445	611,071,688	74.42%
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	821,119,910	100.00%				0	0	821,119,910	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.

Approval of change in stock

☐ Applicable ☒ Not-applicable

Transfer of shares changed

☐ Applicable ☒ Not-applicable

Progress in the implementation of share repurchase

☒ Applicable ☐ Not-applicable

The Proposal on Public Shares Repurchase Plan was reviewed and approved by the 14th Session of the Sixth Board of Directors held on August 29, 2019. With the confidence in the Company's future development, in order to effectively protect the interests of shareholders and enhance investor confidence, and in consideration of the Company's overall financial situation, the Company planned to repurchase the Company's shares with self-owned capital for reducing registered capital and implementing equity incentive. The Company will repurchase the shares of the Company from parallel market through centralized bidding with the highest price of RMB 75.48 per share (adjusted to RMB73.90 per share after Profit Distribution of 2019 Fiscal Year), and number of shares repurchased not less than 4,105,600 shares (inclusive) and not more than 8,211,199 shares (inclusive). As of the end of the reporting period, the Company has repurchased 3,596,900 shares accounting for 0.44% of the total shares of the Company at the highest price of RMB 71.90/share and lowest price of RMB 62.88/share with the payment of RMB 24,105.28 (excluding transaction fee).

This Share Repurchase Plan has been approved by the Second Interim General Meeting of Shareholders in 2019 held on September 23, 2019 and the *Repurchase Report on Public Shares* was published on September 25, 2019. For detailed contents, please see the *Repurchase Report on Public Shares* (Announcement No.: 2019-058), *Announcement on Adjusting Share Price for Public Shares Repurchase Plan* (Announcement No.: 2019-064 and 2020-036), *Announcement on the Progress of Public Shares Repurchase* (Announcement No.: 2019-059, 2019-070, 2019-074, 2020-0012020-005, 2020-008, 2020-009, 2020-027, 2020-034 and 2020-037) and the *Announcement on the First Share Repurchase* (Announcement No.: 2019-073) disclosed on Securities Times, China Securities Daily, Securities Daily, and <http://www.cninfo.com.cn>.

Progress in the reduction of shareholding of repurchased shares through auction

☐ Applicable ☒ Not-applicable

Influence of shares change on basic earnings per share and diluted earnings per share in latest year and period, net assets per share owned by the Company's ordinary shareholder and other financial indexes.

☐ Applicable ☒ Not-applicable

The other contents the company thinks fit to disclose or the securities regulatory authority requires to disclose

☐ Applicable ☒ Not-applicable

2. Changes of Restricted Stock

☒ Applicable ☐ Not-applicable

Unit: share

Name	Restricted	Restricted	Restricted	Restricted	Restriction reason	Date of unlocking
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	outstanding stocks at year-begin	outstanding stocks unlocked in the reporting period	outstanding stocks increased in the reporting period	outstanding stocks at period-end		restriction
Su Xianze	864,243	216,061	0	648,182	Locked stocks of top management	Unlocking 25% of the stocks registered under his name on the last trading day of the previous year
Xu Bo	184,750	77,188	0	107,562	Locked stocks of top management	Unlocking 25% of the stocks registered under his name on the last trading day of the previous year
Ye Jide	43,784	23,196	0	20,588	Locked stocks of top management	Unlocking 25% of the stocks registered under his name on the last trading day of the previous year
Su Ming-Jui	13,000	13,000	0	0	Locked stocks of top management	Unlocking 25% of the stocks registered under his name on the last trading day of the previous year
Incentive objects of Equity Incentive Plan 2017	2,904,300	0	0	2,904,300	Restricted stock of equity incentive plan	Under the 2017 stock incentive plan, the listing and circulating date of the Restricted Stock unlocked during the third unlock period is December 30, 2020 and the listing and circulating date of Reserved Restricted Stock during the second unlock period is November 16, 2020.
Total	4,010,077	329,445	0	3,680,632	--	--

II. Security Offering and Listing Information

☐ Applicable ☒ Not-applicable

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

Unit: share

Total number of common shareholders at the end of the reporting period	11,810			Total number of preferred shareholder whose voting right is recovered at the end of reporting period (if any) (refer to Note 8)			0	
Information on shareholders holding more than 5% stocks or information on top 10 shareholders								
Name	Nature	Shareholding ratio	Number of shares held at period-end	Increase/decrease in the reporting period	Number of restricted outstanding shares	Number of non-restricted outstanding shares	Pledged or frozen	
							Status of share	Share number
SEB INTERNATIONALE S.A.S	Foreign legal entity	81.19%	666,681,904	0	206,367,590	460,314,314		
Hong Kong Securities Clearing Company Ltd.	Foreign legal entity	5.97%	49,035,201	-299,816	0	49,035,201		
Bank of China –E-Fund Small and Medium Cap Complex Securities Investment Fund	Others	1.92%	15,788,888	3,288,888	0	15,788,888		
ABC- E-fund Consumption Industry Securities Investment Fund	Others	0.82%	6,698,108	1,778,566	0	6,698,108		
BNP Paribas - own funds	Foreign legal entity	0.66%	5,435,940	-149,506	0	5,435,940		
China Construction Bank-E-Fund New Silk Road Flexible Complex Securities Investment Fund	Others	0.64%	5,243,454	-305,796	0	5,243,454		
Fidelity Mutual Fund & Investment Management - clients' capital	Foreign legal entity	0.60%	4,902,339	-570,098	0	4,902,339		
Central Huijin Asset Management Ltd.	State-owned legal person	0.54%	4,423,640	0	0	4,423,640		
E-Fund Management Co., Ltd. –Social Security Fund 1104 Portfolio	Others	0.53%	4,371,572	3,471,504	0	4,371,572		
National Social Security Fund No. 109	Others	0.27%	2,200,067	-199,998	0	2,200,067		
Strategic investor or general corporate		None						

investor who becomes top 10 shareholder as a result of rights issue (if any) (refer to Note 3)			
Description on the above-mentioned shareholder relationships or concerted actions	The Company is not aware of whether the top ten shareholders are associated with each other, and whether they are persons acting in concert as stipulated in the Measures for the Administration of the Acquisition of Listed Companies.		
Top 10 shareholders holding non-restricted outstanding shares			
Name	Number of non-restricted outstanding stocks held at period-end	Type of share	
		Type of share	Share number
SEB INTERNATIONALE S.A.S	460,314,314	RMB common share	460,314,314
Hong Kong Securities Clearing Company Ltd.	49,035,201	RMB common share	49,035,201
Bank of China –E-Fund Small and Medium Cap Complex Securities Investment Fund	15,788,888	RMB common share	15,788,888
ABC- E-fund Consumption Industry Securities Investment Fund	6,698,108	RMB common share	6,698,108
BNP Paribas - own funds	5,435,940	RMB common share	5,435,940
China Construction Bank- E-Fund New Silk Road Flexible Complex Securities Investment Fund	5,243,454	RMB common share	5,243,454
Fidelity Mutual Fund & Investment Management - clients' capital	4,902,339	RMB common share	4,902,339
Central Huijin Asset Management Ltd.	4,423,640	RMB common share	4,423,640
E-Fund Management Co., Ltd. –Social Security Fund 1104 Portfolio	4,371,572	RMB common share	4,371,572
National Social Security Fund No. 109	2,200,067	RMB common share	2,200,067
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 stocks and top 10 shareholders	The company is not aware of whether the top ten shareholders are associated with each other, and whether they are persons acting in concert as stipulated in the Measures for the Administration of the Acquisition of Listed Companies.		
Information on top 10 common shareholders involved in securities margin trading business (if any) (see Note 4)	None		

Did the top 10 common shareholders and the top 10 common shareholders holding non-restricted shares conduct the agreed repurchase transaction during the reporting period?

☐ Yes ☒ No

The top 10 common shareholders and the top 10 common shareholders holding non-restricted shares did not conduct the agreed repurchase transaction during the reporting period.

III. Change of the controlling shareholder or actual controller

Change of controlling shareholder in the reporting period

☐ Applicable ☒ Not-applicable

No change of controlling shareholder occurred in the reporting period.

Change of actual controller in the reporting period

☐ Applicable ☒ Not-applicable

No change of actual controller occurred in the reporting period.

SECTION VII INFORMATION ON PREFERRED STOCK

☐ Applicable ☒ Not-applicable

No preferred stock existed in the reporting period.

SECTION VIII CORPORATE CONVERTIBLE BONDS

☐ Applicable ☒ Not-applicable

No convertible bonds existed in the reporting period.

SECTION IX PARTICULARS ABOUT DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

I. Changes in share holding status of directors, supervisors and senior management

√ Applicable □ Not-applicable

Name	Position	Position status	Beginning quantity of stocks	Quantity of increased stocks in this period	Quantity of decreased stocks in this period	Closing quantity of stocks	Quantity of restricted stocks to be granted at the beginning	Quantity of restricted stocks to be granted in this period	Quantity of restricted stocks to be granted at the end of period
Thierry de LA TOUR D'ARTAISE	Board Chairman	On-service	0	0	0	0	0	0	0
Su Xianze	Director	On-service	864,243	0	216,061	648,182	0	0	0
Harry TOURET	Director	On-service	0	0	0	0	0	0	0
Stanislas de GRAMONT	Director	On-service	0	0	0	0	0	0	0
Nathalie LOMON	Director	On-service	0	0	0	0	0	0	0
Tai Wai Chung	Director	On-service	0	0	0	0	0	0	0
Wang Baoqing	Independent director	Retired	0	0	0	0	0	0	0
Chen Jun	Independent director	On-service	0	0	0	0	0	0	0
Hervé MACHENAUD	Independent director	On-service	0	0	0	0	0	0	0
Jean-Michel PIVETEAU	Independent director	On-service	0	0	0	0	0	0	0
Philippe SUMEIRE	Chairman of Board of Supervisor	On-service	0	0	0	0	0	0	0

	s								
Zhang Junfa	Supervisor	On-ser vice	0	0	0	0	0	0	0
Lu Lanhua	Supervisor	On-ser vice	0	0	0	0	0	0	0
Su Ming-Jui	General Manager	On-ser vice	234,000	0	0	234,000	0	0	0
Xu Bo	Chief Financial Officer	On-ser vice	308,750	0	0	308,750	0	0	0
Ye Jide	Vice General Manager, secretary of the board	On-ser vice	92,784	0	23,196	69,588	0	0	0
Total	--	--	1,499,777	0	239,257	1,260,520	0	0	0

II. Change of directors, supervisors and senior management

√ Applicable □ Not-applicable

Name	Position	Type	Date	Cause
Wang Baoqing	Independent director	Retired after the expiry of term of office	April 20, 2020	Six-year term of office expired
Chen Jun	Independent director	Elected	May 20, 2020	Elected as independent director of the Company by the General Meeting of Shareholders
Seventh Board of Directors/Supervisors		New election	May 20, 2020	During the reporting period, the Company elected the Seventh Board of Directors and the Seventh Board of Supervisors. The 1st Session of the Seventh Board of Directors and the 1st Session of Board of Supervisors were held on May 20, 2020 to select Board Chairman and Chairman of the Board of Supervisors respectively. The General Manager, Chief Financial Officer, Board Secretary were also appointed during the meeting. Except for the above-mentioned change of independent director, other directors, supervisors and top management of the Company remained the same during the reporting period. For details, please refer to the Annual Report 2019.

SECTION X CORPORATE BONDS

Does the Company have the corporate bonds that have already openly issued, listed on the stock exchange, are not yet mature on the approval date of semiannual report or cannot be cashed in full on the due day?

No

SECTION XI FINANCIAL REPORT

I. Audit report

Was semiannual report audited?

☐ Yes ☒ No

The semiannual financial report of the Company was not audited.

II. Financial statement

Unit of statement in notes to financial statement: RMB Yuan

1. Consolidated balance sheet

Compiled by: Zhejiang Supor Co., Ltd.

June 30, 2020

Unit: Yuan

Item	June 30, 2020	December 31, 2019
Current assets:		
Monetary capital	1,509,754,409.45	1,308,132,657.16
Settlement reserve		
Loans to other banks		
Trading financial assets	672,739,430.97	1,264,563,042.79
Derivative financial assets		
Notes receivable		
Accounts receivable	2,022,842,823.93	1,796,909,432.40
Financing of receivables	1,044,575,942.37	1,186,980,101.71
Advance payment	266,889,884.79	278,545,463.04
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserve receivable		
Other receivables	12,322,157.57	14,230,736.62
Where: interest receivable		
Dividend receivable		
Reverse-REPO financial assets		
Inventories	1,985,625,921.40	2,247,612,900.00

Contract assets		
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	1,511,822,572.22	1,732,984,689.16
Total current assets	9,026,573,142.70	9,829,959,022.88
Non-current assets:		
Loans and advances granted		
Debt investment		
Other debt investments		
Long-term receivables		
Long-term equity investment	63,595,693.24	61,917,730.62
Other equity instrument investments		
Other non-current financial assets		
Investment properties		
Fixed assets	968,384,635.97	908,982,690.72
Construction in progress	198,788,186.59	215,167,399.12
Productive biological assets		
Oil and gas assets		
Use right assets		
Intangible assets	464,400,638.70	465,546,894.17
Development expenditures		
Goodwill		
Long-term unamortized expenses	1,906,526.15	2,168,302.35
Deferred income tax assets	383,034,073.20	364,211,946.59
Other non-current assets		
Total non-current assets	2,080,109,753.85	2,017,994,963.57
Total assets	11,106,682,896.55	11,847,953,986.45
Current liabilities:		
Short-term borrowings	2,236,500.00	
Central bank loan		
Loans from others		
Trading financial liabilities		
Derivative financial liabilities		
Notes payable		

Accounts payable	2,664,188,525.84	3,011,464,656.36
Advances received		1,106,996,534.96
Contract liabilities	618,834,409.23	
Proceeds from sale of repurchase financial assets		
Deposit taken and interbank deposit		
Proceeds from security transaction agency		
Proceeds from security underwriting agency		
Employee pay payable	229,383,397.01	300,734,908.98
Taxes payable	145,444,348.06	172,591,751.41
Other payables	936,461,046.54	93,696,839.73
Where: interest payable		
Dividend payable	842,352,585.70	
Handling fee and commission payable		
Reinsurance accounts payable		
Held-for-sale liabilities		
Non-current liabilities due within one year		
Other current liabilities	254,892,038.09	290,585,764.00
Total current liabilities	4,851,440,264.77	4,976,070,455.44
Non-current liabilities:		
Reinsurance contract reserve		
Long-term borrowings		
Bonds payable		
Wherein: preferred shares		
Perpetual bond		
Lease obligation		
Long-term payables		
Long-term employee benefits payable	3,250,484.28	3,683,907.11
Estimated liabilities	21,150,000.00	21,150,000.00
Deferred income		
Deferred income tax liabilities	2,562,613.14	2,436,047.01
Other non-current liabilities		
Total non-current liabilities	26,963,097.42	27,269,954.12
Total liabilities	4,878,403,362.19	5,003,340,409.56
Owner's equity:		

Share capital	821,119,910.00	821,119,910.00
Other equity instruments		
Wherein: preferred shares		
Perpetual bond		
Capital reserves	208,459,816.27	194,633,350.10
Minus: treasury stock	243,957,079.79	4,342,472.56
Other comprehensive incomes	-16,698,733.99	-20,313,446.20
Special reserves		
Surplus reserve	401,648,181.64	401,648,181.64
General risk reserve		
Undistributed profit	5,022,846,690.04	5,443,671,509.58
Total owner's equity belonging to parent company	6,193,418,784.17	6,836,417,032.56
Minority equity	34,860,750.19	8,196,544.33
Total owner's equity	6,228,279,534.36	6,844,613,576.89
Total liabilities and owner's equity	11,106,682,896.55	11,847,953,986.45

Legal representative: Thierry de LA TOUR D'RTAISE
accounting department: Xu Bo

Person in charge of accounting: Xu Bo

Person in charge of

2. Balance sheet of parent company

Unit: Yuan

Item	June 30, 2020	December 31, 2019
Current assets:		
Monetary capital	363,078,569.33	877,009,108.98
Trading financial assets	203,369,087.62	702,525,313.39
Derivative financial assets		
Notes receivable		
Accounts receivable	543,941,126.75	341,182,660.24
Financing of receivables	16,154,932.74	22,735,319.00
Advance payment	55,032,183.75	41,392,385.97
Other receivables	164,522,486.10	110,807,092.72
Where: interest receivable		
Dividend receivable		
Inventories	184,020,303.86	146,997,997.90
Contract assets		

Held-for-sale assets		
Non-current assets due within one year		
Other current assets	1,429,232,175.39	1,597,853,406.49
Total current assets	2,959,350,865.54	3,840,503,284.69
Non-current assets:		
Debt investment		
Other debt investments		
Long-term receivables		
Long-term equity investment	3,013,686,038.76	2,975,731,261.81
Other equity instrument investments		
Other non-current financial assets		
Investment properties		
Fixed assets	161,561,462.82	168,793,198.76
Construction in progress	11,509,934.03	9,128,658.64
Productive biological assets		
Oil and gas assets		
Use right assets		
Intangible assets	87,079,174.45	88,321,489.84
Development expenditures		
Goodwill		
Long-term unamortized expenses		
Deferred income tax assets	26,141,259.22	19,821,224.48
Other non-current assets		
Total non-current assets	3,299,977,869.28	3,261,795,833.53
Total assets	6,259,328,734.82	7,102,299,118.22
Current liabilities:		
Short-term borrowings		
Trading financial liabilities		
Derivative financial liabilities		
Notes payable		
Accounts payable	202,254,547.58	209,574,572.27
Advances received		6,231,654.41
Contract liabilities	1,735,601.27	
Employee pay payable	52,415,072.01	61,804,868.33

Taxes payable	64,451,261.38	6,323,506.14
Other payables	4,190,631,483.17	3,852,130,178.87
Where: interest payable		
Dividend payable	842,352,585.70	
Held-for-sale liabilities		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	4,511,487,965.41	4,136,064,780.02
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Wherein: preferred shares		
Perpetual bond		
Lease obligation		
Long-term payables		
Long-term employee benefits payable		
Estimated liabilities		
Deferred income		
Deferred income tax liabilities	505,363.14	378,797.01
Other non-current liabilities		
Total non-current liabilities	505,363.14	378,797.01
Total liabilities	4,511,993,328.55	4,136,443,577.03
Owner's equity:		
Share capital	821,119,910.00	821,119,910.00
Other equity instruments		
Wherein: preferred shares		
Perpetual bond		
Capital reserves	651,722,631.35	637,954,156.03
Minus: treasury stock	243,957,079.79	4,342,472.56
Other comprehensive incomes		
Special reserves		
Surplus reserve	410,621,980.00	410,621,980.00
Undistributed profit	107,827,964.71	1,100,501,967.72
Total owner's equity	1,747,335,406.27	2,965,855,541.19

Total liabilities and owner's equity	6,259,328,734.82	7,102,299,118.22
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3. Consolidated profit statement

Unit: Yuan

Item	Semiannual Report 2020	Semiannual Report 2019
I. Total operating revenue	8,187,236,558.24	9,835,583,688.78
Where: operating revenue	8,187,236,558.24	9,835,583,688.78
Interest revenue		
Premium earned		
Revenue from handling charges and commission		
II. Total operating cost	7,466,188,764.31	8,743,449,444.72
Where: operating cost	6,130,938,343.64	6,808,551,388.82
Interest expense		
Expense for handling fee and commission		
Surrender value		
Net payments for insurance claims		
Net amount of withdrawn reserve fund for insured liability		
Premium bonus expenditures		
Reinsurance expenses		
Taxes and surcharges	48,370,898.53	71,506,969.81
Selling expenses	973,834,031.86	1,556,184,855.80
Administrative expenses	148,926,613.37	163,412,805.46
Research and development expenses	184,742,945.70	182,983,476.01
Financial expenses	-20,624,068.79	-39,190,051.18
Where: interest expenses	234,582.50	609,978.02
Interest revenue	17,371,847.91	39,132,490.14
Plus: other incomes	34,811,175.62	23,645,728.98
Return on investment ("-" for loss)	28,579,139.64	18,242,869.83
Where: return on investment on associated enterprise and cooperative enterprise	1,589,824.61	3,510,696.06
Income from derecognition of financial assets measured by amortized cost		
Exchange earning ("-" for loss)		
Net exposure hedging gains ("-" for loss)		

Gains on changes of fair value (“-” for loss)	25,014,882.49	2,229,437.56
Credit impairment loss (“-” for loss)	-13,887,957.78	-11,127,601.28
Asset impairment loss (“-” for loss)	11,103,938.21	-13,487,772.88
Return on assets disposal (“-” for loss)	-166,294.96	-40,472.33
III. Operating profit (“-” for loss)	806,502,677.15	1,111,596,433.94
Plus: non-operating revenue	4,568,511.37	2,080,410.34
Minus: non-operating expenditure	6,640,275.68	16,787,480.59
IV. Total profit (“-” for total loss)	804,430,912.84	1,096,889,363.69
Minus: income tax expenses	139,976,225.03	260,036,528.88
V. Net profit (“-” for net loss)	664,454,687.81	836,852,834.81
(I) By business continuity		
1. Net profit under continuing operating (“-” for net loss)	664,454,687.81	836,852,834.81
2. Net profit under discontinuing operation (“-” for net loss)		
(II) By ownership		
1. Net profit belonging to the owners of parent company	666,480,783.76	838,143,797.93
2. Minority interest	-2,026,095.95	-1,290,963.12
VI. After-tax net amount of other comprehensive income	3,505,014.02	-317,249.92
After-tax net amount of other comprehensive income belonging to the owners of parent company	3,614,712.21	-266,577.06
(I) Other comprehensive incomes that can not be reclassified into profit and loss		
1. Remeasured amount of changes in defined benefit plan		
2. Other comprehensive income that can not be transferred to gain and loss under the equity law		
3. Changes in the fair value of other equity instrument investments		
4. Changes in the fair value of the Company’s own credit risk		
5. Others		
(II) Other comprehensive incomes to be reclassified into the profit and loss	3,614,712.21	-266,577.06
1. Other comprehensive income that can be transferred to gain and loss under the equity law		
2. Changes in the fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Credit impairment reserve for other debt investments		
5. Cash flow hedging reserve		
6. Foreign currency translation difference in financial statements	3,614,712.21	-266,577.06

7. Others		
After-tax net profit of other comprehensive income belonging to minority shareholder	-109,698.19	-50,672.86
VII. Total comprehensive income	667,959,701.83	836,535,584.89
Total comprehensive income attributed to owners of parent company	670,095,495.97	837,877,220.87
Total comprehensive income attributed to minority shareholders	-2,135,794.14	-1,341,635.98
VIII. Earnings per share:		
(I) Basic earnings per share (EPS)	0.813	1.022
(II) Diluted earnings per share (EPS)	0.812	1.021

If the enterprise under the same control is merged, the net profit realized by the party to be merged before merger was yuan, the net profit realized by the party to be merged during the prior period was yuan

Legal representative: Thierry de LA TOUR D'RTAISE
accounting department: Xu Bo

Person in charge of accounting: Xu Bo

Person in charge of

4. Profit statement of parent company

Unit: Yuan

Item	Semiannual Report 2020	Semiannual Report 2019
I. Operating income	854,940,544.52	963,545,395.39
Minus: operating costs	662,601,937.27	752,889,984.79
Taxes and surcharges	5,596,444.63	8,472,789.88
Selling expenses	23,219,385.12	24,721,478.24
Administrative expenses	48,669,592.23	57,433,503.75
Research and development expenses	32,730,068.62	35,751,367.64
Financial expenses	9,301,847.85	-29,322,909.11
Where: interest expenses	16,807,599.44	2,396,397.22
Interest revenue	5,629,340.48	30,473,103.84
Plus: other incomes	3,495,937.78	8,427,114.54
Return on investment ("-" for loss)	28,579,139.64	28,165,777.57
Where: return on investment on associated enterprise and cooperative enterprise	1,589,824.61	3,510,696.06
Income from derecognition of financial assets measured by amortized cost ("-" for loss)		
Net exposure hedging gains ("-" for loss)		
Gains on changes of fair value ("-" for loss)	14,666,681.32	825,019.38

Credit impairment loss (“-” for loss)	-9,288,135.66	719,294.85
Asset impairment loss (“-” for loss)	549,197.25	-1,624,381.98
Return on assets disposal (“-” for loss)	5,336.37	244,134.04
II. Operating profit (“-” for loss)	110,829,425.50	150,356,138.60
Plus: non-operating revenue	1,958,744.05	449,905.08
Minus: non-operating expenditure	1,737,428.47	817,871.12
III. Total profit (“-” for total loss)	111,050,741.08	149,988,172.56
Minus: income tax expenses	16,419,140.79	21,971,621.47
IV. Net profit (“-” for net loss)	94,631,600.29	128,016,551.09
(I) Net profit under continuing operating (“-” for net loss)	94,631,600.29	128,016,551.09
(II) Net profit under discontinuing operation (“-” for net loss)		
V. After-tax net amount of other comprehensive income		
(I) Other comprehensive incomes that can not be reclassified into profit and loss		
1. Remeasured amount of changes in defined benefit plan		
2. Other comprehensive income that can not be transferred to gain and loss under the equity law		
3. Changes in the fair value of other equity instrument investments		
4. Changes in the fair value of the Company’s own credit risk		
5. Others		
(II) Other comprehensive incomes to be reclassified into the profit and loss		
1. Other comprehensive income that can be transferred to gain and loss under the equity law		
2. Changes in the fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Credit impairment reserve for other debt investments		
5. Cash flow hedging reserve		
6. Foreign currency translation difference in financial statements		
7. Others		
VI. Total comprehensive income	94,631,600.29	128,016,551.09
VII. Earnings per share:		
(I) Basic earnings per share (EPS)		
(II) Diluted earnings per share (EPS)		

5. Consolidated cash flow statement:

Unit: Yuan

Item	Semiannual Report 2020	Semiannual Report 2019
I. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	5,196,770,797.01	6,444,187,567.62
Net increase of client deposit and interbank deposit		
Net increase of central bank loans		
Net increase of loans from other financial institutions		
Cash received from original insurance contract premium		
Net cash received from reinsurance		
Net increase of policy-holder deposit and investment		
Cash receipts from interest, handling charges and commission		
Net increase of loans from others		
Net increment of repurchase capital		
Net cash from security transaction agency		
Tax refund received	131,304,300.07	136,414,107.75
Other cash receipts related to operating activities	59,130,060.91	170,838,424.18
Sub-total of cash inflows from operating activities	5,387,205,157.99	6,751,440,099.55
Cash payments for purchasing goods and receiving services	3,660,287,833.35	4,712,202,388.67
Net increment of customer loans and advances		
Net increase of central bank deposit and interbank deposit		
Cash payment for insurance indemnities of original insurance contracts		
Net increase of loans from others		
Cash payment of interest, handling charges and commission		
Cash payment of policy bonus		
Cash paid to and on behalf of employees	792,739,858.43	811,019,344.15
Taxes paid	484,687,720.22	704,142,209.13
Other cash payments related to operating activities	527,091,703.75	551,461,978.07
Subtotal of cash outflows from operating activities	5,464,807,115.75	6,778,825,920.02
Net cash flows from operating activities	-77,601,957.76	-27,385,820.47
II. Cash flows from investing activities:		
Cash received from return of investments		
Cash received from investment income	22,909,545.43	26,511,048.36

