

SUPOR 苏泊尔

Zhejiang Supor Co., Ltd.

Semiannual Report 2015

August 2015

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.

Besides director below, other directors have attended the Board Meeting in person, in which the current annual report was reviewed and approved.

The Name of Director Absent	The Position of Director Absent	The Reason for Director Absent	The name of Proxy
Su Yan	Director	Business Trip	Su Xianze

The Company does not plan to distribute cash dividends, bonus shares, or convert capital reserve into share capital.

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

Investors are kindly reminded to pay attention to possible investment risks caused by declining market demand under the depressed macroeconomic

situation, acceleration of industrial competition, fluctuation of RM price, rigid increase of human cost, and fluctuation of exchange rate.

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Definitions

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

SECTION II COMPANY PROFILE

I. Brief Introduction

Short Form of the Stock:	Supor	Stock Code	002032
Stock Exchange for Stock Listing	Shenzhen Stock Exchange		
Chinese Name of the Company	Zhejiang Supor Co., Ltd.		
Abbreviated Chinese Name of the Company (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	Frédéric VERWAERDE		

II. Contact Person and Contact Information

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

III. Other Information

1. Contact information

Change of the registered address, office address and postal code, website or email address of the Company during the reporting period

Applicable Not Applicable

The registered address, office address and postal code, website and email address of the Company has not changed during the reporting period. Refer to Annual Report 2014 for specifics.

2. Media for Information Disclosure and Archiving

Change of information disclosure or archiving media during 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 changed during the reporting period. Refer to Annual Report 2014 for specifics.

3. Changes of Registration

Change of registration information during the reporting period

Applicable Not Applicable

The registration date, registration place, registration number, tax registration number and organization code have not changed during the reporting period. Refer to Annual Report 2014 for specifics.

SECTION III MAJOR ACCOUNTING DATA AND FINANCIAL INDICATORS

I. Major Accounting Data and Financial Indicators

Has the Company retroactively adjusted or restated the accounting data of previous years due to change of accounting policy or correction of accounting errors?

Yes No

	This period	Amount YoY	Year-on-year increase/decrease
Total sales (yuan)	5,379,574,852.09	4,642,903,746.81	15.87%
Net profit attributed to shareholders of listed company (yuan)	395,081,399.38	331,448,600.90	19.20%
Net profit attributed to shareholders of listed company deducted by non-recurring profit or loss (yuan)	362,593,758.54	311,931,067.60	16.24%
Net cash flows resulting from operating activities	111,878,359.38	329,143,759.11	-66.01%
Basic earnings per share (yuan/share)	0.623	0.523	19.12%
Diluted earnings per share (yuan/share)	0.623	0.523	19.12%
Return on weighted average net assets	10.03%	9.61%	0.42%
	Amount at period-end	Amount at period-begin	Increase/decrease compared with last year-end
Total assets (yuan)	6,524,533,864.22	6,633,644,956.98	-1.64%
Net assets attributed to shareholders of listed company (yuan)	3,913,322,254.19	3,788,068,076.63	3.31%

II. 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

(1) No net profit and net assets discrepancies in financial statements disclosed separately under International Accounting Standards and Chinese Accounting Standards existed during 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

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

III. Non-recurring Profit or Loss Items and Amount

Applicable Not Applicable

(Unit: RMB)

Item	Amount	Explanation
Profit or loss on disposal of non-current assets (including written-off part of provision for impairment loss)	-275,189.80	
Government grant included in current period profit or loss (excluding those closely related to operating activities or regular government grants)	19,303,260.00	
Other non-operating revenues or expenditures	-190,341.25	
Other profit or loss defined as non-recurring profit or loss	23,542,756.43	Mainly investment income from financial products
Less: income tax impact	9,010,731.96	
Impact of minority interest (after tax)	882,112.58	
Total	32,487,640.84	--

For the non-recurring profit or loss defined by the Company in accordance with the definition in the "Regulations of Questions and Responses of Information Disclosure Standard by Companies Publicly Issuing Securities No. 1 --- Non-recurring Profit or Loss", and for defining the non-recurring profit or loss listed in the "Regulations of Questions and Responses of Information Disclosure Standard by Companies Publicly Issuing Securities No. 1 --- Non-recurring Profit or Loss" as recurring gains and losses, the Company shall specify the reason.

Applicable Not Applicable

The Company did not define any "non-recurring profit or loss" as defined in accordance with the "Regulations of Questions and Responses of Information Disclosure Standard by Companies Publicly Issuing Securities No. 1 --- Non-recurring Profit or Loss" as "recurring profit or loss" during the reporting period.

SECTION IV REPORT OF THE BOARD OF DIRECTORS

I. Description

Against the economic downturn during first half of 2015, Chinese economic structure is further optimized benefiting from government's macro-control policies. With recovery of domestic CW and SDA industries, the Company maintained stable growth of general business sales. In the reporting period, the total sales reached 5,379,574,852.09 yuan, indicating an increase of 15.87% compared with the same period last year. The total profit was 545,761,024.33 yuan, increased by 22.81% YoY. Earnings per share was 0.623 yuan, with YoY growth of 19.12%. Both CW and electrical appliances business behaved well. The total sales of main CW business was 2,238,216,314.95 yuan, representing a YoY growth of 18.83% and the total sales of main electrical appliance business was 3,102,781,339.87 yuan, with year-on-year growth of 15.52%. Total sales of the main domestic sales was 3,670,416,189.37 yuan, increased by 15.41% YoY. For the main export business, the total sales was 1,684,246,573.74 yuan, up 20.12% YoY.

II. Main Business Analysis

Overview

The main business sales of the Company during the reporting period was 5,354,662,763.11 yuan, with an increase of 772,148,972.63 yuan compared with the same period last year and a growth rate of 16.85%. The main contributing factors are the expanded sales of cookware and electrical appliances, and expansion of market share. The main business cost was 3,800,345,268.21 yuan, indicating an increase of 589,427,544.18 yuan and growing rate of 18.36%. The gross profit margin of main business was 29.03% with a decrease of 0.90%, mainly due to changes of company products and customer structure.

Changes of main financial data

(Unit: RMB)

	This period	Amount YoY	YoY increase / decrease	Reason of change
Total sales	5,379,574,852.09	4,642,903,746.81	15.87%	
Operating Cost	3,826,621,021.75	3,272,332,302.56	16.94%	
Selling and distribution expenses	836,869,586.54	774,811,596.87	8.01%	
Management expenses	161,745,534.05	157,525,244.25	2.68%	
Financial expense	-7,892,741.83	-10,175,630.63	22.43%	
Income tax expense	104,894,285.29	76,010,920.08	38.00%	Mainly due to increase of total profit and change of income tax of parent company and Wuhan Cookware
R&D investment	139,998,902.78	126,683,771.60	10.51%	
Net cash flows resulting	111,878,359.38	329,143,759.11	-66.01%	Mainly due to decrease

from operating activities				of cash received from selling commodities and offering labor
Net cash flow from investment activities	75,193,184.28	478,306,191.73	-84.28%	Mainly due to decrease of cash inflow arising from investing activities
Net cash flow from financing activities	-272,136,330.79	-234,659,145.56	-15.97%	
Net increase in cash and cash equivalents	-86,170,337.65	573,951,623.99	-115.01%	Mainly due to decrease of net cash flow arising from investing activities

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

Applicable Not Applicable

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

Future development and planning disclosed in documents for public disclosure, such as prospectus and assets restructuring report that extended to the reporting period

Applicable Not Applicable

No future development and planning disclosed in documents for public disclosure, such as prospectus and assets restructuring report that extended to the reporting period

Review of the implementation progress in the reporting period of the operation plans disclosed before

With launch of a series of innovative products, the Company further enhanced its product competitiveness and market share. For example, the marketing of "Fresh Breath" electric PC drove the market share of the entire electric PC category to break 31%. For expansion of H&PC business, the Company's innovative products were well received in the market.

For development of tier-3 and 4 markets, against the downturn of domestic economy in the first half of 2015 (GDP growth was 7.0%) and insufficient domestic demand, the government pushed forward macro-control policies to further optimize economic structure. As a result, consumption expenditure contributed 60% to GDP growth (YoY increase of 5.7%). On-line retail got growth of 39.1% compared with the same period last year. The gap between urban and rural per capita net income was further shortened. The Company continued increasing the quantity of selling points in tier-3 and 4 markets and improving service quality. Coverage of selling points was further increased. Meanwhile, E-commerce got rapid development, embodied in domestic sales ratio and contribution of special products for on-line sales.

Brand building achieved good results. Under the influence of the "PK between Chinese and Japanese Rice Cooker" evaluation of CCTV's *Consumption Protest* column, Supor rice cooker won the contest, and its brand awareness and reputation were further elevated.

Regarding export business, the continuous transfer of SEB orders improved the Company's productivity and industrial competitiveness.

III. Contents of Main Business

(Unit: RMB)

	Total sales	Operating Cost	Gross profit	YoY Increase/	YoY Increase/	YoY increase/
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			margin	decrease of sales	decrease of operating cost	decrease of gross profit margin
By Industries						
Cookware	2,238,216,314.95	1,531,310,808.10	31.58%	18.83%	22.04%	-1.80%
Electrical appliances	3,102,781,339.87	2,257,407,711.67	27.25%	15.52%	16.04%	-0.32%
Plastic & rubber	13,665,108.29	11,626,748.44	14.92%	3.89%	8.76%	-3.81%
Subtotal	5,354,662,763.11	3,800,345,268.21	29.03%	16.85%	18.36%	-0.90%
By Products						
Electric pot	1,556,761,018.34	1,094,834,358.51	29.67%	21.70%	22.51%	-0.46%
Set pot	459,502,671.18	368,910,001.77	19.72%	2.60%	3.08%	-0.37%
By Areas						
Domestic sales	3,670,416,189.37	2,416,944,960.02	34.15%	15.41%	17.11%	-0.96%
Export sales	1,684,246,573.74	1,383,400,308.19	17.86%	20.12%	20.61%	-0.33%
Subtotal	5,354,662,763.11	3,800,345,268.21	29.03%	16.85%	18.36%	-0.90%

IV. Analysis of Core Competitiveness

1. Outstanding product innovation capability

As a company devoted to R&D, manufacturing and selling of CW and kitchen SDA products, Supor has an acute observation and scientific research of the needs of Chinese consumers, and has developed a systematic innovation system to ceaselessly launch new products to the market. It is the company that produced the first safety pressure cooker in China - the benchmark for China's pressure cooker industry; the company first invented uncoated and rust-proof technology, leading CW industry into rust-proof iron wok times. It is the company that invented thermospot fumeless wok and launched IH spherical pot RC, keeping promises on innovation and quality to push industrial progress and change the kitchen life for Chinese families. According to a third party's monitoring data, Supor's CW business maintains the leading position in the market; sales of electric RC, electric PC, IH and electric kettle categories consistently rank the second position in the SDA industry.

2. Well-developed dealers network

Supor has stable dealer teams, and has been maintaining good cooperative relationship with them. The relatively high coverage rate and density of its sales network ensure the uninterrupted supply of Supor products.

3. Powerful R&D and manufacturing ability

Supor has built five production sites, respectively in Yuhuan, Wuhan, Hangzhou, Shaoxing and Vietnam. Wuhan Site is the CW R&D and manufacturing base with highest deliverability in the world. Shaoxing Site also boasts leading manufacturing capacity of SDA products in the world. The strong R&D and manufacturing power and the highly professional R&D team provide a guarantee for the quality and innovation capacity of Supor products.

4. Synergistic effect of integration with SEB

The strategic cooperation between Supor and SEB started in 2006. By this period-end, SEB held 71.55% shares of the Company. SEB Group is a company of more than 150 years, with 10 categories (including PC, frying pan, juice maker, electrical kettle, electrical fryer) occupying the largest market shares in the world. The powerful combination between Supor and SEB has brought steady export orders to the Company, and increased its overall business size and manufacturing capacity. Meanwhile, the cooperation

in R&D and management will definitely enhance the core competitiveness of the Company.

V. Analysis of Investment Status

1. Foreign equity investment

(1) Foreign investment

Applicable Not Applicable

No foreign investment was made in the reporting period.

(2) Holding of financial company's equity

Applicable Not Applicable

No financial company's equity was held by the Company in the reporting period.

(3) Information on securities investment

Applicable Not Applicable

No securities investment was made in the reporting period.

(4) Holding of other Listed Company's Equity

Applicable Not Applicable

The Company did not hold equities of other listed companies at period-end.

2. Consigned financing, derivative investment and consigned loan

(1) Consigned financing

Applicable Not Applicable

No consigned financing was made in the reporting period.

(2) Derivative investment

Applicable Not Applicable

No derivative investment was made in the reporting period.

(3) Consigned loan

Applicable Not Applicable

No consigned loan was made in the reporting period.

3. Use of raised funds

Applicable Not Applicable

No use of raised funds happened in the reporting period

4. Main subsidiaries and joint stock companies

Applicable Not Applicable

Information on main subsidiaries and joint stock companies

(Unit: RMB)

Company name	Business type	Industry	Main products or services	Registered capital	Total assets	Net assets	Total sales	Operating profit	Net profit
Wuhan Supor Pressure Cooker Co., Ltd.	Subsidiary	Manufacturing	Cookware	RMB224,039,000	300,766,558.10	293,059,263.86	8,250,000.00	395,834.80	3,484,372.89
Wuhan Supor Co., Ltd	Subsidiary	Manufacturing	Electrical appliances	RMB5.18M	15,757,564.32	14,578,965.71		-166,933.48	-166,933.48
Zhejaing Shaoxing Supor Domestic Electrical Appliances Co., Ltd	Subsidiary	Manufacturing	Electrical appliances	RMB2M	51,338,065.64	51,214,031.78		747,794.52	561,402.63
Wuhan Supor Cookware CO., Ltd.	Subsidiary	Manufacturing	Cookware	HKD 86M	1,713,273,272.99	1,029,367,285.13	1,432,610,683.64	135,385,118.86	101,827,934.27
Zhejiang Supor Electrical Appliance Manufacturing Co., Ltd	Subsidiary	Manufacturing	Electrical appliances	HKD 126,000,000	1,519,771,714.29	1,000,308,897.17	1,233,438,932.50	93,992,173.85	76,348,067.69
Zhejiang Supor Plastic &	Subsidiary	Manufacturing	Plastic and rubber manufacturi	RMB8.0447M	130,999,313.25	98,027,736.70	97,394,328.05	7,269,573.05	5,998,381.36

Rubber Co., Ltd			ng						
Yuhuan Supor Recycling Co., Ltd.	Subsidiary	Commercial	Recycling of used metal	RMB500,000	2,948,988.77	2,948,988.77		-997.01	-997.01
Zhejiang Shaoxing Supor Domestic Appliances Co., Ltd.	Subsidiary	Manufacturing	Small appliance, kitchen appliance	RMB610M	1,940,009,074.39	1,617,838,431.54	1,883,614,514.51	194,757,022.64	175,377,571.85
Supor (Vietnam) Co., Ltd	Subsidiary	Manufacturing	CW and electrical appliances	USD 15M	170,978,642.15	112,377,339.44	94,392,766.16	4,514,879.61	4,258,678.52
Wuhan Supor Recycling Co., Ltd	Subsidiary	Commercial	Recycling of used metal	RMB1M	1,895,577.93	1,585,759.33	5,916,379.89	37,809.98	15,934.94
Hangzhou Omega Commercial Trade Co., Ltd.	Subsidiary	Commercial	CW and electrical appliances	RMB10M	28,728,584.87	-9,043,251.91	15,237,884.59	-2,190,377.96	-2,114,852.15
Shanghai Supor Cookware Selling Co., Ltd.	Subsidiary	Commercial	CW and electrical appliances	RMB5M	15,890,019.85	6,117,440.34	27,298,075.33	392,733.21	302,620.63

5. Information on big projects invested by non raised funds

Applicable Not Applicable

No big projects invested by non raised funds existed in the reporting period.

VI. Forecast of Business Performance of Jan.-Sept. 2015

Operation forecast for Jan.-Sept. 2015: Net profit attributed to the shareholders of the listed company is positive and does not belong to the situation of "turning losses into profits".

Net profit attributed to the shareholders of the listed company is positive and does not fit to the scenario of "turning losses into profits".

Fluctuation rate of net profit attributed to	0.00%	to	30.00%
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shareholders of the listed Company during Jan.-Sept. 2015			
Fluctuation range of net profit attributed to the shareholders of the listed company during Jan.-Sept.2015 (10KRMB)	50,826.18	to	66,074.03
Net profit attributed to the shareholders of the listed company during Jan-Sept. 2014 (10KRMB)	50,826.18		
Explanation for the change	CW and SDA industries in China had recovered gradually compared with the same period in 2014, and both domestic and overseas sales of the Company maintained a rapid growth.		

VII. Explanation of the Board of Directors and the Board of Supervisors of the "Non-standard Audit Report" by the Certified Public Accountants

Applicable Not Applicable

VIII. Explanation of the Board of Directors of the Previous Year's "Non-standard Audit Report"

Applicable Not Applicable

IX. Implementation of Profit Distribution during Reporting Period

Execution or adjustment of profit distribution plan in the reporting period, especially cash dividends plan and conversion of public reserves into capital stock plan

Applicable Not Applicable

Adopted by the Annual General Meeting of Shareholders for 2014 held on April 15, 2015, based on the total capital stock of 632,875,188 shares (total capital stock of 633,853,440 shares on December 31, 2014 deducted by 978,252 restricted stock repurchased and canceled by the Company), the Company has distributed cash dividend of 4.30 yuan (tax included) per 10 shares, and the total amount of cash profit distribution was 272,136,330.84 yuan. On May 22, 2015, the Company published Implementation of Profit Distribution Plan for 2014 in Securities Times, China Securities Journal, Securities Daily and cninfo.com.cn., and confirmed the date of registration was May 28, 2015, and the ex dividend date was May 29, 2015.

This plan had been implemented on May 29, 2015.

Special explanation of the cash dividend policy	
Whether or not in compliance with the Articles of Association or resolutions of shareholders' meeting	Yes
Are the dividends issuance standard and percentage clear?	Yes
Are relevant policy making procedures and mechanisms complete?	Yes
Have independent directors fulfilled their duties well?	Yes
Have minority shareholders fully expressed their opinions and	Yes

appeals? Are their legitimate rights fully protected?	
Are the conditions and procedures for altering of cash dividends policies transparent and rule-compliant?	N/A

X. Pre-proposal on Profit Distribution or Conversion of Public Reserves into Capital Stock

Applicable Not Applicable

The Company does not plan to distribute cash dividends, bonus shares, or convert capital reserve into share capital in this reporting period.

XI. Registration List of Receiving Investigation & Research, Communication and Interview Activities during the Reporting Period

Applicable Not Applicable

Time of reception	Place of reception	Type of reception	Client type	Client	Topics and materials submitted
February 5, 2015	Securities Department of the Company	Communication through telephone	Individual	Individual investor	Operation condition of the Company; no materials provided.
March 10, 2015	Securities Department of the Company	Communication through telephone	Individual	Individual investor	Operation condition of the Company; no materials provided.
March 12, 2015	Securities Department of the Company	Communication through telephone	Individual	Individual investor	Operation condition of the Company; no materials provided.
April 21, 2015	Securities Department of the Company	On-site visit	Institution	Institutional investor	Business operation and products of the Company; no materials provided.
May 7, 2015	Securities Department of the Company	Communication through telephone	Institution	Institutional investor	Business operation and products of the Company; no materials provided.

SECTION V SIGNIFICANT EVENTS

I. Corporate Governance of the Company

In the reporting period, the Company further standardized the operation of the Company and improved the governance by continuously establishing and strengthening the corporate governance system, improving the internal control and management system, and deepening the governing process strictly in accordance with the *Company Law*, the *Securities Law*, and the *Stocks Listing Rules of Shenzhen Stock Exchange* as well as other regulations of CSRC.

The Company also revised the Articles of Association during the reporting period.

By the end of the reporting period, the actual governance of the Company is in compliance with the regulatory documents of CSRC and Shenzhen Stock Exchange. No any governance problem existed remain solved in this period. There were no discrepancies between the corporate governance and Company Law and CSRC regulations.

II. Lawsuits

Significant Litigations and Arbitrations

Applicable Not Applicable

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

Other lawsuits

Applicable Not Applicable

III. Questioning by Media

Applicable Not Applicable

No issues questioned by media happened in the reporting period.

IV. Bankruptcy or Reorganization

Applicable Not Applicable

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

V. Transaction of Assets

1. Assets acquisition

Applicable Not Applicable

No assets was acquired during the reporting period.

2. Sale of assets

Applicable Not Applicable

No assets was sold during the reporting period.

3. Business combination

Applicable Not Applicable

No business combination was made during the reporting period.

VI. Implementation and Impact of the Company's Equity Incentive Plan

Applicable Not Applicable

The First Interim General Meeting of Shareholders of 2012 and the Second Interim General Meeting of Shareholders of 2013 have authorized the Board of Directors to deal with issues related to implementation of Stock Option and Restricted Stock Incentive Plan.

The 22nd Session of the Fourth Board of Directors held on March 25, 2014 reviewed and adopted the Proposal on Unlocking of Restricted Stock within the First Unlock Period of Restricted Stock Incentive Plan, agreeing to unlock the Restricted Stock for 111 qualified Incentive Objects in the first unlock period. The unlocking number of first unlock period was 554,000 shares, which had been circulated on January 5, 2015. Details can be referred to the Announcement of Unlocking of Restricted Stock within the First Unlock Period of Restricted Stock Incentive Plan and the Suggestive Announcement of Unlocking of Restricted Stock during the First Unlock Period of Restricted Stock Incentive Plan disclosed in Securities Times, China Securities Journal, Securities Daily and cninfo.com.cn dated March 27, 2014 and December 30, 2014.

The 5th Session of the Fifth Board of Directors held on March 25, 2015 reviewed and adopted the Proposal on Annuling a Part of Stock Options and Repurchasing and Canceling a Part of Restricted Stock. For failure in meeting set requirements and disqualification of some Incentive Objects due to resignation, the Company decided to annul 1,920,864 shares of Stock Option and repurchase and cancel 761,292 shares of Restricted Stock at the price of 0 yuan per share, including 693,792 shares of Restricted Stock repurchased and canceled in accordance with Equity Incentive Plan 2012, and 67,500 shares of Restricted Stock repurchased and canceled in accordance with Equity Incentive Plan 2013. Pursuant to the resolutions adopted at the 2nd Session of the Fifth Board of Directors of Zhejiang Supor Co., Ltd. held on August 26, 2014 and the resolutions adopted at the 5th Session of the Fifth Board of Directors held on March 25, 2015, the Company has completed the annulment of a part of Stock Option granted and repurchase and cancellation of Restricted Stock on May 8, 2015 as confirmed by Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. Totally 2,142,624 shares of Stock Option were annulled, and 978,252 shares of Restricted Stock were repurchased at the price of 0 yuan per share and canceled. Details can be referred to the Announcement of Annuling a Part of Stock Options and Repurchasing and Canceling a Part of Restricted Stock, and the Announcement of Completion of Annulment of Stock Option Granted and Repurchase and Cancellation of Restricted Stock disclosed in Securities Times, China Securities Journal, Securities Daily and cninfo.com.cn respectively dated March 26, 2015 and May 11, 2015.

The 5th Session of the Fifth Board of Directors held on March 25, 2015 reviewed and adopted the Proposal on Unlocking of Restricted Stock within the Second Unlock Period and Reserved Restricted Stock within the First Unlock Period, agreeing to unlock the Restricted Stock for 121 qualified Incentive Objects in the second unlock period and the first unlock period of reserved Restricted Stock. The numbers of restricted stock unlockable are respectively 1,068,000 shares and 36,041 shares, in total 1,104,041 shares. The unlock date of the Restricted Stock unlockable during the second unlock period (date of circulation) is January 4, 2016. The unlock date of reserved Restricted Stock unlockable during the first unlock period (date of circulation) is October 14, 2015. Details can be referred to the Announcement of Unlock of Restricted Stock during the Second Unlock Period and Reserved Restricted Stock during the First Unlock Period in Securities Times, China Securities Journal, Securities Daily and cninfo.com.cn dated March 26, 2015.

The Company concludes that the Incentive Objects satisfy unlocking conditions, and the subjective qualifications of the Incentive Objects are legal and effective. The above-stated "annulling a part of Stock Options and repurchasing and canceling a part of Restricted Stock" actions are law and regulation compliant, and won't have significant impact on the Company's business

performance or the management team's due diligence. Based on the Company's current situation, without considering the positive impact on the Company's performance of Incentive Plan, the cost of this Incentive Plan and its allocation to each year will lower down the net profit, however this impact is not material. Considering such Incentive Plan would be positive to support the Company's growth and development, and also ignite the management team's enthusiasm and aggressiveness to improve operation efficiency, and reduce agency cost, the cost of such Incentive Plan would be compensated by much bigger improvement on the Company's business performance. The management team will continue to fulfill their obligations in good faith to create values for shareholders.

VII. Substantive Connected Transaction

1. Connected transaction related to daily business

√ Applicable □ Not Applicable

Parties involved	Relation	Type of connected transactions	Content of connected transactions	Pricing rule of connected transactions	Price of connected transactions	Amount of connected transactions (10K RMB)	Proportion in similar transactions	Transaction quota granted (10K RMB)	Whether or not beyond the limit	Settlement type of connected transactions	Market price of similar trading achievable	Date of disclosure	Reference for disclosure
Wuhan Anzai Cookware Co., Ltd.	Affiliated companies	Goods purchasing	Finished products	Contract price		6,969.46	2.24%			Bank transfer or bills			
Wuhan Anzai Cookware Co., Ltd.	Affiliated companies	Goods purchasing	Accessories	Contract price		4,600.87	1.48%			Bank transfer or bills			
GROUP SEB EXPORT	Same controlling shareholder with the controlling shareholder	Goods purchasing	Finished products	Contract price		137.51	0.04%			Bank transfer or bills			
S.A.S	Same	Goods	Accessories	Contract		750.48	0.24%			Bank			

GROUP E SEB MOULI NEX	controlling shareholder with the controlling shareholder	purchasing	ries	price						transfer or bills			
LAGOS TINA S.P.A.	Same controlling shareholder	Goods purchasing	Finished products	Contract price		199.07	0.06%			Bank transfer or bills			
TEFAL S.A.S.	Same controlling shareholder with the controlling shareholder	Goods purchasing	Accessories	Contract price		142.43	0.05%			Bank transfer or bills			
SEB ASIA LTD.	Same controlling shareholder	Commodity selling	Finished products	Contract price		142,179.09	26.43%			Bank transfer or bills			
SEB ASIA LTD.	Same controlling shareholder	Commodity selling	Accessories	Contract price		544.29	0.10%			Bank transfer or bills			
S.A.S. SEB	Same controlling shareholder with the controlling shareholder	Commodity selling	Finished products	Contract price		1,169.89	0.22%			Bank transfer or bills			

	der												
S.A.S. SEB	Same controlli ng sharehol der with the controlli ng sharehol der	Commo dity selling	Accesso ries	Contract price		141.73	0.03%			Bank transfer or bills			
TEFAL S.A.S.	Same controlli ng sharehol der with the controlli ng sharehol der	Commo dity selling	Finished products	Contract price		993.74	0.18%			Bank transfer or bills			
TEFAL S.A.S.	Same controlli ng sharehol der with the controlli ng sharehol der	Commo dity selling	Accesso ries	Contract price		940.49	0.17%			Bank transfer or bills			
S.A.S GROUP E SEB MOULI NEX	Same controlli ng sharehol der with the controlli ng sharehol der	Commo dity selling	Finished products	Contract price		1,055.66	0.20%			Bank transfer or bills			
S.A.S GROUP	Same controlli	Commo dity	Accesso ries	Contract price		7.19	0.00%			Bank transfer			

E SEB MOULI NEX	ng shareholder with the controlling shareholder	selling								or bills			
Supor Group Co., Ltd.	Shareholder	Commodity selling	Finished products	Market price		296.97	0.06%			Bank transfer or bills			
SEB INTERNATIONAL SERVICE S.A.S	Same controlling shareholder with the controlling shareholder	Commodity selling	Finished products	Contract price		32.61	0.01%			Bank transfer or bills			
SEB INTERNATIONAL SERVICE S.A.S	Same controlling shareholder with the controlling shareholder	Commodity selling	Accessories	Contract price		188.71	0.04%			Bank transfer or bills			
ALL-C LAD METAL CRAFTERS LLC	Same controlling shareholder	Commodity selling	Finished products	Contract price		16.31	0.00%			Bank transfer or bills			
Wuhan Azai Cookware Co., Ltd.	Affiliated companies	Commodity selling	Accessories	Contract price		1.54	0.00%			Bank transfer or bills			

SEB COLO MBIA	Same controlli ng sharehol der	Commo dity selling	Accesso ries	Contract price		11.67	0.00%			Bank transfer or bills			
LAGOS TINA S.P.A.	Same controlli ng sharehol der	Commo dity selling	Finished products	Contract price		2.19	0.00%			Bank transfer or bills			
LAGOS TINA S.P.A.	Same controlli ng sharehol der	Commo dity selling	Accesso ries	Contract price		51.46	0.01%			Bank transfer or bills			
Zhejian g Supor Pharmac eutical Sales Co., Ltd.	Subsidia ry of the sharehol der	Commo dity selling	Finished products	Contract price		9.78	0.00%			Bank transfer or bills			
Total					--	--	160,443. 14	--	0	--	--	--	--
Return of large sales	N/A												
Actual performance of daily connected transactions expected to happen in the reporting period with total amount estimated (if any)	During Jan.-June 2015, the amount of connected transactions actually happened between the Company and SEB with its connected parties was 1,485,645,200 yuan.												
Reason for big discrepancy between transaction value and market reference price (if applicable)	N/A												

2. Connected transactions arising from assets purchasing or sale

Applicable Not Applicable

No connected transactions arising from assets purchasing or sale happened during the reporting period.

3. Connected transactions arising from joint foreign investment

Applicable Not Applicable

No connected transactions arising from joint foreign investment happened during the reporting period.

4. Connected credit and indebtedness

Applicable Not Applicable

No connected credit or indebtedness existed in the reporting period.

5. Other connected transactions

Applicable Not Applicable

No other connected transactions existed in the reporting period.

VIII. Major Contracts and Fulfillment Conditions

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 happened in the reporting period.

2. Warranties

Applicable Not Applicable

No warranties happened in the reporting period.

3. Other major contracts

Applicable Not Applicable

No other major contracts existed in the reporting period.

4. Other substantive connected transactions

Applicable Not Applicable

No other substantive connected transactions existed in the reporting period.

IX. Commitments made in or continued to the Reporting Period by the Company or Shareholders Holding more than 5% Shares

√ Applicable □ Not Applicable

Undertaking	Undertaken by	Contents of undertaking	Time of undertaking	Term of undertaking	Performance
Commitment of share merger reform					
Undertaking made in Acquisition Report or Equity Change Report	SEB Internationale	SEB Internationale undertook in the Acquisition Report signed on October 19, 2011 that it would not transfer or entrust others to manage, or sell back to Supor the shares obtained from this transfer, within three years as of the date of obtaining them. Meanwhile, within three years since the settlement day, the acquirer undertook that it would not make any decisions or conduct any behaviors that will cause delisting of Supor or deprive its listing qualifications.	October 19, 2011	December 22, 2011 - December 21, 2014	Completed
		SEB Internationale undertook in the Acquisition Report signed on October 19, 2011 that would retain at least 25% of Supor's present or future total stock within ten years.	October 19, 2011	December 22, 2011 - December 21, 2021	Strictly performed
Commitment made during asset restructuring					

Commitment made during IPO or refinancing					
Other commitments made to minority shareholders	SEB Internationale	SEB Internationale undertook following in the Framework Agreement of Strategic Investment signed on August 14 2006: to retain 25% of the present or future total stocks within 10 years from December 25, 2007.	August 14, 2006	December 25, 2007 - December 24, 2017	Strictly performed
Timely fulfillment	Yes				
Reason of unfulfillment and next plans (if any)	N/A				

X. 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.

XI. Punishment and Rectification

Applicable Not Applicable

No punishment or rectification issues happened in the reporting period.

XII. Other Significant Issues

Applicable Not Applicable

No other significant issues need to be explained in the reporting period.

SECION VI CHANGES IN SHARE CAPITAL AND PARTICULARS ABOUT SHAREHOLDERS

I. Changes in Share Capital

(Unit: Shares)

	Before change		Increase/decrease in the period (+, -)					After change	
	Quantity	Scale	New shares	Shares bonus	Converted capital	Others	Subtotal	Quantity	Scale
I. Restricted outstanding shares	294,459,977	46.46%				-128,040,441	-128,040,441	166,419,536	26.30%
1. Shares held by the State	0	0.00%							
2. Shares held by state-owned legal entities	0	0.00%							
3. Shares held by other domestic investors	8,720,237	1.38%				-1,045,001	-1,045,001	7,675,236	1.21%
In which: Shares held by domestic legal entities	0	0.00%						0	0.00%
Shares held by domestic natural persons	8,720,237	1.38%				-1,045,001	-1,045,001	7,675,236	1.21%
4. Shares held by foreign investors	285,739,740	45.08%				-126,995,440	-126,995,440	158,744,300	25.09%
In which: Shares held by foreign legal entities	285,739,740	45.08%				-126,995,440	-126,995,440	158,744,300	25.09%
Shares held by foreign natural persons	0	0.00%						0	0.00%
II. Non-restricted outstanding shares	339,393,463	53.54%				127,062,189	127,062,189	466,455,652	73.70%
1. Renminbi common shares	339,393,463	53.54%				127,062,189	127,062,189	466,455,652	73.70%
2. Domestically listed foreign shares	0	0.00%						0	0.00%
3. Overseas listed foreign shares	0	0.00%						0	0.00%

4. Others	0	0.00%					0	0.00%
III. Total shares	633,853,440	100.00%				-978,252	-978,252	632,875,188 100.00%

Reasons for share capital change

Applicable Not Applicable

- On January 5, 2015, top management of the Company unlocked 25% of the shares registered under their names on the last trading day of the previous year.
- On January 5, 2015, 554,000 shares of restricted stock unlockable during the first unlock period of the Equity Incentive Plan 2013 were circulated.
- On May 8, 2015, the Company repurchased and canceled 730,752 shares of restricted stock that had been granted to incentive objects (remained locked) who had resigned and restricted stock that not meeting the set requirements of 2014 according to Equity Incentive Plan 2012; the Company repurchased and canceled 247,500 shares of restricted stock that had been granted to incentive objects (remained locked) who had resigned according to Equity Incentive Plan 2013. In total, the Company repurchased and canceled 978,252 shares of restricted stock. After the repurchase and cancellation, the capital stock of the Company was reduced from 633,853,440 shares to 632,875,188 shares.
- On May 18, 2015, 126,995,440 shares of stock obtained by SEB International in 2011 by means of transfer agreement were released of restriction and circulated.

Approval of stock changes

Applicable Not Applicable

- On March 25, 2014, the 22nd Session of the Fourth Board of Directors reviewed and adopted the Proposal on Unlocking of Restricted Stock within the First Unlock Period of Restricted Stock Incentive Plan, agreeing to unlock the Restricted Stock for 111 qualified Incentive Objects in the first unlock period. The number of restricted stock unlocked is 554,000. As reviewed and confirmed by Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, this part of stock had been unlocked and circulated on January 5, 2015.
- The 2nd Session of the Fifth Board of Directors held on August 26, 2014 and the 5th Session of the Fifth Board of Directors held on March 25, 2015, respectively reviewed and adopted the Proposal on Annuling a Part of Stock Options and Repurchasing and Canceling a Part of Restricted Stock. For failure in meeting set requirements and disqualification of some Incentive Objects due to resignation in 2014, totally 2,142,624 shares of stock options were annulled and 730,752 shares of restricted stock were repurchased at the price of 0 yuan per share and canceled according to the Equity Incentive Plan 2012. Due to resignation of some incentive objects, the Company repurchased at the price of 0 yuan per share and canceled 247,500 shares of restricted stock according to the Equity Incentive Plan 2013. In total, 978,252 shares of restricted stock were repurchased and canceled. As reviewed and confirmed by Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, the Company had completed the repurchase and cancellation work of a part of stock option and restricted stock on May 8, 2015.

Ownership transfer due to stock change

Applicable Not Applicable

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

Applicable Not Applicable

During this reporting period, totally 978,252 shares were bought back and canceled, which would cause minimal effect on basic EPS and diluted EPS, and no effect on net assets belonging to common shareholders of the Company and other financial indicators.

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

Applicable Not Applicable

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

Applicable Not Applicable

Change of capital stock of the Company due to repurchase and cancellation of restricted stock:

On May 8, 2015, the Company repurchased and canceled 730,752 shares of restricted stock that had been granted to incentive objects (remained locked) who had resigned and restricted stock that not meeting the set requirements of 2014 according to Equity Incentive Plan 2012; the Company repurchased and canceled 247,500 shares of restricted stock that had been granted to incentive objects (remained locked) who had resigned according to Equity Incentive Plan 2013. In total, the Company repurchased and canceled 978,252 shares of restricted stock. After the repurchase and cancellation, the capital stock of the Company was reduced from 633,853,440 shares to 632,875,188 shares.