Net cash received from disposal of fixed assets, intangible assets and other long-term assets	352,399.67	70,411.50
Net cash received from disposal of subsidiaries and other business units		
Other cash receipts related to investment activities	3,339,101,700.83	2,593,026,750.00
Subtotal of cash inflows from investing activities	3,362,363,645.93	2,619,608,209.86
Cash paid for acquiring fixed assets, intangible assets and other long-term assets	148,515,111.36	178,635,946.02
Cash paid for investment		
Net increase of pledge loans		
Net cash paid for acquiring subsidiaries and other business units		
Other cash payments related to investing activities	2,540,000,000.00	810,000,000.00
Sub-total of cash outflow from investment activity	2,688,515,111.36	988,635,946.02
Net cash flow from investment activities	673,848,534.57	1,630,972,263.84
III. Cash flows from financing activities:		
Cash received from investment by others	28,800,000.00	
Where: cash received by subsidiaries from minority shareholder investment	28,800,000.00	
Cash received from obtaining borrowings		
Other cash receipts related to financing activities	2,236,500.00	
Sub-total of cash inflows from financing activities	31,036,500.00	
Cash paid for debt repayment		
Cash paid for distribution of dividends or profits or for payment of interest	192,107,411.51	838,826,492.50
Where: dividends or profits paid by subsidiaries to minority shareholders		
Other cash payments related to financing activities	239,614,607.23	
Subtotal of cash outflows from financing activities	431,722,018.74	838,826,492.50
Net cash flows from financing activities	-400,685,518.74	-838,826,492.50
IV. Impact of exchange rate changes on cash and cash equivalents	6,060,694.22	2,607,202.33
V. Net increase in cash and cash equivalents	201,621,752.29	767,367,153.20
Plus: balance of cash and cash equivalents at the beginning of the period	1,234,132,657.16	1,400,762,574.83
VI. Balance of cash and cash equivalents at the end of the period	1,435,754,409.45	2,168,129,728.03

6. Cash flow statement of parent company

Unit: Yuan

Item	Semiannual Report 2020	Semiannual Report 2019
I. Cash flows from operating activities		

Cash received from sales of goods or rendering of services	553,898,146.09	992,953,691.18
Tax refund received	37,745,814.91	60,383,695.18
Other cash receipts related to operating activities	9,333,771.98	28,445,753.83
Sub-total of cash inflows from operating activities	600,977,732.98	1,081,783,140.19
Cash payments for purchasing goods and receiving services	625,626,159.44	852,465,108.60
Cash paid to and on behalf of employees	114,259,129.74	125,485,364.72
Taxes paid	34,442,091.93	37,610,324.14
Other cash payments related to operating activities	14,303,799.48	18,826,799.45
Subtotal of cash outflows from operating activities	788,631,180.59	1,034,387,596.91
Net cash flows from operating activities	-187,653,447.61	47,395,543.28
II. Cash flows from investing activities:		
Cash received from return of investments		
Cash received from investment income	14,484,147.65	34,153,803.40
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	26,828.66	
Net cash received from disposal of subsidiaries and other business units		
Other cash receipts related to investment activities	2,154,101,700.83	1,999,900,000.00
Subtotal of cash inflows from investing activities	2,168,612,677.14	2,034,053,803.40
Cash paid for acquiring fixed assets, intangible assets and other long-term assets	12,015,888.55	24,226,666.66
Cash paid for investment	31,200,000.00	75,000,000.00
Net cash paid for acquiring subsidiaries and other business units		
Other cash payments related to investing activities	2,266,847,792.27	602,018,492.53
Sub-total of cash outflow from investment activity	2,310,063,680.82	701,245,159.19
Net cash flow from investment activities	-141,451,003.68	1,332,808,644.21
III. Cash flows from financing activities:		
Cash received from investment by others		
Cash received from obtaining borrowings		
Other cash receipts related to financing activities	244,842,382.95	775,204,742.84
Sub-total of cash inflows from financing activities	244,842,382.95	775,204,742.84
Cash paid for debt repayment		
Cash paid for distribution of dividends or profits or for payment of interest	192,107,411.51	838,826,492.50
Other cash payments related to financing activities	239,614,607.23	
Subtotal of cash outflows from financing activities	431,722,018.74	838,826,492.50
Net cash flows from financing activities	-186,879,635.79	-63,621,749.66

IV. Impact of exchange rate changes on cash and cash equivalents	2,053,547.43	2,049,772.06
V. Net increase in cash and cash equivalents	-513,930,539.65	1,318,632,209.89
Plus: opening balance of cash and cash equivalents	877,009,108.98	466,625,941.96
VI. Closing balance of cash and cash equivalents	363,078,569.33	1,785,258,151.85

7. Statement of changes in consolidated owners' equity

Amount of this period

Unit: Yuan

Item	Semiannual Report 2020														
	Equity attributable to parent company												Minority equity	Total owner's equity	
	Share capital	Other equity instruments			Capital reserves	Minus: treasury stock	Other comprehensive incomes	Special reserves	Surpluses reserve	General risk reserve	Undistributed profit	Others			Subtotal
		Preferred shares	Perpetual bonds	Others											
I. Balance at the end of prior year	821,119,910.00				194,633,350.10	4,342,472.56	-20,313,446.20		401,648,181.64		5,443,671,509.58		6,836,417,032.56	8,196,544.33	6,844,613,576.89
Plus: cumulative changes of accounting policies															
Error correction of prior period															
Merger of enterprises under the same control															
Others															
II. Balance at the beginning of current year	821,119,910.00				194,633,350.10	4,342,472.56	-20,313,446.20		401,648,181.64		5,443,671,509.58		6,836,417,032.56	8,196,544.33	6,844,613,576.89
III. Current period increase					13,826,466.1	239,614,607.	3,614,712.21				-420,824,819		-642,998,248	26,664,205.8	-616,334,042

("-" for decrease)					7	23					.54		.39	6	.53
(i) Total of comprehensive incomes							3,614,712.21				666,480,783.76		670,095,495.97	-2,135,794.14	667,959,701.83
(ii) Capital invested and reduced by the owner					13,826,466.17	239,614,607.23							-225,788,141.06	28,800,000.00	-196,988,141.06
1. Common shares invested by shareholders														28,800,000.00	28,800,000.00
2. Capital invested by other equity instrument holders															
3. Amount of share-based payment included in equity					13,826,466.17								13,826,466.17		13,826,466.17
4. Others						239,614,607.23							-239,614,607.23		-239,614,607.23
(III) Profit distribution											-1,087,305,603.30		-1,087,305,603.30		-1,087,305,603.30
1. Appropriation of surplus reserve															
2. Appropriation of general risk reserve															
3. Appropriation of profit to owners (or shareholders)											-1,087,305,603.30		-1,087,305,603.30		-1,087,305,603.30
4. Others															
(IV) Internal carry-over															

within equity															
1. Transfer of capital reserve to capital (or equity)															
2. Transfer of surplus reserve to capital (or equity)															
3. Surplus reserve to cover losses															
4. Earnings retained carrying over amount of changes in defined benefit plan															
5. Earnings retained after carrying over other comprehensive incomes															
6. Others															
(V) Special reserve															
1. Appropriation of current period															
2. Application of current period															
(VI) Others															
IV. Balance at the end of current period	821,119,910.00				208,459,816.27	243,957,079.79	-16,698,733.99		401,648,181.64		5,022,846.690.04		6,193,418.784.17	34,860,750.19	6,228,279.534.36

Amount of prior period

Unit: Yuan

Item	Semiannual Report 2019														
	Equity attributable to parent company													Minority equity	Total owner's equity
	Share capital	Other equity instruments			Capital reserves	Minus: treasury stock	Other comprehensive incomes	Special reserves	Surplus reserve	General risk reserve	Undistributed profit	Others	Subtotal		
		Preferred shares	Perpetual bond	Others											
I. Balance at the end of prior year	821,243,960.00				139,529,530.66	3,868,950.00	-24,490,354.80		401,648,181.64		4,573,275,094.31		5,907,337,461.81	-270,368.32	5,907,067,093.49
Plus: cumulative changes of accounting policies															
Error correction of prior period															
Merger of enterprises under the same control															
Others															
II. Balance at the beginning of current year	821,243,960.00				139,529,530.66	3,868,950.00	-24,490,354.80		401,648,181.64		4,573,275,094.31		5,907,337,461.81	-270,368.32	5,907,067,093.49
III. Current period increase (or less: decrease)	-124,050.00				34,206,667.23	-124,050.00	-266,577.06				474,958.73		34,415,048.90	-1,341,635.98	33,073,412.92
(i) Total of comprehensive incomes							-266,577.06				838,143,797.93		837,877,220.87	-1,341,635.98	836,535,584.89
(ii) Capital invested and reduced by the owner	-124,050.00				34,206,667.23	-124,050.00							34,206,667.23		34,206,667.23

1. Common shares invested by shareholders															
2. Capital invested by other equity instrument holders															
3. Amount of share-based payment included in equity	-124,050.00				34,206,667.23	-124,050.00							34,206,667.23		34,206,667.23
4. Others															
(III) Profit distribution											-837,668,839.20		-837,668,839.20		-837,668,839.20
1. Appropriation of surplus reserve															
2. Appropriation of general risk reserve															
3. Appropriation of profit to owners (or shareholders)											-837,668,839.20		-837,668,839.20		-837,668,839.20
4. Others															
(IV) Internal carry-over within equity															
1. Transfer of capital reserve to capital (or equity)															
2. Transfer of surplus reserve to capital (or															

equity)															
3. Surplus reserve to cover losses															
4. Earnings retained carrying over amount of changes in defined benefit plan															
5. Earnings retained after carrying over other comprehensive incomes															
6. Others															
(V) Special reserve															
1. Appropriation of current period															
2. Application of current period															
(VI) Others															
IV. Balance at the end of current period	821,119,910.00				173,736,197.89	3,744,900.00	-24,756,931.86		401,648,181.64		4,573,750,053.04		5,941,752,510.71	-1,612,004.30	5,940,140,506.41

8. Statement of changes in owners' equity of the parent company

Amount of this period

Unit: Yuan

Item	Semiannual Report 2020											
	Share capital	Other equity instruments			Capital reserves	Minus: treasury stock	Other comprehensive incomes	Special reserves	Surplus reserve	Undistr ibuted profit	Others	Total owner's equity
		Preferr	Perpet	Others								

		ed shares	ual bond									
I. Balance at the end of prior year	821,119,910.00				637,954,156.03	4,342,472.56			410,621,980.00	1,100,501,967.72		2,965,855,541.19
Plus: cumulative changes of accounting policies												
Error correction of prior period												
Others												
II. Balance at the beginning of current year	821,119,910.00				637,954,156.03	4,342,472.56			410,621,980.00	1,100,501,967.72		2,965,855,541.19
III. Current period increase (or less: decrease)					13,768,475.32	239,614,607.23				-992,674,003.01		-1,218,520,134.92
(i) Total of comprehensive incomes										94,631,600.29		94,631,600.29
(ii) Capital invested and reduced by the owner					13,768,475.32	239,614,607.23						-225,846,131.91
1. Common shares invested by shareholders												
2. Capital invested by other equity instrument holders												
3. Amount of share-based payment included in equity					13,768,475.32							13,768,475.32

4. Others						239,614,607.23						-239,614,607.23
(III) Profit distribution										-1,087,305,603.30		-1,087,305,603.30
1. Appropriation of surplus reserve												
2. Appropriation of profit to owners (or shareholders)										-1,087,305,603.30		-1,087,305,603.30
3. Others												
(IV) Internal carry-over within equity												
1. Transfer of capital reserve to capital (or equity)												
2. Transfer of surplus reserve to capital (or equity)												
3. Surplus reserve to cover losses												
4. Earnings retained carrying over amount of changes in defined benefit plan												
5. Earnings retained after carrying over other comprehensive incomes												
6. Others												

(V) Special reserve												
1. Appropriation of current period												
2. Application of current period												
(VI) Others												
IV. Balance at the end of current period	821,119,910.00				651,722,631.35	243,957,079.79			410,621,980.00	107,827,964.71		1,747,335,406.27

Amount of prior period

Unit: Yuan

Item	Semiannual Report 2019											
	Share capital	Other equity instruments			Capital reserves	Minus: treasury stock	Other comprehensive incomes	Special reserves	Surplus reserve	Undistributed profit	Others	Total owner's equity
		Preferr ed shares	Perpet ual bond	Others								
I. Balance at the end of prior year	821,243,960.00				589,235,394.74	3,868,950.00			410,621,980.00	1,050,295,609.89		2,867,527,994.63
Plus: cumulative changes of accounting policies												
Error correction of prior period												
Others												
II. Balance at the beginning of current year	821,243,960.00				589,235,394.74	3,868,950.00			410,621,980.00	1,050,295,609.89		2,867,527,994.63
III. Current period increase (or less: decrease)	-124,050.00				28,014,312.22	-124,050.00				-709,652,288.11		-681,637,975.89
(i) Total of comprehensive										128,016,5		128,016,55

incomes										51.09		1.09
(ii) Capital invested and reduced by the owner	-124,050.00				28,014,312.22	-124,050.00						28,014,312.22
1. Common shares invested by shareholders												
2. Capital invested by other equity instrument holders												
3. Amount of share-based payment included in equity	-124,050.00				28,014,312.22	-124,050.00						28,014,312.22
4. Others												
(III) Profit distribution										-837,668,839.20		-837,668,839.20
1. Appropriation of surplus reserve												
2. Appropriation of profit to owners (or shareholders)										-837,668,839.20		-837,668,839.20
3. 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. Earnings retained carrying over amount of changes in defined benefit plan												
5. Earnings retained after carrying over other comprehensive incomes												
6. Others												
(V) Special reserve												
1. Appropriation of current period												
2. Application of current period												
(VI) Others												
IV. Balance at the end of current period	821,119,910.00				617,249,706.96	3,744,900.00			410,621,980.00	340,643,321.78		2,185,890,018.74

III. Company profile

Zhejiang Supor Co., Ltd. (“the Company”) is transformed on an integral basis from Zhejiang Supor Cookware Co., Ltd. under the approval of Leading Group for Enterprise Listing of the People’s Government of Zhejiang Province with No. ZSS [2000] 24 approval document. On November 10, 2000, the Company registered at Zhejiang Administration for Industry and Commerce. Registered address: Yuhuan City, Zhejiang Province; head office address: Hangzhou City, Zhejiang Province. The Company’s parent company is SEB INTERNATIONALE S.A.S whose final parent company is SEB S.A. The Company has a corporate business license numbered 913300007046976861.

The Company and its subsidiaries (hereinafter referred to as “the Group”) are mainly specialized in the R & D, manufacturing and sales of kitchen utensils, stainless steel products, daily hardware, small household appliance and cookware; the products include cookware and small household appliances.

The financial statement was released after the approval of the Company's the 2nd meeting of the 7th board of directors on August 27, 2020.

As of June 30, 2020, there were altogether 20 subsidiaries included in the scope of consolidated financial statement. See Note (ix) "Equity in Other Entities" for details. The consolidation scope of the group in the year increases by 0 companies, decreases by 0 company. See Note VIII "Change on consolidation scope" for details.

IV. Preparation basis of the financial statements

1. Preparation basis

The financial statements of the group are prepared based on the assumption of continuing operation assumption and actual transactions and items and in accordance with the Accounting Standard for Business Enterprises——Basic Standard (Released CZBL No.33, Revised CZBL No.76), and 42 specific accounting standards, guidelines for the application of accounting standards for business enterprises, interpretations to the accounting standards for business enterprises and other provisions released and revised on and after February 15, 2006 (hereinafter referred to as Accounting Standards for Business Enterprises) and the disclosure provisions of the Regulations of Corporate Information Disclosure and Preparation by Companies Publicly Issuing Securities No. 15 - General Provisions on Financial Reporting (Revised in 2014) of the China Securities Regulatory Commission.

According to the relevant regulations of the accounting standards for business enterprises, the Group's accounting is made on accrual basis. Except for certain financial instruments, measurements in these financial statements are made on the basis of historical cost. If an asset is impaired, corresponding impairment provision will be made in accordance with relevant regulations.

2. Going concern

The Company has the ability to continue operations for at least 12 months since the end of the reporting period, and there are no major issues affecting the ability to continue operations.

V. Critical accounting policies and estimates

Specific accounting policies and estimates

The group has made accounting policies and accounting estimates as to method for accruing bad debt provision for receivables, method for calculating inventory value and accruing depreciation provision, depreciation of fixed assets and amortization of intangible assets, recognition time point of income and other transactions and items based on the actual production and operation features and the provisions of related accounting standards for business enterprises. For details, please refer to descriptions of 9 "Financial instruments", 11 "Inventory" - (3), 14 "Fixed assets" - (2), 16 "Intangible assets" - (1), 23 "Income" of V in the Footnotes.

1. Statement on abiding by the Accounting Standards for Business Enterprises

The financial statement prepared by the Company conforms to the requirements of the Accounting Standards for Business Enterprises and has reflected relevant information such as the financial conditions on June 30, 2020, operation results and cash flow in 2020 of the Company and the Group on an authentic and intact basis. In addition, the financial statements of the Company and the Group conform to the disclosure requirements of the Regulations of Corporate Information Disclosure and Preparation by Companies Publicly Issuing Securities No. 15 - General Provisions on Financial Reporting revised by the China Securities Regulatory Commission in 2014 and related financial statements and their footnotes.

2. Accounting period

The Group takes calendar year as the accounting year, i.e., from January 1 to December 31.

3. Operating cycle

The normal operating cycle means the period from the time when the enterprise purchases the assets used for processing to the time of realizing cash and cash equivalents. The Group's normal operating cycle lasts for 1 year. If it is shorter than 1 year, the assets realized within 1 year upon the date of balance sheet or the liabilities that should be paid off within 1 year upon the date of balance sheet shall be classified as the current assets or current liabilities.

4. Recording currency

RMB is used in the main economic environment in which the Company and its domestic subsidiaries operate and the Company and its domestic subsidiaries use RMB as the recording currency. Recording currency for foreign subsidiaries of the Company is determined as VND, SGD and IDR separately based on the currency in main economic environment in which they operate. The Group uses RMB as the recording currency to prepare the financial statement.

5. Accounting treatment method for the enterprise merger under and not under the same control

(1) In case merger of enterprises under the same control happens in the reporting period of the Group, pooling of interest method shall be employed to carry out accounting treatment. The assets and liabilities acquired by the combining party during enterprise merger shall be measured on the merger date according to the book value set forth in consolidated financial statements of the final controlling party. As to the difference between the book value of net assets acquired by combining party and the book value of merger consideration paid by it (or total amount of the face value of shares issued), the capital reserve shall be adjusted correspondingly; in case the capital reserve is insufficient for the offset, it's required to adjust the retained earnings. Various related direct expenses incurred by combining party for enterprise merger, including the audit fee, evaluation fee, legal service fee, etc. paid for enterprise merger, shall be included in the current profits and losses upon such expenses are incurred. The bonds issued for enterprise merger or service charge, commission, etc. paid for bearing other liabilities shall be included in initial measurement amount of the bonds issued and other liabilities. Service charge, commission, etc. incurred for issuing equity securities during enterprise merger shall be deducted from premium income of equity securities. In case the premium income is insufficient for the offset, retained earnings shall be used for the offset. In case parent-subsidiary relationship is formed during the enterprise merger, it's required to prepare consolidated financial statements and execute the accounting policy on "consolidated financial statements" formulated by the Group. The adjustment period of comparative data in consolidated financial statements shall not be earlier than the time when the combining party or the combined party is under the control of final controlling party (whichever later).

(2) In case merger of enterprises under different controls happens in the reporting period of the Group, purchase method shall be employed to carry out accounting treatment. It's required to confirm merger cost respectively according to the following conditions:

- ① In case the enterprise merger is realized by one exchange transaction, the merger cost shall be the fair value of the assets paid, liabilities incurred or assumed and equity securities issued for acquiring the control right of the purchased party at the purchase date.
- ② In case the enterprise merger is realized step by step through several exchange transactions, as to the equity of the purchased party held before the purchase date, related accounting treatment shall be carried out respectively according to individual financial statements and consolidated financial statements:

A. In individual financial statements, the sum of the book value of equity investment of the purchased party held originally and the increased investment cost shall serve as initial investment cost checked by cost method; as to other comprehensive income checked and recognized by equity method for equity investment held before the purchase date, when the investment is disposed,

accounting treatment shall be carried out by employing the same basis of disposing related assets or liabilities by the purchased party directly. As to the equity investment held before the purchase date, accounting treatment shall be carried out according to related provisions of Accounting Standard for Business Enterprises No. 22—Recognition and Measurement of Financial Instruments and the accumulated change in fair value included in other comprehensive income shall be transferred to the current profits and losses when it's checked by cost method.

B. In consolidated financial statements, the equity of the purchased party held before the purchase date shall be measured again according to the fair value of the equity at the purchase date, and the difference between fair value and its book value shall be included in the current investment income; in case the equity of the purchased party held before the purchase date involves in other comprehensive income checked by equity method, other comprehensive income related to it shall be transferred to the current investment income at the purchase date. The Group will disclose the fair value of the equity of the purchased party held before the purchase date on the purchase date and the amount of related profits or losses incurred by re-measurement according to the fair value.

③ Audit fee, legal service fee, evaluation & consulting cost and other intermediary expenses and other related management cost incurred for enterprise merger shall be included in the current profits and losses upon they're incurred; transaction cost of equity securities or debt securities issued as merger consideration shall be included in initial recognition amount of the equity securities or debt securities. ④ When any provision on future event that may influence the merger cost is stipulated in merger contract or agreement, in case it's estimated that the future event may happen at the purchase date and the amount of the influence on merger cost can be measured reliably, it shall be included in merger cost.

The Group shall measure the assets paid and liabilities incurred or assumed as the consideration of enterprise merger on the purchase date shall be measured according to the fair value, and the difference between fair value and its book value shall be included in the current profits and losses.

While distributing merger cost at the purchase date, the Group shall recognize various identifiable assets, liabilities and contingent liabilities of the purchased party acquired by it according to related provisions. ① The amount of the merger cost larger than the fair value of identifiable net assets of the purchased party acquired by it shall be recognized as goodwill. ② As to the amount of merger cost smaller than the fair value of identifiable net assets of the purchased party acquired by it, it's required to recheck the measurement of fair value of various identifiable assets, liabilities and contingent liabilities of the purchased party acquired by it and the merger cost. After the rechecking, in case the merger cost is still smaller than the fair value of identifiable net assets of the purchased party acquired by it, the difference shall be included in the current profits and losses.

In case parent-subsidiary relationship is formed during the enterprise merger, parent company shall set a memorandum book to record the fair value of various identifiable assets, liabilities and contingent liabilities of the subsidiary acquired in enterprise merger on the purchase date. When consolidated financial statements are prepared, it's required to adjust the financial statements of the subsidiary on the basis of the fair value of various identifiable assets, liabilities and contingent liabilities confirmed at the purchase date and execute according to accounting policy on "consolidated financial statements" formulated by the Group.

6. Preparation method for consolidated financial statements

(1) Consolidation scope

Consolidation scope of the consolidated financial statements shall be confirmed on the basis of control, including annual financial statements of the Company and all subsidiaries as of June 30, 2020. Subsidiary refers to the entity controlled by the Company (including the divisible part in enterprise and the invested unit, structural entity controlled by the Company, etc.). Control refers to the power of the investor over the invested party and the investor can enjoy variable return through participating in related activities of the invested party and has the ability of using its power over the invested party to influence the return amount.

(2) Preparation method for consolidated financial statements

The Company shall prepare consolidated financial statements on the basis of its own and subsidiary's financial statements according to other related data.

While preparing consolidated financial statements, the Company shall consider the whole enterprise Group as an accounting entity to reflect overall financial condition, business performance and cash flow of enterprise Group according to recognition, measurement and reporting requirements of related accounting standards for business enterprises and unified accounting policy.

When consolidated financial statements are prepared, in case the accounting policies or accounting periods employed by the subsidiary and the Company are different, it's required to make necessary adjustment on the subsidiary's financial statements according to the Company's accounting policy and accounting period. As to the subsidiary acquired by the merger of enterprises under different controls, it's required to adjust its financial statement on the basis of fair value of identifiable net assets at the purchase date.

(3) Reporting of minority interest and profits and losses

The share in owner's equity of the subsidiary that doesn't belong to parent company shall serve as minority interest and set out as "minority interest" under owner's equity in the consolidated balance sheet.

The share in the current net profit or loss of the subsidiary that belongs to minority interest shall be set out as "minority interest" under net profit in the consolidated income statement.

(4) Treatment of excess deficit

In the consolidated financial statements, in case the current deficit shared by minority shareholders of the subsidiary has exceeded the share enjoyed by minority shareholders in owner's equity of the subsidiary at the beginning of the period, the balance shall still be used to offset minority interest.

(5) Treatment of consolidated statements for the increase and decrease of subsidiaries in the current period

Within the reporting period, as to the subsidiary increased due to merger of enterprises under the same control, when the consolidated balance sheet is prepared, it's required to adjust the beginning balance of the consolidated balance sheet. As to the subsidiary increased due to merger of enterprises under different controls, when the consolidated balance sheet is prepared, it's unnecessary to adjust the beginning balance of the consolidated balance sheet. In case the subsidiary is disposed in the reporting period, when the consolidated balance sheet is prepared, it's unnecessary to adjust the beginning balance of the consolidated balance sheet.

Within the reporting period, as to the subsidiary increased due to the merger of enterprises under the same control, the income, expense and profit of the subsidiary from the beginning of the merger period to the end of the reporting period shall be incorporated into the consolidated income statement, and the cash flow of the subsidiary from the beginning of the merger period to the end of the reporting period shall be incorporated into the consolidated statement of cash flow. As to the subsidiary increased due to merger of enterprises under different controls, the income, expense and profit of the subsidiary from the purchase date to the end of the reporting period shall be incorporated into the consolidated income statement, and the cash flow of the subsidiary from purchase date to the end of the reporting period shall be incorporated into the consolidated statement of cash flow. In case the subsidiary is disposed in the reporting period, the income, expense and profit of the subsidiary from the beginning of the period to the disposal date shall be incorporated into the consolidated income statement, and the cash flow of the subsidiary from the beginning of the period to the disposal date shall be incorporated into the consolidated statement of cash flow.

In case of losing the control right on the original subsidiary due to disposing part of the equity investments or other reasons, the residual equity investment after the disposal shall be measured again according to the fair value at the date when the control right is lost. The balance between the sum of the consideration acquired by equity disposal and the fair value of residual equity and the share of net assets of the original subsidiary that shall be enjoyed and is calculated continuously from the purchase date according to the original shareholding ratio shall be included in the investment income of the current period when the control right is lost. Other comprehensive income related to equity investment of the original subsidiary shall be transferred to investment income of the current period when the control right is lost.

As to the difference between long-term equity investments newly acquired due to the purchase of minority interest and the share of identifiable net assets of the subsidiary enjoyed and calculated according to the new shareholding ratio, and the difference between the disposal proceedings acquired due to disposing part of the subsidiary's equity investments in the condition of not losing the

control right and the share of net assets of the subsidiary that shall be enjoyed corresponding to the disposal of long-term equity investments, it's required to adjust the share premium in capital reserve in the consolidated balance sheet. In case the share premium in capital reserve is insufficient for the offset, it's required to adjust the retained earnings.

7. Determining standards for cash and cash equivalents

Cash and cash equivalents of the Group includes cash on hand and the deposit that can be used for making payment at any time as well as investments that are held by the Group, have a short term (generally mature within 3 months since the purchase date) and strong liquidity, can be converted into the cash of known amount easily, and have small risks in value change.

8. Foreign Currency business and foreign currency statement translation

Foreign currency transactions of the Group shall be translated into the recording currency according to the spot rate at the transaction date.

(1) Treatment of exchange difference

At the balance sheet date, it's required to treat foreign currency monetary items and foreign currency non-monetary items according to the following provisions: as to foreign currency monetary items, it's able to employ the spot rate at the balance sheet date for translation. Exchange difference arising from different spot rates at the balance sheet date and during initial recognition or at the last balance sheet date shall be included in the current profits and losses. As to foreign currency non-monetary items measured by historical cost, it's still required to employ the spot rate at the transaction date for translation and the recording currency amount shall not be changed; as to foreign currency non-monetary items measured by fair value, it's required to employ the spot rate at the fair value confirmation date for translation, and the difference between the translated recording currency amount and the original recording currency amount shall be treated as the change in fair value (including the change in exchange rate) and included in the current profits and losses. Within the capitalized period, the exchange difference of special loan principal and interest in foreign currency shall be capitalized and included in the cost of the assets complying with the conditions of capitalization.

(2) Translation of foreign currency financial statement

During the translation of financial statements for overseas operation, the Group shall observe the following provisions: items under the assets and liabilities in balance sheet shall be translated according to the spot rate at the balance sheet date. As to the owner's equity, except for the item "undistributed profit", other items shall be translated according to the spot rate at the occurrence date. Items under income and expense in income statement shall be translated according to the spot rate at the transaction date. The translation difference of foreign currency financial statements arising from above translation shall be recognized as other comprehensive income. The translation of comparative financial statements shall also be handled according to above provisions.

9. Financial instruments

When the Group becomes one party of financial instrument contract, it's required to recognize financial assets or financial liabilities.

(1) Classification, recognition and measurement of financial assets

Based on the business model for managing financial assets and the contracted cash flow features of financial assets, the Group divides the financial assets into: financial assets measured by amortized cost, financial assets at fair value through other comprehensive income and, financial assets at fair value through current profit or loss.

② Financial assets shall be measured by fair value during initial recognition. As to financial assets at fair value through profit and loss, related transaction cost shall be included in the current profits and losses directly; as to other categories of financial assets, related transaction cost shall be included in initial recognition amount. Accounts receivable or notes receivable that are from sale of products or rendering of labors, and do not include or take into account major financing components are taken as initial recognition

amount by the Group based on the consideration amount that the Group is entitled to receive.

① Financial assets measured by amortized cost

The business model of the Group to manage financial assets measured by amortized cost is aimed at receiving contracted cash flows; the contracted cash flow features of such financial assets are consistent with basic loan arrangements, that is, cash flows generated at specific date are only payment of principal and interests for outstanding principal amount. Effective interest method is used by the Group to carry out subsequent measurement of such financial asset according to the amortized cost, and the profits or losses arising from amortization and impairment are included in the current profits and losses.

② Financial assets held at fair value through other comprehensive income

The business model of the Group to manage such financial assets is aimed at receiving contracted cash flows as well as sales; the contract cash flow features of such financial assets are consistent with basic loan arrangements. The Group measures such financial assets at fair value with changes included in other comprehensive income, but impairment losses or gains, exchange gains and losses, and interest income calculated based on effective interest method are included in the current profit and loss.

③ financial assets measured at fair value through profit or loss

The Group recognizes foregoing financial assets measured by amortized cost and that are not financial assets at fair value through other comprehensive income as financial assets at fair value through current profit or loss. In addition, during initial recognition, in order to eliminate or significantly reduce accounting mismatches, the Group designates part of the financial assets as financial assets measured at fair value through current profits and losses. As to such financial assets, subsequent measurement shall be carried out by the Group based on fair value, and all change in fair value shall be included in the current profits and losses.

(2) Classification, recognition and measurement of financial liabilities

Financial liabilities are classified into financial liabilities at fair value through profit and loss and other financial liabilities during initial recognition. As to financial liabilities at fair value through profit and loss, related transaction cost shall be included in the current profits and losses directly; as to other financial liabilities, related transaction cost shall be included in initial recognition amount.

① Financial liabilities measured at fair value through profit or loss

Financial liabilities at fair value through profit and loss include trading financial liabilities (including derivatives belonging to financial liabilities) and financial liabilities that are designated to be measured at fair value with changes recorded into current period profit or loss during initial recognition.

Trading financial liabilities (including derivatives belonging to financial liabilities) are measured subsequently at fair value and except for those related to hedging accounting, changes in fair value are included in current period profit or loss.

For financial liabilities measured at fair value through current profit and loss, changes in their fair value caused by changes in the Group's own credit risk are included in other comprehensive income, and when such liabilities are derecognized, accumulated changes in their fair value caused by changes in the Group's own credit risk that is included in other comprehensive income are transferred to earnings retained. Remaining fair value changes are included in current profit or loss. If the treatment of impact of changes in credit risk of these financial liabilities in the above manner will cause or expand accounting mismatches in profit or loss, the Group will include all gains or losses of such financial liabilities (including impact of changes in the Company's own credit risk) in the current profit and loss.

② Other financial liabilities

In addition to financial liabilities and financial guarantee contracts as a result of financial asset transfers that are not in line with derecognition condition or continuous involvement in transferred financial asset, other financial liabilities are classified as financial liabilities measured at amortized cost and measured subsequently at amortized cost, and gains or losses arising from derecognition or amortization of such liabilities are included in the current profit and loss.

(3) Recognition basis and measurement method of the transfer of financial assets

If financial assets meet one of the following conditions, derecognition of such financial assets will be carried out: ① the contractual right to receive cash flow from the financial assets is terminated; ② the financial assets have been transferred and

almost all the risks and rewards in the ownership of the financial assets are transferred to the transferee; ③ the financial assets have been transferred and, although the Group has neither transferred nor retained almost all risks and rewards in the ownership of the financial assets, it has waived its control over the financial assets.

If the Group neither transfers nor retains almost all the risks and rewards in the ownership of the financial assets and does not relinquish control over the financial assets, the financial assets shall be recognized according to the degree of continuous involvement of the financial assets transferred, and the relevant liabilities shall be recognized accordingly. Degree of continuous involvement of the financial assets transferred is the risk level of the Group due to changes in value of such financial assets.

In case whole transfer of financial assets satisfies the derecognition condition, the difference between the sum of the book value of financial assets transferred and consideration received due to the transfer and the sum of changes in fair value originally included in other comprehensive income shall be included in current profit or loss.

In case part transfer of financial assets satisfies the derecognition condition, book value of the financial assets transferred shall be amortized between the derecognition part and the part without derecognition according to their own fair value, and the difference between the sum of the consideration received for the transfer and accumulated amount of the change in fair value to be amortized to derecognition part and originally included in other comprehensive income, and the foregoing book value amortized shall be included in the current profits or losses.

For financial assets sold with right of recourse, or to transfer financial assets by endorsement, the Group needs to determine whether almost all risks and rewards related to ownership of such financial assets have been transferred. If almost all risks and rewards related to the ownership of such financial assets are transferred to the transferred party, derecognition of such financial assets should be conducted; derecognition of such financial assets should not be conducted if the risks and rewards related to the ownership of such financial assets are reserved; if the risks and rewards related to the ownership of such financial assets are not transferred nor reserved, it needs to determine whether the Company keeps its control over such assets and make accounting treatment based on principles as described in the foregoing paragraphs.

(4) Derecognition of financial liabilities

In case the current obligations of financial liabilities (or part of the financial liabilities) have been terminated, the Group will carry out derecognition of such financial liabilities or part of them. In case the Group (borrower) signs an agreement with the debtor to replace the original financial liabilities by means of bearing new financial liabilities, and contract clauses related to the new financial liabilities and original financial liabilities are different in essence, it's required to carry out derecognition of original financial liabilities and recognize the new financial liabilities simultaneously. If the Group substantially modifies the contract terms of the original financial liability (or part of it), the original financial liability is derecognised and a new financial liability is recognized in accordance with the revised terms.

In case derecognition is carried out for the whole or part of financial liabilities, the difference between their book value and the consideration paid (including non-cash assets transferred out or liabilities assumed) shall be included by the Group in the current profits and losses.

(5) Offset of financial assets and financial liabilities

In case the Group has the legal right of offsetting the financial assets and financial liabilities recognized and such legal right is executable now, and the Group plans to carry out settlement by net amount or realize the financial assets and pay off the financial liabilities simultaneously, the net amount after mutual offset of such financial assets and financial liabilities shall be set out in the balance sheet. Otherwise, financial assets and financial liabilities shall be set out in the balance sheet respectively and will not be offset mutually.

(6) Method of recognizing fair value of financial assets and financial liabilities

Fair value, refers to the price that market participant can obtain or needs to pay after selling an asset or transferring a liability, among the orderly transactions made on the measurement date. Where there is an active market for financial instruments, the Group determines their fair value based on quoted prices in the active market. Quoted prices in an active market refer to prices that are easily available on a regular basis from exchanges, brokers, industry associations, pricing service agencies, etc., and represent the

prices of actual market transactions among fair transactions. Where there is not an active market for financial instruments, the Group determines their fair value based on valuation techniques. Valuation techniques include reference to the prices in recent market transactions between the parties who are familiar with the situation and willing to transact, reference to the current fair value of other financial instruments that are substantially the same, discounted cash flow method, option pricing models, etc. During the valuation, the Group adopts valuation techniques that are applicable under the current circumstances and supported by sufficient available data and other information, chooses input values that are consistent with the characteristics of assets or liabilities considered by market participants in the transaction of related assets or liabilities, and gives priority to the use of related observable input values as far as possible. Unobserved input values may be used when relevant observable input values cannot be obtained or it is not feasible to obtain them.

(7) Equity instruments

An equity instrument refers to a contract that can prove the ownership of residual interest in assets after the Group deducts all liabilities. The Group's issuing (including refinancing), repurchase, sale or cancellation of equity instruments are treated as changes in equity, and transaction costs related to equity transactions are deducted from equity. The Group does not determine changes in fair value of equity instruments.

Distribution of dividends (including "interest" from instruments classified as equity instruments) from the equity instruments during the existence of the Group is treated as profit distribution.

(8) Impairment of financial assets

The financial assets to be confirmed for impairment losses in the Group are those measured by amortized cost, including bills receivable, accounts receivable and other receivables. Moreover, as for financial guarantee contract, it's necessary to calculate and withdraw impairment provision and recognize credit impairment losses pursuant to accounting policy set forth in this part.

1) Recognition method of impairment provision

The above items are accrued for impairment provision and credit impairment losses by the Group in accordance with applicable expected credit loss measure methods (general or simplified) based on the expected credit loss.

Credit loss refers to the difference between all contractual cash flows discounted as per the original effective interest rate and receivable from the contract and all cash flows expected to be received by the Group, namely, the present value of a shortage of cash. Wherein, the purchased or underlying financial assets with impairment on credit of the Group shall be discounted as per effective interest rate based on credit adjustment.

The general method for measuring expected credit loss is as follows, the Group evaluates whether credit risk of financial assets has remarkably increased after initial recognition on each balance sheet date. In case of credit risk having remarkably increased after initial recognition, the Group will measure provision for loss as per the amount equivalent to expected credit loss in the whole period of existence; In case of credit risk failing to remarkably increase after initial recognition, the Group will measure provision for loss as per the amount equivalent to expected credit loss in the next 12 months. At the time of evaluating expected credit loss, the Group considers all reasonable and well-founded information, including forward-looking information.

For the financial instrument with a lower credit risk on the balance sheet date, the Group assumes that its credit risks have not increased significantly since the initial recognition, and measures the loss provisions according to the expected credit losses of the future 12 months.

2) Standard for judging whether credit risk has remarkably increased after initial recognition.

In case that probability of default of one financial asset confirmed on the balance sheet date in the expected period of existence is obviously higher than that confirmed at the moment of initial recognition in the expected period of existence, it means credit risk of such financial asset remarkably increases. The changes of default risk within the next 12 months are adopted by the Group other than special cases as reasonable estimate in the entire duration, ensuring whether the credit risk has increased significantly since the initial recognition.

3) Combinatorial method of appraising future credit risk based on combination

the Group appraises the credit risk of the financial asset item of significantly different credit risks, such as: receivables disputed

with the opposite side or involving litigation or arbitration; there have been obvious signs showing that the debtor possibly is not able to perform the repayment obligations of receivable amounts, etc.

Except financial assets of individual credit risk assessment, the Group divides financial assets into different groups based on the common risk characteristics and appraises credit risks based on combination.

4) Accountant arrangement method of financial assets impairment

The expected credit losses of all kinds of financial assets are calculated by the Group at the end of the duration. If the estimated credit loss is greater than the carrying amount of the current impairment provision, the difference is recognized as impairment loss; If not, it is recognized as impairment profits.

5) Test method of credit losses of all kinds of financial assets

① Notes receivable

The Group measures loss preparation for notes receivable based on the amount equivalent to predicted credit loss in the whole period of existence. Notes receivable are divided into different portfolios based on their credit risk characteristics.

Item	Basis for determination of portfolio
Bank acceptance	Acceptor is a bank with less credit risk

② Accounts receivable

For account receivable not containing significant financing part, the Group measures its loss provisions based on the amount of expected credit losses during the entire duration.

For account receivable containing significant financing part, the Group always measures its loss provisions based on the amount of expected credit losses during the entire duration.

The other accounts receivables other than individual credit risk assessment are divided into different combinations based on their credit risk characteristics:

Item	Basis for determination of portfolio
Portfolio 1: age portfolio	Aging of receivables is used as the credit risk feature for this portfolio.
Portfolio 2: low-risk portfolio	The portfolio includes low-risk amounts such as the payment of third-party goods.
Portfolio 3: merged related parties portfolio	This portfolio includes current amount between related parties within the consolidation scope of amounts receivable.

③ Other receivables

The impairment loss is measured by the Group in accordance with the amount of expected credit loss equivalent to that within the next 12 months or the entire duration based on whether the credit risk of other receivables has increased significantly since the initial recognition. The other receivables other than individual credit risk assessment are divided into different combinations based on their credit risk characteristics:

Item	Basis for determination of portfolio
Portfolio 1: age portfolio	Aging of receivables is used as the credit risk feature for this portfolio.
Portfolio 2: risk-free portfolio	The portfolio consists of interests receivable, dividends receivable, receivables from government departments, and other risk-free amounts.
Portfolio 3: merged related parties portfolio	This portfolio includes current amount between related parties within the consolidation scope of amounts receivable.

10. Financing of receivables

The bill receivable, classified to fair value measurement and changes included in other comprehensive earnings, is listed as receivables financing with a term of less than one year (including one year) from the acquisition; That with a term of more than one

year from the acquisition is listed as other debt investment. For related accounting policies, please refer to V - 9 “Financial instruments” of the Footnotes.

11. Inventories

(1) Inventory classification

Inventory mainly includes raw materials, unfinished products, commodity inventory, low-value consumables and packing materials.

(2) Valuation method for the acquisition and distribution of inventory

When inventories are acquired, they are priced at actual costs. Inventory costs include procurement costs, processing costs, and other costs. When inventories are used and distributed, the price is calculated by the one-off weighted average method at the end of a month.

(3) Method of recognizing net realizable value and accruing depreciation reserve of inventories

Net realizable value refers to the amount of the estimated selling price of inventories deducted by estimated costs to be incurred upon completion, estimated selling expenses and related taxes in daily activities. The determination of realizable net value of the inventory shall be based on the concrete evidence acquired and consider the purpose of holding inventory, and impacts of the events after the balance sheet date.

At the balance sheet date, the inventory shall be measured according to the cost or realizable net value, subject to the lower one. In case the cost is higher than realizable net value, inventory depreciation reserves shall be withdrawn. The inventory depreciation reserve is withdrawn based on the difference between the cost of a single inventory item and its net realizable value.

After the inventory depreciation reserve is withdrawn, if factors that previously reduced the value of inventory disappear, causing net realizable value of inventory to be higher than its book value, the original inventory depreciation reserves will be transferred back and the amount transferred back is included in current profit and loss.

(4) Inventory system is perpetual inventory system.

(5) Amortization method for low-value consumables and packing materials

Low-value consumables shall be amortized by one-off amortization method during the requisition or be amortized during usage; packing materials shall be amortized by one-off amortization method during the requisition.

12. Available-for-sale assets

(1) Recognition standards for available-for-sale category

In case the Group mainly recovers the book value by selling (including non-monetary assets exchange of commercial essence, the same below) rather than using a non-current asset or disposal group continuously, it will be classified as available-for-sale category. Non-current asset or disposal group is classified as available-for-sale category and shall also satisfy the following conditions:

① According to the convention of selling such asset or disposal group in similar transactions, it can be sold immediately in the current condition;

② The sale may happen extremely, namely, the Group has made a resolution on a sale plan and acquired the confirmed purchase commitment, and the sale is predicted to be completed within 1 year. Those that can be sold only after getting the approval of related authority or supervision department of the Group according to related provisions shall have got the approval. The confirmed purchase commitment refers to purchase agreement signed by the Group and other party and with legal binding force. The agreement shall contain the transaction price, time, harsh punishment for breach of contract and other important clauses, so that it's of extremely small possibility of great adjustment or revocation of the agreement.

As to non-current asset or disposal group acquired by the Group exclusively for resale, it will be classified as available-for-sale category at the acquisition date if it satisfies the regulated condition that “the sale is predicted to be completed within 1 year” at the

acquisition date and may satisfy other classification conditions of available-for-sale category within a short term (generally 3 months).

Disposal group refers to a group of assets that will be disposed together as a whole by selling or other means in a transaction and the liabilities directly related to these assets and transferred in the transaction. In case the asset group or asset group combination where the disposal group belongs has amortized the goodwill acquired in enterprise merger according to Accounting Standard for Business Enterprises No. 8—Impairment of Assets, the disposal group shall include the goodwill amortized to it.

(2) Accounting treatment method for available-for-sale category

As to non-current assets and disposal group classified as available-for-sale category, the Group shall carry out initial measurement or re-measurement according to the net amount of book value or fair value after subtracting the disposal cost, subject to the lower one. In case the net amount of fair value after subtracting the disposal cost is lower than the original book value, the difference shall be recognized as impairment loss of assets and included in the current profits and losses, and provision for impairment of available-for-sale assets shall be withdrawn simultaneously; the amount of impairment loss of assets recognized for available-for-sale disposal group shall be used to offset the book value of goodwill in the disposal group at first and then offset the book value of various non-current assets applying to the measurement provisions on available-for-sale category in disposal group according to the proportion of their book value. In case the net amount of the fair value of available-for-sale non-current assets after subtracting the selling cost at the subsequent balance sheet date is increased, the amount written down previously shall be recovered and transferred back within the amount of impairment loss of assets recognized after the assets are classified as available-for-sale category. The amount transferred back shall be included in the current profits and losses. Impairment loss of assets recognized before the assets are classified as available-for-sale category shall not be transferred back. In case the net amount of the fair value of available-for-sale disposal group after subtracting the selling cost at the subsequent balance sheet date is increased, the amount written down previously shall be recovered and transferred back within the amount of impairment loss of assets recognized for the non-current assets applying to the measurement provisions on available-for-sale category after the assets are classified as available-for-sale category. The amount transferred back shall be included in the current profits and losses. Book value of the goodwill that has been offset and impairment loss of assets recognized before the non-current assets applying to the measurement provisions on available-for-sale category are classified as available-for-sale category shall not be transferred back. As to the amount transferred back subsequently for impairment loss of assets recognized for available-for-sale disposal group, its book value shall be increased according to the proportion of the book value of various non-current assets applying to the measurement provisions on available-for-sale category in the disposal group except the goodwill. Depreciation or amortization will not be withdrawn for available-for-sale non-current assets or non-current assets in the disposal group, and the interest of liabilities in available-for-sale disposal group and other expenses shall be recognized continuously.

Measurement method for available-for-sale category is inapplicable to deferred income tax assets, financial assets specified in Accounting Standard for Business Enterprises No. 22—Recognition and Measurement of Financial Instruments, investment real estates and biological assets measured by fair value, contractual rights incurred in insurance contract and the assets incurred from employee benefits, and they will be measured according to related criteria or corresponding accounting policies formulated by the Group. In case the disposal group contains non-current assets applying to the measurement method for available-for-sale category, the measurement method for available-for-sale category shall be applicable to the whole disposal group. The measurement of liabilities in disposal group shall apply to related accounting standards.

When the non-current assets or disposal group can't be classified as available-for-sale category continuously due to failing to satisfy the classification conditions of available-for-sale category or non-current assets are removed from the available-for-sale disposal group, the measurement shall be carried out according to the following two items, subject to the lower one: ① book value before the assets are classified as available-for-sale category, namely, the amount after the adjustment is carried out according to the depreciation, amortization or impairment, etc. that shall be recognized in the condition that the assets are supposed not to be classified as available-for-sale category; ② recoverable amount.

13. Long-term equity investments

Long-term equity investments include equity investments in subsidiaries, joint ventures and associated enterprises.

(1) Initial measurement

The Group shall carry out initial measurement of long-term equity investments respectively according to the following two conditions:

① As to long-term equity investments formed in enterprise merger, initial investment cost shall be confirmed according to the following provisions:

A. In the merger of enterprises under the same control, in case the combining party realizes merger consideration by making payment in cash, transferring non-cash assets or bearing liabilities, the shares of book value of owner's equity of the combined party in consolidated financial statements of the final controlling party at the merger date shall serve as the initial investment cost of long-term equity investments. As to the difference between initial investment cost of long-term equity investments and the book value of the cash paid, non-cash assets transferred and liabilities assumed, it's required to adjust the capital reserve correspondingly. In case the capital reserve is insufficient for the offset, it's required to adjust the retained earnings. Various direct related expenses incurred for enterprise merger, including the audit fee, evaluation fee, legal service fee, etc. paid for enterprise merger, shall be included in the current profits and losses upon such expenses are incurred.

In case the combining party realizes merger consideration by issuing equity securities, the shares of book value of owner's equity of the combined party in consolidated financial statements of the final controlling party at the merger date shall serve as the initial investment cost of long-term equity investments. Total amount of the face value of shares issued shall serve as the capital stock. As to the difference between initial investment cost of long-term equity investments and the total amount of face value of the shares issued, it's required to adjust the capital reserve correspondingly. In case the capital reserve is insufficient for the offset, it's required to adjust the retained earnings. Service charge, commission, etc. incurred by issuing equity securities in the merger shall be offset by premium income of equity securities. In case the premium income is insufficient, retained earnings shall be used for such offset.

B. In the merger of enterprises under different controls, the Group shall confirm merger cost respectively according to the following conditions:

a) In case the enterprise merger is realized by one exchange transaction, the merger cost shall be the fair value of the assets paid, liabilities incurred or assumed and equity securities issued for acquiring the control right of the purchased party at the purchase date.

b) In case the enterprise merger is realized step by step through several exchange transactions, the sum of the book value of equity investment of the purchased party held before the purchased date and the increased investment cost at the purchased date shall serve as initial investment cost of the investment;

c) Audit fee, legal service fee, evaluation & consulting cost and other intermediary expenses and other related management cost incurred for enterprise merger shall be included in the current profits and losses upon they're incurred; transaction cost of equity securities or debt securities issued as merger consideration shall be included in initial recognition amount of the equity securities or debt securities.

d) When any provision on future event that may influence the merger cost is stipulated in merger contract or agreement, in case it's estimated that the future event may happen at the purchase date and the amount of the influence on merger cost can be measured reliably, it shall be included in merger cost.

② Except the long-term equity investments formed in enterprise merger, initial investment cost of the long-term equity investments acquired by other means shall be confirmed according to the following provisions:

A. As to long-term equity investments obtained by making payment in cash, the purchase price paid actually shall be initial investment cost. The initial investment cost includes expenses directly related to the acquisition of long-term equity investments, taxes and other necessary expenditures.

B. As to long-term equity investments obtained by issuing equity securities, fair value of the equity securities issued shall serve as initial investment cost, but excluding cash dividends or profits that shall be charged from the invested unit and have been

announced but haven't been distributed. Transaction cost incurred when equity instrument is issued or acquired can be directly attributed to equity transaction and deducted from the equity.

C. As to long-term equity investments obtained by means of non-monetary assets exchange, the initial investment cost shall be confirmed according to Accounting Standard for Business Enterprises No. 7—Exchange of Non-monetary Assets.

D. As to long-term equity investments obtained by means of debt restructuring, the initial investment cost shall be confirmed according to Accounting Standard for Business Enterprises No. 12—Debt Restructurings.

③ No matter by which means the long-term equity investment is acquired, when the investment is acquired, cash dividends or profits of the invested unit that is included in the consideration paid, shall be enjoyed and have been announced but haven't been distributed shall be checked separately as accounts receivable, and shall not constitute initial investment cost for acquiring the long-term equity investment.

(2) Subsequent measurement

Long-term equity investments that can realize control on the invested unit shall be checked by cost method in individual financial statements. Long-term equity investments that have joint control or significant influence over the invested unit are accounted for by equity method.

① When cost method is employed for accounting, long-term equity investments shall be valued according to initial investment cost. The cost of long-term equity investments shall be adjusted when the investment is increased or recovered. Cash dividends or profits announced and distributed by the invested unit shall be recognized as investment income of the reporting period.

② As to long-term equity investments checked by equity method, in case the initial investment cost is more than the shares of fair value of identifiable net assets of the invested unit that shall be enjoyed during the investment, initial investment cost of the long-term equity investments shall not be adjusted; in case the initial investment cost is less than the shares of fair value of identifiable net assets of the invested unit that shall be enjoyed during the investment, the difference shall be included in the current profits and losses and the cost of long-term equity investments shall be adjusted simultaneously.