II. Number of shareholders of the Company and Share-holding Conditions

(Unit: Shares)

Total number of common share holders by reporting period-end		12,354		Total number of preferred stockholders with restored voting right (if any, see Note 8).		0		
Information on common shareholders holding more than 5% shares or information on top 10 common shareholders								
Shareholder's name	Nature of shareholder	Proportion of share-holding	Number of common stock held at period-end	Increase/decrease in the reporting period	Number of restricted common stock	Number of non-restricted common stock	Number of shares pledged or frozen	
							State of shares	Quantity
SEB INTERNATIONALE S.A.S	Foreign legal entity	71.55%	452,832,233	0	158,744,300	294,087,933		
Supor Group Co., Ltd.	Domestic non state-owned legal entity	10.51%	66,546,137	-8157494	0	66,546,137	Pledge	60,000,000
DEUTSCHE BANK AKTIENGESELLSCHAFT	Foreign legal entity	2.67%	16,915,229	13076565	0	16,915,229		
Fidelity Mutual Fund & Investment Management - clients' capital	Foreign legal entity	2.33%	14,768,932	1099015	0	14,768,932		
UBS AG	Foreign legal entity	1.22%	7,690,975	-218797	0	7,690,975		
GF	Foreign legal	1.01%	6,388,262	1220617	0	6,388,262		

International Investment Management Limited - clients' capital	entity							
Societe Generale	Foreign legal entity	0.42%	2,657,225	-528400	0	2,657,225		
Su Xianze	Domestic natural person	0.35%	2,195,086	-845040	2,195,086	0		
China International Capital Corporation Limited	State-owned legal entities	0.32%	2,046,018	2046018	0	2,046,018		
Taikang Life Insurance - bonus - individual bonus - 019L-FH002 Shen	Others	0.28%	1,754,662	-854827	0	1,754,662		
Strategic investor or general corporate investor who becomes top 10 common stockholder as the result of rights issue (see Note 3)	No							
Association relationship among the above shareholders or concerted actions	Among the top 10 shareholders, Mr. Su Xianze and president Su Zengfu of the second largest shareholder of Zhejiang Supor Co., Ltd.- Supor Group have the parent-child relationship. The Company is not aware of any association relationship among other shareholders, or any connections as concerted parties as stipulated in Administration of the Takeover of Listed Companies Procedures.							
Shareholding conditions of top 10 non-restricted common shareholders								
Shareholder's name	Number of non-restricted common shares at period-end	Nature of share						
		Nature of share	Qty.					
SEB INTERNATIONALE S.A.S	294,087,933	Renminbi common shares	294,087,933					
Supor Group Co., Ltd.	66,546,137	Renminbi common shares	66,546,137					
DEUTSCHE BANK AKTIENGESELLSCHAFT	16,915,229	Renminbi common shares	16,915,229					
Fidelity Mutual Fund & Investment	14,768,932	Renminbi	14,768,932					

Management - clients' capital		common shares	
UBS AG	7,690,975	Renminbi common shares	7,690,975
GF International Investment Management Limited - clients' capital	6,388,262	Renminbi common shares	6,388,262
Societe Generale	2,657,225	Renminbi common shares	2,657,225
China International Capital Corporation Limited	2,046,018	Renminbi common shares	2,046,018
Taikang Life Insurance - bonus - individual bonus - 019L-FH002 Shen	1,754,662	Renminbi common shares	1,754,662
BNP Paribas Investment Partners Asia Limited - Clients' fund	1,552,439	Renminbi common shares	1,552,439
Connected relationship or concerted actions among the top 10 shareholders holding non-restricted common shares, and between the top 10 non-restricted shareholders and top 10 common shareholders	Among the top 10 shareholders, Mr. Su Xianze and president Su Zengfu of the second largest shareholder of Zhejiang Supor Co., Ltd.- Supor Group have the parent-child relationship. The Company is not aware of any association relationship among other shareholders, or any connections as concerted parties as stipulated in Administration of the Takeover of Listed Companies Procedures.		
Information on top 10 common shareholders involved in securities margin trading business (if any) (see Note 4)	No		

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

Yes No

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

III. Changes of the Controlling Shareholder or the 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 PARTICULARS ABOUT DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT STAFFS

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

√ Applicable □ Not Applicable

Name	Position	Post-holding status	Number of shares held at period-begin (shares)	Number of shares increased (shares)	Number of shares reduced (shares)	Number of shares held at period-end (shares)	Number restricted stock offered at period begin (shares)	Number restricted stock offered in this period (shares)	Number restricted stock offered at period end (shares)
Frédéric VERWAERDEN	Board Chairman	Holding	0	0	0	0	0	0	0
Thierry de La Tour d'Artaise	Director	Holding	0	0	0	0	0	0	0
Su Xianze	Director	Holding	3,040,126	0	845,040	2,195,086	0	0	0
Su Yan	Director	Holding	0	0	0	0	0	0	0
Harry TOURET	Director	Holding	0	0	0	0	0	0	0
Vincent LEONARD	Director	Holding	0	0	0	0	0	0	0
Frederic BERAHA	Independent director	Holding	0	0	0	0	0	0	0
Xiaoqing PELLEMELE	Independent director	Holding	0	0	0	0	0	0	0
Wang Baoping	Independent director	Holding	0	0	0	0	0	0	0
Chia Wahhock	Supervisor	Holding	0	0	0	0	0	0	0
Philippe SUMEIRE	Supervisor	Holding	0	0	0	0	0	0	0
Zhang Junfa	Supervisor	Holding	0	0	0	0	0	0	0

	or								
Vincent Tai	General Manager	Holding	0	0	0	0	0	0	0
Xu Bo	Chief Financial Officer	Holding	373,056	0	57,024	316,032	0	0	0
Ye Jide	Deputy GM and Board Secretary	Holding	266,994	0	92,093	174,901	0	0	0
Total	--	--	3,680,176	0	994,157	2,686,019	0	0	0

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

II. Change of Directors, Supervisors and Senior Management Staffs

Applicable Not Applicable

There was no change of directors, supervisors or top management during the reporting period. Details can be consulted with the Annual Report of 2014.

SECTION IX FINANCIAL REPORT

I. Audit report

Is the semiannual report audited?

Yes No

The financial report enclosed in this semiannual report has not been audited.

II. Financial Statement

In RMB

1. Consolidated Balance Sheet

Compiled by: Zhejiang Supor Co., Ltd.

June 30, 2015

(Unit: RMB)

Item	Ending balance	Beginning balance
Current Assets:		
Monetary funds	694,987,606.91	620,684,489.46
Settlement fund reserve		
Funds for inter-bank lending		
Financial assets measured at fair value with variation included in current profits and losses	651,688,219.18	913,655,148.86
Derivative financial assets		
Notes receivable	708,261,921.31	486,320,125.68
Accounts receivable	1,330,898,287.49	1,004,256,291.61
Accounts paid in advance	185,715,098.29	171,336,580.71
Premiums receivable		
Dividend payable for reinsurance		
Reserves for reinsurance contract receivable		
Interest receivable	3,209,336.69	1,333,136.33
Dividends receivable		
Other accounts receivable	10,508,981.71	48,727,819.25

Financial assets purchased under agreements to resell		
Inventories	1,098,826,788.82	1,568,475,227.88
Available for sale assets		
Non-current assets due within 1 year		
Other current assets	422,767,686.30	448,717,689.40
Total current assets	5,106,863,926.70	5,263,506,509.18
Non-current assets:		
Loans and advance		
Available-for-sale financial assets		
Held to maturity investments		
Long-term account receivable		
Long-term equity investment	49,639,746.32	48,480,778.13
Investing property		
Fixed assets	929,203,611.47	956,192,336.23
Construction in progress	34,359,450.27	24,928,527.13
Construction material		
Fixed asset disposal		
Capitalized biological assets		
Oil assets		
Intangible assets	221,494,462.36	225,590,281.93
Development expense		
Goodwill		
Long-term expenses to be apportioned		
Deferred tax assets	182,972,667.10	114,946,524.38
Other non-current assets		
Total non-current assets	1,417,669,937.52	1,370,138,447.80
Total assets	6,524,533,864.22	6,633,644,956.98
Current liabilities:		
Short-term borrowings		
Borrowing from Central Bank		
Deposits from customers and interbank		

Funds borrowed from interbank lendings		
Financial liabilities measured at fair value with variation included in current profits and losses		
Derivative financial liabilities		
Notes payable		
Accounts payable	1,475,441,127.98	1,593,473,427.68
Accounts received in advance	195,329,664.73	355,555,918.02
Financial assets sold under agreements to repurchase		
Handling charges and commission payable		
Wages & welfare payable	163,165,233.31	196,269,219.29
Tax payable	167,554,936.48	134,947,117.26
Interests payable		
Dividends payable		
Other accounts payable	48,463,120.79	52,765,467.80
Reinsurance payable		
Insurance contract reserve		
Acting trading securities		
Acting underwriting securities		
Available for sale liabilities		
Non-current liabilities due within 1 year		
Other current liabilities		
Total current liabilities	2,049,954,083.29	2,333,011,150.05
Non-current liabilities:		
Long-term borrowings		
Debentures payable		
In which: preferred stock		
Perpetual capital securities		
Long-term payables		
Long-term wages & welfare payable	6,855,933.26	7,642,438.23

Special payables		
Estimated liabilities	13,013,355.00	13,013,355.00
Deferred income		
Deferred income tax liabilities	4,766,904.09	1,161,698.56
Other non-current liabilities		
Total non-current liabilities	24,636,192.35	21,817,491.79
Total liabilities	2,074,590,275.64	2,354,828,641.84
Owners' equity:		
Share capital	632,875,188.00	633,853,440.00
Other equity instruments		
In which: preferred stock		
Perpetual capital securities		
Capital reserve	551,574,030.15	544,286,532.15
Less: treasury stock		
Other comprehensive earnings	-28,083,373.12	-24,083,236.09
Appropriative reserve		
Surplus public reserve	154,971,348.50	154,971,348.50
General risk preparation		
Retained profits	2,601,985,060.66	2,479,039,992.07
Total owners' equity attributed to shareholders of the listed company	3,913,322,254.19	3,788,068,076.63
Minority shareholders' equity	536,621,334.39	490,748,238.51
Total owners' equity	4,449,943,588.58	4,278,816,315.14
Total liabilities and owner's equity	6,524,533,864.22	6,633,644,956.98

Legal Representative: Frédéric VERWAERDE Head of accounting work: Xu Bo Head of the accounting body: Xu Bo

2. Balance Sheet of the Parent Company

(Unit: RMB)

Item	Ending balance	Beginning balance
Current Assets:		
Monetary funds	205,682,932.19	132,101,639.38
Financial assets measured at fair value with variation included in current	391,688,219.18	392,310,082.19

profits and losses		
Derivative financial assets		
Notes receivable	15,300,000.00	19,054,036.48
Accounts receivable	350,865,538.21	266,999,774.58
Accounts paid in advance	50,123,259.94	55,109,729.12
Interest receivable	693,440.00	6,187.51
Dividends receivable		
Other accounts receivable	84,662,798.79	95,590,456.19
Inventories	184,412,624.28	181,856,988.65
Available for sale assets		
Non-current assets due within 1 year		
Other current assets	404,014,056.99	392,256,657.53
Total current assets	1,687,442,869.58	1,535,285,551.63
Non-current assets:		
Available-for-sale financial assets		
Held to maturity investments		
Long-term account receivable		
Long-term equity investment	1,151,885,534.39	1,146,897,559.12
Investing property		
Fixed assets	152,102,759.60	154,775,280.21
Construciton in progress	23,152,906.38	19,699,960.18
Construction material		
Fixed asset disposal		
Capitalized biological assets		
Oil assets		
Intangible assets	52,789,186.43	53,341,341.02
Development expense		
Goodwill		
Long-term expenses to be apportioned		
Deferred tax assets	5,290,016.81	3,781,521.03
Other non-current assets		
Total non-current assets	1,385,220,403.61	1,378,495,661.56
Total assets	3,072,663,273.19	2,913,781,213.19

Current liabilities:		
Short-term borrowings		
Financial liabilities measured at fair value with variation included in current profits and losses		
Derivative financial liabilities		
Notes payable		
Accounts payable	149,130,087.93	130,258,824.88
Accounts received in advance	4,023,325.29	4,340,729.62
Wages & welfare payable	28,477,038.06	33,233,491.00
Tax payable	31,793,794.55	29,287,779.19
Interests payable		
Dividends payable		
Other accounts payable	1,426,948,316.58	1,097,876,067.93
Available for sale liabilities		
Non-current liabilities due within 1 year		
Other current liabilities		
Total current liabilities	1,640,372,562.41	1,294,996,892.62
Non-current liabilities:		
Long-term borrowings		
Debentures payable		
In which: preferred stock		
Perpetual capital securities		
Long-term payables		
Long-term wages & welfare payable		
Special payables		
Estimated liabilities		
Deferred income		
Deferred income tax liabilities	4,098,929.04	685,939.09
Other non-current liabilities		
Total non-current liabilities	4,098,929.04	685,939.09
Total liabilities	1,644,471,491.45	1,295,682,831.71

Owners' equity:		
Share capital	632,875,188.00	633,853,440.00
Other equity instruments		
In which: preferred stock		
Perpetual capital securities		
Capital reserve	551,426,931.78	544,139,433.78
Less: treasury stock		
Other comprehensive earnings	2,435,940.00	
Appropriative reserve		
Surplus public reserve	154,971,348.50	154,971,348.50
Retained profits	86,482,373.46	285,134,159.20
Total owners' equity	1,428,191,781.74	1,618,098,381.48
Total liabilities and owner's equity	3,072,663,273.19	2,913,781,213.19

3. Consolidated Income Statement

(Unit: RMB)

Item	Amount of this period	Amount of last period
I. Total sales	5,379,574,852.09	4,642,903,746.81
Including: Operating income	5,379,574,852.09	4,642,903,746.81
Interest income		
Premium income		
Handling charges and commission income		
II. Total cost of sales	4,873,873,502.54	4,221,427,294.67
In which: Operating cost	3,826,621,021.75	3,272,332,302.56
Interest expenses		
Handling charges and commission expenses		
Surrender payment		
Net claims paid		
Net provision for insurance contract reserve		
Policyholder dividend expense		

Expenses for reinsurance accepted		
Business taxes and associate charges	33,897,319.04	31,104,137.97
Selling and distribution expenses	836,869,586.54	774,811,596.87
Management expenses	161,745,534.05	157,525,244.25
Financial expense	-7,892,741.83	-10,175,630.63
Impairment loss	22,632,782.99	-4,170,356.35
Plus: Gain/loss from change in fair value (“-” means loss)	-1,966,929.68	12,825.00
Gain/loss from investment (“-” means loss)	27,358,833.38	18,142,407.36
Including: income from investment in related enterprise and joint ventures		
Foreign exchange gain/loss (“-” means loss)		
III. Business Profit (“-” means deficit)	531,093,253.25	439,631,684.50
Plus: non-operating income	19,887,567.43	11,335,308.36
In which: gains from non-current asset disposal	186,698.28	1,123,126.07
Minus: non-operating expense	5,219,796.35	6,557,874.24
In which: loss from non-current asset disposal	461,888.08	1,340,421.06
IV. Total Profit (“-” means total loss)	545,761,024.33	444,409,118.62
Less: Income tax expense	104,894,285.29	76,010,920.08
V. Net Profit (“-” means net loss)	440,866,739.04	368,398,198.54
Net profit attributed to shareholders of the listed company	395,081,399.38	331,448,600.90
Minority interest	45,785,339.66	36,949,597.64
VI. Net of tax of other comprehensive income	-3,912,380.81	-3,691,967.48
Net of tax of other comprehensive income attributed to owners of parent company	-4,000,137.03	-3,691,967.48
(i) Other comprehensive income which will not be classified in profits and		

losses in future		
1. Variation in net indebtedness or net assets with defined benefit plans re-measured		
2. Shares in other comprehensive income of invested company which will not be classified in profits and losses accounted by equity method		
(ii) Other comprehensive income which will be classified in profits and losses in future	-4,000,137.03	-3,691,967.48
1. Shares in other comprehensive income of invested company which will be classified in profits and losses accounted by equity method		
2. Variable profit and loss of fair value of available-for-sale financial assets		
3. Profit and loss of held-to-maturity investment re-classified into available-for-sale financial assets		
4. Effective part in profit and loss of cash-flow hedging	2,794,228.27	-95,641.08
5. Translation difference of foreign currency financial statements	-6,794,365.30	-3,596,326.40
6. Others		
Net of tax of other comprehensive income attributable to minority shareholders	87,756.22	
VII. Total comprehensive earnings	436,954,358.23	364,706,231.06
Total comprehensive earnings attributed to shareholders of the parent company	391,081,262.35	327,756,633.42
Total comprehensive earnings attributed to minority shareholders	45,873,095.88	36,949,597.64
VIII. Earnings per share:		
(i) Basic earnings per share	0.623	0.523

(ii) Diluted earnings per share	0.623	0.523
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In the merger under the same control happened in this reporting period, the merged party has realized net profit of 0.00 yuan before the merger. The net profit of last period was 0.00 yuan.

Legal Representative: Frdric VERWAERDE Head of accounting work: Xu Bo Head of the accounting body: Xu Bo

4. Income Statement of the Parent Company

(Unit: RMB)

Item	Amount of this period	Amount of last period
I. Sales	838,513,628.11	645,039,661.98
Minus: Operating Cost	681,444,590.51	525,804,752.33
Business taxes and associate charges	4,810,375.62	4,271,835.44
Selling and distribution expenses	24,362,999.71	23,336,285.22
Management expenses	45,480,696.59	43,568,873.97
Financial expense	1,043,206.11	-3,728,942.62
Impairment loss	3,490,108.27	1,667,571.59
Plus: Gain/loss from change in fair value (“-” means loss)	-621,863.01	12,825.00
Gain/loss from investment (“-” means loss)	18,443,577.82	8,169,759.35
Including: income from investment in related enterprise and joint ventures		
II. Business Profit (“-” means loss)	95,703,366.11	58,301,870.40
Plus: non-operating income	3,183,751.67	4,175,515.50
In which: gains from non-current asset disposal	57,390.40	15,455.87
Minus: non-operating expense	1,359,386.13	3,514,859.24
In which: loss from non-current asset disposal	43,415.21	996,119.10
III. Total Profit (“-” means total loss)	97,527,731.65	58,962,526.66
Less: Income tax expense	24,043,186.60	9,023,611.11
IV. Net Profit (“-” means net loss)	73,484,545.05	49,938,915.55
V. Net of tax of other comprehensive income	2,435,940.00	-130,508.57

(i) Other comprehensive income which will not be classified in profits and losses later		
1. Variation in net indebtedness or net assets with defined benefit plans re-measured		
2. Shares in other comprehensive income of invested company which will not be classified in profits and losses accounted by equity method		
(ii) Other comprehensive income which will be classified in profits and losses in future	2,435,940.00	-130,508.57
1. Shares in other comprehensive income of invested company which will be classified in profits and losses accounted by equity method		
2. Variable profit and loss of fair value of available-for-sale financial assets		
3. Profit and loss of held-to-maturity investment re-classified into available-for-sale financial assets		
4. Effective part in profit and loss of cash-flow hedging	2,435,940.00	-130,508.57
5. Translation difference of foreign currency financial statements		
6. Others		
VI. Total comprehensive income	75,920,485.05	49,808,406.98
VII. Earnings per share:		
(i) Basic earnings per share		
(ii) Diluted earnings per share		

5. Consolidated Cash Flow Statement

(Unit: RMB)

Item	Amount of this period	Amount of last period
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Cash flows from operating activities:		
Cash received from sales of goods or rendering of services	3,115,784,479.70	2,996,446,267.13
Net increase of deposits from customers and other banks		
Net increase of borrowings from central bank		
Net increase of funds borrowed from other financial institutions		
Premium received		
Net cash received from reinsurance		
Net increase of policyholder deposit and investment		
Net increase of financial assets measured at fair value with variation included in current profits and losses		
Interests, handling charges and commission received		
Net increase of funds borrowed from interbank lendings		
Net increase of funds received from repurchase		
Refund of tax and fare received	66,158,353.47	76,543,433.98
Cash received relating to other operating activities	30,875,351.72	24,094,840.63
Sub-total of cash inflows from operating activities	3,212,818,184.89	3,097,084,541.74
Cash paid for goods and services	1,953,209,952.21	1,735,475,466.08
Net increase of customer lending and advance		
Net increase of deposit in central bank and other banks		
Claims paid		
Interests, handling charges and commission paid		
Cash paid as policy dividend		
Cash paid to or for employees	538,089,807.92	478,245,305.29
Tax and fare paid	388,509,781.37	304,402,933.34