After the long-term equity investment is acquired, it's required to recognize the investment income and other comprehensive income respectively according to net profit or loss realized by the invested unit that shall be enjoyed or shared and other comprehensive income, and book value of the long-term equity investment shall be adjusted simultaneously. As to the part that shall be enjoyed and calculated according to the profits or cash dividends announced and distributed by the invested unit, it's required to reduce the book value of long-term equity investment correspondingly. As to other changes in owner's equity except for net profit or loss, other comprehensive income and profit distribution, book value of the long-term equity investment shall be adjusted and included in the owner's equity. When the shares of net profit or loss of the invested unit that shall be enjoyed are recognized, it shall be based on fair value of identifiable net assets of the invested unit when the investment is acquired and after the adjustment is made on net profit of the invested unit. In case the accounting policy and accounting period employed by the invested unit are different from those employed by the Group, financial statements of the invested unit shall be adjusted according to the Group's accounting policy and accounting period. Besides, investment income, other comprehensive income, etc. shall be recognized on this basis. Recognition of net loss incurred by the invested unit shall be limited to writing down the book value of long-term equity investments and other long-term equity constituting net investment in the invested unit in essence to zero, unless the Group is obliged to bear extra losses. In case the net profit is realized by the invested unit later, after the Group makes up the unrecognized loss amount shared by the income amount shared, it's required to recover the recognition of income amount shared.

When the net profit or loss of the invested unit that shall be enjoyed or shared is calculated and recognized, the part that shall belong to the Group according to the proportion and is incurred between the Group and associated enterprises and joint ventures without internal transaction profit or loss shall be offset, and investment income shall be recognized on this basis. In case the part incurred between the Group and the invested unit without internal transaction loss belongs to impairment loss of assets, it shall be recognized by the full amount.

③ When the Group disposes any long-term equity investment, the difference between its book value and the price acquired actually shall be included in the current profits and losses. As to the long-term equity investment checked by equity method, when it's

disposed, accounting treatment shall be carried out for the part included in other comprehensive income originally according to corresponding proportion on the same basis for disposing related assets or liabilities directly by the invested unit.

④ In case the Group loses the control right but can implement common control or impose significant impacts for its shareholding ratio is decreased due to capital increase of its subsidiary by other investor, in individual financial statements, the long-term equity investment shall be checked by equity method from the original cost method. At first, the difference between the shares of the increased net assets that are arising from the increase in capital and share of the original subsidiary and shall be enjoyed by the Group and recognized according to the new shareholding ratio and the original book value of long-term equity investment corresponding to the decrease part of shareholding ratio that shall be carried forward shall be included in the current profits and losses. Then carry out adjustment on the accounting by equity method carried out when the investment is acquired according to the new shareholding ratio.

(3) Basis for confirming common control and significant impacts on the invested unit

Common control refers to common control on a certain arrangement according to related provisions and related activities of the arrangement can be decided only after the consent of the participant sharing the control right. Related activity refers to the activity imposing significant impacts on the return of a certain arrangement. Significant impact refers to the investor's power on participating in the decision-making of financial and operating policies of the invested unit, but it can't control the formulation of these policies or control the formulation commonly with other party.

(4) Impairment test method and method for withdrawing the provision of impairment

Impairment test method and method for withdrawing the provision of impairment shall comply with the accounting policy of "impairment of assets" formulated by the Group.

14. Fixed assets

(1) Recognition principles of fixed assets

Fixed assets of the Group refer to tangible assets held for producing commodities, providing labor service, leasing or operation management with service life of more than 1 fiscal year.

(1) When the fixed assets satisfy the following conditions simultaneously, initial measurement shall be carried out according to the cost:

- ① economic benefits related to the fixed assets may flow into the enterprise;
- ② fixed assets cost can be measured reliably.

(2) Depreciation method

Subsequent expenditure related to the fixed assets, if complying with the regulated recognition conditions of fixed assets, shall be included in fixed assets cost; if not complying with the regulated recognition conditions of fixed assets, shall be included in the current profits and losses directly when they're incurred.

Fixed assets depreciation method of the Group is straight-line depreciation method.

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

Transport facilities	Straight-line method	4 - 10 years	3%-10%	9.00%-24.25%
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(3) Fixed assets impairment

It will be executed in accordance with the “impairment of assets” policy developed by the Group.

15. Construction in progress

(1) Valuation of construction in progress: Determine project cost according to the actual expenditure incurred. The cost of construction in progress also includes capitalized borrowing costs and exchange gains or losses.

(2) The Group transfers construction in progress into fixed assets when they reach a predetermined state of use. A fixed asset that has reached a predetermined state of use but has not undergone final accounts of completed project will be recognized as fixed assets according to its appraised value and be depreciated; after the final accounts of completed project is handled, the temporarily appraised value will be adjusted based on actual costs; however, the accrued depreciation amount will not to be adjusted.

(3) Impairment of construction in progress will be executed in accordance with the “impairment of assets” policy developed by the Group.

16. Intangible assets

(1) Valuation method, service life and impairment test

Intangible assets of the Group refer to the identifiable non-monetary assets that have are owned or controlled by the Group and have no physical form.

1) Recognition of intangible assets

The Group confirms intangible assets when they meet both of the following conditions:

- ① Economic benefits related to the intangible asset may flow into the enterprise;
- ② Cost of the intangible asset can be measured reliably.

2) Measurement of intangible assets

- ① Intangible assets of the Group is measured initially based on cost.
- ② Subsequent measurement of intangible assets

A. For an intangible asset with limited service life, its service life will be judged when it is obtained and straight-line method will be adopted within its service life in the following period. Amortization amount will be included in relevant costs and cost accounting according to benefited items.

The specific length is as shown below:

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

Intangible assets with undetermined service life will not be amortized.

At the end of each period, the service life of intangible assets with limited service life and the amortization method for them will be rechecked. Changes of them will be regarded as changes of accounting estimate. In addition, the service life of intangible assets with undetermined service life will be rechecked. If there is evidence manifesting that an intangible asset can bring economic benefits for the enterprise within a foreseeable period, then its service life will be estimated and it will be amortized according to the amortization policy for intangible assets with limited service life.

B. Intangible assets will write down according to the “impairment of assets” accounting policy developed by the Group.

(2) Accounting policy on internal research and development expenditures

Expenditures on the internal research and development items of the Group are divided into research expenditure and development expenditure.

Research expenditure is included in current gains or losses when it occurs

Development expenditure that can meet the following conditions will be recognized as intangible assets, while those cannot meet will be included in current gains or losses:

- ① Complete the intangible asset so as to make the use or sale of it technically feasible;
- ② Have the intention to complete the intangible asset and use or sell it;
- ③ The way that an intangible asset generates economic benefits is to certify that the products produced with the intangible asset has market or the intangible asset itself has market, or to certify its usability when it will be used internally;
- ④ There are enough technology, financial resources and other resources to support finishing the development of an intangible asset, and it is capable of using or selling this intangible asset;
- ⑤ Expenditure within the development stage of this intangible asset can be measured reliably.

If it is unable to distinguish the research expenditure from development expenditure, both research and development expenditures will be included in the current gains or losses.

17. Impairment of long-term assets

The following evidences indicate the possible impairment of assets:

- (1) The market price of assets drops significantly at the reporting period and the drop is obviously higher than the drop estimated according to the passage of time or normal use.
- (2) The economic, technical or legal environment for the Group’s operation and the market of the Group’s assets changed or will change significantly in the reporting period or in the recent period, and the Group will thus be adversely affected.
- (3) The market rate or other marketing ROI have risen in the reporting period and therefore affect the discount rate that the enterprise used to calculate the estimated present value of future cash flows, leading to significant decrease of the recoverable amount of assets.
- (4) This is evidence certifying that assets are antiquated or their physical form is damaged.
- (5) Assets have already been or will be left unused, stopped using or disposed in advance
- (6) Internal reports of the Group certify that the economic performance of assets have already been lower or will be lower than the expectation, for example, the net cash flows created by assets or operating profits (or losses) realized by the assets are far lower than the expected amount, etc.
- (7) Other signs showing that the assets might have depreciated.

The Group will judge all its assets, including long-term equity investments, fixed assets, construction in progress, intangible assets (excluding those with undetermined service life), that are applicable to Accounting Standard for Business Enterprises No. 8 - Impairment of Assets on the balance sheet date, and carry out impairment test – estimation of the recoverable amount of them when there is an indication of impairment. The recoverable amount shall be determined as the net amount obtained by the fair value of asset – disposal expense, or as the present value of the estimated future cash flow of asset, whichever is higher. If the recoverable amount of asset is lower than its book value, then the book value will write off to the recoverable amount, and the write-off will be recognized as asset impairment loss and included in the current gains or losses. At the same time, corresponding provision for impairment will be accrued.

If there is an indication of the impairment of an asset, the Group usually estimates its recoverable amount based on single assets. If the recoverable amount of a single asset is hard to estimate, then the recoverable amount of the asset group that this asset belongs

to will be determined based on asset group.

Asset group refers to a minimum combination of assets that may be recognized by the Group, by which the flow-in cash generated shall be generally independent of those by other assets or asset group. Asset group consists of assets related to the creation of cash inflows. Asset groups are affirmed depending on whether the main cash inflows generated by asset groups are independent to other assets or on the cash inflows of asset group.

The Group conducts impairment test of the goodwill formed as a result of merger and the intangible assets with undetermined service life each year, whether there are indications of impairment or not. Goodwill impairment test is carried out together with the asset groups or combinations of asset groups related to it.

Once asset impairment losses are confirmed, they will not be reversed.

18. Long-term deferred expenses

Long-term deferred expenses are expenses that have occurred but should be borne during the reporting period and subsequent periods with an sharing period of more than one year. Long-term deferred expenses of the Group mainly include improvement expenditure of fixed assets leased for operation. Long-term deferred expenses are amortized on a straight-line basis over the expected benefit period.

19. Contract liabilities

Contractual liabilities refers to the obligation of the Group to transfer goods to customers on account of the consideration received or receivable by the Group. If a customer has paid the contract consideration or the Group has obtained the unconditional right to receive the goods before the transfer of the goods from the Group to the customer, the Group will list the received amount or account receivable as a contract liability at the earlier time of the customer's actual payment and due payment. Contract assets and contract liabilities under the same contract are reported in net amount, and contract assets and contract liabilities under different contracts are not offset.

20. Employee compensation

(1) Accounting methods for short-term compensation

In the accounting period that its employees provide services for it, the Group recognizes the short-term compensations that have actually occurred as liabilities and include them in its current gains or losses, unless other accounting standards require or allow including them in the cost of assets.

(2) Accounting methods for post-employment benefits

The Group classifies post-employment benefit plan as defined contribution plans (DCPs) and defined benefit plans (DBPs). Post-employment benefit plan refers to the agreement reached by the Group and its employees on post-employment benefits, or the rules or measures the Group develops in order to provide post-employment benefits. Furthermore, DCPs mean that the Group will not be further obliged to pay after it pays a fixed amount to an independent fund; DBPs refer to the post-employment plans other than DCPs.

A. DCPs

In the accounting period that its employees provide services for it, the Group recognizes the to-be-paid amount calculated according to DCPs as liabilities and includes them in its current gains or losses or relevant cost of assets.

B. DBPs

The Group has not yet operated DBPs or other long-term employee benefits complying with DBPs.

(3) Accounting methods for termination benefits

If providing termination benefits to employees, the Group will recognize the employee compensation liabilities generated by termination benefits in any of the following 2 circumstances, whichever happens earlier, and include them in its current gains or losses: when the Group is unable to unilaterally withdraw the plan on the cancellation of labor relationship or the layoff proposal; when the Group recognizes the costs or expenses related to the recombination involving with termination benefits payment.

(4) Accounting methods for other long-term employee benefits

Other long-term employee benefits provided by the Group to employees, if complying with DCPs, shall be treated according to the abovementioned accounting policies for DCPs; if not, the above accounting policies for DBPs shall be used to recognize and measure their net liabilities or net assets.

21. Estimated liabilities

(1) Estimated liability reorganization standards

When the Group's regulations and relevant obligations of the contingencies can meet the following conditions at the same time, they will be recognized as estimated liabilities:

- ① The obligation is the present obligation undertaken by the enterprise;
- ② Performance of this obligation may make economic benefits flow out of the enterprise;
- ③ Amount of this obligation can be reliably measured.

(2) Estimated liability measurement method

Estimated liabilities are measured initially according to the optimal estimate that needs to expend in order to perform relevant present obligations. The necessary expenditure has a contiguous range, and within this range, all kinds of results have the same possibility to occur. The optimal estimate is determined according to the median of this range. In other circumstances, the optimal estimate is treated as below:

- ① If the contingency involves with a single item, then the optimal estimate will be determined based on the amount that is most likely to occur.
- ② If the contingency involves with several items, then the optimal estimate will be determined based on all possible results and their probabilities.

When the optimal estimate is determined, the risks, uncertainties and the time value of money related to contingencies shall be taken into full consideration. If the time value of money has great impact, the optimal estimate shall be determined after discounting relevant future cash outflows.

If it is expected that the estimated liabilities that the Group needs to pay off will be fully or partially compensated by a third party, the compensation amount cannot be recognized separately as assets when it can be basically ensured. The recognized compensation amount must not be higher than the book value of the estimated liabilities.

The Group re-checks the book value of estimated liabilities on balance sheet date. If there is unambiguous evidence showing that the book value cannot reflect the current optimal estimate truly, this book value shall be adjusted according to the current optimal estimate.

22. Share-based payment

Share-based payment of the Company is recognized and measured based on true, complete and effective shared-based payment

agreement, and implemented by equity - settled share-based payment.

(1) Equity-settled share-based payment

If equity-settled share-based payment is used to exchange employee services, then it shall be measured with the fair value of the equity instruments granted to employees. If equity-settled share-based payment is used to exchange employee services with immediate vesting after granting, it shall be included in relevant cost or expense based on the fair value of equity instruments on the granting day, and capital reserves shall be added correspondingly. If the equity-settled share-based payment is used to exchange employee services with vesting after completing services within the waiting period or meeting the specified performance conditions, the services obtained in the reporting period shall be included in relevant cost or expense and capital surplus based on the optimal estimate of the quantity of equity instruments for right exercising and according to the fair value of the day granting equity instruments on each balance sheet date within the waiting period.

Determination of the fair value of equity instruments:

- ① For shares granted to the employees, the fair value measured according to the market price of the Company's share capital and adjusted according to the granting terms and conditions (not including the vesting conditions out of market conditions).
- ② For the equity instrument granted to the employees, such as Stock Option, if there are no terms or similar condition of equity instrument, The Company estimates the fair value of the granted equity instruments with Black-Scholes Option Pricing Model.

When determining the fair value of the day granting equity instruments, the Company considers the influence of market conditions of non-vesting conditions included in vesting conditions which are specified in the share-based agreement. If there are non-vesting conditions for share-based payment, the Company will confirm that the cost or expense corresponding to services has been obtained as long as the non-market conditions (such as service term, etc.) included in vesting conditions are met by employees or other parties.

The Company grants restricted shares to employees to implement Stock Incentive Plan, see Note (13) for details. When the increase of equity instruments is confirmed on the issuing day of restricted shares, the treasury shares and repurchase obligations and liabilities shall be confirmed according to the quantity of issued restricted shares and the amount calculated and confirmed based on repurchase price at the same time, and the repurchase obligations and liabilities shall be measured subsequently in accordance with the requirements of Accounting Standard for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments.

(2) Basis for confirming the optimal estimate of vesting equity instruments: On each data balance date within the waiting period, the Company makes its optimal estimate and corrects the estimated quantity of equity instruments for vesting according to the subsequent information that it has obtained, such as the variation of number of employees with vesting, in order for the optimal estimate of vesting equity instruments.

(3) Accounting treatment related to the modification and termination of shared-based payment plan

If the fair value of the granted equity instruments is modified or increased, the Company will confirm the increase of services it obtains correspondingly; if the quantity of the granted equity instruments is modified or increased, the Company will recognize the increase of the fair value of the increased equity instruments as the increase of services; if the Company modifies the vesting conditions by a favorable way for employees, it shall take the modified vesting conditions into consideration while dealing with vesting conditions.

If the fair value of the granted equity instruments is modified or decreased, the Company will continue confirming the amount of services obtained based on the fair value of equity instruments on the granting date, without considering the decrease of fair value; if the quantity of the granted equity instruments is modified or decreased, the Company will treat considering the decrease as the cancellation of granted equity instruments; if the Company modifies the vesting conditions by an unfavorable way for employees, it shall not take the modified vesting conditions into consideration while dealing with vesting conditions.

If the Company cancels the granted equity instruments or settles them (unless they are cancelled due to the failure to meet vesting conditions) within the waiting period, then the cancellation or settlement shall be regarded as accelerated vesting, and the amount that shall be confirmed in the remaining waiting period shall be confirmed immediately.

23. Income

Accounting policies applied for income recognition and measurement

Income is recognized when a customer acquires control of relevant goods in the case of a contract between the Group and the customer if: the parties to the contract have approved the contract and undertake to perform their respective obligations; the contract specifies the rights and obligations of the parties to the contract in relation to the goods transferred or the services rendered; the contract has express terms of payment in relation to the goods transferred; the contract is for commercial purposes, which means the performance of the contract will change the risk, timing or amount of the Group's future cash flows; and the consideration to which the Group is entitled as a result of the transfer of goods to the customer is likely to be recovered.

At the commencement date of the contract, the Group identifies each individual performance obligation under the contract and apportions the transaction price to each individual performance obligation in proportion to the selling prices of the goods to which each individual performance obligation relates. Variable consideration, significant financing elements in the contract, non-cash consideration and consideration payable to the customer are taken into account in determining the transaction price.

For an individual performance obligation under the contract, the Group recognizes as income the transaction price apportioned to the individual performance obligation during the relevant performance period based on the progress of the performance in the case of any of the following: the customer obtains and consumes the economic benefits from the Group's performance of the contract at the same time as the Group's performance; the customer is able to control the goods under construction during the Group's performance of the contract; or the goods produced during the Group's performance of the contract have irreplaceable uses, and the Group is entitled to receive related amount for the cumulative performed part to date over the entire contract term. The progress of performance is determined by the input method or the output method as applicable to the properties of the goods transferred. If the progress of performance cannot be reasonably determined, and the costs incurred by the Group are expected to be compensated, income is recognized based on the amount of costs incurred until the progress of performance can be reasonably determined.

If none of the above cases occurs, the Group will recognize as income the transaction price apportioned to the individual performance obligation at the time point when the customer acquires control of relevant goods. In determining whether the customer has acquired control of the goods, the Group takes into account the following indications: the Enterprise has a current right to receive payment for the goods, which means the customer has a current obligation to pay for the goods; the Enterprise has transferred the legal ownership of the goods to the customer, which means the customer has the legal ownership of the goods; the Enterprise has transferred the goods to the customer, which means the customer holds the goods in the physical sense; the Enterprise has transferred the main risks and rewards pertaining to the ownership of the goods to the customer, that is to say, the customer has obtained the main risks and rewards pertaining to the ownership of the Goods; the customer has accepted the goods; and other indications that the

customer has acquired control of the goods.

Differences in income recognition accounting policies resulting from different business models for the same type of business

None

24. Government grants

(1) Judgment basis of assets-related government subsidy and accounting treatment method

Government grants of the Group are divided into government grants concerning assets and government grants concerning benefits. Government grants concerning assets refer to the government grants that the Group has obtained and will be used to purchase and construct long-term assets, or to form long-term assets by other ways. Government grants concerning benefits refer to the government grants other than government grants concerning assets. If the grant object is not made clear in the government's files, judgment shall be made based on the basic conditions for obtaining grants. To be specific, grants that form long-term assets through purchase and construction or by other ways shall be regarded as government grants concerning assets, and other assets shall be regarded as government grants concerning benefits.

(1) Recognition of government grants

Government grants shall be recognized when they meet all the following conditions:

- ① Meet the attached conditions to government grants;
- ② Be able to receive government grants.

(2) Measurement of government grants:

① If government grants are monetary assets, they shall be measured according to the amount received or receivable. If not, they shall be measured according to their fair value; if their fair value cannot be reliably obtained, they shall be measured according to their nominal amount.

② Government grants concerning assets will be recognized as deferred income when they are obtained, and will be included in gains or losses by period with a reasonable and systematic method within its service life when they reach the predetermined state of use. If relevant asset is sold, transferred, scrapped or damaged before its service life ends, the balance of undistributed deferred income will be transferred into the gains or losses of the current asset disposal period.

(2) Judgment basis of benefits-related government subsidy and accounting treatment method

Government grants concerning benefits used to compensate future relevant costs or losses will be recognized as deferred income when they are obtained; those used to compensate relevant costs or losses that have occurred will be included in the current gains or losses directly when they are obtained.

Government grants concerning daily activities will be included in other income; government grants concerning not daily activities will be included in non-operating income.

③ If it has confirmed that government grants need to be returned, they shall be dealt with according to the following circumstances:

A. When there is relevant deferred income, the book balance of relevant deferred income shall write down and the exceeding part shall be included in the current gains or losses.

B. In other circumstances, they shall be included in current gains or losses directly.

25. Deferred income tax assets/ deferred income tax liabilities

The Group deals with accounting for income taxes with balance sheet liability method.

(1) Deferred income tax assets

① If there is a deductible temporary difference between the book value of assets and liabilities, the deferred income tax assets generated by this deductible temporary difference shall be calculated and confirmed according to the tax rate of the expected period to recover this asset or pay off this liability, to the extent of the taxable income that may be obtained in the future to offset this deductible temporary difference.

② If there is unambiguous evidence to certify that it is very likely to obtain enough taxable income to offset deductible temporary difference in the future on the balance sheet date, the deferred income tax assets that are not recognized before shall be recognized.

③ The book value of deferred income tax assets shall be rechecked on balance sheet date. If it is hardly possible to obtain enough taxable income in the future to offset the benefits from deferred income tax assets, the book value of deferred income tax assets shall write down. When it is very likely to obtain enough taxable income the write-down amount shall be reversed.

(2) Deferred income tax liabilities

If there is taxable temporary difference between the book value of assets and liabilities and the tax basis, the deferred income tax liabilities generated by taxable temporary difference shall be recognized according to the applicable tax rate of the expected period to recover the asset or pay off the liability.

26. Leasing**(1) Accounting method for operating lease**

The Group, as the lessee, shall include the rentals of operating lease in relevant asset cost or current gains or losses with straight-line method in all periods; the initial direct expenses occurred shall be included in the current gains or losses; contingent rentals shall be included in the current gains or losses when they happen actually.

The Group, as the lessor, shall include the assets of operating lease in relevant items in the balance sheet according to asset nature; rentals of operating lease shall be recognized as current gains or losses with straight-line method in all periods within the lease term. The initial direct expenses occurred shall be included in the current gains or losses; fixed assets of assets under operating lease shall be depreciated according to similar asset depreciation policy. Other assets under operating lease shall be amortized with a systematic and reasonable method. Contingent rentals shall be included in the current gains or losses when they happen actually.

27. Other important accounting policies and accounting estimates**(1) Repurchase of shares**

If the Group reduces its capital by acquiring the shares of the Company with approval, then it shall reduce equities according to the total amount of the face value of cancelled shares, and adjust the difference between the price paid to purchase shares back (including transaction expense) and the face value of shares. The part exceeding the total face value shall be used to write down capital surplus (premium on capital stock), surplus reserve and undistributed profit. If the price is lower than the total face value, then the part lower shall be added with capital surplus (premium on capital stock).

Shares repurchased by the Group shall be managed as treasury shares before they are cancelled or transferred; total expenditure of repurchased shares shall be transferred as the cost of treasury shares.

When treasury shares are transferred, the part higher than their cost shall be transferred to increase capital surplus (premium on capital stock); the part lower than the cost of treasury shares shall write down capital surplus (premium on capital stock), surplus reserve and undistributed profit in sequence.

If the Group repurchase shares for the reason of equity incentive, it shall treat all expenses on shares repurchase as treasury shares while repurchasing and make registration for future reference.

(2) Hedge accounting

Some financial instruments are used as hedging tools by the Group to avoid certain risks. For those hedges meeting requirements specified, the Group will deal with them by hedge accounting method. The hedge of the Group is fair value hedge. The hedge for foreign exchange risk of firm commitment is used as fair value hedge by the Group.

The hedging tool and the hedged item are formally specified by the Group at the beginning of hedge with written documents about the hedging relationship, risk management strategy and risk management objectives. In addition, the hedge effectiveness will be assessed continuously by the Group from the beginning of hedge.

① Fair value hedge

The profit or loss from the hedging tool specified as fair value hedge with qualification is recorded in the current profit and loss. Otherwise, the profits or losses from non-trading equity instruments (or their components) with fair value measurement and changes included in other comprehensive income are recorded in other comprehensive earning. The profits or losses formed from the hedging risks of the hedged item should be included into current profit and loss and the book value of hedged item should be adjusted simultaneously. The related profit and loss from the hedged item that is measured as fair value is recorded in the current profit and loss and other comprehensive earning without accounting value adjusting.

The hedge accounting is terminated when the hedging relationship is revoked by the Group, the hedging tool is expired or sold, the contract is terminated or exercised, or the condition is out of qualification.

(3) Measurement of fair value

Fair value, refers to the price that market participant can obtain or needs to pay after selling an asset or transferring a liability, among the orderly transactions made on the measurement date. The Group measures relevant asset or liability and considers the characteristics of this asset or liability at fair value; supposes the selling of assets or transfer of liabilities by market participant are orderly transaction under current market conditions; supposes the orderly selling of assets or transfer of liabilities are carried out in the main market of relevant assets or liabilities; supposes the transaction is made in the most favorable market for relevant assets or liabilities when there is no main market. The Group adopts the assumptions that market participants use to maximum their economic benefits when they price assets or liabilities.

The Company judges whether the fair value at initial recognition equals to its transaction price according to transaction nature and the characteristics of relevant assets or liabilities; if the transaction price is not equal to the fair value, relevant profits or losses will be included in the current gains or losses, unless otherwise specified by relevant accounting standards.

The Group adopts the valuation technique that is applicable to the current situation and has enough available data and other information to support. Mainly used valuation techniques include market approach, income approach and cost approach. In the application of valuation techniques, relevant observable input values shall be used first, and unobserved input values can only be used when relevant observable input values cannot be obtained or it is not feasible to obtain them.

Input values used by the Group for fair value measurement is divided into 3 levels. The first level of input values will be used first, and then the second level and the third level. First level of input values are the quotations of same assets or liabilities that can be obtained on the measurement date and are not adjusted in the active market; the second level of input values are the direct or indirect observable input values of relevant assets or liabilities other than the first level of input values; the third level of input values are the unobservable input values of relevant assets or liabilities.

The Group measures non-financial assets with fair value, considers market participant's ability to use this asset in the best way to generate economic benefits, or the ability to sell this asset to other market participants who can use this asset in the best way to generate economic benefits. To measure a liability with fair value, the Group supposes this liability is transferred to other market participants on the measurement date, and further exists after transfer, and the market participant, who is the transferee, performs obligations. To measure one's own equity instrument with fair value, suppose this equity instrument is transferred to other market participants on the measurement data, and further exists after transfer, and the market participant, as the transferee, obtains relevant rights to this instrument and undertakes corresponding obligations.

28. Change of important accounting policies and accounting estimates

(1) Change of important accounting policies

√ Applicable □ Not-applicable

The Ministry of Finance promulgated the Accounting Standards for Business Enterprises No. 14 - Income (Revised in 2017) (hereinafter referred to "New Income Standards" on July 5, 2017. Domestic listed enterprises shall implement the New Income Standards from January 1, 2020. The Group has implemented the New Income Standards from January 1, 2020.

The New Income Standards have provided a new income recognition model for regulating income from contracts with customers. To implement the New Income Standards, the Group reassessed the recognition and measurement, accounting and presentation of main contract income. In accordance with the provisions of the New Income Standards, the retained earnings and amounts of other relevant items in the financial statements at the beginning of the period during which the first implementation occurred were adjusted based on the accumulated amount affected by the first implementation of the standards, without adjustment to the information for the comparable periods.

The main changes caused by and impacts of the adoption of the New Income Standards are as follows:

A. The Group included contractual consideration received from customers in advance due to the transfer of goods, which was formerly included in "Advance receipt", in "contract liabilities".

Impact on the adjustments and disclosure in the balance sheet as of January 1, 2020:

Unit: Yuan

Item	Consolidated balance sheet		Balance sheet of parent company	
	Amount on December 31, 2019 (Before change)	Amount on January 1, 2020 (After change)	Amount on December 31, 2019 (Before change)	Amount on January 1, 2020 (After change)
Advances received	1,106,996,534.96		6,231,654.41	
Contract liabilities		1,106,996,534.96		6,231,654.41

B. Fees paid by the Group to customers for sales promotion, which were originally included in selling expenses, have been deducted from operating income as customer consideration under the New Income Standards.

Impact on adjustments and disclosure in profit statement for January-June 2020

Unit: Yuan

Item	Consolidated profit statement	Profit statement of parent company
Total sales	-462,762,851.36	
Selling expenses	-462,762,851.36	

(2) Change of important accounting estimates

□ Applicable √ Not-applicable

(3) Adjustments to related items in financial statements at the beginning of the year during which the New Income Standards, and the new lease standards were implemented for the first time since 2020

Applicable

Whether it is necessary to adjust accounts of balance sheet for the beginning of the year

√ Yes □ No

Consolidated balance sheet

Unit: Yuan

Item	December 31, 2019	January 01, 2020	Adjustment amount
Current assets:			
Monetary capital	1,308,132,657.16	1,308,132,657.16	
Settlement reserve			
Loans to other banks			
Trading financial assets	1,264,563,042.79	1,264,563,042.79	
Derivative financial assets			
Notes receivable			
Accounts receivable	1,796,909,432.40	1,796,909,432.40	
Financing of receivables	1,186,980,101.71	1,186,980,101.71	
Advance payment	278,545,463.04	278,545,463.04	
Premiums receivable			
Reinsurance accounts receivable			
Reinsurance contract reserve receivable			
Other receivables	14,230,736.62	14,230,736.62	
Where: interest receivable			
Dividend receivable			
Reverse-REPO financial assets			
Inventories	2,247,612,900.00	2,247,612,900.00	
Contract assets			
Held-for-sale assets			
Non-current assets due within one year			
Other current assets	1,732,984,689.16	1,732,984,689.16	
Total current assets	9,829,959,022.88	9,829,959,022.88	
Non-current assets:			
Loans and advances granted			
Debt investment			
Other debt investments			
Long-term receivables			
Long-term equity investment	61,917,730.62	61,917,730.62	
Other equity instrument investments			

Other non-current financial assets			
Investment properties			
Fixed assets	908,982,690.72	908,982,690.72	
Construction in progress	215,167,399.12	215,167,399.12	
Productive biological assets			
Oil and gas assets			
Use right assets			
Intangible assets	465,546,894.17	465,546,894.17	
Development expenditures			
Goodwill			
Long-term unamortized expenses	2,168,302.35	2,168,302.35	
Deferred income tax assets	364,211,946.59	364,211,946.59	
Other non-current assets			
Total non-current assets	2,017,994,963.57	2,017,994,963.57	
Total assets	11,847,953,986.45	11,847,953,986.45	
Current liabilities:			
Short-term borrowings			
Central bank loan			
Loans from others			
Trading financial liabilities			
Derivative financial liabilities			
Notes payable			
Accounts payable	3,011,464,656.36	3,011,464,656.36	
Advances received	1,106,996,534.96		-1,106,996,534.96
Contract liabilities		1,106,996,534.96	1,106,996,534.96
Proceeds from sale of repurchase financial assets			
Deposit taken and interbank deposit			
Proceeds from security transaction agency			
Proceeds from security underwriting agency			
Employee pay payable	300,734,908.98	300,734,908.98	
Taxes payable	172,591,751.41	172,591,751.41	
Other payables	93,696,839.73	93,696,839.73	
Where: interest payable			
Dividend payable			

Handling fee and commission payable			
Reinsurance accounts payable			
Held-for-sale liabilities			
Non-current liabilities due within one year			
Other current liabilities	290,585,764.00	290,585,764.00	
Total current liabilities	4,976,070,455.44	4,976,070,455.44	
Non-current liabilities:			
Reinsurance contract reserve			
Long-term borrowings			
Bonds payable			
Wherein: preferred shares			
Perpetual bond			
Lease obligation			
Long-term payables			
Long-term employee benefits payable	3,683,907.11	3,683,907.11	
Estimated liabilities	21,150,000.00	21,150,000.00	
Deferred income			
Deferred income tax liabilities	2,436,047.01	2,436,047.01	
Other non-current liabilities			
Total non-current liabilities	27,269,954.12	27,269,954.12	
Total liabilities	5,003,340,409.56	5,003,340,409.56	
Owner's equity:			
Share capital	821,119,910.00	821,119,910.00	
Other equity instruments			
Wherein: preferred shares			
Perpetual bond			
Capital reserves	194,633,350.10	194,633,350.10	
Minus: treasury stock	4,342,472.56	4,342,472.56	
Other comprehensive incomes	-20,313,446.20	-20,313,446.20	
Special reserves			
Surplus reserve	401,648,181.64	401,648,181.64	
General risk reserve			
Undistributed profit	5,443,671,509.58	5,443,671,509.58	
Total owner's equity belonging to parent company	6,836,417,032.56	6,836,417,032.56	

Minority equity	8,196,544.33	8,196,544.33	
Total owner's equity	6,844,613,576.89	6,844,613,576.89	
Total liabilities and owner's equity	11,847,953,986.45	11,847,953,986.45	

Description on adjustments

The Ministry of Finance promulgated the Accounting Standards for Business Enterprises No. 14 - Income (Revised in 2017) (hereinafter referred to "New Income Standards" on July 5, 2017. Domestic listed enterprises shall implement the New Income Standards from January 1, 2020. In accordance with the new standards and related transition regulations, the Company reclassified advance receipts formerly included in "Advances on sales" into "Contract liabilities" on January 1, 2020.

Balance sheet of parent company

Unit: Yuan

Item	December 31, 2019	January 01, 2020	Adjustment amount
Current assets:			
Monetary capital	877,009,108.98	877,009,108.98	
Trading financial assets	702,525,313.39	702,525,313.39	
Derivative financial assets			
Notes receivable			
Accounts receivable	341,182,660.24	341,182,660.24	
Financing of receivables	22,735,319.00	22,735,319.00	
Advance payment	41,392,385.97	41,392,385.97	
Other receivables	110,807,092.72	110,807,092.72	
Where: interest receivable			
Dividend receivable			
Inventories	146,997,997.90	146,997,997.90	
Contract assets			
Held-for-sale assets			
Non-current assets due within one year			
Other current assets	1,597,853,406.49	1,597,853,406.49	
Total current assets	3,840,503,284.69	3,840,503,284.69	
Non-current assets:			
Debt investment			
Other debt investments			
Long-term receivables			
Long-term equity investment	2,975,731,261.81	2,975,731,261.81	
Other equity instrument investments			
Other non-current financial assets			

Investment properties			
Fixed assets	168,793,198.76	168,793,198.76	
Construction in progress	9,128,658.64	9,128,658.64	
Productive biological assets			
Oil and gas assets			
Use right assets			
Intangible assets	88,321,489.84	88,321,489.84	
Development expenditures			
Goodwill			
Long-term unamortized expenses			
Deferred income tax assets	19,821,224.48	19,821,224.48	
Other non-current assets			
Total non-current assets	3,261,795,833.53	3,261,795,833.53	
Total assets	7,102,299,118.22	7,102,299,118.22	
Current liabilities:			
Short-term borrowings			
Trading financial liabilities			
Derivative financial liabilities			
Notes payable			
Accounts payable	209,574,572.27	209,574,572.27	
Advances received	6,231,654.41		-6,231,654.41
Contract liabilities		6,231,654.41	6,231,654.41
Employee pay payable	61,804,868.33	61,804,868.33	
Taxes payable	6,323,506.14	6,323,506.14	
Other payables	3,852,130,178.87	3,852,130,178.87	
Where: interest payable			
Dividend payable			
Held-for-sale liabilities			
Non-current liabilities due within one year			
Other current liabilities			
Total current liabilities	4,136,064,780.02	4,136,064,780.02	
Non-current liabilities:			
Long-term borrowings			
Bonds payable			

Wherein: preferred shares			
Perpetual bond			
Lease obligation			
Long-term payables			
Long-term employee benefits payable			
Estimated liabilities			
Deferred income			
Deferred income tax liabilities	378,797.01	378,797.01	
Other non-current liabilities			
Total non-current liabilities	378,797.01	378,797.01	
Total liabilities	4,136,443,577.03	4,136,443,577.03	
Owner's equity:			
Share capital	821,119,910.00	821,119,910.00	
Other equity instruments			
Wherein: preferred shares			
Perpetual bond			
Capital reserves	637,954,156.03	637,954,156.03	
Minus: treasury stock	4,342,472.56	4,342,472.56	
Other comprehensive incomes			
Special reserves			
Surplus reserve	410,621,980.00	410,621,980.00	
Undistributed profit	1,100,501,967.72	1,100,501,967.72	
Total owner's equity	2,965,855,541.19	2,965,855,541.19	
Total liabilities and owner's equity	7,102,299,118.22	7,102,299,118.22	

Description on adjustments

The Ministry of Finance promulgated the Accounting Standards for Business Enterprises No. 14 - Income (Revised in 2017) (hereinafter referred to "New Income Standards" on July 5, 2017. Domestic listed enterprises shall implement the New Income Standards from January 1, 2020. In accordance with the new standards and related transition regulations, the Company reclassified advance receipts formerly included in "Advances on sales" into "Contract liabilities" on January 1, 2020.

(4) Description of retrospective adjustment of comparison data in the previous period upon the first implementation of the New Income Standards and the new lease standards since 2020

☐ Applicable ☒ Not-applicable

VI. Taxes

1. 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	Taxable income is calculated at output tax rates of 0, 6%, 9%, and 13%, and VAT is calculated based on the difference after deducting the input tax allowable for the current period.
Urban maintenance and construction tax	Turnover tax payable	7%
Enterprise income tax	Taxable income	Enterprise income tax rate is 25%. The Company and Zhejiang Shaoxing Supor Domestic Electrical Appliances Co., Ltd. are levied at a preferential tax rate of 15%.
Housing property tax	For housing property tax levied on an ad valorem basis, Wuhan Supor Pressure Boiler Co., Ltd. and 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%, 12%
Education surcharge	Turnover tax payable	3%
Local education surcharge	Turnover tax payable	2%, subsidiaries in Wuhan are levied at the rate of 1.5% as of May 1, 2016.

Different enterprise income tax rates applicable to different taxpayers:

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

2. Tax preferential policies

(1) Pursuant to No. GKFH [2019] No. 70 document, the Company renewed the hi-tech enterprise qualification in 2018 and is entitled to enjoy the preferential tax rate of 15% for the three-year period starting from January 1, 2018.

(2) Pursuant to No. GKFH [2020] 32 documents, Zhejiang Shaoxing Supor Domestic Electrical Appliances Co., Ltd. renewed the

hi-tech enterprise qualification in 2019 and is entitled to enjoy the preferential tax rate of 15% for the three-year period starting from January 1, 2019.

VII. Notes to items of consolidated financial statements

1. Monetary capital

Unit: Yuan

Item	Closing balance	Opening balance
Cash on hand	72,270.21	91,345.89
Cash in bank	1,420,451,430.32	1,227,662,240.97
Other monetary capital	89,230,708.92	80,379,070.30
Total	1,509,754,409.45	1,308,132,657.16
Including: deposited overseas	33,536,699.41	42,514,760.41

Other remarks:

- 1) Other monetary capital at the end of the reporting period are restricted supply chain finance deposits of RMB 74 million, and unrestricted monetary capital in Alipay Wallet, JD Wallet, securities settlement account, futures settlement account and account at youzan.com.
- 2) On June 30, 2020, the Group's monetary capital deposited in Vietnam was equivalent to RMB 26,022,401.48 (December 31, 2019: equivalent to RMB 34,283,080.13); monetary capital deposited in Singapore was equivalent to RMB 6,700,897.87 (December 31, 2019: equivalent to RMB 6,762,757.40); monetary capital deposited in Indonesia was equivalent to RMB 813,400.06 (December 31, 2019: equivalent to RMB 1,468,922.88)

2. Trading financial assets

Unit: Yuan

Item	Closing balance	Opening balance
Financial assets measured at fair value through current profit or loss	672,739,430.97	1,264,563,042.79
Total	672,739,430.97	1,264,563,042.79

Other remarks:

- 1) The Company, Shaoxing Supor Domestic Electrical Appliances Co., Ltd. and SEB Shanghai purchased financial products of RMB 200 million, RMB 405 million and RMB 60 million, respectively. These financial products guarantee principal, have floating benefits and relate to interest rate and exchange rate. At the end of the reporting period, the income from changes in fair value was recognized as RMB 7,739,430.97.

3. Accounts receivable

(1) Details on categories

Unit: Yuan

Categories	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Carrying amount	Book balance		Provision for bad debts		Carrying amount
	Amount	Ratio	Amount	Provision proportion		Amount	Ratio	Amount	Provision proportion	
Receivables for provision made on an individual basis	5,971,263.60	0.28%	5,971,263.60	100.00%		6,351,587.89	0.34%	6,351,587.89	100.00%	
Wherein:										
Receivables for provision made on the basis of portfolio	2,127,968,306.62	99.72%	105,125,482.69	4.94%	2,022,842,823.93	1,888,004,836.29	99.66%	91,095,403.89	4.82%	1,796,909,432.40
Wherein:										
Portfolio 1: age portfolio	2,088,349,702.28	97.86%	105,085,864.09	5.03%	1,983,263,838.19	1,808,266,453.40	95.45%	91,015,665.51	5.03%	1,717,250,787.89
Portfolio 2: low-risk portfolio	39,618,604.34	1.86%	39,618.60	0.10%	39,578,985.74	79,738,382.89	4.21%	79,738.38	0.10%	79,658,644.51
Total	2,133,939,570.22	100.00%	111,096,746.29	5.21%	2,022,842,823.93	1,894,356,424.18	100.00%	97,446,991.78	5.14%	1,796,909,432.40

Provision made on an individual basis:

Unit: Yuan

Name	Closing balance			
	Book balance	Provision for bad debts	Provision proportion	Reasons
Client 1	4,523,328.43	4,523,328.43	100.00%	Full provisions are made as such receivables are with long age and estimated to be unrecoverable.
Customer 2	1,447,935.17	1,447,935.17	100.00%	Full provisions are made as such receivables are with long age and estimated to be unrecoverable.
Total	5,971,263.60	5,971,263.60	--	--

Provision made on the basis of portfolio: Portfolio 1: age portfolio

Unit: Yuan

Name	Closing balance
------	-----------------

	Book balance	Provision for bad debts	Provision proportion
Within 1 year (inclusive)	2,085,862,151.36	104,268,751.83	5.00%
1-2 years (inclusive)	1,379,225.76	110,338.06	8.00%
2-3 years (inclusive)	472,308.60	70,846.29	15.00%
3-4 years (inclusive)			50.00%
4-5 years (inclusive)	443.22	354.57	80.00%
Over 5 years	635,573.34	635,573.34	100.00%
Total	2,088,349,702.28	105,085,864.09	--

If bad-debt provision for accounts receivable is made based on the general model of expected credit losses, please disclose the relevant information about the bad-debt provision with reference to the disclosure of other receivables:

☐ Applicable ☒ Not-applicable

Disclosure by ages

Unit: Yuan

Ages	Closing balance
Within 1 year (inclusive)	2,125,480,755.70
1-2 years	1,379,225.76
2-3 years	472,308.60
Over 3 years	6,607,280.16
3-4 years	0.00
4-5 years (with 5 years)	4,523,771.65
Over 5 years	2,083,508.51
Total	2,133,939,570.22

(2) Bad debt provisions accrued, recovered or carried back in current period

Provisions made in current period

Unit: Yuan

Categories	Opening balance	Amount of changes in current period				Closing balance
		Provision	Recovered or carried back	Canceled after verification	Others	
Provision for bad debts for accounts receivable	97,446,991.78	13,776,194.95		126,440.44		111,096,746.29
Total	97,446,991.78	13,776,194.95		126,440.44		111,096,746.29

Provisions made in current period

[Note]: Including increased bad debt reserve of RMB 81,604.91 for converted difference in foreign currency statement caused by

exchange rate fluctuations.

(3) Accounts receivable actually written off in current period

Unit: Yuan

Item	Amount
Accounts receivable actually written off	126,440.44

Including significant accounts receivable written off:

Unit: Yuan

Debtors	Type of accounts receivable	Amount	Reason	Write-off procedures performed	Whether the amount was from connected transactions
Client 1	Goods payment	126,440.44	Goods payment cannot be recovered because of the Company's capital chain rupture	Approval by the management	No
Total	--	126,440.44	--	--	--

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

Unit: Yuan

Debtors	Ending balance of accounts receivable	Proportion in the total ending balance of accounts receivable	Ending balance of provision for bad debt
SEB ASIA LTD.	1,538,347,696.12	72.09%	76,917,384.81
Client 1	182,667,307.24	8.56%	9,133,365.36
Client 2	44,723,005.80	2.10%	2,236,150.29
Client 3	30,112,791.45	1.41%	1,505,639.57
Client 4	19,164,977.66	0.90%	958,248.88
Total	1,815,015,778.27	85.06%	

4. Financing of receivables

Unit: Yuan

Item	Closing balance	Opening balance
Notes receivable measured at the fair value		
Including: Bank acceptance	1,044,575,942.37	1,186,980,101.71
Total	1,044,575,942.37	1,186,980,101.71

Changes in receivables financing and its fair value during the reporting period

☐ Applicable ☒ Not-applicable

If impairment provision for receivables financing is made based on the general model of expected credit losses, please disclose the relevant information about the impairment provision with reference to the disclosure of other receivables:

☐ Applicable ☒ Not-applicable

Other remarks:

(1) The Group discounted or transferred by endorsement part of bank acceptance before maturity as required by its daily fund management and the business mode for such bank acceptance related to management was aimed for acquisition of contact cash flow and for sales. Therefore, bank acceptance was classified as financial assets measured at fair value through other comprehensive income.

(2) There is no financing of receivables pledged at the end of the year.

(3) Endorsed or discounted notes receivable undue at the balance sheet date at the end of the year

Unit: Yuan

Item	Closing balance derecognized	Closing balance not yet derecognized
Bank acceptance	2,106,274,958.45	254,892,038.09
Total	2,106,274,958.45	254,892,038.09

5. Advance payment

(1) Listing by ages

Unit: Yuan

Ages	Closing balance		Opening balance	
	Amount	Ratio	Amount	Ratio
Within one year	265,979,068.29	99.66%	270,517,693.79	97.12%
1-2 years	54,892.99	0.02%	7,241,332.84	2.60%
2-3 years	76,000.00	0.03%	23,631.87	0.01%
Over 3 years	779,923.51	0.29%	762,804.54	0.27%
Total	266,889,884.79	--	278,545,463.04	--

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

Debtors	Book balance	Proportion to the total balance of advances paid (%)
Supplier 1	36,920,647.76	13.83%
Supplier 2	31,972,696.21	11.98%
Supplier 3	29,473,628.28	11.04%
Supplier 4	26,521,697.65	9.94%
Supplier 5	12,034,778.82	4.51%
Subtotal	136,923,448.72	51.30%

6 Other receivables

Unit: Yuan

Item	Closing balance	Opening balance
Other receivables	12,322,157.57	14,230,736.62
Total	12,322,157.57	14,230,736.62

(1) Other receivables**1) Other receivables categorized by nature**

Unit: Yuan

Nature of receivables	Ending book balance	Beginning book balance
Deposit as security	7,882,680.58	7,778,406.29
VAT refund on export goods		395,957.97
Temporary payment receivable	5,943,866.95	7,192,490.76
Personal deposit	2,325,385.37	2,610,424.76
Total	16,151,932.90	17,977,279.78

2) Provision for bad debts

Unit: Yuan

Provision for bad debts	Phase I	Phase II	Phase III	Total
	Predicted credit loss in future 12 months	Predicted credit loss in the whole period of existence (without credit impairment)	Predicted credit loss in the whole period of existence (with credit impairment)	
Balance on January 01, 2020	3,746,543.16			3,746,543.16
Balance on January 01, 2020 in the reporting period	—	—	—	—
Provision for bad debts during the reporting period	193,367.74			193,367.74
Bad debts write-off during the reporting period	111,304.38			111,304.38
Other changes [note]	1,168.81			1,168.81
Balance on June 30, 2020	3,829,775.33			3,829,775.33

[Note]: Increased bad debt reserve of RMB 1,168.81 for converted difference in foreign currency statement caused by exchange rate fluctuations.

Changes in book balance of loss provision due to significant changes in the current period

□ Applicable √ Not-applicable

Disclosure by ages

Unit: Yuan

Ages	Closing balance
Within 1 year (inclusive)	8,301,487.55
1-2 years	3,781,877.96
2-3 years	718,741.68
Over 3 years	3,349,825.71
3-4 years	52,065.63
4-5 years (with 5 years)	410,450.00
Over 5 years	2,887,310.08
Total	16,151,932.90

3) Provisions made, collected or reversed in current period

Provisions made in current period

Unit: Yuan

Categories	Opening balance	Amount of changes in current period				Closing balance
		Provision	Recovered or carried back	Canceled after verification	Others	
Other receivables	3,746,543.16	193,367.74		111,304.38	1,168.81	3,829,775.33
Total	3,746,543.16	193,367.74		111,304.38	1,168.81	3,829,775.33

4) Other receivables actually written off in current period

Unit: Yuan

Item	Amount
Other receivables actually written off in current period	111,304.38

Including significant write-off of other receivables:

Unit: Yuan

Debtors	Type of other receivables	Write-off amount	Reason	Write-off procedures performed	Whether the amount was from connected transactions
Organization 1	Temporary payment receivable	100,000.00	Long age, unrecoverable	Approval by the management	No
Organization 2	Temporary payment receivable	11,304.38	Long age, unrecoverable	Approval by the management	No
Total	--	111,304.38	--	--	--

5) Other receivables of the top 5 ending balances by the debtor

Unit: Yuan

Debtors	Nature of receivables	Closing balance	Ages	Proportion in total balance of other receivables at the end of the reporting period	Ending balance of provision for bad debt
Organization 1	Deposit as security	1,980,000.00	1-2 years	12.26%	158,400.00
Organization 2	Deposit as security	799,996.20	Over 5 years	4.95%	799,996.20
Organization 3	Temporary payment receivable	701,819.35	Within one year	4.35%	35,090.97
Organization 4	Deposit as security	615,989.82	Within one year	3.81%	30,799.49
Organization 5	Temporary payment receivable	567,499.24	Within one year	3.51%	28,374.96
Total	--	4,665,304.61	--	28.88%	1,052,661.62

7. Inventories

Does the Company need to abide by the disclosure requirements of real estate industry?

No

(1) Inventory classification

Unit: Yuan

Item	Closing balance			Opening balance		
	Book balance	Provision for inventory depreciation or provision for impairment of contract performance cost	Carrying amount	Book balance	Provision for inventory depreciation or provision for impairment of contract performance cost	Carrying amount
Raw materials	338,242,373.01	12,917,091.99	325,325,281.02	376,996,325.50	13,375,569.48	363,620,756.02
Goods in process	93,053,823.19		93,053,823.19	79,867,603.11		79,867,603.11
Merchandise inventory	1,488,143,788.02	31,495,010.30	1,456,648,777.72	1,717,274,161.57	41,458,937.84	1,675,815,223.73
Low-value	101,396,014.57	102,580.39	101,293,434.18	116,061,025.42	744,780.66	115,316,244.76

consumables						
Packages	9,304,605.29		9,304,605.29	12,993,072.38		12,993,072.38
Total	2,030,140,604.08	44,514,682.68	1,985,625,921.40	2,303,192,187.98	55,579,287.98	2,247,612,900.00

(2) Provision for inventory depreciation and provision for impairment of contract performance cost

Unit: Yuan

Item	Opening balance	Increase		Decrease		Closing balance
		Provision	Others	Reversal or write-off	Others	
Raw materials	13,375,569.48	2,938,088.43	37,303.11	3,433,869.03		12,917,091.99
Merchandise inventory	41,458,937.84	8,896,307.96	2,029.80	18,862,265.30		31,495,010.30
Low-value consumables	744,780.66			642,200.27		102,580.39
Total	55,579,287.98	11,834,396.39	39,332.91	22,938,334.60		44,514,682.68

[Note]: Increased Provision of RMB 39,332.91 for converted difference in foreign currency statement caused by exchange rate fluctuations.

8. Other current assets

Unit: Yuan

Item	Closing balance	Opening balance
Creditable VAT	71,812,115.53	139,222,321.24
Time deposit [Note]	1,414,438,356.15	1,591,313,150.71
Others	25,572,100.54	2,449,217.21
Total	1,511,822,572.22	1,732,984,689.16

Other remarks:

[Note] Time deposits for the purpose of earning interest, of which the principal is RMB 1.35 billion and the interest receivable is RMB 64,438,356.15.

9. Long-term equity investments

Unit: Yuan

Investee	Opening balance (Carrying amount)	Increase/decrease								Closing balance (Carrying amount)	Closing balance of provision for
		Investment increased	Investment decreased	Investment profit or loss recognize	Adjustment in other comprehensive	Changes in other equity	Cash dividend/profit declared	Provision for impairment	Others		

				d by equity method	income		for distributio n				impairme nt
I. Joint ventures											
II. Associated enterprises											
Wuhan Anzai Cookware Co., Ltd.	61,917,73 0.62			1,677,962 .62						63,595,69 3.24	
Subtotal	61,917,73 0.62			1,677,962 .62						63,595,69 3.24	
Total	61,917,73 0.62			1,677,962 .62						63,595,69 3.24	

Other remarks:

Note: In net profits of Wuhan Anzai Cookware Co., Ltd., investment income owned by the Company determined according to shareholding ratio in the reporting period totaled RMB 1,589,824.61 and amount influenced by upstream transaction was RMB 88,138.01.