Cash paid relating to other operating activities	221,130,284.01	249,817,077.92
Sub-total of cash outflows from operating activities	3,100,939,825.51	2,767,940,782.63
Net cash flows resulting from operating activities	111,878,359.38	329,143,759.11
II. Cash Flows from Investment Activities:		
Cash received from return of investments		
Cash received from investment income	17,000,206.66	16,912,919.45
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	74,234.00	605,168.50
Net cash received from sale of subsidiaries and other operating units		
Cash received relating to other investment activities	916,308,013.12	1,706,440,937.55
Sub-total of cash inflows from investment activities	933,382,453.78	1,723,959,025.50
Cash paid for acquiring fixed assets, intangible assets and other long-term assets	47,484,814.40	54,321,559.45
Cash paid for acquiring investments		
Net increase of pledge loans		
Net cash used for acquiring subsidiaries and other operating units		
Cash paid for other investment activities	810,704,455.10	1,191,331,274.32
Sub-total of cash outflows from investment activities	858,189,269.50	1,245,652,833.77
Net cash flow from investment activities	75,193,184.28	478,306,191.73
III. Cash Flows from Financing Activities:		
Cash received from absorbing investment		

Including: Cash received from issuing shares of minority shareholders		
Cash received from borrowings		
Cash received from issuing bonds		
Other cash received relating to financing activities		
Sub-total of cash inflows from financing activities		
Cash repayments of amounts borrowed		
Cash payments for interest expenses and distribution of dividends or profit	272,136,330.79	234,659,145.56
Including: dividends or profit paid to minority shareholders		
Cash payments relating to other financing activities		
Sub-total of cash outflows from financing activities	272,136,330.79	234,659,145.56
Net cash flow from financing activities	-272,136,330.79	-234,659,145.56
IV. Impact of exchange rate fluctuation on cash and cash equivalents	-1,105,550.52	1,160,818.71
V. Net increase of cash and cash equivalents	-86,170,337.65	573,951,623.99
Plus: Cash and cash equivalents at period-begin	416,878,114.31	390,261,119.34
VI. Cash and cash equivalents at period-end	330,707,776.66	964,212,743.33

6. Cash Flow Statement of the Parent Company

(Unit: RMB)

Item	Amount of this period	Amount of last period
Cash flows from operating activities:		
Cash received from sales of goods or rendering of services	668,688,031.01	527,239,301.55
Refund of tax and fare received	42,802,554.15	39,241,531.98
Cash received relating to other	4,431,746.47	3,579,173.94

operating activities		
Sub-total of cash inflows from operating activities	715,922,331.63	570,060,007.47
Cash paid for goods and services	517,319,369.77	361,086,722.73
Cash paid to or on behalf of employees	95,655,229.73	83,536,896.75
Tax and fare paid	59,076,542.17	47,088,375.46
Cash paid relating to other operating activities	10,798,408.73	30,943,750.76
Sub-total of cash outflows from operating activities	682,849,550.40	522,655,745.70
Net cash flows resulting from operating activities	33,072,781.23	47,404,261.77
II. Cash Flows from Investment Activities:		
Cash received from return of investments		
Cash received from investment income	8,084,951.10	6,940,271.44
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		254,566.50
Net cash received from sale of subsidiaries and other operating units		
Cash received relating to other investment activities	393,212,541.39	688,571,704.44
Sub-total of cash inflows from investment activities	401,297,492.49	695,766,542.38
Cash paid for acquiring fixed assets, intangible assets and other long-term assets	17,639,852.73	14,676,884.37
Cash paid for acquiring investments		
Net cash used for acquiring subsidiaries and other operating units		
Cash paid for other investment activities	878,332,936.25	726,817,691.43
Sub-total of cash outflows from investment activities	895,972,788.98	741,494,575.80

Net cash flow from investment activities	-494,675,296.49	-45,728,033.42
III. Cash Flows from Financing Activities:		
Cash received from absorbing investment		
Cash received from borrowings		
Cash received from issuing bonds		
Other cash received relating to financing activities	697,644,326.11	613,963,317.39
Sub-total of cash inflows from financing activities	697,644,326.11	613,963,317.39
Cash repayments of amounts borrowed		
Cash payments for interest expenses and distribution of dividends or profit	272,136,330.79	234,659,145.56
Cash payments relating to other financing activities		
Sub-total of cash outflows from financing activities	272,136,330.79	234,659,145.56
Net cash flow from financing activities	425,507,995.32	379,304,171.83
IV. Impact of exchange rate fluctuation on cash and cash equivalents	-324,187.25	107,966.63
V. Net increase in cash and cash equivalents	-36,418,707.19	381,088,366.81
Plus: Cash and cash equivalents at period-begin	132,101,639.38	44,333,053.35
VI. Cash and cash equivalents at period-end	95,682,932.19	425,421,420.16

7. Statement of Changes in Consolidated Owners' Equity

Amount of this period

(Unit: RMB)

Item	This period											
	Owners' equity attributed to the listed company										Minority shareholdings	Total owners' equity
	Share capital	Other equity instruments	Capital reserve	Less: treasury	Other comprehensive	Appropriative	Surplus public	General risk	Retained profits			

		Preferred stock	Perpetual capital securities	Others		stock	comprehensive earnings	reserve	reserve	reserve		Owners' equity	
I. Balance at period-end of previous year	633,853,440.00				544,286,532.15		-24,083,236.09		154,971,348.50		2,479,039,992.07	490,748,238.51	4,278,816,315.14
Add: change of accounting policies													
Correction of errors in previous period													
Business combination under the same control													
Others													
II. Balance at period-begin of this year	633,853,440.00				544,286,532.15		-24,083,236.09		154,971,348.50		2,479,039,992.07	490,748,238.51	4,278,816,315.14
III. Increase/decrease in this period (put "-" for decrease)	-978,252.00				7,287,498.00		-4,000,137.03				122,945,068.59	45,873,095.88	171,127,273.44
(i) Total comprehensive earnings							-4,000,137.03				395,081,399.38	45,873,095.88	436,954,358.23
(ii) Capital invested and reduced by the owners	-978,252.00				7,287,498.00								6,309,246.00
1. Common shares invested by shareholders													
2. Capital invested by other equity instrument holders													

3. Amount of share-based payments recorded into the owner's equities	-978,252.00				7,287,498.00							6,309,246.00	
4. Others													
(iii) Profit distribution										-272,136,330.79		-272,136,330.79	
1. Provision of surplus reserve													
2. Provision of general risk reserve													
3. Distribution to all owners (shareholders)										-272,136,330.79		-272,136,330.79	
4. Others													
(iv) Internal transfer of owners' equity													
1. Conversion of capital reserves to capital (or stock)													
2. Conversion of surplus reserves to capital (or stock)													
3. Loss covered by surplus reserves													
4. Others													
(v) Appropriative reserve													
1. Withdrawn in this period													
2. Used in this period													
(vi) Others													
IV. Balance at period-end	632,875,188.				551,574,030.15		-28,083,373.12		154,971,348.50		2,601,985,060.	536,621,334.39	4,449,943,588.

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Amount in last year

(Unit: RMB)

Item	Last period												Minority shareholders' equity	Total owners' equity
	Owners' equity attributed to the listed company													
	Share capital	Other equity instruments			Capital reserve	Less: treasury stock	Other comprehensive earnings	Appropriative reserve	Surplus public reserve	General risk preparation	Retained profits			
Preferred stock		Perpetual capital securities	Others											
I. Balance at period-end of previous year	634,394,112.00				531,694,082.71	2,729,067.34	-23,286,999.99		140,734,083.89		2,038,044,079.33	414,060,593.91	3,732,910,884.51	
Add: change of accounting policies														
Correction of errors in previous period														
Business combination under the same control														
Others														
II. Balance at period-begin of this year	634,394,112.00				531,694,082.71	2,729,067.34	-23,286,999.99		140,734,083.89		2,038,044,079.33	414,060,593.91	3,732,910,884.51	
III. Increase/decrease in this period (put "-" for decrease)	-540,672.00				8,832,502.00		-3,691,967.48				96,722,779.49	36,949,597.64	138,272,239.65	
(i) Total comprehensive earnings							-3,691,967.48				331,448,600.90	36,949,597.64	364,706,231.06	
(ii) Capital invested and reduced by the owners	-540,672.00				8,832,502.00								8,291,830.00	

1. Common shares invested by shareholders													
2. Capital invested by other equity instrument holders													
3. Amount of share-based payments recorded into the owner's equities	-540,672.00				8,832,502.00							8,291,830.00	
4. Others													
(iii) Profit distribution											-234,725,821.41	-234,725,821.41	
1. Provision of surplus reserve													
2. Provision of general risk preparation													
3. Distribution to all owners (shareholders)											-234,725,821.41	-234,725,821.41	
4. Others													
(iv) Internal transfer of owners' equity													
1. Conversion of capital reserves to capital (or stock)													
2. Conversion of surplus reserves to capital (or stock)													
3. Loss covered by surplus reserves													
4. Others													
(v) Appropriative reserve													
1. Withdrawn in this period													

2. Used in this period													
(vi) Others													
IV. Balance at period-end	633,853,440.00				540,526,584.71	2,729,067.34	-26,978,967.47		140,734,083.89		2,134,766,858.82	451,010,191.55	3,871,183,124.16

8. Statement of Changes in Owners' Equity of the Parent Company

Amount of this period

(Unit: RMB)

Item	This period										
	Share capital	Other equity instruments			Capital reserve	Less: treasury stock	Other comprehensive earnings	Appropriative reserve	Surplus public reserve	Retained profits	Total owners' equity
		Preferred stock	Perpetual capital securities	Others							
I. Balance at period-end of previous year	633,853,440.00				544,139,433.78				154,971,348.50	285,134,159.20	1,618,098,381.48
Add: change of accounting policies											
Correction of errors in previous period											
Others											
II. Balance at period-begin of this year	633,853,440.00				544,139,433.78				154,971,348.50	285,134,159.20	1,618,098,381.48
III. Increase/decrease in this period (put "-" for decrease)	-978,252.00				7,287,498.00		2,435,940.00			-198,651,785.74	-189,906,599.74
(i) Total comprehensive earnings							2,435,940.00			73,484,545.05	75,920,485.05
(ii) Capital invested and reduced by the	-978,252.00				7,287,498.00						6,309,246.00

owners											
1. Common shares invested by shareholders											
2. Capital invested by other equity instrument holders											
3. Amount of share-based payments recorded into the owner's equities	-978,252.00				7,287,498.00					6,309,246.00	
4. Others											
(iii) Profit distribution										-272,136,330.79	-272,136,330.79
1. Provision of surplus reserve											
2. Distribution to all owners (shareholders)										-272,136,330.79	-272,136,330.79
3. Others											
(iv) Internal transfer of owners' equity											
1. Conversion of capital reserves to capital (or stock)											
2. Conversion of surplus reserves to capital (or stock)											
3. Loss covered by surplus reserves											
4. Others											
(v) Appropriative reserve											
1. Withdrawn in this period											
2. Used in this											

period											
(vi) Others											
IV. Balance at period-end	632,875,188.00				551,426,931.78	2,435,940.00		154,971,348.50	86,482,373.46	1,428,191,781.74	

Amount in last year

(Unit: RMB)

Item	Last period										
	Share capital	Other equity instruments			Capital reserve	Less: treasury stock	Other comprehensive earnings	Appropriative reserve	Surplus public reserve	Retained profits	Total owners' equity
		Preferred stock	Perpetual capital securities	Others							
I. Balance at period-end of previous year	634,394,112.00				529,909,956.12	2,729,067.34			140,734,083.89	391,657,923.31	1,693,967,007.98
Add: change of accounting policies											
Correction of errors in previous period											
Others											
II. Balance at period-begin of this year	634,394,112.00				529,909,956.12	2,729,067.34			140,734,083.89	391,657,923.31	1,693,967,007.98
III. Increase/decrease in this period (put "-" for decrease)	-540,672.00				8,832,502.00		-130,508.57			-184,786,905.86	-176,625,584.43
(i) Total comprehensive earnings							-130,508.57			49,938,915.55	49,808,406.98
(ii) Capital invested and reduced by the owners	-540,672.00				8,832,502.00						8,291,830.00
1. Common shares invested by shareholders											

2. Capital invested by other equity instrument holders											
3. Amount of share-based payments recorded into the owner's equities	-540,672.00				8,832,502.00						8,291,830.00
4. Others											
(iii) Profit distribution										-234,725,821.41	-234,725,821.41
1. Provision of surplus reserve											
2. Distribution to all owners (shareholders)										-234,725,821.41	-234,725,821.41
3. Others											
(iv) Internal transfer of owners' equity											
1. Conversion of capital reserves to capital (or stock)											
2. Conversion of surplus reserves to capital (or stock)											
3. Loss covered by surplus reserves											
4. Others											
(v) Appropriative reserve											
1. Withdrawn in this period											
2. Used in this period											
(vi) Others											
IV. Balance at period-end	633,853,440.00				538,742,458.12	2,729,067.34	-130,508.57		140,734,083.89	206,871,017.45	1,517,341,423.55

III. Profile of the Company

Zhejiang Supor Co., Ltd. (hereinafter referred to as “the Company”) is a joint stock company restructured from Zhejiang Supor Cookware Co., Ltd. approved by [2004] No. 24 document from the Leading Group for Enterprise Listed of the People's Government of Zhejiang Province, and transacted registration change in Zhejiang Administration for Industry & Commerce on Nov. 10, 2000, and obtained business license for legal corporation with registration number of 3300001007355. The existing registered capital of the Company is 632,875,188.00 yuan, and the number of total shares is 632,875,188 (par value of 1 yuan per share). Among which, 166,419,536 shares are restricted for selling and 466,455,652 shares without restrictions. The shares have been listed in the Small and Medium Enterprise Board of Shenzhen Stock Exchange for trading on August 17, 2004.

The Company belongs to metal products manufacturing industry. Its business scope includes R&D, production and selling of kitchenware, stainless steel products, general hardware, small electrical home appliances and cooker; import & export (for the specific scope, please refer to the Qualification Certificate for Import and Export Enterprises of the People's Republic of China), and assembly and repair of electrical appliances. The main products are CW and kitchen SDA.

IV. Preparation Basis of Financial Statement

1. Preparation basis

This financial report is prepared on the basis of sustainable operation of the Company.

2. Sustainable operation

The Company was not involved in any matters or situations that would cause substantial doubts about the sustainable operation of the Company 12 months after period-end.

Note: The Company should evaluate the sustainable operation ability 12 months after period-end. If the evaluation result shows substantial doubts about the sustainable operation of the Company, the Company should disclose the factors that cause the doubt and the improvement actions to be taken.

V. Principal Accounting Policies and Accounting Estimates

1. Announcement of compliance with the Accounting Standards

The Company implements the Accounting Standards for Business Enterprises (ASBE) promulgated by the Ministry of Finance in February 2006. The financial statements of the Company give a true and fair view of the state of affairs of the Company regarding the financial position and operating results & cash flows.

2. Accounting period

The fiscal year is from January 1 to December 31 of each calendar year.

3. Operating cycle

The operating cycle is 12 months, as the liquidity categorization standard of assets and liabilities.

4. Reporting currency

The reporting currency is RENMINBI.

5. Accounting treatment for business combination under and not under the same control

(1) Business combination under the same control

The assets and liabilities acquired from business acquisition shall be measured based on the book value of the mergee in the consolidated financial statements of the final controller on the date of combination. The difference between the book value of mergee in the consolidated financial statements of the final controller and the book value of combination consideration paid (or the total amount of the par value of share issued) shall offset against the capital reserve. If the capital reserve is insufficient to offset, the retained earnings shall be adjusted.

(2) Business combination not under the same control

The balance that merging cost's exceeding definable net assets fair proportion is validated as Goodwill. If the merging cost is less than the definable net assets fair proportion, the measurement of all definable net assets, liabilities, fair value and merging cost shall be re-validated first. After validation, balance shall be recorded in the current profits and losses if it is still less.

6. Preparation method of the Consolidated Financial Statement

The parent company shall bring all subsidiaries under its control into the consolidation scope. In line with the Accounting Standard for Business Enterprise No. 33 Consolidated Financial Statement, the consolidated financial statement shall be prepared by the parent company on the basis of both financial statements of the parent company and its subsidiaries in accordance with other relevant information.

7. Classification of joint venture arrangements and accounting treatment method of joint operation

(1) Joint venture arrangements are divided into joint venture and affiliated business.

(2) If the company is a party of a joint venture, it shall confirm following items that are related to the interest quantum of the joint operation:

- 1) To confirm assets possessed separately, and confirm assets co-possessed based on the holding quantum;
- 2) To confirm liabilities undertaken separately, and confirm liabilities co-undertaken based on the holding quantum;
- 3) To confirm the income generated from selling the company's production shares from joint operation;
- 4) To confirm the income generated from selling assets from joint operation;
- 5) To confirm expenses generated separately, and confirm expenses generated from joint operation based on the holding quantum.

8. Determination criteria for cash and cash equivalent

Cash listed in the Cash Flow Statement refers to cash on hand and deposit ready for payment. Cash equivalent refers to short-term, high liquid investments that are readily convertible to known amounts of cash, and with insignificant value variation risks.

9. Conversion of foreign currency business and foreign currency statements

(1) Foreign currency business

For foreign currency transactions occurred, the amount in the foreign currency shall be converted to the amount in the reporting currency at the spot exchange rate of the transaction date. For the balance sheet date, the foreign currency monetary items shall be converted at the spot exchange rate on the balance sheet date. The exchange loss of foreign exchange, except for those of the capital and interests of foreign currency borrowings arising from buying assets in compliance with the capitalization conditions, shall be recorded into the profits and losses account at the current period; the foreign currency non-monetary items measured at the historical cost shall still be converted at the spot exchange rate on the transaction date; except the gain or loss of foreign exchange of the principle and interests of special fund for capital expenditure, the foreign currency non-monetary items measured at the fair value shall be converted at the spot exchange rate on the fair value confirming date; the difference is taken as the current profit and loss or other comprehensive income.

(2) Conversion of financial statements in foreign currency

The asset and liability items in the balance sheets shall be converted at the spot exchange rate on the balance sheet date. Among the owner's equity items, apart from "retained profit", others shall be converted at the historical rate. The income and expenses items in the profit statements shall be converted at the approximate exchange rate with the spot exchange rate of the transaction date. The balance arising from the translation of foreign currency financial statements shall be included in other comprehensive income.

10. Financial instrument

(1) Classification of financial assets and financial liabilities

Financial assets shall be classified into following four categories when they are initially recognized: (i) the financial assets which are measured at their fair values and the variation of which is recorded into the profits and losses of the current period, including tradable financial assets and the financial assets which are measured at their fair values when initially recognized and of which the variation is included in the current profits and losses; (ii) the investments which will be held to their maturity; (iii) loans and the accounts receivables; and (iv) financial assets available for sale.

Financial liabilities shall be classified into the following two categories when they are initially recognized: (i) the financial liabilities which are measured at their fair values and of which the variation is included in the current profits and losses, including tradable financial liabilities and the designated financial liabilities which are measured at their fair values when initially recognized and of which the variation is included in the current profits and losses; and (ii) other financial liabilities.

(2) Recognition basis, measurement method and termination conditions for financial assets and financial liabilities

When the Company is engaged to a financial instrument, it shall recognize a financial asset or financial liability. The financial assets and financial liabilities initially recognized by the Company shall be measured at their fair values. For the financial assets and liabilities measured at their fair values and of which the variation is recorded into the profits and losses of the current period, the

related trading expenses thereof shall be directly recorded into the profits and losses of the current period; for other categories of financial assets and financial liabilities, the trading expenses thereof shall be included into the initially recognized amount.

The Company shall make subsequent impairment test on its financial assets according to their fair values, and can not deduct the transaction expenses that may occur when it disposes the said financial asset in future. But following circumstances shall be excluded:

(i) The investments held to their maturity, loans and accounts receivable shall be measured on the basis of the post-amortization costs by adopting the actual interest rate method; (ii) The equity instrument investments for which there is no quotation in the active market and whose fair value cannot be measured reliably, and the derivative financial assets which are connected with the said equity instrument and must be settled by delivering the said equity instrument shall be measured on the basis of their costs.