10. Fixed assets

Unit: Yuan

Item	Closing balance	Opening balance
Fixed assets	968,384,635.97	908,982,690.72
Total	968,384,635.97	908,982,690.72

(1) Fixed assets

Unit: Yuan

Item	Buildings and structures	General equipment	Special equipment	Transport facilities	Total
I. Cost:					
1. Opening balance	781,025,622.72	250,482,516.80	847,017,413.07	28,029,401.44	1,906,554,954.03
2. Increase	95,308,113.36	10,450,341.02	9,625,436.08	696,428.48	116,080,318.94
(1) Acquisition	9,414,911.43	8,927,462.91	5,897,051.45	696,428.48	24,935,854.27
(2) Transferred in from construction in progress	85,893,201.93	1,522,878.11	3,728,384.63		91,144,464.67
(3) Increase from business combination					
3. Decrease		1,583,154.02	4,064,722.00		5,647,876.02

(1) Disposal or scrapping		1,583,154.02	4,064,722.00		5,647,876.02
4. Ending balance	876,333,736.08	259,349,703.80	852,578,127.15	28,725,829.92	2,016,987,396.95
II. Accumulated depreciation					
1. Opening balance	263,898,691.14	171,882,213.87	544,224,787.48	17,566,570.82	997,572,263.31
2. Increase	12,919,382.15	10,997,622.91	30,048,009.20	2,055,367.53	56,020,381.79
(1) Provision	12,919,382.15	10,997,622.91	30,048,009.20	2,055,367.53	56,020,381.79
3. Decrease		1,510,770.67	3,479,113.45		4,989,884.12
(1) Disposal or scrapping		1,510,770.67	3,479,113.45		4,989,884.12
4. Ending balance	276,818,073.29	181,369,066.11	570,793,683.23	19,621,938.35	1,048,602,760.98
III. Provision for impairment					
1. Opening balance					
2. Increase					
(1) Provision					
3. Decrease					
(1) Disposal or scrapping					
4. Ending balance					
IV. Carrying amount					
1. Closing book value	599,515,662.79	77,980,637.69	281,784,443.92	9,103,891.57	968,384,635.97
2. Opening book value	517,126,931.58	78,600,302.93	302,792,625.59	10,462,830.62	908,982,690.72

(2) Fixed assets with certificate of titles unsettled

Unit: Yuan

Item	Carrying amount	Reasons for unsettlement
Function dormitory of Shaoxing Supor Company	40,828,575.65	For all projects completed and completed the unification for property certificates after completion and settlement procedures
3# plant of Shaoxing Supor Co., Ltd.	30,339,558.31	For all projects completed and completed the unification for property certificates after completion and settlement procedures
1# plant of Shaoxing Supor Co., Ltd.	27,833,093.08	For all projects completed and completed the unification for property certificates after completion and settlement procedures
8# plant of Shaoxing Supor Co., Ltd.	32,487,116.89	For all projects completed and completed the unification for property certificates after completion and settlement procedures
Function cafeteria of Shaoxing Supor Company	13,619,346.90	For all projects completed and completed the unification for property certificates after completion and settlement procedures
12# plant of Shaoxing Supor Co., Ltd.	13,466,143.84	For all projects completed and completed the unification for property certificates after completion and settlement procedures

Transformer substation (35 kV) of Shaoxing Supor Company	3,714,514.16	For all projects completed and completed the unification for property certificates after completion and settlement procedures
13# plant of Shaoxing Supor Co., Ltd.	14,042,480.04	For all projects completed and completed the unification for property certificates after completion and settlement procedures
14# plant of Shaoxing Supor Co., Ltd.	25,090,196.19	For all projects completed and completed the unification for property certificates after completion and settlement procedures
15# plant of Shaoxing Supor Co., Ltd.	45,743,280.68	For all projects completed and completed the unification for property certificates after completion and settlement procedures
Forklift charge room of Shaoxing Supor	1,017,245.02	For all projects completed and completed the unification for property certificates after completion and settlement procedures
Generator room of Rubber and Plastics Product Company	3,569.89	Transfer procedure of land use right certificate not settled due to land ownership issue
Water pump building and structures of P&R Products	142,450.24	Transfer procedure of land use right certificate not settled due to land ownership issue
Extended plant for bakelite workshop of P&R Products	314,423.75	Transfer procedure of land use right certificate not settled due to land ownership issue
Polishing workshop of P&R Products	141,120.00	Transfer procedure of land use right certificate not settled due to land ownership issue
Total	248,783,114.64	

11. Construction in progress

Unit: Yuan

Item	Closing balance	Opening balance
Construction in progress	198,788,186.59	215,167,399.12
Total	198,788,186.59	215,167,399.12

(1) Details

Unit: Yuan

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Plant construction of Shaoxing Supor Company				85,194,744.55		85,194,744.55
WMF factory project in Yuhuan	100,342,404.64		100,342,404.64	83,421,885.21		83,421,885.21
Kitchen and electrical	71,811,467.79		71,811,467.79	30,553,854.96		30,553,854.96

appliances infrastructure project						
Equipment payment	8,276,814.81		8,276,814.81	9,644,260.36		9,644,260.36
Piecemeal projects	18,357,499.35		18,357,499.35	6,352,654.04		6,352,654.04
Total	198,788,186.59		198,788,186.59	215,167,399.12		215,167,399.12

(2) Changes in significant projects

Unit: Yuan

Projects	Budgets	Opening balance	Increase	Transfer red to fixed assets	Other decrease	Closing balance	Accumulated investment to budget	Completion percentage (%)	Accumulated amount of borrowing cost capitalization	Including: amount of borrowing cost capitalization in current period	Annual capitalization rate (%)	Capital source
Plant construction of Shaoxing Supor Company	96,460,000.00	85,194,744.55	10,538,574.14	85,893,201.93	9,840,116.76	0.00	89.05%	100.00%				
WMF factory project in Yuhuan	214,400,000.00	83,421,885.21	17,461,610.94		541,091.51	100,342,404.64	46.80%	46.80%				
Kitchen and electrical appliances infrastructure project	115,580,000.00	30,553,854.96	41,257,612.83			71,811,467.79	62.13%	62.13%				
Equipment payment		9,644,260.36	3,883,817.19	5,251,262.74		8,276,814.81						
Piecemeal projects		6,352,654.04	12,101,901.50	97,056.17		18,357,499.37						
Total	426,440,000.00	215,167,399.12	85,243,516.60	91,241,520.84	10,381,208.27	198,788,186.61	--	--				--

12. Intangible assets

(1) Details

Unit: Yuan

Item	Land use right	Trademark use right	Software	Total
I. Cost:				
1. Opening balance	474,687,696.53	47,328,811.32	60,201,053.19	582,217,561.04
2. Increase	70,056.37		7,452,714.14	7,522,770.51
(1) Acquisition	70,056.37		7,452,714.14	7,522,770.51
(2) In-house R&D				
(3) Increase from business combination				
3. Decrease			3,064.70	3,064.70
(1) Disposal				
(2) Others			3,064.70	3,064.70
4. Ending balance	474,757,752.90	47,328,811.32	67,650,702.63	589,737,266.85
II. Accumulated amortization				
1. Opening balance	70,354,501.35	18,886,474.52	27,429,691.00	116,670,666.87
2. Increase	3,570,131.56	2,366,440.57	2,731,097.41	8,667,669.54
(1) Provision	3,570,131.56	2,366,440.57	2,731,097.41	8,667,669.54
3. Decrease			1,708.26	1,708.26
(1) Disposal				
(2) Others			1,708.26	1,708.26
4. Ending balance	73,924,632.91	21,252,915.09	30,159,080.15	125,336,628.15
III. Provision for impairment				
1. Opening balance				
2. Increase				
(1) Provision				
3. Decrease				
(1) Disposal				
4. Ending balance				
IV. Carrying amount				
1. Closing book value	400,833,119.99	26,075,896.23	37,491,622.48	464,400,638.70
2. Opening book value	404,333,195.18	28,442,336.80	32,771,362.19	465,546,894.17

The percentage of intangible assets generated from in-house R&D in intangible assets balance 0.00%.

13. Long-term deferred expenses

Unit: Yuan

Item	Opening balance	Increase	Amortization	Other decrease	Closing balance
Improvement expenditure of fixed assets leased for operation	2,163,227.57	97,056.17	357,782.37		1,902,501.37
System upgrading fees	5,074.78		1,050.00		4,024.78
Total	2,168,302.35	97,056.17	358,832.37		1,906,526.15

14. Deferred income tax assets/ deferred income tax liabilities**(1) Un-offset deferred income tax assets**

Unit: Yuan

Item	Closing balance		Opening balance	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Provision for impairment of assets	146,207,295.91	29,833,656.31	143,830,951.12	30,275,578.66
Profits not realized by internal transaction	80,107,325.07	17,839,688.08	44,573,926.15	9,352,565.17
Accrued expenses	1,169,431,639.47	282,480,226.96	1,197,930,323.25	277,540,340.32
Accrued salary	48,604,620.46	12,149,051.75	71,753,378.99	16,944,497.60
Estimated liabilities	21,150,000.00	4,272,500.00	21,150,000.00	4,272,500.00
Share-based payment	196,371,385.70	34,492,411.30	135,922,797.01	23,859,926.04
Book-tax difference for depreciation of fixed assets	7,866,155.14	1,966,538.80	7,866,155.15	1,966,538.80
Total	1,669,738,421.75	383,034,073.20	1,623,027,531.67	364,211,946.59

(2) Deferred tax liabilities before offset

Unit: Yuan

Item	Closing balance		Opening balance	
	Taxable temporary difference	Deferred income tax liabilities	Taxable temporary difference	Deferred income tax liabilities
Governmental subsidy for	8,229,000.00	2,057,250.00	8,229,000.00	2,057,250.00

deferred tax				
Profit and loss from fair value changes	3,369,087.62	505,363.14	2,525,313.39	378,797.01
Total	11,598,087.62	2,562,613.14	10,754,313.39	2,436,047.01

15. Short-term borrowings

(1) Classification of short-term borrowings

Unit: Yuan

Item	Closing balance	Opening balance
Bank loan	2,236,500.00	
Total	2,236,500.00	

16. Accounts payable

(1) Details

Unit: Yuan

Item	Closing balance	Opening balance
Goods payment	1,303,035,487.04	1,705,733,536.18
Equipment payment	29,475,022.87	49,987,734.84
Expenses payment	1,331,678,015.93	1,255,743,385.34
Total	2,664,188,525.84	3,011,464,656.36

17. Contract liabilities

Unit: Yuan

Item	Closing balance	Opening balance
Advances on sales	618,834,409.23	1,106,996,534.96
Total	618,834,409.23	1,106,996,534.96

Unit: Yuan

18. Employee benefits payable

(1) Details

Unit: Yuan

Item	Opening balance	Increase	Decrease	Closing balance
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I. Short-term employee benefits	294,051,401.82	707,177,610.88	777,280,275.64	223,948,737.06
II. Post-employment benefits - defined contribution plan	5,789,287.95	22,502,038.93	23,933,645.31	4,357,681.57
III. Termination benefits	894,219.21	441,271.78	258,512.61	1,076,978.38
Total	300,734,908.98	730,120,921.59	801,472,433.56	229,383,397.01

(2) Details of short-term employee benefits

Unit: Yuan

Item	Opening balance	Increase	Decrease	Closing balance
1. Wage, bonus, allowance and subsidy	264,415,841.53	632,799,460.51	706,921,484.58	190,293,817.46
2. Employee welfare fund	3,189,452.94	38,739,930.64	35,769,775.82	6,159,607.76
3. Social insurance premium	3,467,657.66	15,208,622.59	15,269,833.24	3,406,447.01
Including: Medicare premium	3,019,152.92	13,778,512.86	13,874,452.62	2,923,213.16
Occupational injuries premium	149,048.08	875,449.60	934,002.78	90,494.90
Maternity premium	299,456.66	554,660.13	461,377.84	392,738.95
4. Housing accumulation funds	18,587.08	15,776,969.48	15,647,494.05	148,062.51
5. Trade union fund and employee education fund	22,959,862.61	4,652,627.66	3,671,687.95	23,940,802.32
Total	294,051,401.82	707,177,610.88	777,280,275.64	223,948,737.06

(3) Details of defined contribution plan

Unit: Yuan

Item	Opening balance	Increase	Decrease	Closing balance
1. Basic endowment insurance premium	5,573,099.94	21,835,554.72	23,209,397.26	4,199,257.40
2. Unemployment insurance premium	216,188.01	666,484.21	724,248.05	158,424.17
Total	5,789,287.95	22,502,038.93	23,933,645.31	4,357,681.57

(4) Termination benefits

The termination benefits paid by the Group as a result of the termination of labour relations during the year were RMB 258,512.61 and the unpaid amount payable at the end of the year was RMB 1,076,978.38.

19. Taxes and rates payable

Unit: Yuan

Item	Closing balance	Opening balance
Value-added tax (VAT)	7,326,419.92	4,978,757.32
Enterprise income tax	121,109,796.08	151,162,623.73
Individual income tax	2,153,322.07	3,441,139.07
Urban maintenance and construction tax	4,827,823.58	3,531,652.87
Housing property tax	2,767,798.60	4,043,597.20
Land use tax	2,583,650.39	496,420.60
Stamp tax	1,285,379.79	2,402,242.33
Water conservancy special fund	12,741.46	12,741.47
Education surcharge	2,049,828.36	1,518,315.16
Local education surcharge	1,327,587.81	1,004,261.66
Total	145,444,348.06	172,591,751.41

20. Other payables

Unit: Yuan

Item	Closing balance	Opening balance
Dividend payable	842,352,585.70	
Other payables	94,108,460.84	93,696,839.73
Total	936,461,046.54	93,696,839.73

(1) Dividends payable

Unit: Yuan

Item	Closing balance	Opening balance
Common stock dividends	842,352,585.70	
Total	842,352,585.70	

(2) Other payables**1) Listing by nature**

Unit: Yuan

Item	Closing balance	Opening balance
Deposit as security	66,252,991.62	64,440,771.49

Temporary receipts payable	11,439,039.32	13,180,587.11
Others	16,416,429.90	16,075,481.13
Total	94,108,460.84	93,696,839.73

21. Other current liabilities

Unit: Yuan

Item	Closing balance	Opening balance
Endorsed bank acceptances that are not derecognized	254,892,038.09	290,585,764.00
Total	254,892,038.09	290,585,764.00

22. Long-term employee benefits payable**(1) Details**

Unit: Yuan

Item	Closing balance	Opening balance
II. Termination benefits	3,250,484.28	3,683,907.11
Total	3,250,484.28	3,683,907.11

23. Estimated liabilities

Unit: Yuan

Item	Closing balance	Opening balance	Reasons for the balance
Pending lawsuit	21,150,000.00	21,150,000.00	Please refer to Note 14 commitments and contingencies for details
Total	21,150,000.00	21,150,000.00	--

24. Share capital

Unit: Yuan

	Opening balance	Movements (+, -)					Closing balance
		New shares	Shares bonus	Converted capital	Others	Subtotal	
Total shares	821,119,910.00						821,119,910.00

25. Capital reserve

Unit: Yuan

Item	Opening balance	Increase	Decrease	Closing balance
Capital premium (Share premium)	56,961,402.25			56,961,402.25
Other capital reserve	137,671,947.85	13,855,392.61	28,926.44	151,498,414.02
Total	194,633,350.10	13,855,392.61	28,926.44	208,459,816.27

Other notes (including increase and decrease in current period and variation reason):

- 1) Other capital reserve increased by RMB 13,855,392.61 in the reporting period. Increase reason is as follows: ① Equity-settled share-based payment RMB 13,515,045.78 in the reporting period was included in capital reserve (other capital reserve). For details, please see Note XIII Description on share-based payment. ② Pre-tax amount deducted of expenditure with exercise relieved in share-based payment in the reporting period was allowed to exceed the cost related to share-based payment as specified in accounting standards. Income tax effect RMB 340,346.83 of the excess portion was included in capital reserve-other capital reserve directly.
- 2) The reduction of other capital reserves by RMB 28,926.44 is due to stock repurchase fee.

26. Treasury stock

Unit: Yuan

Item	Opening balance	Increase	Decrease	Closing balance
Treasury stock	4,342,472.56	239,614,607.23		243,957,079.79
Total	4,342,472.56	239,614,607.23		243,957,079.79

Other notes (including increase and decrease in current period and variation reason):

The increase in this period was due to the Group's repurchase of 3,576,900 shares of the Company's shares from the secondary market in a centralized bidding during the reporting period.

27. Other comprehensive income

Unit: Yuan

Item	Opening balance	Amount incurred during this period						Closing balance
		Current period cumulative before income tax	Minus: OCI carried forward transferred to profit or loss	Minus: OCI carried forward transferred to retained earnings	Minus: income tax expenses	Attributable to parent company	Attributable to non-controlling interest	
II. Other comprehensive incomes to be reclassified into the profit and loss	-20,313,446.20	3,614,712.21				3,614,712.21	-109,698.19	-16,698,733.99

Translation difference of financial statements in foreign currencies	-20,313,446.20	3,614,712.21				3,614,712.21	-109,698.19	-16,698,733.99
Total of other comprehensive income	-20,313,446.20	3,614,712.21				3,614,712.21	-109,698.19	-16,698,733.99

28. Surplus reserve

Unit: Yuan

Item	Opening balance	Increase	Decrease	Closing balance
Statutory surplus reserve	401,648,181.64			401,648,181.64
Total	401,648,181.64			401,648,181.64

Description on surplus reserve, including increase/decrease in this period and reason for the change:

Statutory surplus reserve will not be extracted, as statutory surplus reserve accumulatively extracted in this period reaches 50% of the Company's registered capital.

29. Undistributed profit

Unit: Yuan

Item	Current period	Preceding period
Retained profits at period beginning after adjustment	5,443,671,509.58	4,573,275,094.31
Plus: Net profit attributable to owners of the parent company	666,480,783.76	838,143,797.93
Minus: Ordinary share dividends payable	1,087,305,603.30	837,668,839.20
Undistributed profits at the end of the period	5,022,846,690.04	4,573,750,053.04

Adjustment of undistributed profits at period beginning:

- 1). Due to retroactive adjustment of Accounting Standards for Enterprises and relevant new regulations, undistributed profit at period beginning was changed by RMB 0.00.
- 2). Due to change of accounting policies, undistributed profit at period beginning was changed by RMB 0.00.
- 3). Due to rectification of major accounting errors, undistributed profit at period beginning was changed by RMB 0.00.
- 4). Due to change of combination scope resulted from same control, undistributed profit at period beginning was changed by RMB 0.00.
- 5). Due to other adjustment, undistributed profit at period beginning was changed by RMB 0.00.

30. Operating revenue/cost

Unit: Yuan

Item	Amount incurred during this period	Amount incurred during prior period
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	Income	Cost	Income	Cost
Revenue from main operations	8,148,001,338.62	6,093,459,481.24	9,791,428,142.18	6,771,147,530.53
Revenue from other operations	39,235,219.62	37,478,862.40	44,155,546.60	37,403,858.29
Total	8,187,236,558.24	6,130,938,343.64	9,835,583,688.78	6,808,551,388.82

Information related to performance obligations:

None

Information related to the transaction price allocated to the remaining performance obligations:

At the end of the reporting period, the amount of income for the performance obligations that are under signed contracts, but have not yet been fulfilled or not fully fulfilled is RMB 0.00.

31. Taxes and surcharge

Unit: Yuan

Item	Amount incurred during this period	Amount incurred during prior period
Urban maintenance and construction tax	22,987,134.04	36,408,506.57
Education surcharge	9,846,015.21	15,626,373.79
Housing property tax	3,412,357.14	3,640,115.16
Land use tax	2,241,182.97	1,192,421.65
Vehicle and vessel use tax	27,540.00	31,090.00
Stamp tax	3,470,188.09	4,914,485.61
Local education surcharge	6,368,320.49	9,674,417.75
Environmental protection tax	18,160.59	19,559.28
Total	48,370,898.53	71,506,969.81

32. Selling expenses

Unit: Yuan

Item	Amount incurred during the reporting period	Amount incurred during prior period
Advertising, sales promotion, and special gift expenses	473,878,279.76	1,012,912,308.30
Transportation expenses	231,852,677.94	237,240,160.39
Employee benefits	196,843,028.75	216,402,217.04
Office and business traveling expenses	42,477,115.74	57,954,906.74
Others	28,782,929.67	31,675,263.33

Total	973,834,031.86	1,556,184,855.80
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33. Administrative expenses

Unit: Yuan

Item	Amount incurred during the reporting period	Amount incurred during prior period
Employee benefits	85,658,701.61	88,416,366.84
Office, business travelling and depreciation and amortization expenses	32,835,279.37	36,551,446.96
Share incentive expenses	13,515,045.78	22,096,362.00
Others	16,917,586.61	16,348,629.66
Total	148,926,613.37	163,412,805.46

34. Research and development expenses

Unit: Yuan

Item	Amount incurred during the reporting period	Amount incurred during prior period
Employee benefits	79,148,033.54	74,685,475.78
Trial production experiment cost and consumption expenditure	60,049,093.57	69,191,821.52
New product design cost	21,254,052.62	14,826,399.44
Patent and external institutional fees	17,749,518.47	14,036,200.84
Others	6,542,247.50	10,243,578.43
Total	184,742,945.70	182,983,476.01

35. Financial expenses

Unit: Yuan

Item	Amount incurred during the reporting period	Amount incurred during prior period
Interest revenue	-17,371,847.91	-39,132,490.14
Gain or loss on foreign exchange	-3,875,719.49	-1,056,942.92
Handling charges and others	388,916.11	389,403.86
Interest expense	234,582.50	609,978.02
Total	-20,624,068.79	-39,190,051.18

36. Other income

(1) Classification of other income

Unit: Yuan

Source of other incomes	Amount incurred during this period	Amount incurred during prior period
Government subsidies related to day-to-day activities	34,806,985.19	23,612,611.43
Refund of individual income tax withholding commission	4,190.43	33,117.55
Total	34,811,175.62	23,645,728.98

(2) Governmental subsidy included in current profits and losses

Subsidy item	Amount incurred during this period	Amount incurred during prior period	Related to assets/income
Project subsidy	22,300,141.80	4,375,850.85	Related to benefits
Government reward	5,472,000.00		Related to benefits
Social contribution returns	7,034,843.39	18,582,291.98	Related to benefits
Tax returns		654,468.60	Related to benefits
Total	34,806,985.19	23,612,611.43	

37. Investment income

Unit: Yuan

Item	Amount incurred during the reporting period	Amount incurred during prior period
Investment income from long-term equity investments under the equity method	1,589,824.61	3,510,696.06
Investment income from financial products		13,898,139.09
Income from reverse repurchase of government bond		834,034.68
Interest for time deposit	26,989,315.03	
Total	28,579,139.64	18,242,869.83

38. Gains on changes in fair value

Unit: Yuan

Resource for gains from changes of fair value	Amount incurred during this period	Amount incurred during prior period

Variation in fair value of financial products	25,014,882.49	2,229,437.56
Total	25,014,882.49	2,229,437.56

39. Credit impairment loss

Unit: Yuan

Item	Amount incurred during the reporting period	Amount incurred during prior period
Loss on bad debts of other receivables	-193,367.74	240,279.98
Accounts receivable impairment loss	-13,694,590.04	-11,367,881.26
Total	-13,887,957.78	-11,127,601.28

40. Assets impairment loss

Unit: Yuan

Item	Amount incurred during the reporting period	Amount incurred during prior period
II. Loss from inventory depreciation and loss from impairment of contract performance cost	11,103,938.21	-13,487,772.88
Total	11,103,938.21	-13,487,772.88

41. Assets disposal income

Unit: Yuan

Source of assets disposed income	Amount incurred during this period	Amount incurred during prior period
Profits for non-current assets disposal	-166,294.96	-40,472.33
Profits of non-current assets (loss "-")		
Total	-166,294.96	-40,472.33

42. Non-operating revenue

Unit: Yuan

Item	Amount incurred during the reporting period	Amount incurred during prior period	Amount included in non-recurring profit or loss
Gains from disposal of non-current assets	35,766.53	71,194.20	35,766.53
Including: Profits for fixed assets disposal	35,766.53	71,194.20	35,766.53

Default fine revenue	2,151,370.16	1,246,878.25	2,151,370.16
Others	2,381,374.68	762,337.89	2,381,374.68
Total	4,568,511.37	2,080,410.34	4,568,511.37

43. Non-operating expenditures

Unit: Yuan

Item	Amount incurred during the reporting period	Amount incurred during prior period	Amount included in non-recurring profit or loss
Donation expenditures	5,249,272.13	720,662.46	5,249,272.13
Losses on disposal of non-current assets	248,917.25	461,679.18	248,917.25
Including: Losses on disposal of fixed assets	248,917.25	461,679.18	248,917.25
Indemnity expenditure		5,000,000.00	
Others	1,142,086.30	10,605,138.95	1,142,086.30
Total	6,640,275.68	16,787,480.59	6,640,275.68

44. Income tax expenses

(1) Details

Unit: Yuan

Item	Amount incurred during the reporting period	Amount incurred during prior period
Current period income tax expenses	158,310,882.27	314,496,936.08
Deferred income tax expenses	-18,334,657.24	-54,460,407.20
Total	139,976,225.03	260,036,528.88

(2) Reconciliation of accounting profit to income tax expenses

Unit: Yuan

Item	Amount incurred during the reporting period
Total profit	804,430,912.84
Income tax expenses based on statutory/applicable tax rate	120,664,636.93
Effect of different tax rate applicable to subsidiaries	16,868,368.76
Effect of prior income tax reconciliation	785,420.14
Effect of non-taxable income	-238,473.69

Effect of deductible temporary differences or deductible losses not recognized	1,896,272.89
Income tax expense	139,976,225.03

45. Other comprehensive income

Please refer to Note VII-27.