The Company shall make subsequent impairment test on its financial liabilities on the basis of the post-amortization costs by adopting the actual interest rate method, with the exception of those under the following circumstances: 1) For the financial liabilities measured at their fair values and of which the variation is recorded into the profits and losses of the current period, they shall be measured at their fair values, and none of the trading expenses may be deducted, which may occur when the financial liabilities are settled in the future; 2) For the derivative financial liabilities, which are connected to the equity instrument for which there is no quotation in the active market and whose fair value cannot be reliably measured, and which must be settled by delivering the equity instrument, they shall be measured on the basis of their costs. 3) For the financial guarantee contracts which are not designated as a financial liability measured at its fair value and the variation thereof is recorded into the profits and losses of the current period, and for the commitments to grant loans which are not designated to be measured at the fair value and of which the variation is recorded into the profits and losses of the current period and which will enjoy an interest rate lower than that of the market, a subsequent impairment test shall be made after they are initially recognized according to the higher one of the following: (i) the amount defined by the Accounting Standards for Enterprises No. 13—Contingencies; or (ii) the balance of initially confirmed value deducting the accumulative amortization as determined according to the principles in Accounting Standards for Enterprises No. 14 - Income.

The profits and losses arising from the change in the fair value of a financial asset or financial liability shall be dealt with according to the following provisions, unless it is related to hedging: 1) The profits and losses, arising from the change in the fair value of the financial asset or financial liability which is measured at its fair value and of which the variation is recorded into the profits of the current period, shall be recorded into the profits and losses of the current period. The received interest or cash dividend shall be recorded as investment gain. When settling, the difference between the actual amount received and original book value should be recorded as investment gain or loss. At the same time, the gain from fair value change should be adjusted. (2) The fair value change of tradable financial assets shall be included in other comprehensive income; the interests calculated according to the effective interest method shall be recorded as investment gain. The cash dividend arising from the investment of tradable equity instrument shall be recorded in the investment gain on the date when the investor declares the dividend. When settling, the difference between the actual amount received and the book value deducted by the accumulated fair value changes originally directly included in other comprehensive income should be recorded as investment gain or loss.

When the contractual right of receiving the cash flow of certain financial assets has been ceased, or almost all risks and benefit of such financial assets have been transferred, the financial assets shall be ceased. When the obligations of the financial liabilities are completely or partially released, the corresponding complete or partial financial liabilities shall be ceased.

(3) Recognition and measurement of transfer of financial assets

Where the Company has transferred nearly all of the risks and benefits related to the ownership of the financial asset to the transferee, it shall cease recognition of the financial asset. If it retains nearly all of the risks and benefits related to the ownership of the financial asset, it shall continue to recognize the entire financial asset to be transferred and shall recognize the consideration it receives as a financial liability. Where the Company does not transfer or retain nearly all of the risks and benefits related to the ownership of a financial asset, it shall refer to following circumstances: 1) If it gives up its control over the financial asset, it shall terminate recognition of the financial asset; 2) If it does not give up its control over the financial asset, it shall, according to the extent of its

continuous involvement in the transferred financial asset, recognize the related financial asset and recognize the relevant liability accordingly.

If the transfer of an entire financial asset satisfies the conditions for termination of the recognition, the difference between the amounts of the following two items shall be recorded in the profits and losses of the current period: 1) The book value of the converted financial asset; 2) The sum of consideration received from the transfer, and the accumulative amount of the changes of the fair value originally recorded in the owner's equities. If the transfer of partial financial asset satisfies the conditions to terminate the recognition, the total book value of the transferred financial asset shall, between the portion whose recognition has been terminated and the portion whose recognition has not been terminated, be apportioned according to their respective relative fair value, and the difference between the amounts of the following two items shall be included into the profits and losses of the current period: 1) The book value of the portion whose recognition has been terminated; 2) The sum of consideration of the portion whose recognition has been terminated, and the portion of the accumulative amount of the changes in the fair value originally recorded in the owner's equities which is corresponding to the portion whose recognition has been terminated.

(4) Determination method of fair value of financial assets and financial liabilities

The Company determines the fair value of financial assets and financial liabilities based on the currently applicable valuation technique supported by sufficiently available data and other information. The Company classifies the input values used by valuation technique into following levels:

- 1) First-level input values are the unadjusted quotation of same assets or liabilities that can be acquired on the measurement date in active market;
- 2) Second-level input values are the input values of related assets or liabilities outside first-level input values that can be directly or indirectly observed, including quotation of similar assets or liabilities in active market; quotation of same or similar assets or liabilities in inactive market; other input values that can be observed other than quotation, such as interest rate and yield curve that can be observed during normal quotation intervals; input values of market validation.
- 3) Third-level input values are the input values of related assets or liabilities that can not be observed, including interest rate that can not be observed directly or validated by observable market data, stock volatility, future cash flow for asset retirement obligation undertaken in business combination, and financial forecasting made based on own data.

(5) Impairment test and accrual method for depreciation provision of financial assets (excluding accounts receivable)

- 1) The Company shall carry out an impairment test, on the balance sheet date, on the carrying amount of the financial assets other than those measured at their fair values. If there is sound evidence for the depreciation of those financial assets, the provision shall be accrued.
- 2) An impairment test shall be made on the financial assets with significant single amount. With regard to the financial assets with insignificant single amount, an impairment test may be carried out separately, or be included in the financial asset combination with similar credit risk features. Where, upon separate test, the financial asset (including those financial assets with significant single amount and those with less insignificant amount) has not been impaired, it shall be included in a combination of financial assets with similar credit risk features so as to conduct another impairment test.
- 3) Where a financial asset which is measured on the basis of post-amortization costs and for which there is objective evidence proving that the impairment occurred, the impairment losses shall be recognized in accordance with the difference between book value and the current value of the predicted future cash flow. Where an equity instrument investment for which there is no quoted price in the active market and whose fair value cannot be reliably measured, or a derivative financial asset which is connected with the equity instrument and which must be settled by delivering the equity instrument, suffers from any impairment, the gap between the carrying amount of the equity instrument investment or the derivative financial asset and the discounted present value of the

future cash flow of similar financial assets capitalized according to the returns ratio of the market at the same time shall be recognized as impairment-related losses. Where a fair value of financial assets available for sale drops by a big margin, and after comprehensive considerations of relevant factors, it is anticipated that such drop is not contemporary, its impairment losses shall be determined, and the accumulative losses arising from the decrease of the fair value of the owner's equity which was directly included shall be transferred out and recorded into impairment losses.

4) Objective evidences that can prove the impairment of a tradable financial asset investment shall include:

A. Objective evidences that can prove the impairment of a tradable financial asset investment shall include:

- a. A serious financial difficulty occurs to the debtor;
- b. The debtor breaches any of the contractual stipulations, for example, failing to pay or delaying the payment of interests or the principal, etc.;
- c. The Company makes any concession to the debtor which is in financial difficulties due to economic or legal consideration, etc.;
- d. The debtor will probably become bankrupt or carry out other financial reorganizations;
- e. The financial asset can no longer be traded in the active market due to serious financial difficulties of the issuer;
- f. Other objective evidences showing the impairment of the financial asset.

B. The objective evidences that can prove the impairment of a tradable equity instrument investment shall include: The fair value of the equity instrument investment drops significantly or not contemporarily.

Where a tradable financial asset is impaired, the accumulative loss that had been recognized directly in owner's equity are removed from equity and recognized in impairment loss. Impairment losses on debt instruments are reversed through the profits or losses, if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment, and recognized in profit or loss of the current period. For a tradable equity instrument investment for which impairment loss has been confirmed, increase of fair value shall be recognized in owner's equity.

Note: Specify the classification of financial instruments, determination basis and measurement method, the determination basis and measurement method of transfer of financial assets, confirming conditions of termination of financial liabilities, the determination method of fair values of financial assets and financial liabilities, and measurement method and accounting treatment method of financial assets impairment (excluding accounts receivable).

11. Accounts receivable

(1) Accounts receivable of significant single amount and separately accrued for bad debt provision

Determination basis for significant single amount	Account receivable valued at more than 1 million yuan (including) and accounting for more than 10% of the total book value of accounts receivable
Method of calculation	For those under separate test, the accrual of bad debt provision shall be made according to the difference between the current value of the NPV and its book value

(2) Accounts receivable accrued for bad debt provision in combination based on credit risks

Name of combination	Method of calculation
Age combination	Age analysis

Account receivable using age analysis method for bad debt provision:

Applicable Not Applicable

Age	Accrual percentage for accounts receivable (%)	Accrual percentage for other receivables (%)
Less than 1 year (including)	5.00%	5.00%
1-2 years	8.00%	8.00%
2-3 years	15.00%	15.00%
3-4 years	50.00%	50.00%
4-5 years	80.00%	80.00%
Over 5 years	100.00%	100.00%

Account receivable using balance fraction method for bad debt provision

Applicable Not Applicable

Account receivable using other method for bad debt provision

Applicable Not Applicable

(3) Accounts receivable not of significant single amount but separately accrued for bad debt provision

Reasons for bad debt provision of insignificant single amount	There is significant deference between the NPV of accounts receivable and the NPV of accounts receivable combination with the characteristics of credit risk based on the age.
Method of calculation	For those under separate test, the accrual of bad debt provision shall be made according to the difference between the current value of the NPV and its book value

12. Inventory

(1) Classification

The term "inventories" refers to finished products or merchandise possessed by an enterprise for sale in daily business, or work in progress, or materials and supplies to be consumed in production process or for providing services.

(2) Valuation method of shipped-out inventories

The one-off weighted average method at month end.

(3) Determination basis for net realizable value of inventories and calculation method of inventory falling price reserves

On the date of balance sheet, the inventories shall be measured whichever is lower in accordance with the cost and the net realized value. The Company shall make provisions for loss on decline in value of inventories by the balance of the cost of single inventory and the net realized value. For such merchandise inventory for sale directly as finished goods inventories, merchandise and materials for sale, their net realizable value shall be the amount after deducting estimated sale expense and relevant taxes from the estimated sale price of the inventories in course of normal production and operation; the net realizable value of materials inventories for

processing shall be the amount after deducting the estimated cost of completion, estimated sale expense and the relevant taxes from the estimated sale price of finished products in course of normal production and operation; on the balance sheet date, for inventories with the contract price and inventories without the contract price in the same inventories, their net realizable value shall be measured separately, and comparing with their corresponding costs, their amounts of provision for loss on decline in value of inventories withdrawn or carried forward shall be confirmed respectively.

(4) Stocktaking system

Perpetual stocktaking system.

(5) Amortization of low-cost consumables and packing

Amortization of low-cost consumables: one-off amortization method

Amortization of packing: one-off amortization method

Note: Specify inventory categories, valuation method of shipped-out stocks, determination basis of net realizable value of different inventory categories, inventory system, and the amortization method of low-value consumables and packaging.

13. Available-for-sale assets

The Company classifies non-current assets (excluding financial assets) simultaneously meeting following conditions into available-for-sale assets: 1) the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets; 2) resolution has been made regarding disposal of the asset; 3) irrevocable transfer agreement has been signed with transferee; 4) the transfer will be quite probably completed within one year.

Note: Specify the classification standard of available-for-sale assets.

14. Long-term equity investment

(1) Determination of joint control and significant influence

Joint control shall mean the control over certain arrangement according to relevant agreement, and decision making of activities of the arrangement must be subject to consensus of participants sharing the control power. Significant influence shall mean having the authority to participate in decision-making of invested company's finance and operating policies, but not having the authority to control or joint control with other parties the making of these policies.

(2) Determination of initial cost of investment

1) For business combination under the same control, if the combining enterprise pays in cash, transfers non-cash assets or bears its debts or issue equity securities, it shall, on the date of combination, regard the share of the book value of the owner's equity of the combined enterprise in the consolidated financial statements of the final controller as the initial cost of the long-term equity investment. The difference between the initial cost of the long-term equity investment and the book value of combination consideration paid or the total amount of the par value of share issued shall offset the capital reserve. If the capital reserve is insufficient to offset, the retained earnings shall be adjusted.

The company determines "package deal" based on long-term equity investment from business combination under the same control formed through several deals.

If it is a "package deal", several deals are taken as one deal that acquires control power. If it is not a "package deal", it shall, on the date of combination, regard the share of the book value of the net assets of the combined enterprise in the consolidated financial statements of the final controller as the initial cost. The difference between the initial cost of long term equity investment on the date of combination and the book value of long-term equity investment before the combination plus the book value of new pay consideration of stock further obtained on the date of combination, shall offset against the capital reserve. If the capital reserve is insufficient to offset, the retained earnings shall be adjusted.

2) For business combination not under the same control, the Company, on the date of combination, shall regard the fair value of the combination consideration paid as the initial cost of the long-term equity investment.

For long-term equity investment formed through business combination not under the same control, accounting treatment shall distinguish individual financial statement and consolidated financial statement:

a. for individual financial statement, the book value of equity investment of the acquiree held before plus the new investment cost on the purchase date shall be recognized as the initial investment cost;

b. In consolidated financial statements, determine whether it belongs to "package deal".

If it is a "package deal", several deals are taken as one deal that acquires control power. If it is not a "package deal", the equity of the acquiree held before the purchase date shall be re-measured according to the fair value of the equity on the purchase date. The difference between fair value and book value shall be included in the current investment income. Where the equity of the acquiree held before the purchase date involves other comprehensive income accounted by equity method, such income shall be carried forward to the investment income of the period where the purchase date is in. But other comprehensive income generated from net liability or net asset change due to the invested party's re-measuring of defined benefit plans is excluded.

3) Besides the long-term equity investments formed by business combination, the initial cost of a long-term equity investment obtained by payment in cash shall be the purchase cost which is actually paid; the initial cost of a long-term equity investment obtained on the basis of issuing equity securities shall be the fair value of the equity securities issued; the initial cost of a long-term equity investment obtained on the basis of debt restructuring shall be confirmed according to Accounting Standards for Enterprises No.12 – Debt Restructuring; the initial cost of a long-term equity investment obtained on the basis of non-monetary assets exchange shall be confirmed according to Accounting Standards for Enterprises No. 7 - Exchange of Non-monetary Assets.

(3) Confirmation method of subsequent measurement and gain/loss

A long-term equity investment that controls the invested Company shall be accounted by the cost method; long-term equity investment in affiliated companies and joint ventures shall be accounted by the equity method.

(4) Making deals for several times to dispose step-by-step equity investment in subsidiaries till loss of control

1) Individual financial statement

For equity disposed, the balance between the book value and the actual proceeds shall be included in current gains and losses. For the residual equity, where it may exert joint control or big influence upon the invested company, the accounting treatment shall be based on the equity method; where it may not exert control, joint control or big influence upon the invested company, it shall be determined as available-for-sale financial assets, and measured as fair value.

2) Consolidated financial statement

A. Several deals are made to dispose step-by-step equity investment in subsidiaries till loss of control, and it does not belong to a "package deal":

Before losing control, capital reserve (capital premium) shall be adjusted based on the difference between proceeds from disposal and the proportion in net assets of the subsidiary. Where capital premium is not sufficient for offset, retained earnings shall be offset.

When the control over former subsidiary is lost, residual equity shall be re-calculated based on the fair value on the date of control loss. The sum of consideration for the disposal of equity and the fair value of residual equity, minus the shares of net assets of former subsidiary enjoyed on the basis of the original shareholding proportion and calculated continually since the date of purchase, this balance shall be included in the investment income of current period. Good will shall also be deducted. Other comprehensive income related to equity investment in former subsidiary shall be converted into current period investment income at the time of control loss.

B. Several deals are made to dispose step-by-step equity investment in subsidiaries till loss of control, and it belongs to a "package deal":

For consolidated financial statements, accounting methods shall be based on taking several deals as one deal of disposing subsidiary till loss of control. However, the balance between every proceeds from disposal and the proportion in net assets of the subsidiary before loss of control shall be confirmed as other comprehensive income, which shall be included in the current period profit and loss at the time of control loss.

Note: Specify the determination standard of joint control and significant impact, determination of initial cost of long-term equity investment, and confirmation method of subsequent measurement and gain/loss.

15. Investment real estate

Measurement mode of investment real estate

N/A

16. Fixed assets

(1) Determination conditions

Fixed assets are defined as tangible assets that are held for producing commodities, rendering services, renting or operation management, with service life longer than one fiscal year. Fixed assets can be recognized when its economic benefits are likely to flow into the Company and its cost can be measured.

(2) Depreciation method

Category	Depreciation method	Depreciation life	Residuals ratio	Yearly depreciation
House and buildings	Straight-line depreciation	20-30	3-10	4.85-3.00
General equipment	Straight-line depreciation	5	3-10	19.40-18.00
Special device	Straight-line depreciation	10	3-10	9.70-9.00
Transportation facilities	Straight-line depreciation	6-10	3-10	16.17-9.00

(3) Determination basis, pricing and depreciation method of fixed assets financed by financing leases

17. Construction in progress

(1) No construction in progress can be recognized unless it simultaneously meets the conditions as follows: a. the economic benefits are likely to flow into the Company; and b. the cost of the construction in progress can be measured reliably. The construction in progress shall be measured according to the actual cost before the assets are ready for their intended use.

(2) Constructions in progress are transferred to fixed assets according to their actual costs when completing and achieving estimated usable status. The fixed assets that are ready for their intended use but have not yet been through completion and settlement procedures are charged to an account according to their estimated values; adjustment will be conducted upon confirmation of their actual value. But the depreciation for the assets will not be adjusted.

18. Borrowing costs

(1) Determination criteria for capitalization of borrowing costs

Where the borrowing costs incurred to the Company can be directly attributed to the acquisition and construction or production of assets eligible for capitalization, it shall be capitalized and recorded into the costs of relevant assets. Other borrowing costs shall be recognized as expenses when occurred, and shall be recorded into the current profits and losses.

(2) Period of capitalization of borrowing costs

The borrowing costs shall not be capitalized unless they simultaneously meet the following requirements: (i) Asset disbursements have occurred; (ii) Borrowing costs have occurred; and (iii) Acquisition and construction or production activities which are necessary to prepare the assets for its intended use or sale have started.

(3) Period of capitalization suspension

A. The borrowing costs shall not be capitalized unless they simultaneously meet the following requirements: (i) Asset disbursements have occurred; (ii) Borrowing costs have occurred; and (iii) Acquisition and construction or production activities which are necessary to prepare the assets for its intended use or sale have started.

B. Where the acquisition and construction or production of a qualified asset is interrupted abnormally and the interruption period lasts for more than 3 months, capitalization of the borrowing costs shall be suspended. The borrowing costs incurred during this period shall be recognized as expenses, till the acquisition and construction or production of the asset restarts.

C. When qualified assets under acquisition and construction or production are ready for the intended use or sale, capitalization of the borrowing costs shall be ceased.

(4) Calculation of capitalization rate and capitalization value of borrowing cost

As for specifically borrowed loans for the acquisition and construction or production of assets eligible for capitalization, the to-be capitalized amount of interests shall be determined in light of the actual cost (including amortization of depreciation or premium recognized by the actual rate method) incurred of the specially borrowed loan at the present period minus the income of interests earned on the unused financial loans as a deposit in the bank or as a temporary investment; Where a general financial is used for the acquisition and construction or production of assets eligible for capitalization, the Company shall calculate and determine the to-be capitalized amount of interests on the general financial by multiplying the weighted average asset disbursement of the part of the accumulative asset disbursements minus the general financial by the capitalization rate of the general financial used.