46. Notes to items of the consolidated cash flow statement

(1) Other cash receipts related to operating activities

Unit: Yuan

Item	Amount incurred during the reporting period	Amount incurred during prior period
Receipt of government grants	34,806,985.19	23,645,728.98
Receipt of deposit and staff reserve fund loan	6,790,347.73	24,100,474.36
Interest revenue and others	17,532,727.99	123,092,220.84
Total	59,130,060.91	170,838,424.18

(2) Other cash payments related to operating activities

Unit: Yuan

Item	Amount incurred during the reporting period	Amount incurred during prior period
Cash payment for sales expense	332,956,962.33	331,236,458.96
Cash payment for management expenses	87,076,776.12	100,135,344.30
Cash payment for research and development expenses	101,500,888.26	108,298,000.23
Donations payment	521,274.11	720,662.46
Other payments	5,035,802.93	11,071,512.12
Total	527,091,703.75	551,461,978.07

(3) Other cash receipts related to investing activities

Unit: Yuan

Item	Amount incurred during the reporting period	Amount incurred during prior period
Cash receipt from recovery of financial products, principal and interest of time	3,339,101,700.83	2,593,026,750.00

deposit		
Total	3,339,101,700.83	2,593,026,750.00

(4) Other cash payments related to investing activities

Unit: Yuan

Item	Amount incurred during the reporting period	Amount incurred during prior period
Cash payment for financial products and time deposit	2,540,000,000.00	810,000,000.00
Total	2,540,000,000.00	810,000,000.00

(5) Other cash receipts related to financing activities

Unit: Yuan

Item	Amount incurred during the reporting period	Amount incurred during prior period
Bank loan, etc.	2,236,500.00	
Total	2,236,500.00	

(6) Other cash payments related to financing activities

Unit: Yuan

Item	Amount incurred during the reporting period	Amount incurred during prior period
Stock repurchase, etc.	239,614,607.23	
Total	239,614,607.23	

47. Supplement information to the cash flow statement**(1) Supplement information to the cash flow statement**

Unit: Yuan

Supplement information	Amount of this period	Amount of prior period
1. Reconciliation of net profit to cash flow from operating activities:	--	--
Net profit	664,454,687.81	836,852,834.81
Plus: Provision for assets impairment loss	2,784,019.57	24,615,374.16
Depreciation of fixed assets, oil and gas assets, productive biological assets	56,020,381.78	53,528,604.86

Amortization of intangible assets	8,665,961.27	8,079,070.93
Amortization of long-term deferred expenses	358,832.37	613,681.76
Loss on disposal of fixed assets, intangible assets and other long-term assets ("-" for gains)	166,294.96	-16,340.98
Fixed assets retirement loss ("-" for gains)	213,150.72	
Losses on changes in fair value ("-" for gains)	-25,014,882.49	-2,229,437.56
Financial expenses ("-" for gains)	-3,875,719.49	-11,921,167.67
Investments losses ("-" for gains)	-28,579,139.64	-18,242,869.83
Decrease of deferred tax assets ("-" for increase)	-18,822,126.59	-63,445,817.62
Increase of deferred tax liabilities ("-" for decrease)	126,566.13	
Decrease in inventories ("-" for increase)	273,051,583.90	723,350,988.74
Decrease in operating receivables ("-" for increase)	-120,245,874.82	-184,894,526.74
Increase of operating payables ("-" for increase)	-886,905,693.24	-1,393,676,215.33
Net cash flows from operating activities	-77,601,957.76	-27,385,820.47
2. Significant investing and financing activities not related to cash receipts and payments:	--	--
3. Net changes in cash and cash equivalents:	--	--
Plus: closing balance of cash equivalents	1,435,754,409.45	2,168,129,728.03
Minus: opening balance of cash equivalents	1,234,132,657.16	1,400,762,574.83
Net increase in cash and cash equivalents	201,621,752.29	767,367,153.20

(2) Cash and cash equivalents

Unit: Yuan

Item	Closing balance	Opening balance
Including: Cash on hand	72,270.21	91,345.89
Cash in bank on demand for payment	1,420,451,430.32	1,227,662,240.97
Other monetary capital on demand for payment	15,230,708.92	6,379,070.30
II. Cash equivalents	1,435,754,409.45	1,234,132,657.16
III. Balance of cash and cash equivalents at the end of the period	1,435,754,409.45	1,234,132,657.16

48. Assets with title or use right restrictions

Unit: Yuan

Item	Closing carrying amount	Reasons for restrictions
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Monetary capital	74,000,000.00	Supply chain finance deposits
Total	74,000,000.00	--

49. Monetary items in foreign currencies

(1) Monetary items in foreign currencies

Unit: Yuan

Item	Closing balance in foreign currencies	Exchange rate	RMB equivalent
Monetary capital	--	--	
Including: USD	12,720,711.70	7.0795	90,056,278.48
EUR	1,344,876.80	7.9610	10,706,564.20
GBP	29.10	8.7144	253.59
VND	1,260,163,961.28	0.000305019	384,373.95
SGD	1,321,325.82	5.0813	6,714,052.89
IDR	1,636,619,831.75	0.000497	813,400.06
Accounts receivable	--	--	
Including: USD	23,328,522.86	7.0795	165,154,277.59
EUR	983,186.34	7.9610	7,827,146.45
VND	45,380,448,095.50	0.000305019	13,841,898.90
SGD	7,577.69	5.0813	38,504.52
IDR	10,914,618,714.00	0.000497	5,424,565.50
Short term loan			
Including: IDR	4,500,000,000.00	0.000497	2,236,500.00
Account payable			
Including: USD	316,702.89	7.0795	2,242,098.11
EUR	90,834.21	7.9610	723,131.15
VND	143,783,316,077.83	0.000305019	43,856,643.29
SGD	87,381.60	5.0813	444,012.12
IDR	11,669,584,579.00	0.000497	5,799,783.54

VIII. Changes in the consolidated scope

1. Others

There were no changes in the consolidated scope in the current period

IX. Equity in other entities

1. Equity in subsidiaries

(1) Structure of enterprise Group

Subsidiaries	Main operating place	Place of registration	Business nature	Shareholding ratio		Acquisition method
				Direct	Indirect	
Zhejiang Supor Electrical Appliance Manufacturing Co., Ltd. [Note 1]	Hangzhou	Hangzhou	Manufacturing industry	100.00%		Establishment
Zhejiang Shaoxing Supor Domestic Electrical Appliances Co., Ltd. [Note 1]	Shaoxing	Shaoxing	Manufacturing industry	100.00%		Establishment
Supor (Vietnam) Co., Ltd. [Note 1]	Vietnam	Vietnam	Manufacturing industry	100.00%		Establishment
Wuhan Supor Recycling Co., Ltd. [Note 1]	Wuhan	Wuhan	Commerce	100.00%		Establishment
Wuhan Supor Cookware Co., Ltd. [Note 1]& [Note 2]	Wuhan	Wuhan	Manufacturing industry	25.00%	75.00%	Establishment
Hangzhou Omega Commercial Trade Co., Ltd. [Note 1]	Hangzhou	Hangzhou	Commerce	100.00%		Establishment
Shanghai Supor Cookware Marketing Co., Ltd. [Note 1]	Shanghai	Shanghai	Commerce	100.00%		Establishment
Wuhan Supor Pressure Cooker Co., Ltd. [Note 1]	Wuhan	Wuhan	Manufacturing industry	100.00%		Merger of enterprises under the same control
Zhejiang Supor Plastic & Rubber Co., Ltd. [Note 1]	Yuhuan	Yuhuan	Manufacturing industry	100.00%		Merger of enterprises under the same control
Wuhan Supor Co., Ltd. [Note 1]	Wuhan	Wuhan	Manufacturing industry	100.00%		Merger of enterprises under the same control
Yuhuan Supor Cookware Sales Co., Ltd.) [Note 1]	Yuhuan	Yuhuan	Commerce	100.00%		Merger of enterprises under the same control
SEADA [Note 1]	Singapore	Singapore	Commerce	51.00%		Merger of enterprises under the same control

AFS Vietnam Management Co., Ltd. [Note 1] [Note 3]	Vietnam	Vietnam	Commerce		100.00%	Merger of enterprises under the same control
WMF (Shanghai) Co., Ltd [Note 1]	Shanghai	Shanghai	Manufacturing industry	100.00%		Establishment
Zhejiang WMF Housewares Co., Ltd. [Note 1]	Yuhuan	Yuhuan	Manufacturing industry	100.00%		Establishment
Zhejiang Shaoxing Supor Housewares Co., Ltd. [Note 1]	Shaoxing	Shaoxing	Manufacturing industry	100.00%		Establishment
Shanghai SEB Electrical Appliances Co., Ltd. [Note 1]	Shanghai	Shanghai	Manufacturing industry	100.00%		Merger of enterprises under the same control
Zhejiang Supor Large Kitchen Appliance Co., Ltd. [Note 1] [Note 4]	Shaoxing	Shaoxing	Manufacturing industry	100.00%		Establishment
PT GROUPE SEB INDONESIA MSD [Note 5]	Indonesia	Indonesia	Commerce		67.00%	Establishment
Zhejiang Supor Water Heater Co., Ltd. [Note 1] [Note 6]	Shaoxing	Shaoxing	Manufacturing industry	52.00%		Establishment

Note 1: The following are abbreviations short names: Zhejiang Household Appliances Company, Shaoxing Supor Company, Vietnam Supor Company, Wuhan Recycling Company, Wuhan Cookware Company, Omega Company, Shanghai Sales Company, Wuhan Pressure Cooker Company, Rubber and Plastics Product Company, Wuhan Supor Company, Yuhua Cookware Sales Company, SEADA, AFS, WMF (Shanghai) Co., Ltd., WMF Housewares Company, Shaoxing Supor Housewares Company, Shanghai SEB Electrical Appliances Co., Ltd., Supor LKA and Supor Water Heater.

Note 2: The Company is subsidiary of Wuhan Supor Pressure Cooker Co., Ltd.; of which, Wuhan Supor Pressure Cooker Co., Ltd. holds 75% shares and the Company holds 25% shares.

Note 3: AFS is a subsidiary, of which shares are totally held by SEADA.

Note 4: Zhejiang Supor Large Kitchen Appliance Co., Ltd. is a subsidiary of the Company, established in 2019, mainly engaged in the production and sales of kitchen & electric appliance products of the Company.

Note 5: PT GROUPE SEB INDONESIA MSD was established jointly by SEADA, a subsidiary of the Company and PT MULTIFORTUNA in Indonesia in 2019. SEADA holds 67% shares and PT MULTIFORTUNA holds 33% shares.

Note 6: Zhejiang Supor Water Heater Co., Ltd. is a joint venture established by the Company and Supor Group with their own planned capital of RMB 52 million and RMB 48 million in 2019 and the Company holds 52% of its shares. It has invested RMB 31.20 million as of the reporting date.

(2) Significant non-wholly-owned subsidiaries

Unit: Yuan

Subsidiaries	Holding proportion of non-controlling interest	Profit or loss attributable to non-controlling interest	Dividend declared to non-controlling interest	Balance of rights and interests of minority shareholders at the end of the period
SEADA	49.00%	29,860.45		7,149,592.57
ASIA FAN SUPOR	49.00%	144,209.43		429,164.55
PT GROUPE SEB INDONESIA MSD	33.00%	-1,100,854.35		-418,695.45
Supor Water Heater	48.00%	-1,099,311.48		27,700,688.52

(3) Main financial information of significant non-wholly-owned subsidiaries

Unit: Yuan

Subsidiaries	Closing balance						Opening balance					
	Current assets:	Non-current assets	Total assets	Current liabilities:	Non-current liabilities	Total liabilities	Current assets:	Non-current assets	Total assets	Current liabilities:	Non-current liabilities	Total liabilities
SEADA	7,334,165.35	8,397,312.40	15,731,477.74	1,015,843.24		1,015,843.24	7,378,431.29	8,567,321.86	15,945,753.16	1,024,653.77		1,024,653.77
ASIA FAN SUPOR	4,122,523.20	20,732.30	4,143,255.50	870,693.28		870,693.28	4,137,784.52	20,465.06	4,158,249.58	1,069,057.96		1,069,057.96
PT GROUPE SEB INDONESIA MSD	10,475,625.27	1,311,370.45	11,786,995.72	8,088,156.52		8,088,156.52	9,941,380.85	770,516.08	10,711,896.93	5,111,761.09		5,111,761.09
Supor Water Heater	70,083,954.13		70,083,954.13	12,261,200.94		12,261,200.94						

Unit: Yuan

Subsidiaries	Amount incurred during this period				Amount incurred during prior period			
	Total sales	Net profit	Total of comprehensive incomes	Cash flows from operating activities	Total sales	Net profit	Total of comprehensive incomes	Cash flows from operating activities
SEADA	647,035.70	60,939.70	60,939.70	59,100.60	879,123.41	-2,975,208.03	-2,975,208.03	-2,048,308.64
ASIA FAN SUPOR		140,504.21	140,504.21	-213,301.39		186,317.76	186,317.76	-266,615.74

PT GROUPE SEB INDONESIA MSD	5,570,211.95	-1,782,392.03	-1,782,392.03	-2,766,668.54				
Supor Water Heater	15,818,291.06	-2,177,246.81	-2,177,246.81	1,974,828.30				

2. Equity in joint venture or associates

(1) Significant joint venture or associates

Name of joint venture or associate	Main operating place	Place of registration	Business nature	Shareholding ratio		Accounting method for the investment in joint venture or associates
				Direct	Indirect	
Wuhan Anzai Cookware Co., Ltd.	Wuhan	Wuhan	Manufacturing industry	30.00%		Equity method

(2) Main financial information of significant joint ventures

Unit: Yuan

	Closing balance/current period cumulative	Opening balance/preceding period comparative
Current assets:	126,379,413.69	125,140,246.10
Non-current assets	49,038,395.41	51,182,661.63
Total assets	175,417,809.10	176,322,907.73
Current liabilities:	37,976,883.73	44,375,191.09
Non-current liabilities	740,000.00	840,000.00
Total liabilities	38,716,883.73	45,215,191.09
Equity attributable to owners of parent company	136,700,925.37	131,107,716.64
Proportionate share in net assets	41,010,277.61	39,332,314.99
--Goodwill	22,585,444.13	22,585,444.13
Carrying amount of investments in joint ventures	63,595,721.74	61,917,759.12
Total sales	109,147,345.56	171,174,360.86

Net profit	5,593,208.73	10,412,508.48
Total of comprehensive incomes	5,593,208.73	10,412,508.48
Dividends received from associates in current year		3,000,000.00

X. 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. Financing of receivables

Financing of receivables 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. At the end of the year, the Company's accounts receivable from related party SEB ASIA LTD. accounted for 72.09% of closing balance (55.23% as of December 31, 2019), and the Company's account receivables are expected to have less credit risk. As the Company's credit risks fall into several business partners and customers, as of June 30, 2020, 12.96% (December 31, 2019: 18.90%) of the total accounts receivable was due from the five largest customers of the Company after deducting receivables from related party SEB ASIA LTD. The Company had no significant central credit risk.

3. Other receivables

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

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

Item	Closing balance				Total
	Neither past due nor impaired	Past due but not impaired			
		Within one year	1-2 years	Over 2 years	

Financing of receivable	1,044,575,942.37				1,044,575,942.37
Subtotal	1,044,575,942.37				1,044,575,942.37

(Continued)

Item	Opening balance				
	Neither past due nor impaired	Past due but not impaired			Total
		Within one year	1-2 years	Over 2 years	
Financing of receivable	1,186,980,101.71				1,186,980,101.71
Subtotal	1,186,980,101.71				1,186,980,101.71

(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. Liquidity risk 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

Item	Closing balance			
	Carrying amount	Within one year	1-3 years	Over 3 years
Financial assets				
Cash and bank balances	1,509,754,409.45	1,509,754,409.45		
Transactional financial assets	672,739,430.97	672,739,430.97		
Accounts receivable	2,022,842,823.93	2,022,842,823.93		
Financing of receivables	1,044,575,942.37	1,044,575,942.37		
Other receivables	12,322,157.57	12,322,157.57		
Other current assets(note)	1,414,438,356.15	1,414,438,356.15		
Subtotal	6,676,673,120.44	6,676,673,120.44		
Financial debts				
Accounts payable	2,664,188,525.84	2,664,188,525.84		
Other payables	94,108,460.84	94,108,460.84		
Other current liabilities	254,892,038.09	254,892,038.09		
Subtotal	3,013,189,024.77	3,013,189,024.77		

[Note] Time deposits for the purpose of earning interest

(Continued)

Item	Opening balance			
	Carrying amount	Within one year	1-3 years	Over 3 years
Financial assets				
Monetary capital	1,308,132,657.16	1,308,132,657.16		
Trading financial assets	1,264,563,042.79	1,264,563,042.79		
Accounts receivable	1,796,909,432.40	1,796,909,432.40		
Financing of receivables	1,186,980,101.71	1,186,980,101.71		
Other receivables	14,230,736.62	14,230,736.62		
Other current assets [Note]	1,591,313,150.71	1,591,313,150.71		
Subtotal	7,162,129,121.39	7,162,129,121.39		
Financial debts				
Accounts payable	3,011,464,656.36	3,011,464,656.36		
Other payables	93,696,839.73	93,696,839.73		
Other current liabilities	290,585,764.00	290,585,764.00		
Subtotal	3,395,747,260.09	3,395,747,260.09		

[Note] Time deposits for the purpose of earning interest

(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. Market risk mainly includes interest risk and foreign currency risk.

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 June 30, 2020, the Company had no significant bank borrowings, and the Company's gross profit and shareholders' equity were not 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 conduct foreign exchange hedge or 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 year.

XI. Fair value disclosure

1. Details of fair value of assets and liabilities at fair value at the balance sheet date

Unit: Yuan

Item	Fair value as of the balance sheet date			
	Level 1	Level 2	Level 3	Total
I. Recurring fair value measurement	--	--	--	--

2. Financial assets measured at fair value with variation included in current profits and losses			672,739,430.97	672,739,430.97
(II) Financing of receivables				
Financial assets measured at fair value through other comprehensive income		1,044,575,942.37		1,044,575,942.37
Total assets continuously measured at fair value		1,044,575,942.37	672,739,430.97	1,717,315,373.34
II. Non-continued measurement of fair value	--	--	--	--

2. Basis for determining the market value of continuous and non-continuous first-level fair value measurement items

The first-level input value is the unadjusted quoted price of the same asset or liability that can be obtained on the measurement date in an active market.

3. Valuation techniques and qualitative and quantitative information on important parameters are used for continuous and non-continuous second-level fair value measurement items

The second-level input value is the directly or indirectly observable input value of related assets or liabilities except for first-level input value.

4. Valuation techniques and qualitative and quantitative information on important parameters are used for continuous and non-continuous third-level fair value measurement items

The second-level input value is the unobservable input value of relevant asset or liability.

XII. Related party relationships and transactions

1. Parent company

Name of company	Place of registration	Business nature	Registered capital	Holding proportion over the Company (%)	Voting right proportion over the Company (%)
SEB INTERNATIONALE S.A.S	France	Investment company	EUR 830 Million	81.19%	81.19%

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.

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

2. Company's subsidiaries

Please refer IX -1. "Equity in subsidiaries" of the Footnotes for details on the Company's subsidiaries.

3. Joint ventures and associates of the Company

Please refer to IX -1. "Equity in joint venture or associates" of the Footnotes 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.	Associated enterprise

4. Other related parties of the Company

Related party	Relationships with the Company
SEB S.A.	Holding shareholder of SEB Internationale S.A.S.
SEB ASIA LTD.	Same controlling shareholder
TEFAL S.A.S	Same controlling shareholder with the controlling shareholder
ALL-CLAD METALCRAFTERS LLC	Same controlling shareholder
S.A.S. SEB	Same controlling shareholder with the controlling shareholder
SEB INTERNATIONAL SERVICE S.A.S.	Same controlling shareholder with the controlling shareholder
LAGOSTINA S.P.A.	Same controlling shareholder
GROUPE SEB COLOMBIA	Same controlling shareholder
GROUPE SEB MOULINEX	Same controlling shareholder with the controlling shareholder
GROUPE SEB EXPORT	Same controlling shareholder with the controlling shareholder
SEB DEVELOPPMENT SAS	Same controlling shareholder with the controlling shareholder
ROWENTA FRANCE	Same controlling shareholder with the controlling shareholder
IMUSA USA LLC	Same controlling shareholder
CALOR SAS	Same controlling shareholder with the controlling shareholder
Supor Group Co. Ltd.	Company controlled by related natural person
Zhejiang Supor Sanitary Ware Co., Ltd.	Company controlled by related natural person

Hangzhou Supor Property Management Co., Ltd.	Company controlled by related natural person
ETHERA	Same controlling shareholder with the controlling shareholder
GROUPE SEB CZECH REPUBLIC	Same controlling shareholder
WMF CONSUMER ELECTRIC GMBH	Same controlling shareholder
WMF Consumer Goods (Shanghai) Co, Ltd.	Same controlling shareholder
WMF Groupe Gmbh	Same controlling shareholder
VIETNAM FAN JOINT STOCK COMPANY	Same controlling shareholder
GROUPE SEB SINGAPORE	Same controlling shareholder
GROUPE SEB THAILAND	Same controlling shareholder
Emsa Taicang Co., Ltd.	Same controlling shareholder
WMF (HE SHAN) MANUFACTURING COMPANY LIMITED	Same controlling shareholder
ROWENTA WERKE GMBH	Same controlling shareholder with the controlling shareholder
EMSA GmbH	Same controlling shareholder
GROUPE SEB USA	Same controlling shareholder
GROUPE SEB AUSTRALIA	Same controlling shareholder
GROUPE SEB CANADA	Same controlling shareholder
GROUPE SEB INDIA	Same controlling shareholder
GROUPE SEB ANDEAN S.A.	Same controlling shareholder
GROUPE SEB IBERICA	Same controlling shareholder
GROUPE SEB SCHWEIZ GMBH	Same controlling shareholder
SEB DO BRASIL PRODS.DOM.LTDA	Same controlling shareholder
GROUPE SEB KOREA,LTD	Same controlling shareholder
GS INNOVATION CENTER CO LTD	Same controlling shareholder

5. Related party transactions

(1)Purchase and sale of goods, rendering and receiving services

Purchase of goods and receiving of services

Unit: Yuan

Connected party	Contents of connected transaction	Amount incurred during this period	Transaction quota granted	Whether or not exceeding transaction quota	Amount incurred during prior period
Wuhan Anzai Cookware Co., Ltd.	Finished products	76,876,779.12		No	156,792,021.25
Wuhan Anzai Cookware Co., Ltd.	Accessories	38,133,903.50		No	22,473,459.70
GROUPE SEB EXPORT	Finished products	6,489,207.52		No	2,220,474.73

S.A.S. GROUPE SEB MOULINEX	Accessories	2,011,188.19		No	3,261,920.63
TEFAL S.A.S	Accessories	8,221,080.40		No	2,399,927.88
LAGOSTINA S.P.A.	Finished products	1,102,552.91		No	537,733.86
SEB INTERNATIONAL SERVICE S.A.S.	Finished products	182,843.96		No	945,705.73
SEB ASIA LTD.	Finished products	597,187.57		No	147,850.86
SEB ASIA LTD.	Testing cost	114,204.01		No	2,850,681.56
SEB ASIA LTD.	Sample cost	4,411,012.79		No	
SAS GROUPE SEB MOULINEX	Sample cost	46,205.16		No	
GROUPE SEB SINGAPORE	Testing cost			No	18,289.89
CALOR SAS	Accessories	3,395,165.83		No	5,530,353.71
CALOR SAS	Sample cost	15,425.88		No	
GROUPE SEB SINGAPORE	Finished products			No	81,063.42
GROUPE SEB THAILAND	Finished products	214,031.91		No	299,830.43
EMSA GmbH	Finished products	312,238.27		No	747,705.42
Emsa Taicang Co., Ltd.	Finished products	60,564.82		No	3,673,927.25
ETHERA	Accessories	985,154.93		No	2,315,738.23
WMF Groupe GmbH	Finished products	18,437,777.91		No	16,429,049.59
WMF Consumer Goods (Shanghai) Co., Ltd.	Finished products	4,341.59		No	897,818.85
WMF CONSUMER ELECTRIC GMBH	Accessories	48,498.00		No	
WMF (HE SHAN) MANUFACTURING COMPANY LIMITED	Finished products	331,438.41		No	207,250.76
S.A.S. SEB	Testing cost	18,029.38		No	
SEB DO BRASIL PRODS.DOM.LTDA	Others	206,120.61		No	
GROUPE SEB ANDEAN S.A.	Others	114,704.29		No	
GROUPE SEB KOREA,LTD	Others	724,641.66		No	
ALL-CLAD METALCRAFTERS	Others	21,898.82		No	
WMF GROUPE GMBH	Others	74,290.06		No	

Sale of goods and rendering of services

Unit: Yuan

Connected party	Contents of	Amount incurred during this	Amount incurred during prior
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	connected transaction	period	period
SEB ASIA LTD.	Finished products	1,885,645,224.28	2,044,810,216.29
SEB ASIA LTD.	Accessories	1,146,402.20	1,368,058.97
S.A.S. SEB	Finished products	5,150,455.39	12,494,106.47
S.A.S. SEB	Accessories	263,978.00	592,812.76
TEFAL S.A.S	Finished products	3,315,196.21	3,789,886.47
TEFAL S.A.S	Accessories	8,033,590.24	4,457,155.39
S.A.S. GROUPE SEB MOULINEX	Finished products	12,679,398.80	8,438,813.64
Supor Group Co. Ltd.	Finished products	2,301,169.33	3,381,334.19
SEB INTERNATIONAL SERVICE S.A.S.	Finished products	4,365,916.33	5,018,074.52
SEB INTERNATIONAL SERVICE S.A.S.	Accessories	736,427.23	865,129.52
LAGOSTINA S.P.A.	Finished products	13,852.71	158,162.97
LAGOSTINA S.P.A.	Accessories	285,513.71	451,641.92
ALL-CLAD METALCRAFTERS LLC	Finished products	70,768.02	489,441.78
IMUSA USA LLC	Finished products		1,140,511.50
WMF Consumer Goods (Shanghai) Co, Ltd.	Finished products	116,903.87	738,521.71
WMF GROUPE GMBH	Finished products	103,219.20	12,656,493.40
WMF CONSUMER ELECTRIC GMBH	Finished products		97,631.15
GROUPE SEB CANADA	Finished products	3,000,610.24	4,216,735.25
VIETNAM FAN JOINT STOCK COMPANY	Finished products	10,703,611.81	4,202,049.72
VIETNAM FAN JOINT STOCK COMPANY	Accessories	10,195.62	15,036.42
GROUPE SEB ANDEAN S.A.	Accessories	177,094.87	79,005.89
CALOR SAS	Finished products	8,204,685.00	10,718,723.00
Wuhan Anzai Cookware Co., Ltd.	Accessories	101,035.39	

(2) Related party leases

Lessor	Lessees	Types of leased assets	Lease income for current period	Lease income for the preceding period
Supor Group Co. Ltd.	The Company	Real estate	338,688.40	322,570.86
	Wuhan Cookware	Real estate	2,712,948.86	1,286,351.71

	Omegna	Real estate		59,198.86
	Zhejiang Supor Electrical	Real estate	1,837,832.49	1,333,407.34
	Shaoxing Supor	Real estate	537,916.95	
	P&R	Land		11,391.84

(3) Key management's emoluments

Unit: Yuan

Item	Amount incurred during the reporting period	Amount incurred during prior period
Key management's emoluments	7,505,424.90	8,455,666.87

(4) Other related party transactions**(1) Water and electricity fee**

Selling parties	Purchasing parties	Current period cumulative	Preceding period comparative
Supor Group Co. Ltd.	Zhejiang Supor Electrical	298,022.06	630,594.64
	Wuhan Cookware	38,888.05	98,400.00
	Shaoxing Supor	21,117.11	
	Omegna	16,187.88	22,770.40
	The Company		306,797.19
The Company	Supor Group Co. Ltd.	284,805.71	

(2) Property management, maintenance and berth fees

Service renderer	Service receiver	Current period cumulative	Preceding period comparative
Hangzhou Supor Property Management Co., Ltd.	Wuhan Cookware		228,761.10
	Omegna		10,462.70
	The Company		48,821.90
	Zhejiang Supor Electrical		162,915.60
Supor Group Co. Ltd.	Zhejiang Supor Electrical	178,647.28	

(3) Consulting fee

Service renderer	Service receiver	Current period cumulative	Preceding period comparative
SEB ASIA LTD.	The Company	1,414,866.00	1,414,866.00
	Wuhan Cookware	715,728.00	715,728.00
	Shaoxing Supor	1,004,094.00	1,004,094.00
	Zhejiang Supor Electrical	648,168.00	648,168.00

(4) Cost of international shopping center

Service renderer	Service receiver	Current period cumulative	Preceding period comparative
SEB DEVELOPMENT SAS	Shaoxing Supor	1,680,000.00	-1,115,614.98
	Zhejiang Supor Electrical	1,320,000.00	-864,649.04

	Wuhan Cookware	4,000,000.00	5,164,880.19
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(5) Service charge, etc.