Note: Specify the determination principle of capitalization of borrowing cost, capitalization period, suspension period of capitalization, and the calculation method of capitalization rate of borrowing cost and capitalization amount.

19. Intangible assets

(1) Valuation method, service life and impairment test

1) Valuation method of intangible assets

Intangible assets include land-use right, patent right and non-patented technology. They shall be initially measured based on cost.

(2) Useful life estimation of intangible assets with limited useful life

Intangible assets with limited service life shall be amortized reasonably in accordance with the expected realization form of the economic benefits relevant to the intangible assets within the service life. If it is unable to determine the expected realization pattern reliably, intangible assets shall be amortized with the straight-line method.

Item	Estimated useful life	Basis
Land-use right	43-50	
Application software	2-10	

3) Accrual of intangible assets depreciation reserves

Intangible assets with confirmed useful life for which there exist depreciation signs on the balance date, shall be accrued depreciation reserves based on the difference between the book value and the recoverable amount. Intangible assets with indefinite useful life and which are not ready for intended use, shall be tested every year with or without depreciation signs.

Note: Specify the valuation method of intangible assets for intangible assets with limited useful life; specify the estimation of useful life. For intangible assets with uncertain useful life, specify the determination basis of the uncertainty, and the review procedures of the useful life.

(2) Accounting policies for in-house R&D expenditures

The research and development expenditures for its internal research and development projects of the Company shall be recorded into the profit or loss for the current period. Expenditure during the development phase of internal R&D projects shall be confirmed as intangible assets when meeting all following conditions: (i) It is feasible technically to finish intangible assets for use or sale; (ii) It is intended to finish and use or sell the intangible assets; (iii) The usefulness of methods for intangible assets to generate economic benefits can be proved, including being able to prove that there is a potential market for the products manufactured by applying the intangible assets or there is a potential market for the intangible assets itself or the intangible assets will be used internally; (iv) It is able to finish the development of the intangible assets, and able to use or sell the intangible assets, with the support of sufficient technologies, financial resources and other resources; and (v) The research and development expenditures of the intangible assets can be reliably measured.

Note: In combination with the features of in-house R&D projects, specify the dividing criteria of research phase and development phase, and the specific conditions for expenditure capitalization during the development phase.

20. Long-term assets impairment

For long-term equity investment, fixed assets, construction in progress, intangible assets with limited useful life and other long-term assets for which there exist depreciation signs on the balance date, the recoverable amount shall be estimated. For good will from business combination and intangible assets with uncertain useful life, for which whether or not depreciation signs exist, impairment test shall be made every year. Good will shall be impairment tested in combination with relevant asset group or combination of asset groups.

If the recoverable amount of long-term assets is lower than its book value, the book value shall be written down to recoverable amount. The written-down amount shall be recognized as assets impairment loss and included in current gains and losses. Meanwhile the corresponding assets impairment reserve shall be accrued.

Note: Specify the impairment test method and accounting treatment method of long-term equity investment, investment real estate, fixed assets and construction in progress measured by cost mode, productive biological assets, oil and gas assets, intangible assets, good will and other long-term assets measured by cost mode.

21. Long-term unamortized expenses

Long-term unamortized expenses refer to expenses that the company has spent, with amortization period over one year (not including one year). Long-term unamortized expenses shall be entered according to the actual amount, and averagely amortized over the period benefited from such expenses or specified period. If the long-term unamortized expense could not benefit future accounting period, the value not amortized shall be all included into the profits and losses of the current period.

22. Employee compensation

(1) Accounting treatment method of short-term compensation

During the accounting period where employees provided services to the Company, the short-term compensation actually happened shall be recognized as liabilities, and recorded into current profits and losses or corresponding asset cost.

(2) Accounting treatment method of post-employment benefit

Post-employment benefit is classified into defined contribution plan and defined benefit plan.

1) During the accounting period where employees provided services to the Company, the amount payable calculated according to defined contribution plan shall be recognized as liabilities, and recorded into current profits and losses or corresponding asset cost.

2) Accounting treatment steps of defined benefit plans:

A. The company should use unbiased and mutually compatible assumptions to estimate related demographic variables and financial variables, and measure the obligations under the defined benefit plan, as well as determining the period of corresponding obligations. Meanwhile, the company should discount the obligations under the defined benefit plan to present value to determine the present value of the obligations under the defined benefit plan and the current service cost.

B. If assets exist under the defined benefit plan, deduce the deficit or surplus generated by the fair value of assets under defined benefit plan from the obligations under the defined benefit plan, and confirm it as a net liability and net asset under the defined benefit plan. Where there is surplus, the lower of surplus of defined benefit plan or upper limit of asset shall be used to measure the net assets under the defined benefit plan.

C. By period-end, confirm the employee compensation cost generated from defined benefit plan as three parts: service cost, the net

interest of net liabilities or net assets under the defined benefit plan, and the variable generated from re-measurement of net liabilities or net assets under the defined benefit plan. Among them, service cost and net interest of net liabilities or net assets under the defined benefit plan shall be included in current profit and loss or related assets cost, and the variable generated from re-measurement of net liabilities or net assets under the defined benefit plan shall be included in other comprehensive income, and shall not be transferred back to profit and loss, but may be transferred within the scope of rights and interests.

(3) Accounting treatment method of dismiss benefit

Determine employee compensation liabilities generated from employee dismiss benefit on the earlier of the following, and include in the current profit and loss: 1) the company is not allowed to unilaterally withdraw dismiss benefit provided due to cancellation of labor relationship or proposal on voluntary layoff; 2) the company is confirming the cost or expense related to restructuring that involves payment of dismiss benefit.

(4) Accounting treatment method of other long-term employee benefits

Long-term employee benefits fit in defined contribution plans shall be accounting treated based on the provisions of defined contribution plans. Other long-term employee benefits shall be accounting treated based on the provisions of defined benefit plans. To simplify the relevant accounting treatment, confirm the employee compensation cost generated as service cost, net interest of net liabilities or net assets of other long-term employee benefits, and the variable generated from re-measurement of net liabilities or net assets of other long-term employee benefit. These three parts get the total net value, included in current profit and loss or related assets cost.

23. Estimated liabilities

(1) Determination criteria for estimated liabilities

Where liabilities formed by providing external guarantees, litigations, product quality assurance, onerous contract and other contingencies becomes the Company's current obligation, performance of the obligation would possibly results in flow of economic profits out of the Company, and the value of the obligation can be clearly measured, the Company will determine this obligation as estimated liabilities.

(2) Measurement method of estimated liabilities

The Company will initially measure the estimated liabilities based on the best estimated expenditure required for performing the current obligations, and will verify the book value of estimated liabilities on the balance sheet date.

24. Share-based Payment

(1) Share-based payment types

Share-based payment shall consist of equity-settled share-based payments and cash-settled share-based payments.

(2) Relevant accounting treatment of implementing, revising and terminating share-based payment plans**A. Equity-settled share-based payment**

As to an equity-settled share-based payment in return for services of employees, if the right may be exercised immediately after the grant, the fair value of the equity instruments shall, on the date of the grant, be included in the relevant cost or expense and the capital reserves shall be adjusted accordingly. As to a equity-settled share-based payment in return for employee services, if the right cannot be exercised until the vesting period comes to an end or until the prescribed performance conditions are met, then on each balance sheet date within the vesting period, the services obtained in the current period shall, based on the best estimate of the number of vested equity instruments, be included in the relevant costs or expenses at the fair value of the equities instruments on the date of the grant, and the capital reserves shall be adjusted accordingly.

An equity-settled share-based payment in return for the service of any other party shall be measured in accordance with the fair value of the service on the acquisition date by any other service party if the fair value of the service of any other party can be measured in a reliable way; while it shall be measured in accordance with the fair value of the equity instruments on date of the service acquisition, and be included in relevant cost or expenses if the fair value of the service of any other party can not be measured in a reliable way but the fair value of the equity instruments can be measured in a reliable way. Owner's equity shall be increased correspondingly.

B. Cash-settled share-based payments

As to a cash-settled share-based payment, if the right may be exercised immediately after the grant, the fair value of the liability undertaken by the enterprise shall, on the date of the grant, be included in the relevant costs or expenses, and the liabilities shall be increased accordingly. As to a cash-settled share-based payment, if the right may not be exercised until the vesting period comes to an end or until the specified performance conditions are met, on each balance sheet date with in the vesting period, the services obtained in the current period shall, based on the best estimate of the information about the exercisable right, be included in the relevant costs or expenses and the corresponding liabilities at the fair value of the liability undertaken by the enterprise.

C. Revision and termination of share-based payment plan

If the fair value of equity instruments granted is increased after revision, the company will recognize the increase of the fair value of equity instruments as increase of services; if the quantity of equity instruments is increased after revision, the company will recognize the increased fair value of equity instruments as increase of services; if the company revises vesting conditions in the way conducive to employees, the company may consider the revised conditions when dealing with vesting conditions.

If the fair value of equity instruments granted is decreased after revision, the company will determine the value of services received based on the fair value of equity instruments on the grant date, with no considerations of the decrease of the fair value; if the quantity of equity instruments is decreased after revision, the company will recognize the decreased part as cancellation of equity instruments granted; if the company revises vesting conditions in the way not conducive to employees, the company may not consider the revised conditions when dealing with vesting conditions.

If a grant of equity instruments is canceled or settled during the vesting period (other than a grant canceled by forfeiture when the vesting conditions are not satisfied), the entity shall account for the cancellation or settlement as an acceleration of vesting, and shall therefore recognize immediately the amount that otherwise would have been recognized for services received over the remainder of the vesting period.

Note: Specify the accounting treatment of share-based payment plan, including revision or termination of share-based payment plan.

25. Income**(1). Revenue recognition principle****A. Goods selling**

No revenue from selling goods shall be recognized unless all following conditions are met simultaneously: (i) The major risks and benefits of ownership of the goods have been transferred to the buyer; (ii) The enterprise retains neither continuous management right that usually keeps relation with the ownership nor effective control over the sold goods; (iii) The relevant amount of revenue could be measured reliably; (iv) The relevant economic benefits may flow into the enterprise; (v) The relevant costs occurred or to be occurred could be reliably measured.

Revenue recognition methods: The Company mainly sells cookware and electrical appliances. Revenue recognition for domestic products shall satisfy following conditions: the Company has delivered products to purchaser according to contractual agreements; the sales amount has been confirmed; payment has been retrieved or receipt voucher has been got; the relevant economic benefits are likely to flow into the enterprise; the cost related to product sales can be reliably measured. Revenue recognition for export products shall satisfy following conditions: the Company has cleared customs for the products, the products have departed from port, and bill of lading has been got; the sales amount has been confirmed; payment has been retrieved or receipt voucher has been got; the relevant economic benefits are likely to flow into the enterprise; the cost related to product sales can be reliably measured.

B. Labor providing

If the revenue from rendering of service can be reliably estimated on the date of the balance sheet (the amount of revenue could be measured; relevant economic benefits flow into the enterprise is in all probability; the schedule of completion on the transaction could be soundly confirmed; the costs occurred or to be occurred in the transaction could be measured), take the percentage-of-completion method to confirm the revenue of the services provided, and confirm the schedule of progress on the transaction concerning the services providing according to the work completed. If the result of the services providing transaction could not be reliably estimated on the date of the balance sheet, it should be treated in accordance with the following conditions respectively: If the cost of the services occurred is expected to be compensated, the revenue from the providing of the services should be recognized in accordance with the amount of the cost of the services occurred, and the cost of the services shall be carried forward at the same amount. If the cost of the services occurred could not be compensated, the cost occurred should be included in the current profits and losses, and no revenue from the providing of the services shall be recognized.

C. Assets usufruct alienation

No revenue from assets usufruct alienation shall be recognized unless the following conditions are met simultaneously: the relevant economic benefits flow into the enterprise in sound probability; and the amount of revenues could be measured reliably. The amount of interest income should be measured and confirmed in accordance with the length of time for which the enterprise's cash is used by others and the actual interest rate; or the amount of royalty revenue should be measured and confirmed in accordance with the period and method of charging as stipulated in the relevant contract or agreement.

(2) Revenue recognition methods

The Company mainly sells cookware and electrical appliances. Revenue recognition for domestic products shall satisfy following conditions: the Company has delivered products to purchaser according to contractual agreements; the sales amount has been confirmed; payment has been retrieved or receipt voucher has been got; the relevant economic benefits are likely to flow into the enterprise; the cost related to product sales can be reliably measured. Revenue recognition for export products shall satisfy following conditions: the Company has cleared customs for the products, the products have departed from port, and bill of lading has been got; the sales amount has been confirmed; payment has been retrieved or receipt voucher has been got; the relevant economic benefits are likely to flow into the enterprise; the cost related to product sales can be reliably measured.

Note: Specify the principles and methods of revenue recognition. The Company shall make revenue recognition accounting policies based on its actual production and operation characteristics specify the recognized time and measurement methods of revenue. Similar business applying different operation modes and recognizing revenue at different times shall be specified separately. If labor service revenue or construction contract revenue is recognized based on completion percentage, specify the determination basis and method of the completion percentage.

26. Government grants

(1) Determination basis and accounting treatment of government subsidies related to assets

The government subsidies pertinent to assets mean the government assets that are obtained by enterprises used for purchase or construction, or forming the long-term assets by other ways. Governmental subsidies related to assets confirmed as deferred income are equally distributed within the useful life of the assets and recorded in the current profits and losses. Government subsidies measured based on the nominal amount shall be directly recorded in the current profits and losses.

(2) Determination basis and accounting treatment of government subsidies related to income

The government subsidies pertinent to income refer to all the government subsidies except those pertinent to assets. Income-related governmental subsidies used to compensate for future expenses or losses are confirmed as deferred income, and are recorded in the current profits and losses during the confirmation of relevant expenses. Income-related governmental subsidies used to compensate for previous expenses or losses are directly recorded in the current profits and losses.

27. Deferred income tax/deferred income liabilities

(1) Where there is difference between the book value of the assets or liabilities and its tax base (the difference between the tax base and its book value for the item that has not been recognized as an asset or liability and if its tax base can be determined in light of the tax law), the deferred income tax assets or the deferred income tax liabilities shall be determined according to the applicable tax rate in the course of prospective recovering assets or discharging liabilities.

(2) The enterprise shall recognize the deferred income tax assets in accordance with the extent of the amount of the taxable income which it is most likely to obtain and which could be deducted from the deductible temporary difference. On the balance sheet date, where there is any exact evidence showing that it is likely to acquire sufficient amount of taxable income tax in a future period to offset the deductible temporary difference, the deferred income tax assets unrecognized in prior periods shall be recognized.

(3) The carrying amount of deferred income tax assets should be reexamined on balance sheet date. If it is unlikely to obtain sufficient taxable income taxes to offset the benefit of the deferred income tax assets, the carrying amount of the deferred income tax assets should be written off. When it is probable to obtain sufficient taxable income taxes, such written-off amount should be subsequently reversed.

(4) The current income tax and deferred income tax as the expenses or revenue of income taxes should be realized in the current profit and loss, but not including the following income taxes: (i) merge (ii) the confirmed deals or transactions directly counted in owner's equity.

28. Leasing

(1) Accounting treatment method for operating lease

When the Company is the lessee, the rental shall be recorded in the corresponding asset cost by the straight-line method or confirmed as current profits and losses. The initial direct costs occurred shall be recorded in the current profits and losses directly or when the rental actually occurred. Contingent rental shall be recorded in the current profits and losses when the rental actually occurred.

When the Company is the lessor, the rental shall be confirmed as current profits and losses by the straight-line method. The initial direct costs occurred, except for those of large amount that can be capitalized and recorded in profits and losses by installments, shall be recorded directly in the current profits and losses. Contingent rental shall be recorded in the current profits and losses when the rental actually occurred.

29. Change of Major Accounting Policies and Accounting Estimates

(1) Change of major accounting policies

Applicable Not Applicable

(2) Change of major accounting estimates

Applicable Not Applicable

VI. Tax

1. Major tax categories and rates

Tax category	Taxation basis	Tax rate
VAT	Selling goods or rendering taxable services	The tax rate for selling water and steam is 13%; for the other items, the rate is 17%.
Business tax	Taxable sales	5%
Urban maintenance and construction tax	Turnover tax payable	The tax rate for Supor P&R and Yuhuan Recycling is 5%; for other subsidiaries, the rate is 7%.
Enterprise income tax	Taxable amount of income	25%
Property tax	For Ad valorem taxation, Wuhan Supor PC and Wuhan Supor CW shall pay 1.2% of 75% of the original property value, and other companies shall pay 1.2% of 70% of the original property value; For those levied on prices, Wuhan Supor PC and Wuhan Supor CW shall pay 8% of rental income, and other companies shall pay	1.2%、8%、12%

	12% of rental income.	
Educational surtax	Turnover tax payable	3%
Local educational surtax	Turnover tax payable	2%

Taxpaying bodies with different corporate income tax rates

Taxpaying body	Income tax rate
This Company	25%
Zhejiang Shaoxing Supor Domestic Appliances Co., Ltd.	15%
Other taxpaying bodies	25%

2. Tax preference

Zhejiang Shaoxing Supor Domestic Appliances Co., Ltd. has passed reexamination as high-tech enterprise in 2013, and enjoys income tax rate of 15% within three years beginning from January 1, 2013.

VII. Notes to the Consolidated Financial Statement

1. Monetary funds

(Unit: RMB)

Item	Ending balance	Beginning balance
Cash on hand	300,737.56	306,130.75
Bank deposit	694,676,869.35	620,368,358.71
Other monetary fund	10,000.00	10,000.00
Total	694,987,606.91	620,684,489.46
In which: total amounts deposited in overseas	32,731,476.87	51,690,956.78

Other notes

1) The use-limited monetary funds amounted to 364,279,830.25 yuan at period-end, which is the fixed deposit (the held-to-maturity).

The use-limited monetary funds amounted to 203,806,375.16 yuan at period-begin, which is the fixed deposit (the held-to-maturity).

2) The money deposited in Vietnam at -period-end was equivalent to 32,731,476.87 yuan, including cash in treasury of 24,071.78 USD (equivalent to 147,165.23 RMB) and 106,087,566.00 VND (equivalent to 29,925.60 RMB), and bank deposit of 4,182,311.48 USD (equivalent to 25,568,979.46 RMB) and 24,763,568,940.00 VND (equivalent to 6,985,406.58 RMB).

2. Financial assets measured at fair value with variation included in current profits and losses

(Unit: RMB)

Item	Ending balance	Beginning balance
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Financial assets measured at fair value with variation included in current profits and losses	651,688,219.18	913,655,148.86
In which: Debt instruments investment	651,688,219.18	913,655,148.86
Total	651,688,219.18	913,655,148.86

Other notes

Financial products of 390 million yuan and 260 million yuan respectively bought by this Company and Zhejiang Supor Electrical Appliance Manufacturing Co., Ltd., whose returns are floating and related to interest rate and exchange rate. Gains on the changes of fair value are confirmed 1,688,219.18 yuan at period-end.

3. Notes receivable

(1) Categorized listing of notes receivable

(Unit: RMB)

Item	Ending balance	Beginning balance
Bank acceptance bill	708,261,921.31	485,980,125.68
Trade acceptance bill		340,000.00
Total	708,261,921.31	486,320,125.68

(2) Notes receivable endorsed or discounted at period-end, and undue on the balance sheet date

(Unit: RMB)

Item	Derecognized amount at period-end	Non-derecognized amount at period-end
Bank acceptance bill	1,818,916,613.54	
Total	1,818,916,613.54	

4. Accounts receivable

(1) Classification of accounts receivable

(Unit: RMB)

Category	Ending balance					Beginning balance				
	Book balance		Bad debt reserve		Book value	Book balance		Bad debt reserve		Book value
	Amount	Scale	Amount	Accrual percentage		Amount	Scale	Amount	Accrual percentage	
Accounts receivable accrued for bad debt provision in	1,330,256,159.18	95.04%	66,984,987.89	5.04%	1,263,271,171.29	1,015,810,426.23	96.08%	51,197,095.27	5.04%	964,613,330.96

combination based on credit risks										
Accounts receivable of insignificant single amount but separately accrued for bad debt provision	69,438,807.08	4.96%	1,811,690.88	2.61%	67,627,116.20	41,458,554.58	3.92%	1,815,593.93	4.38%	39,642,960.65
Total	1,399,694,966.26	100.00%	68,796,678.77	4.92%	1,330,898,287.49	1,057,268,980.81	100.00%	53,012,689.20	5.01%	1,004,256,291.61

Accounts receivable with significant single amount and accrual of bad debt provision at period-end

Applicable Not Applicable

Receivables with provision made on group basis with age analysis method

Applicable Not Applicable

(Unit: RMB)

Age	Ending balance		
	Accounts receivable	Bad debt reserve	Accrual percentage
Subitem within 1 year			
Subtotal within 1 year	1,327,786,606.58	66,389,330.33	5.00%
1 - 2 years	1,545,797.75	123,663.82	8.00%
2 - 3 years	212,062.15	31,809.32	15.00%
3 - 4 years	481,778.00	240,889.00	50.00%
4 - 5 years	153,096.40	122,477.12	80.00%
Over 5 years	76,818.30	76,818.30	100.00%
Total	1,330,256,159.18	66,984,987.89	

Determination basis:

Account receivable using balance fraction method for bad debt provision

Applicable Not Applicable

Account receivable using other method for bad debt provision

(2) Bad debt provisions accrued and recovered

During the period, bad debt provision accrued was 15,783,989.57 yuan; bad debt provision recovered was 0.00 yuan.

(3) First five accounts receivables classified by debt parties

Company	Book balance	Proportions in the balance of accounts	Bad debt reserve
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		receivable (%)	
SEB ASIA LTD.	808,806,257.58	57.79	40,440,312.88
Customer 1	82,848,036.45	5.92	4,142,401.82
Customer 2	21,409,690.76	1.53	1,070,484.54
Customer 3	20,287,344.66	1.45	0.00
Customer 4	19,783,533.91	1.41	989,176.70
Subtotal	953,134,863.36	68.10	46,642,375.94

5. Accounts paid in advance

(1) Listing by ages

(Unit: RMB)

Age	Ending balance		Beginning balance	
	Amount	Scale	Amount	Scale
Within 1 year	185,319,067.91	99.79%	171,083,960.01	99.86%
1 - 2 years	318,364.00	0.17%	110,846.30	0.06%
2 - 3 years			31,428.52	0.02%
Over 3 years	77,666.38	0.04%	110,345.88	0.06%
Total	185,715,098.29	--	171,336,580.71	--

Reasons for not timely settlement of prepayment with significant amount and aging more than one year:

(2) First five prepayments classified by prepaid objects

Company	Book balance	Percentage in prepayment (%)
Supplier 1	40,367,619.24	21.74
Supplier 2	40,113,166.72	21.60
Supplier 3	22,402,959.40	12.06
Supplier 4	7,806,999.96	4.20
Supplier 5	5,946,900.00	3.20
Subtotal	116,637,645.32	62.80

6. Interest receivable**(1) Classification of interest receivable**

(Unit: RMB)

Item	Ending balance	Beginning balance
Time deposit	3,209,336.69	1,333,136.33
Total	3,209,336.69	1,333,136.33

7. Other accounts receivable**(1) Type of other accounts receivable**

(Unit: RMB)

Category	Ending balance					Beginning balance				
	Book balance		Bad debt reserve		Book value	Book balance		Bad debt reserve		Book value
	Amount	Scale	Amount	Accrual percentage		Amount	Scale	Amount	Accrual percentage	
Other accounts receivable with significant single amount and separate accrual of bad debt provision						36,925,890.74	71.89%			36,925,890.74
Other accounts receivable accrued for bad debt provision in combination based on credit risks	13,023,215.70	100.00%	2,514,233.99	19.31%	10,508,981.71	13,977,463.31	27.46%	2,175,534.80	15.56%	11,801,928.51
Total	13,023,215.70	100.00%	2,514,233.99	19.31%	10,508,981.71	50,903,354.05	100.00%	2,175,534.80	4.27%	48,727,819.25

Other accounts receivable with significant single amount and accrual of bad debt provision at period end

 Applicable Not Applicable

Other receivables with provision made on group basis with age analysis method

 Applicable Not Applicable

(Unit: RMB)

Age	Ending balance		
	Other accounts receivable	Bad debt reserve	Accrual percentage

Subitem within 1 year			
Subtotal	10,295,377.10	518,304.01	5.00%
1 - 2 years	195,184.21	15,579.58	8.00%
2 - 3 years	427,392.40	65,608.86	15.00%
3 - 4 years	370,699.71	180,349.86	50.00%
4 - 5 years	853.03	682.42	80.00%
Over 5 years	1,733,709.25	1,733,709.25	100.00%
Total	13,023,215.70	2,514,233.99	

Determination basis:

Other account receivable using balance fraction method for bad debt provision

Applicable Not Applicable

Other account receivable using other method for bad debt provision

Applicable Not Applicable

(2) Bad debt provisions accrued and recovered

During the period, bad debt provision accrued was 563,608.35 yuan; bad debt provision recovered was 224,909.16 yuan.

(3) Other accounts receivable classified by nature of accounts

(Unit: RMB)

Nature	Book balance at period-end	Book balance at period-begin
Deposit	3,179,398.51	4,217,205.27
Export rebate		36,925,890.74
Temporary payments receivable	2,619,524.09	2,583,004.26
Personal deposit	2,351,981.47	2,977,964.63
Others	4,872,311.63	4,199,289.15
Total	13,023,215.70	50,903,354.05

(4) First five other accounts receivables classified by debt parties

(Unit: RMB)

Company	Nature of accounts	Ending balance	Age	Percentage in ending balance of other accounts receivable	Ending balance of bad debt reserve
State Treasury Ningbo Haishu District Branch (Beilun)	Deposit	735,264.37	Within 1 year	5.65%	36,763.22

Provision for Alipay (China) Network Technology Co., Ltd.	Deposit	656,000.00	Within 1 year	5.04%	32,800.00
Hangzhou Gas Group	Deposit	460,466.96	Within 1 year	3.54%	23,023.35
Yuhuan Yuhayuan Co., Ltd.,	Temporary payments receivable	342,475.00	Within 5 year	2.63%	342,475.00
Natural Arts (China) Co. Ltd	Deposit	250,000.00	Within 1 year	1.92%	12,500.00
Total	--	2,444,206.33	--	18.77%	447,561.57

8. Inventory

(1) Category

(Unit: RMB)

Item	Ending balance			Beginning balance		
	Book balance	Falling price reserves	Book value	Book balance	Falling price reserves	Book value
RM	437,695,367.81	17,821,022.65	419,874,345.16	451,269,062.56	18,559,694.64	432,709,367.92
WIP	14,265,141.12		14,265,141.12	32,674,934.91		32,674,934.91
Inventory	686,917,410.18	32,437,451.51	654,479,958.67	1,115,470,900.82	25,188,685.29	1,090,282,215.53
Packing	10,207,343.87		10,207,343.87	12,808,709.52		12,808,709.52
Total	1,149,085,262.98	50,258,474.16	1,098,826,788.82	1,612,223,607.81	43,748,379.93	1,568,475,227.88

(2) Provision for inventory depreciation

(Unit: RMB)

Item	Beginning balance	Increase		Decrease		Ending balance
		Provision	Others	Turned back or written off	Others	
RM	18,559,694.64			738,671.99		17,821,022.65
Inventory	25,188,685.29	7,248,766.22				32,437,451.51
Total	43,748,379.93	7,248,766.22		738,671.99		50,258,474.16
Item	Reasons for accrual of inventory depreciation reserves		Reasons for writeback of inventory depreciation reserves		Proportion of writeback amount in ending balance of the inventory	
RM	Net realizable value of single RM is lower than its cost					

Inventory	Net realizable value of single inventory is lower than its cost		
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9. Other current assets

(Unit: RMB)

Item	Ending balance	Beginning balance
Deductible input VAT	18,158,903.32	56,291,276.00
Pre-paid tax		169,755.87
Financial products (note)	400,766,136.98	392,256,657.53
Hedging products	3,842,646.00	
Total	422,767,686.30	448,717,689.40

Other notes

The amount at period-end is the break-even and income-guaranteed financial product bought by the Company.

10. Available-for-sale financial assets

(1) About available-for-sale financial assets

(Unit: RMB)

Item	Ending balance			Beginning balance		
	Book balance	Depreciation reserve	Book value	Book balance	Depreciation reserve	Book value
available-for-sale debt Instrument	300,000.00	300,000.00	0.00	300,000.00	300,000.00	0.00
Cost-measured	300,000.00	300,000.00	0.00	300,000.00	300,000.00	0.00
Total	300,000.00	300,000.00		300,000.00	300,000.00	

(2) Cost-measured available-for-sale financial assets at period-end

(Unit: RMB)

Company invested	Book balance				Depreciation reserve				Shareholding ratio in invested company	Cash dividend of current period
	Beginning	Increase	Decrease	Closing	Beginning	Increase	Decrease	Closing		
Yuhuan Dalu Island Tourism	300,000.00			300,000.00	300,000.00			300,000.00	3.00%	

Development Co., Ltd.										
Total	300,000.00			300,000.00	300,000.00			300,000.00	--	

11. Long-term equity investment

(Unit: RMB)

Company invested	Beginning balance	Increase/decrease								Ending balance	Ending balance of depreciation reserves
		Additional investment	Negative investment	Profit and loss on investments confirmed under equity law	Adjustment of other comprehensive income	Other equities alteration	Declaring issuing cash dividends or profits	Provision for impairment loss	Others		
I. Joint ventures											
II. Affiliated companies											
Wuhan Azai Cookware Co., Ltd.	48,480,778.13			1,158,968.19						49,639,746.32	
Subtotal	48,480,778.13			1,158,968.19						49,639,746.32	
Total	48,480,778.13			1,158,968.19						49,639,746.32	

Other notes

Profit and loss on investments confirmed under equity law include the investment income from net profit of -Wuhan Azai Cookware Co., Ltd. confirmed based on shareholding ratio that attributed to this Company, totaling 1,849,147.27 yuan, and influence of upstream transactions is -690,179.08 yuan.

12. Fixed assets

(1) Details of fixed assets

Item	House and buildings	General equipment	Special device	Transportation facilities	Total
I. Original book value					
1. Beginning balance	737,177,327.61	75,530,948.83	675,266,778.68	30,645,659.36	1,518,620,714.48

2. Increase	1,015,700.00	932,964.03	23,444,164.78	958,591.40	26,351,420.21
(1) Purchase	98,000.00	932,964.03	20,495,423.76	958,591.40	22,484,979.19
(2) Transfer from construction in progress	917,700.00	0.00	2,948,741.02	0.00	3,866,441.02
(3) Increase from business combination					
3. Decrease	2,592,814.70	3,075,273.33	4,999,497.97	889,728.35	11,557,314.35
(1) Disposal or scrapping	2,592,814.70	3,075,273.33	4,999,497.97	889,728.35	11,557,314.35
4. Ending balance	735,600,212.91	73,388,639.53	693,711,445.49	30,714,522.41	1,533,414,820.34
II. Accumulated depreciation					
1. Beginning balance	147,390,706.82	54,838,355.15	339,485,169.83	20,714,146.45	562,428,378.25
2. Increase	12,107,615.55	4,631,552.78	29,727,689.15	1,819,284.62	48,286,142.10
(1) Provision	12,107,615.55	4,631,552.78	29,727,689.15	1,819,284.62	48,286,142.10
3. Decrease	149,912.34	2,260,225.21	3,336,560.58	756,613.35	6,503,311.48
(1) Disposal or scrapping	149,912.34	2,260,225.21	3,336,560.58	756,613.35	6,503,311.48
4. Ending balance	159,348,410.03	57,209,682.72	365,876,298.40	21,776,817.72	604,211,208.87
III. Depreciation reserve					
IV. Book value					
1. Book value at period-end	576,251,802.88	16,178,956.81	327,835,147.09	8,937,704.69	929,203,611.47
2. Book value at period-begin	589,786,620.79	20,692,593.68	335,781,608.85	9,931,512.91	956,192,336.23

(2) Fixed assets without certificate

(Unit: RMB)

Item	Book value	Reasons for not obtaining certificate of
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		title
Shaoxing Supor 35KV Transformer Substation	4,690,908.26	To apply for housing property certificate after all construction works and settlement procedures are completed.
Shaoxing Supor 3# Factory Building	38,342,517.61	To apply for housing property certificate after all construction works and settlement procedures are completed.
Shaoxing Supor 1# Factory Building	35,141,375.32	To apply for housing property certificate after all construction works and settlement procedures are completed.
Dining Room for Shaoxing Supor Multi-function Hall	17,753,920.42	To apply for housing property certificate after all construction works and settlement procedures are completed.
Dormitory Building for Shaoxing Supor Multi-function Hall	52,851,477.18	To apply for housing property certificate after all construction works and settlement procedures are completed.
Shaoxing Supor 8# Factory Building	40,855,500.13	To apply for housing property certificate after all construction works and settlement procedures are completed.
Stainless steel workshop of Wuhan Cookware	19,733,746.32	Housing property certificate is under transaction.
Staff dormitory building of Wuhan CW	13,991,890.13	Housing property certificate is under transaction.
Phase II Workshop of Vietnam Supor	18,922,836.03	Housing property certificate is under transaction.
Pump room and building of P&R Company	249,313.48	The transfer procedure of land-use right certificate is not settled.
P&R Company 10# Workshop	369,549.27	The transfer procedure of land-use right certificate is not settled.
Expansion of bakelite workshop of P&R Company	550,297.19	The transfer procedure of land-use right certificate is not settled.
Polishing workshop of P&R Company	236,160.00	The transfer procedure of land-use right certificate is not settled.
P&R Company 11# Workshop and building	4,411,106.66	The transfer procedure of land-use right certificate is not settled.
Subtotal	248,100,598.00	

13. Construction in progress

(1) Construction in progress

(Unit: RMB)

Item	Ending balance			Beginning balance		
	Book balance	Depreciation reserve	Book value	Book balance	Depreciation reserve	Book value
Shaoxing workshop	2,390,196.84		2,390,196.84	1,762,273.48		1,762,273.48
Advance payment for project and equipment	4,739,308.23		4,739,308.23	6,535,048.91		6,535,048.91
Small projects	27,229,945.20		27,229,945.20	16,631,204.74		16,631,204.74
Total	34,359,450.27		34,359,450.27	24,928,527.13		24,928,527.13

(2) Change of significant projects in construction

(Unit: RMB)

Project name	Budget	Beginning balance	Increase	Amount transferred into fixed assets	Other reduced amount	Ending balance	Percentage of accumulated investment in budget	Construction progress	Accumulated amount of interest capitalization	In which: capitalization of interest of current period	Capitalization rate of interest of current period	Capital resource
Shaoxing workshop	450,000.00	1,762,273.48	1,545,623.36	917,700.00		2,390,196.84	90.75%	90.75%				Amount collected by issuing shares
Advance payment for project and equipment		6,535,048.91	1,153,000.34	2,948,741.02		4,739,308.23						Others
Small projects		16,631,204.74	10,940,620.82		341,880.36	27,229,945.20						Others

Total	450,000,000.00	24,928,527.13	13,639,244.52	3,866,441.02	341,880.36	34,359,450.27	--	--				--
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14. Intangible assets

(1) Details

(Unit: RMB)

Item	Land-use right	Patent right	Non-patent technology	Software system	Total
I. Original book value					
1. Beginning balance	249,050,075.69			26,355,426.42	275,405,502.11
2. Increase				974,468.54	974,468.54
(1) Purchase	-1,206,833.46			632,588.18	632,588.18
(2) In-house R&D					
(3) Increase from business combination					
(4) Transfer from construction in progress				341,880.36	341,880.36
3. Decrease					1,206,833.46
(1) Disposal					1,206,833.46
4. Ending balance	247,843,242.23			27,329,894.96	275,173,137.19
II. Accumulated amortization					
1. Beginning balance	38,939,578.86			10,875,641.32	49,815,220.18
2. Increase	2,693,103.50			1,170,351.15	3,863,454.65
(1) Provision	2,693,103.50			1,170,351.15	3,863,454.65
3. Decrease					
(1) Disposal					

4. Ending balance	41,632,682.36			12,045,992.47	53,678,674.83
III. Depreciation reserve					
1. Beginning balance					
2. Increase					
(1) Provision					
3. Decrease					
(1) Disposal					
4. Ending balance					
IV. Book value					
1. Book value at period-end	206,210,559.87			15,283,902.49	221,494,462.36
2. Book value at period-begin	210,110,496.83			15,479,785.10	225,590,281.93

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

15. Goodwill

(1) Original book value of goodwill

(Unit: RMB)

Name of invested company or item forming goodwill	Beginning balance	Increase		Decrease		Ending balance
		From business combination	Others	Disposal	Others	
Yuhuan Recycling	122,071.40					122,071.40
Total	122,071.40					122,071.40

(2) Depreciation reserve for goodwill

(Unit: RMB)

Name of invested company or item forming goodwill	Beginning balance	Increase		Decrease		Ending balance
		Provision	Others	Disposal	Others	

Yuhuan Recycling	122,071.40					122,071.40
Total	122,071.40					122,071.40

Specify the test process of goodwill depreciation, parameters, and confirmation method of goodwill depreciation loss:

Due to the low profitability level of Yuhuan Recycling, the goodwill value showed obvious depreciation. Therefore it was fully accrued for depreciation in 2008.