Service renderer	Service receiver	Amount incurred this year	Amount incurred during prior period
The Company	GS INNOVATION CENTER CO LTD	130,938.78	
Shaoxing Supor		40,282.51	
Zhejiang Supor Electrical		1,236,946.99	
GS INNOVATION CENTER CO LTD	Shaoxing Supor	1,213,593.40	

(6) Pursuant to the Technical License Contract entered into by and between Wuhan Supor Cookware Co., Ltd. and SEB S.A. on December 29, 2013, SEB S.A. licensed Wuhan Supor Cookware Co., Ltd. to use its five invention patents including “Household appliance equipped with safety valve of elastomer for cooking food under pressure” on a compensation basis. According to related terms in the contract signed by both parties, use charges are accrued at 3% of revenue from sales of products licensed. In the current period, Wuhan Supor Cookware Co., Ltd. should pay SEB S.A. technology use charges of RMB 229,571.10, and as of June 30, 2020, a balance of RMB 32,419.19 has not been paid.

(7) Pursuant to the Trademark License Agreement entered into by and between Wuhan Supor Cookware Co., Ltd. and LAGOSTINA SPA. on December 15, 2014, LAGOSTINA SPA licensed Wuhan Supor Cookware Co., Ltd. to use its trademark “LAGE” on a compensation basis. According to related terms in the contract signed by both parties, use charges are accrued at 4% of revenue from sales of products licensed. In the current period, Wuhan Supor Cookware Co., Ltd. should pay SEB S.A. trademark use charges of RMB 258,627.01, and as of June 30, 2020, a balance of RMB 946,201.87 has not been paid.

(8) Pursuant to the Trademark License Agreement entered into by and between Omegna and LAGOSTINA SPA. on December 5, 2016, LAGOSTINA SPA licensed Omegna to use its trademark “LAGE” on a compensation basis. According to related terms in the contract signed by both parties, use charges are accrued at 4% of revenue from sales of products licensed. In the current period, Omegna should pay LAGOSTINA SPA. trademark use charges of RMB 214,673.30, and as of June 30, 2020, a balance of RMB 3,678,563.80 has not been paid.

(9) Shaoxing Supor Company purchased and used particles product of air purifier and relevant technology in accordance with Agreement on Purchase and Using for Particles of Air Purifier signed by Shaoxing Supor Company on April 25, 2016 with ETHERA. According to relevant terms in the contract signed by both parties, Shaoxing Supor Company should pay technology transfer fee RMB 60,790.98 to ETHERA in current period, which was calculated as per corresponding unit price of actual total sales. Until June 30, 2020, the remaining RMB 42,964.00 had not been paid yet.

6. Receivables and payables by connected parties

(1) Items receivable

Unit: Yuan

Projects	Connected party	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable	SEB ASIA LTD.	1,538,347,696.12	76,917,384.81	1,046,184,084.11	52,309,204.21
	S.A.S. SEB	4,700,843.31	235,042.17	10,576,480.27	528,824.01

	TEFAL S.A.S	10,731,687.48	536,584.37	5,688,007.14	284,400.36
	SEB INTERNATIONAL SERVICE S.A.S.	4,321,279.79	216,063.99	2,283,192.69	114,159.63
	CALOR SAS	5,775,264.41	288,763.22	9,842,684.27	492,134.21
	GROUPE SEB MOULINEX	10,057,680.33	502,884.02	6,310,183.58	315,509.18
	IMUSA USA LLC			497,161.68	24,858.08
	Supor Group Co. Ltd.	504,357.61	25,217.88		
	WMF Groupe Gmbh	103,219.20	5,160.96		
	WMF CONSUMER ELECTRIC GMBH			10,156.51	507.83
	WMF Consumer Goods (Shanghai) Co, Ltd.	443,538.34	22,176.92	156,791.86	7,839.59
	GROUPE SEB CANADA	2,252,802.75	112,640.14	3,171,017.29	158,550.86
	VIETNAM FAN JOINT STOCK COMPANY	17,309,174.88	865,458.74	14,037,492.72	701,874.64
	GROUPE SEB ANDEAN S.A.	19,964.19	998.21	103,282.64	5,164.13
	Wuhan Anzai Cookware Co., Ltd.	69,825.00	3,491.25	279,935.00	13,996.75
	LAGOSTINA S.P.A.	151,497.56	7,574.88	808,790.65	40,439.53
	GS INNOVATION CENTER CO LTD	1,457,726.05	72,886.30		
Total		1,596,246,557.02	79,812,327.85	1,099,949,260.41	54,997,463.01
Advance payment	Emsa Taicang Co., Ltd.			1,675.55	
	Wuhan Anzai Cookware Co., Ltd.	3,841,507.98			
Total		3,841,507.98		1,675.55	
Other receivables	CALOR SAS	30,225.79	1,511.29	320,668.55	16,033.43
	GROUPE SEB CANADA			1,575.24	78.76
	GROUPE SEB USA			17,984.30	899.22
	GROUPE SEB IBERICA			483.19	24.16
	ROWENTA WERKE GMBH	4,353.14	217.66	662.08	33.10
	SEB DEVELOPPMENT SAS	2,617.56	130.88	25,917.00	1,295.85
	SEB ASIA LTD.	60,420.21	3,021.01	262,014.17	13,100.71
	SEB SAS	16,912.62	845.63		
	GROUPE SEB MOULINEX	38,785.16	1,939.26	104,733.16	5,236.66
	GROUPE SEB SCHWEIZ			1,868.84	93.44

	GMBH				
	Supor Group Co. Ltd.			165,000.00	17,250.00
	WMF Consumer Goods (Shanghai) Co, Ltd.			281,687.30	14,084.37
	TEFAL S.A.S			8,363.76	418.19
	SAS SEB			10,546.49	527.31
Total		153,314.48	7,665.72	1,201,504.08	69,075.20

(2) Payables

Unit: Yuan

Projects	Connected party	Ending book balance	Beginning book balance
Accounts payable	Wuhan Anzai Cookware Co., Ltd.	19,082,439.76	47,066,107.40
	WMF Groupe Gmbh	6,555,923.21	4,206,147.56
	GROUPE SEB EXPORT	5,003,954.08	6,458,074.15
	TEFAL S.A.S	4,223,065.84	2,751,174.27
	S.A.S. SEB	32,419.19	45,527.92
	LAGOSTINA S.P.A.	4,979,009.76	4,796,584.50
	GROUPE SEB MOULINEX	871,817.37	1,330,922.16
	SEB DEVELOPPMENT SAS		13,566,500.80
	SEB ASIA LTD.	950,530.20	3,324,140.11
	GROUPE SEB THAILAND	536,782.71	560,631.73
	GROUPE SEB SINGAPORE	0.00	105,936.87
	CALOR SAS	1,297,950.06	1,623,212.28
	EMSA GmbH	327,171.12	3,420,473.77
	WMF Consumer Goods (Shanghai) Co, Ltd.		4,906.00
	SEB INTERNATIONAL SERVICE S.A.S.	182,843.96	140,694.92
	ETHERA	340,483.46	435,729.76
	GS INNOVATION CENTER CO LTD	1,213,593.40	
Total		45,597,984.11	89,836,764.20
Advances received	Supor Group Co. Ltd.		725,467.73
Total			725,467.73
Other payables	SAS SEB		3,687,688.05

	GROUPE SEB UK	570,676.03	570,676.03
	CALOR SAS	272,408.03	272,408.03
	SEB S.A.		42,182.81
	Wuhan Anzai Cookware Co., Ltd.	20,000.00	20,000.00
Total		863,084.06	4,592,954.92

XIII. Share-based payment

1. Overall information

√ Applicable □ Not-applicable

Unit: Yuan

Total equity instruments granted in current period	0.00
Total equity instruments vested in current period	0.00
Total equity instruments expired in current period	0.00
The range of exercise prices of equity instruments at the end of the period and the remaining contractual life	Stock Incentive Plan for 2017: RMB 1/share, 2.43 years

Other remarks:

(2) Pursuant to the “Proposal on 2017 Restricted Stock Incentive Plan (Revised Draft) of Zhejiang Supor Co., Ltd. and Its Summary” (hereinafter referred to as “Stock Incentive Plan for 2017”) ratified via deliberation in the Second Interim General Meeting of Shareholders 2017 held on November 16, 2017, the Company was to grant 4,300,000 restricted stocks to incentive objects, and repurchased 4,300,000 shares of the Company during the period from November 6, 2017 to November 28, 2017. The Company granted 3,874,000 shares initially on December 4, 2017 and granted the remainder 426,000 shares on August 30, 2018, with grant price of RMB 1 per share.

The Stock Incentive Plan for 2017 is valid for five years from the first 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 objects 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%, 30% and 50% of the total restricted shares respectively in 12 months, 24 months and 36 months after the grant date. As of June 30, 2020, the aforesaid incentive plan had a remaining term of 2.43 years.

According to the Proposal on Unlocking of Restricted Stock within the First Unlock Period of 2017 Restricted Stock Incentive Plan deliberated and adopted at the 6th Session of Sixth Board of Directors, totally 387,400 shares of restricted stock were unlocked in 2018.

According to the Proposal on Unlocking of Restricted Stock within the Second Unlock Period and the Reserved Restricted Stock within the First Unlock Period of 2017 Restricted Stock Incentive Plan deliberated and adopted at the 11th Session of Sixth Board of Directors, 756,400 and 84,200 shares of restricted stock, totaling 840,600 shares, were unlocked in 2019.

Since some incentive objects resigned from the Company, totally 43,650 shares of restricted stock that had been granted to resigned incentive objects were repurchased at the price of RMB 1 per share in accordance with the Proposal on Repurchasing and Canceling a Part of Restricted Stock deliberated and adopted in the 6th Session of Sixth Board of Directors.

Since some incentive objects resigned from the Company, totally 39,150 shares of restricted stock that had been granted to

resigned incentive objects were repurchased at the price of RMB 1 per share in accordance with the Proposal on Repurchasing and Canceling a Part of Restricted Stock deliberated and adopted in the 8th Session of Sixth Board of Directors.

Since some incentive objects resigned from the Company, totally 84,900 shares of restricted stock that had been granted to resigned incentive objects were repurchased at the price of RMB 1 per share in accordance with the Proposal on Repurchasing and Canceling a Part of Restricted Stock deliberated and adopted in the 11th Session of Sixth Board of Directors.

Since one incentive object resigned from the Company, totally 3,500 shares of restricted stock that had been granted to resigned incentive object were repurchased at the price of RMB 1 per share in accordance with the Proposal on Repurchasing and Canceling a Part of Restricted Stock deliberated and adopted in the 14th Session of Sixth Board of Directors.

According to the Proposal on Unlocking of Restricted Stock within the Third Unlock Period and the Reserved Restricted Stock within the Second Unlock Period of 2017 Restricted Stock Incentive Plan deliberated and adopted at the 16th Session of Sixth Board of Directors, 1,093,650 and 119,400 shares of restricted stock, totaling 1,213,050 shares, will be unlocked in 2020.

Since some incentive objects resigned from the Company, totally 32,550 shares of restricted stock that had been granted to resigned incentive objects were repurchased at the price of RMB 1 per share in accordance with the Proposal on Repurchasing and Canceling a Part of Restricted Stock deliberated and adopted in the 16th Session of Sixth Board of Directors.

2. Equity-settled share-based payment

√ Applicable □ Not-applicable

Unit: Yuan

Determination method for fair value of equity instruments on Grant Date	According to the market price on the Grant Date.
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	None
Capital reserve accumulated due to equity-settled share-based payment	-39,459,561.52
Total expenses incurred due to equity-settled share-based payment transactions	13,515,045.78

Other remarks:

Note 1: Of which, accumulative amount of the Stock Incentive Plan for 2107 at beginning of the reporting period is RMB -53,314,954.13, amount incurred in the reporting period is RMB 13,855,392.61 and accumulative amount is RMB -39,459,561.52.

XIV. Commitments and contingencies

1. Significant commitments

Significant commitments at the date of balance sheet

2. Contingencies

(1) Significant contingencies at the date of balance sheet

1) Contingent liabilities arising from pending litigation and arbitration and their financial impact

In 2016, a non-governmental patent holder filed a lawsuit to the subsidiary Shaoxing Supor Company in the name of infringing its patent. This case has not been settled yet. Based on the principle of conservatism, the Company withdrew RMB 10,150,000 accrued liabilities.

In 2019, landlord of the leased warehouse of the subsidiary Zhejiang Supor Electrical filed a lawsuit against Zhejiang Supor Electrical for damaging its property due to fire accident, and a third party company brought legal proceedings against the Company and its subsidiary Wuhan Supor Cookware Co., Ltd. for infringing its patent; neither of the above two cases is conclusive. Based on the principle of conservatism, the Company accrued estimated liabilities totaling RMB 11,000,000 for the above cases.

(2) A statement should be given even if the Company has no significant contingencies to disclose.

The Company has no significant contingencies to disclose.

3. Others

The Company has no significant contingencies to disclose.

XV. Events after the balance sheet date

1、Description on other events after the balance sheet date

None

XVI. Other major events

1. Segment information

(1) Determination basis and accounting policy of report segment

The Group establishes operating segment according to internal organizational structure, management requirement and internal report system; determines report segment and disclose segment information based on Operating Segment.

Operating Segment refers to the Group's organization meeting following conditions: ① The organization can yield income and cost in daily activity; ② The Group's management can appraise operating result of the organization regularly, so as to allocate resources on a targeted basis and evaluate its performance; ③ The Group can obtain financial information, operating result, cash flow and other relevant accounting information of the organization. Two or more operating segments, which have similar economic characteristics and meet a certain condition, can be combined into an operating segment.

The Group, with main products of cookware and SDA (small domestic appliances) in kitchen, establishes report segment based on product and geographic segments and assets and liabilities shared by product segments are unable to be clearly distinguished.

(2) Financial information of reportable segments

1) Products segment

Item	Cookware	Electrical appliances	Plastic & rubber	Inter-segment offsetting	Total
Revenue from main operations	2,136,590,330.81	6,007,168,213.06	75,378,445.64	71,135,650.89	8,148,001,338.62
Cost of main operations	1,505,344,939.22	4,593,586,870.04	67,844,453.36	73,316,781.38	6,093,459,481.24

2) Geographic segment

Item	Domestic	Overseas	Inter-segment offsetting	Total
Revenue from main operations	6,121,731,795.41	2,032,541,517.23	6,271,974.02	8,148,001,338.62
Cost of main operations	4,428,358,995.44	1,673,688,109.30	8,587,623.50	6,093,459,481.24

XVII. Notes to items of parent company financial statements**1. Accounts receivable****(1) Details on categories**

Unit: Yuan

Categories	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Carrying amount	Book balance		Provision for bad debts		Carrying amount
	Amount	Ratio	Amount	Provision proportion		Amount	Ratio	Amount	Provision proportion	
Receivables for provision made on an individual basis	567,678,721.32	100.00%	23,737,594.57	4.18%	543,941,126.75	355,544,502.20	100.00%	14,361,841.96	4.04%	341,182,660.24
Wherein:										
Wherein:										
Portfolio 1: age portfolio	474,751,891.39	83.63%	23,712,267.64	5.00%	451,039,623.75	287,236,839.11	80.79%	14,340,336.16	5.00%	272,896,502.95
Portfolio 2: low-risk portfolio	25,326,927.57	4.46%	25,326.93	0.10%	25,301,600.64	21,505,798.70	6.05%	21,505.80	0.10%	21,484,292.90
Portfolio 3: merged related parties portfolio	67,599,902.36	11.91%			67,599,902.36	46,801,864.39	13.16%			46,801,864.39

Total	567,678,721.32	100.00%	23,737,594.57	4.18%	543,941,126.75	355,544,502.20	100.00%	14,361,841.96	4.04%	341,182,660.24
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Provision made on an individual basis: None

Provision made on the basis of portfolio: Portfolio 1: age portfolio

Unit: Yuan

Name	Closing balance		
	Book balance	Provision for bad debts	Provision proportion
Within one year	474,751,891.39	23,712,267.64	5.00%
Total	474,751,891.39	23,712,267.64	--

If bad-debt provision for accounts receivable is made based on the general model of expected credit losses, please disclose the relevant information about the bad-debt provision with reference to the disclosure of other receivables:

☐ Applicable ☒ Not-applicable

Disclosure by ages

Unit: Yuan

Ages	Closing balance
Within 1 year (inclusive)	567,678,721.32
Total	567,678,721.32

(2) Bad debt provisions accrued, recovered or carried back in current period

Provisions made in current period

Unit: Yuan

Categories	Opening balance	Amount of changes in current period				Closing balance
		Provision	Recovered or carried back	Canceled after verification	Others	
Provision for bad debts for accounts receivable	14,361,841.96	9,375,752.61				23,737,594.57
Total	14,361,841.96	9,375,752.61				23,737,594.57

(3) Accounts receivable actually written off in current period

Unit: Yuan

Item	Amount
Accounts receivable actually written off in current period	0.00

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

Unit: Yuan

Debtors	Ending balance of accounts receivable	Proportion in the total ending balance of accounts receivable	Ending balance of provision for bad debt
SEB ASIA LTD.	469,105,764.10	82.64%	23,455,288.21
Shanghai WMF Enterprise Development Co., Ltd.	57,781,872.42	10.18%	
SUPOR VIET NAM CO.,LTD	4,295,731.08	0.76%	
Client 1	3,481,169.97	0.61%	3,481.17
Client 2	3,294,715.20	0.58%	3,294.72
Total	537,959,252.77	94.77%	

2. Other receivables

Unit: Yuan

Item	Closing balance	Opening balance
Other receivables	164,522,486.10	110,807,092.72
Total	164,522,486.10	110,807,092.72

(1) Other receivables

1) Other receivables categorized by nature

Unit: Yuan

Nature of receivables	Ending book balance	Beginning book balance
Fund pool	164,158,122.14	109,322,670.70
Temporary payment receivable	841,598.68	2,013,476.48
Personal deposit	411,864.24	447,661.45
Total	165,411,585.06	111,783,808.63

2) Provision for bad debts

Unit: Yuan

Provision for bad debts	Phase I	Phase II	Phase III	Total
	Predicted credit loss in future 12 months	Predicted credit loss in the whole period of existence (without credit impairment)	Predicted credit loss in the whole period of existence (with credit impairment)	
Balance on January 01, 2020	976,715.91			976,715.91
Balance on January 01, 2020 during the reporting	—	—	—	—

period				
Carried back in the current period	87,616.95			87,616.95
Balance on June 30, 2020	889,098.96			889,098.96

Changes in book balance of loss provision due to significant changes in the current period

☐ Applicable ☒ Not-applicable

Disclosure by ages

Unit: Yuan

Ages	Closing balance
Within 1 year (inclusive)	164,468,101.88
1-2 years	5,000.00
2-3 years	30,000.00
Over 3 years	908,483.18
4-5 years (with 5 years)	50,000.00
Over 5 years	858,483.18
Total	165,411,585.06

3) Provisions made, collected or reversed in current period

Provisions made in current period

Unit: Yuan

Categories	Opening balance	Amount of changes in current period				Closing balance
		Provision	Recovered or carried back	Canceled after verification	Others	
Other receivables	976,715.91		87,616.95			889,098.96
Total	976,715.91		87,616.95			889,098.96

4) Other receivables actually written off in current period

Unit: Yuan

Item	Amount
Other receivables actually written off in current period	0.00

5) Other receivables of the top 5 ending balances by the debtor

Unit: Yuan

Debtors	Nature of receivables	Closing balance	Ages	Proportion in total balance of other	Ending balance of provision for bad
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				receivables at the end of the reporting period	debt
Zhejiang WMF Housewares Co., Ltd.	Fund pool	60,272,574.92	Within one year	36.44%	
Omegna	Fund pool	53,885,547.22	Within one year	32.58%	
Supor LKA	Fund pool	44,000,000.00	Within one year	26.60%	
WMF Enterprise	Fund pool	6,000,000.00	Within one year	3.63%	
Yuhuan County Yuhuayuan Food Co., Ltd.	Temporary payment receivable	342,475.00	Over 5 years	0.21%	342,475.00
Total	--	164,500,597.14	--	99.46%	342,475.00

3. Long-term equity investments

Unit: Yuan

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Investment in subsidiaries	2,950,372,386.26		2,950,372,386.26	2,914,007,433.92		2,914,007,433.92
Investments in associates and joint ventures	63,313,652.50		63,313,652.50	61,723,827.89		61,723,827.89
Total	3,013,686,038.76		3,013,686,038.76	2,975,731,261.81		2,975,731,261.81

(1) Investments in subsidiaries

Unit: Yuan

Investee	Opening balance (Carrying amount)	Increase/decrease				Closing balance (Carrying amount)	Closing balance of provision for impairment
		Investment increased	Investment decreased	Provision for impairment	Others		
Wuhan PC	240,428,244.41					240,428,244.41	

P&R	20,804,297.92					20,804,297.92	
Yuhuan Recycling	2,990,149.81					2,990,149.81	
Wuhan Supor	11,180,583.31					11,180,583.31	
Zhejiang Supor Electrical	764,487,268.12	1,826,310.42				766,313,578.54	
Shaoxing Supor	635,240,583.00	1,571,638.62				636,812,221.62	
Supor Vietnam	105,143,165.64					105,143,165.64	
Wuhan Recycling	1,000,000.00					1,000,000.00	
Omegna	10,000,000.00					10,000,000.00	
Shanghai Marketing	5,000,000.00					5,000,000.00	
Wuhan Cookware	593,689,790.64	1,767,003.30				595,456,793.94	
SEADA	11,890,622.45					11,890,622.45	
Shanghai WMF Enterprise Development Co., Ltd.	50,000,000.00					50,000,000.00	
Shanghai SEB Electrical Appliances Co., Ltd.	212,152,728.62					212,152,728.62	
Zhejiang WMF Housewares Co., Ltd.	100,000,000.00					100,000,000.00	
Supor LKA	100,000,000.00					100,000,000.00	
Shaoxing Supor Housewares Company	50,000,000.00					50,000,000.00	
Supor Water Heater		31,200,000.00				31,200,000.00	
Total	2,914,007,433.92	36,364,952.34				2,950,372,386.26	

(2) Investments in associates and joint ventures

Unit: Yuan

Investee	Opening balance (Carrying amount)	Increase/decrease								Closing balance (Carrying amount)	Closing balance of provision for impairment
		Investment increased	Investment decreased	Investment profit or loss recognized by equity method	Adjustment in other comprehensive income	Changes in other equity	Cash dividend/profit declared for distribution	Provision for impairment	Others		
I. Joint ventures											
II. Associated enterprises											

Wuhan Anzai Cookware Co., Ltd.	61,723,827.89			1,589,824.61						63,313,652.50	
Subtotal	61,723,827.89			1,589,824.61						63,313,652.50	
Total	61,723,827.89			1,589,824.61						63,313,652.50	

Other remarks:

1) The increase of Zhejiang Supor Electrical, Shaoxing Supor Company and Wuhan Cookware is due to the Company's implementation of stock incentive plan and therefore, the foregoing share-based payment fees that should be borne by companies accepting services are included as the changes of long-term equity investment by the Company.

2) Supor Water Heater is a subsidiary that was registered in 2019 with joint investment of the Company and its connected party Supor Group Co., Ltd. Its registered capital is RMB 100 million. The Company completed the investment of RMB 31.20 million during the reporting period in 2020.

4. Operating revenue/cost

Unit: Yuan

Item	Amount incurred during the reporting period		Amount incurred during prior period	
	Income	Cost	Income	Cost
Revenue from main operations	845,513,950.76	651,237,501.53	954,453,792.20	744,888,662.11
Revenue from other operations	9,426,593.76	11,364,435.74	9,091,603.19	8,001,322.68
Total	854,940,544.52	662,601,937.27	963,545,395.39	752,889,984.79

Information related to performance obligations:

None

Information related to the transaction price allocated to the remaining performance obligations:

At the end of the reporting period, the amount of income for the performance obligations that are under signed contracts, but have not yet been fulfilled or not fully fulfilled is RMB 0.00.

Other remarks:

5. Investment income

Unit: Yuan

Item	Amount incurred during the reporting period	Amount incurred during prior period
Investment income from long-term equity		13,403,497.06

investments under the cost method		
Investment income from long-term equity investments under the equity method	1,589,824.61	3,510,696.06
Investment income from financial products		10,417,549.77
Investment income from reverse repurchase of national debts		834,034.68
Interest for time deposit	26,989,315.03	
Total	28,579,139.64	28,165,777.57

XVIII. Other supplementary information

1. Breakdown of non-recurring profit or loss in the current period

√ Applicable □ Not-applicable

Unit: Yuan

Item	Amount	Notes
Profit or loss on disposal of non-current assets	-379,445.68	
Government subsidy included in current profit or loss (excluding government subsidies closely related to operating activities of the Company and subject to uniform national standards on amount and quantity)	34,806,985.19	
Profit and loss from fair value changes due to holding of the trading financial assets, derivative financial assets, transactional financial liabilities and derivative financial liabilities, and investment income from disposal of trading financial assets, derivative financial assets, transactional financial liabilities, derivative financial liabilities and other investment in debt securities, in addition to effective hedging business related to normal businesses of the Company.	52,004,197.52	
Other non-operating revenues or expenditures except for the foregoing items	-1,854,423.16	
Other profit or loss conforming to the definition of non-recurring profit or loss	6,604,714.44	
Minus: income tax impact	15,741,345.05	
Effects on minority interest	74,444.96	
Total	75,366,238.30	--

The Company should state reason for defining “non-recurring profit or loss items” defined in the Explanatory Announcement No.1 on Disclosure of the Information of Companies Offering Their Securities to the Public -- Non-recurring Profit or Loss and non-recurring profit or loss items listed in the Explanatory Announcement No.1 on Disclosure of the Information of Companies Offering Their Securities to the Public -- Non-recurring Profit or Loss as recurring profit or loss items.

□ Applicable √ Not-applicable

2. RONA and EPS

Profit of the reporting period	Return on weighted average net assets	EPS (RMB Yuan/share)	
		Basic earnings per share (RMB/share)	Diluted earnings per share (RMB/share)
Net profit attributable to shareholders of ordinary shares	9.95%	0.813	0.812
Net profit attributable to shareholders of ordinary shares after deducting non-recurring profit or loss	8.83%	0.721	0.720

SECTION XII CATALOG OF REFERENCE DOCUMENTS

I. 2020 semiannual report of the Company and abstract concerned with signature of legal representative;

II. Accounting statements with signature and seal of legal representative, person in charge of accounting and director of accounting body;

III. Original of all company documents and bulletins published in newspaper designated by CSRC.

Reference documents above should be prepared by Securities Department of the Company.

Zhejiang Supor Co., Ltd.

Board Chairman: Thierry de LA TOUR D'ARTAISE

August 28, 2020