16. Deferred income tax assets/deferred income tax liabilities

(1) Un-offset deferred income tax assets

(Unit: RMB)

Item	Ending balance		Beginning balance	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Depreciation reserve for assets	116,337,189.13	25,388,700.90	89,725,161.06	14,751,631.93
Unrealized profit of internal trading	14,114,502.61	3,489,108.99	14,256,778.23	2,141,140.97
General expenses accrued	592,538,740.52	131,233,523.26	461,351,046.83	81,196,315.44
Salary accrued	64,804,248.82	16,201,062.20	75,136,483.55	11,712,053.59
Estimated liabilities	13,013,355.00	1,952,003.25	13,013,355.00	1,952,003.25
Total confirmed amount of share-based payment	24,138,496.00	4,708,268.50	17,829,250.00	3,193,379.20
Total	824,946,532.08	182,972,667.10	671,312,074.67	114,946,524.38

(2) Un-offset deferred income tax liabilities

(Unit: RMB)

Item	Ending balance		Beginning balance	
	Taxable temporary difference	Deferred income tax liabilities	Taxable temporary difference	Deferred income tax liabilities
Interest receivable	3,209,336.69	692,653.54	1,186,935.39	274,927.60
Return on investment of financing products	10,766,136.98	2,691,534.24	2,256,657.53	338,498.63
Gain or loss from changes of fair value	1,688,219.18	422,054.80	3,655,148.86	548,272.33
Hedging instrument	3,842,646.00	960,661.51		
Total	19,506,338.85	4,766,904.09	7,098,741.78	1,161,698.56

(3) Deferred income tax or liabilities listed as net value after deduction

(Unit: RMB)

Item	Offset amount of deferred income tax assets and liabilities at period-end	Ending balance of deferred income tax assets or liabilities after offset	Offset amount of deferred income tax assets and liabilities at period-begin	Beginning balance of deferred income tax assets or liabilities after offset
Deferred tax assets		182,972,667.10		114,946,524.38
Deferred income tax liabilities		4,766,904.09		1,161,698.56

17. Accounts payable**(1) Listing of accounts payable**

(Unit: RMB)

Item	Ending balance	Beginning balance
Payment for goods	869,689,692.06	1,074,226,350.57
Payment for equipment	19,343,113.48	39,836,985.40
Expense	586,408,322.44	479,410,091.71
Total	1,475,441,127.98	1,593,473,427.68

18. Accounts received in advance**(1) Listing of accounts received in advance**

(Unit: RMB)

Item	Ending balance	Beginning balance
Payment for goods	195,329,664.73	355,555,918.02
Total	195,329,664.73	355,555,918.02

19. Employee compensation payable**(1) Listing of employee compensation payable**

(Unit: RMB)

Item	Beginning balance	Increase	Decrease	Ending balance
I. Short-term compensation	193,180,635.58	500,988,433.53	533,801,095.11	160,367,974.00
II. Post-employment	1,515,573.79	22,450,406.77	22,472,697.63	1,493,282.93

benefit - defined contribution plan				
III. Dismiss compensation	1,573,009.92	786,504.97	1,055,538.51	1,303,976.38
Total	196,269,219.29	524,225,345.27	557,329,331.25	163,165,233.31

(2) Listing of short-term compensation

(Unit: RMB)

Item	Beginning balance	Increase	Decrease	Ending balance
1. Salary, bonus, allowance and subsidy	177,046,012.73	476,078,470.88	504,106,220.43	149,018,263.18
2. Welfare for staff	2,200,912.40	3,803,768.26	5,801,633.39	203,047.27
3. Social insurance	1,107,515.71	9,097,650.95	9,057,182.40	1,147,984.26
Including: Medical insurance	893,759.18	7,440,172.61	7,438,095.51	895,836.27
Industrial injury insurance	128,397.23	879,088.85	869,764.60	137,721.48
Maternity insurance	85,359.30	778,389.50	749,322.29	114,426.51
4. Public accumulation fund for housing construction	600.00	4,680,208.66	4,680,808.66	0.00
5. Labor union funds and personnel education fund	12,825,594.74	7,328,334.78	10,155,250.23	9,998,679.29
Total	193,180,635.58	500,988,433.53	533,801,095.11	160,367,974.00

(3) Listing of defined contribution plans

(Unit: RMB)

Item	Beginning balance	Increase	Decrease	Ending balance
1. Basic pension insurance	1,304,397.19	20,961,793.09	20,946,980.38	1,319,209.90
2. Unemployment insurance	211,176.60	1,488,613.68	1,525,717.25	174,073.03
Total	1,515,573.79	22,450,406.77	22,472,697.63	1,493,282.93

20. Taxes and rates payable

(Unit: RMB)

Item	Ending balance	Beginning balance
VAT	27,590,883.85	17,004,126.42
Business tax	485,423.52	339,904.61
Enterprise income tax	127,496,729.85	70,712,568.06
Personal income tax	3,045,739.47	4,118,081.26
Urban maintenance and construction tax	3,315,815.71	21,340,601.62
Property tax	1,178,306.01	380,341.98
Land-use tax	757,103.72	612,376.56
Stamp tax	455,207.36	752,803.91
Special fund for water conservancy construction	593,828.39	1,337,557.16
Educational surtax	1,479,138.22	9,325,565.78
Local educational surtax	1,151,521.99	6,217,719.80
Dike expense	5,238.39	2,805,470.10
Total	167,554,936.48	134,947,117.26

21. Other payables**(1) Other payables listed by nature**

(Unit: RMB)

Item	Ending balance	Beginning balance
Deposit	41,043,984.80	39,785,638.44
Temporary receipt payable	3,719,054.30	5,021,419.82
Others	3,700,081.69	7,958,409.54
Total	48,463,120.79	52,765,467.80

22. Long-term wages & welfare payable**(1) Long-term wages & welfare payable**

(Unit: RMB)

Item	Ending balance	Beginning balance
II. Dismiss compensation	6,855,933.26	7,642,438.23
Total	6,855,933.26	7,642,438.23

23. Estimated liabilities

(Unit: RMB)

Item	Ending balance	Beginning balance	Forming reason
Pending litigation	13,013,355.00	13,013,355.00	Estimated liabilities due to lawsuit against the Company filed by competitive opponent for patent infringement
Total	13,013,355.00	13,013,355.00	--

24. Stock

(Unit: RMB)

	Beginning balance	Increase/decrease in the period (+, -)					Ending balance
		New shares	Shares bonus	Converted capital	Others	Subtotal	
Total stock	633,853,440.00				-978,252.00	-978,252.00	632,875,188.00

Other notes

Capital stock of the current period is 730,752.00 yuan less compared with last period. The main reason is that performance of 2014 failed to meet the set requirements and disqualification of some incentive objects due to their resignation according to Stock Option and Restricted Stock Incentive Plan, thus failing the exercise conditions of Stock Option for the third exercise period and the unlocking conditions of Restricted Stock for the third unlock period. Therefore, the Company decided to repurchase at the price of 0 yuan per share and cancel 730,752 common shares (par value of 1 yuan per share) in accordance with the Proposal on Annulling a Part of Stock Option and Repurchasing and Canceling a Part of Restricted Stock adopted at the 5th Session of the Fifth Board of Directors and 2nd Session of the Fifth Board of Directors. Correspondingly, capital stock is 730,752.00 yuan less.

Capital stock of the current period is 247,500.00 yuan less. The main reason is resignation of incentive objects not satisfy incentive qualifications according to Restricted Stock Incentive Plan. Therefore, the Company decided to repurchase at the price of 0 yuan per share and cancel 247,500 common shares (par value of 1 yuan) in accordance with the Proposal on Annulling a Part of Stock Option and Repurchasing and Canceling a Part of Restricted Stock adopted at the 5th Session of the Fifth Board of Directors and 2nd Session of the Fifth Board of Directors. Correspondingly, capital stock is 247,500.00 yuan less.

25. Capital reserve

(Unit: RMB)

Item	Beginning balance	Increase	Decrease	Ending balance
Premium on capital stock	523,958,667.40	978,252.00		524,936,919.40
Other capital reserve	20,327,864.75	6,309,246.00		26,637,110.75
Total	544,286,532.15	7,287,498.00		551,574,030.15

Other notes, including increase/decrease information of the reporting period, and reasons of the change

The increase of other capital reserve in this period is from accrued equity incentives, share repurchase and cancellation.

26. Other comprehensive income

(Unit: RMB)

Item	Beginning balance	Amount of this period					Ending balance
		Amount before income tax	Less: Profit and loss previously included in other comprehensive income and currently transferred in	Less: Income tax expense	Amount attributed to parent company after tax	Amount attributed to minority shareholders after tax	
II. Other comprehensive income which will be classified in profits and losses later	-24,083,236.09	-3,912,380.81			-4,000,137.03	87,756.22	-28,083,373.12
Effective part in profit and loss of cash-flow hedging		2,881,984.49			2,794,228.27	87,756.22	2,794,228.27
Translation difference of foreign currency financial statements	-24,083,236.09	-6,794,365.30			-6,794,365.30		-30,877,601.39
Total of other comprehensive income	-24,083,236.09	-3,912,380.81			-4,000,137.03	87,756.22	-28,083,373.12

27. Surplus reserve

(Unit: RMB)

Item	Beginning balance	Increase	Decrease	Ending balance
Legal surplus reserve	154,971,348.50			154,971,348.50
Total	154,971,348.50			154,971,348.50

28. Undistributed profits

(Unit: RMB)

Item	This period	Last period
Retained earnings at last period end before adjustment	2,479,039,992.07	2,038,044,079.33
Retained profits at period beginning after adjustment	2,479,039,992.07	2,038,044,079.33
Plus: Net profit attributed to the owners of parent company	395,081,399.38	331,448,600.90

Common stock dividend payable	272,136,330.79	234,725,821.41
Undistributed profits at period end	2,601,985,060.66	2,134,766,858.82

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 0.00 yuan.
- 2) Due to change of accounting policies, undistributed profit at period beginning was changed by 0.00 yuan.
- 3) Due to rectification of major accounting errors, undistributed profit at period beginning was changed by 0.00 yuan.
- 4) Due to change of combination scope resulted from same control, undistributed profit at period beginning was changed by 0.00 yuan.
- 5) Due to other adjustment, undistributed profit at period beginning was changed by 0.00 yuan.

29. Sales and operating cost

(Unit: RMB)

Item	Amount of this period		Amount of last period	
	income	cost	income	cost
Main business	5,354,662,763.11	3,800,345,268.21	4,582,513,790.48	3,210,917,724.03
Other business	24,912,088.98	26,275,753.54	60,389,956.33	61,414,578.53
Total	5,379,574,852.09	3,826,621,021.75	4,642,903,746.81	3,272,332,302.56

30. Taxes & surcharge for operations

(Unit: RMB)

Item	Amount of this period	Amount of last period
Business tax	178,166.32	283,019.35
Urban maintenance and construction tax	19,236,837.93	17,583,330.47
Educational surtax	8,689,388.90	7,933,672.73
Sur-charges for local education	5,792,925.89	5,304,115.42
Total	33,897,319.04	31,104,137.97

31. Selling expenses

(Unit: RMB)

Item	Amount of this period	Amount of last period
Commercials, sales promotion and premium charges	301,322,409.85	239,283,671.35
Transportation expense	139,943,884.80	115,483,936.98
Salary	74,930,250.99	63,238,316.89

Office, travel and entertainment expenses	34,399,131.82	27,811,388.08
Others	286,273,909.08	328,994,283.57
Total	836,869,586.54	774,811,596.87

32. Administrative expenses

(Unit: RMB)

Item	Amount of this period	Amount of last period
Salary	66,223,507.98	68,318,796.51
Product development and experiment expenses	47,010,246.35	38,538,706.24
Office, travel, entertainment expenses and depreciation amortization fees	23,929,549.62	25,589,650.98
Tax	7,472,751.96	7,964,054.19
Stock option incentive expense	6,309,246.00	8,291,830.00
Others	10,800,232.14	8,822,206.33
Total	161,745,534.05	157,525,244.25

33. Financial expenses

(Unit: RMB)

Item	Amount of this period	Amount of last period
Interest income	-6,235,907.78	-8,619,990.42
Exchange gain and loss	-842,150.14	-1,854,380.80
Commission and others	264,369.05	298,740.59
Exchange gains or losses of hedging	-1,079,052.96	
Total	-7,892,741.83	-10,175,630.63

34. Assets impairment loss

(Unit: RMB)

Item	Amount of this period	Amount of last period
I. Bad debt	16,122,688.76	5,656,186.42
II. Inventory devaluation	6,510,094.23	-9,826,542.77
Total	22,632,782.99	-4,170,356.35

35. Gains from changes of fair value

(Unit: RMB)

Resource for gains from changes of fair value	Amount of this period	Amount of last period
Variation in fair value of financial products	-1,966,929.68	
Variation in fair value of forward exchange		12,825.00
Total	-1,966,929.68	12,825.00

36. Return on investment

(Unit: RMB)

Item	Amount of this period	Amount of last period
Long-term equity investment income calculated by the Equity Method	1,849,147.27	1,229,487.91
Earning on investment by settling tradable financial assets		58,743.27
Return on investment of financing products	25,509,686.11	16,854,176.18
Total	27,358,833.38	18,142,407.36

37. Non-operating income

(Unit: RMB)

Item	Amount of this period	Amount of last period	Amount included in non-recurring profit and loss
Gains from disposal of non-current assets	186,698.28	1,123,126.07	-275,189.80
Including: gains from disposal of fixed assets	186,698.28	1,123,126.07	-275,189.80
Government grants	19,303,260.00	9,185,394.70	19,303,260.00
Default fine revenue	397,609.15	1,026,787.59	397,574.77
Total	19,887,567.43	11,335,308.36	19,425,644.97

Governmental subsidies recorded in the current profits

(Unit: RMB)

Subsidies project	Amount of this period	Amount of last period	Related to assets/related to income
Project subsidy	1,600,600.00	5,866,339.10	pertinent to earnings

Government incentives	17,702,660.00	2,643,170.00	pertinent to earnings
Tax refund		675,885.60	pertinent to earnings
Total	19,303,260.00	9,185,394.70	--

38. Non-operating expenses

(Unit: RMB)

Item	Amount of this period	Amount of last period	Amount included in non-recurring profit and loss
Losses on disposal of non-current assets	461,888.08	1,340,421.06	461,888.08
Including: Losses on disposal of fixed assets	461,888.08	1,340,421.06	461,888.08
Donation expenditures	400,000.00	725,800.00	400,000.00
Fine and confiscation	46,079.85	191,108.95	46,079.85
Water conservancy construction fund/ dike expenses	4,169,957.87	4,289,714.61	
Others	141,870.55	10,829.62	141,870.55
Total	5,219,796.35	6,557,874.24	1,511,726.56

39. Income tax expenses

(1) Income tax expenses statement

(Unit: RMB)

Item	Amount of this period	Amount of last period
Current income tax expense	170,275,883.99	101,956,648.95
Deferred income tax expense	-65,381,598.70	-25,945,728.87
Total	104,894,285.29	76,010,920.08

(2) Adjustment of accounting profit and income tax expenses

(Unit: RMB)

Item	Amount of this period
Total profit	545,761,024.33
Income tax expenses calculated based on legal/applicable tax rate	136,440,256.08
Influence from subsidiaries' use of different tax rates	-23,335,773.12
Influence from adjustment of former income taxes	-8,210,197.67

Income tax expense	104,894,285.29
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40. Other comprehensive income

See note 26 for details.

41. Cash Flow Statement

(1) Other cash receipts related to operating activities

(Unit: RMB)

Item	Amount of this period	Amount of last period
Government's subsidy	19,303,260.00	9,185,394.70
Collection of employee's petty cash, deposit and guarantee money	2,432,931.16	3,309,293.01
Interest on deposit and other income	9,139,160.56	11,600,152.92
Total	30,875,351.72	24,094,840.63

(2) Other cash payments related to operating activities

(Unit: RMB)

Item	Amount of this period	Amount of last period
Cash sales expense	150,817,453.93	180,712,218.48
Cash management expense	65,246,624.42	58,371,801.28
Payment of employee's petty cash, deposit and guarantee money	3,697,702.00	10,007,258.16
Donation, bank commission and other expenditures	1,368,503.66	725,800.00
Total	221,130,284.01	249,817,077.92

(3) Other cash payments related to investment activities

(Unit: RMB)

Item	Amount of this period	Amount of last period
Financial products, deposits and interests withdrawn	916,308,013.12	1,706,440,937.55
Total	916,308,013.12	1,706,440,937.55

(4) Other cash receipts related to investment activities

(Unit: RMB)

Item	Amount of this period	Amount of last period
Investment of financial products and time deposits	810,704,455.10	1,191,331,274.32
Total	810,704,455.10	1,191,331,274.32

42. Supplementary to Cash Flow Statement**(1) Supplementary to Cash Flow Statement**

(Unit: RMB)

Supplemental information	Amount of this period	Amount of last period
1. Adjusting net profit into cash flows of operating activities:	--	--
Net profit	440,866,739.04	368,398,198.54
Plus: Provision for asset depreciation	22,632,782.99	-5,909,530.34
Depreciation of fixed assets, oil and gas assets and productive biological assets	48,482,029.89	48,073,033.04
Amortization of intangible assets	3,916,119.51	3,790,454.87
Loss for disposal of fixed assets, intangible assets and other long-term assets (income is listed as "-")	70,957.15	-943,283.92
Losses on scrapping of fixed assets (income is listed as "-")	276,851.62	109,377.71
Losses on change in fair value (income is listed as "-")	1,966,929.68	-12,825.00
Financial expense (income is listed as "-")	-7,892,741.83	-3,609,176.03
Losses arising from investment (income is listed as "-")	-27,358,833.38	-18,142,407.36
Decrease of deferred income tax assets (increase is listed as "-")	-68,026,142.72	-25,954,827.22
Increase of deferred income tax liabilities (decrease is listed as "-")	3,605,205.53	-242.30
Decrease of inventories (increase is listed as "-")	463,138,339.63	393,343,254.10
Decrease in operating receivables (increase is listed as "-")	-524,743,471.55	-200,313,549.59

Increase in operating payables (decrease is listed as “-“)	-245,056,406.18	-229,684,717.39
Net cash flows resulting from operating activities	111,878,359.38	329,143,759.11
2. Investing and financing activities not involving significant cash receipts and payments:	--	--
3. Net change in cash and cash equivalents:	--	--
Balance of cash at the end of the period	330,707,776.66	964,212,743.33
Minus: Balance of cash at the beginning of the period	416,878,114.31	390,261,119.34
Net increase in cash and cash equivalents	-86,170,337.65	573,951,623.99

(2) Composition of cash and cash equivalents

(Unit: RMB)

Item	Ending balance	Beginning balance
I. Cash	330,707,776.66	416,878,114.31
Including: inventory cash	300,737.56	306,130.75
Bank deposit for payment at any time	330,397,039.10	416,561,983.55
Other monetary funds for payment at any time	10,000.00	10,000.00
III. Balance of cash and cash equivalents at period-end	330,707,776.66	416,878,114.31

Other notes

The use-limited monetary funds amounted to 364,279,830.25 yuan at period-end, including fixed deposit (the held-to-maturity) of 364,279,830.25 yuan, which is not recorded in the “ending balance of cash and cash equivalent” in the Cash Flow Statement.

The use-limited monetary funds amounted to 203,806,375.16 yuan at period-begin, including fixed deposit (the held-to-maturity) of 203,806,375.16 yuan, which is not recorded in the “ending balance of cash and cash equivalent” in the Cash Flow Statement.

43. Foreign currency monetary item

(1) Foreign currency monetary item

(Unit: RMB)

Item	Final balance of foreign currency	Exchange rate convert	Ending balance in Renminbi after conversion
Monetary funds	--	--	
In which: US dollars	9,509,037.89	6.1136	58,134,454.04

Euro	352,327.19	6.8699	2,420,452.56
Pound	1.83	9.6422	17.65
VND	24,869,656,506.00	0.000282084	7,015,332.18
Accounts receivable	--	--	
In which: US dollars	19,479,804.00	6.1136	119,091,729.73
VND	39,363,721,633.03	0.000282084	11,103,864.19
Accounts payable			
In which: US dollars	5,040,054.26	6.1136	30,812,875.75
VND	32,568,820,671.82	0.000282084	9,187,133.39

VIII. Equity in other entities

1. Equity in subsidiaries

(1) Structure of enterprise group

Subsidiary name	Main business address	Registration place	Business property	Proportion of share-holding		Mode of acquisition
				direct	indirect	
Zhejiang Supor Electrical Appliance Manufacturing Co., Ltd [Note 1]	Hangzhou	Hangzhou	Manufacturing	75.00%		Establishment
Zhejaing Shaoxing Supor Home Appliance Co., Ltd [Note 1]	Shaoxing	Shaoxing	Manufacturing	70.00%		Establishment
Zhejiang Shaoxing Supor Domestic Appliances Co., Ltd. [Note 1]	Shaoxing	Shaoxing	Manufacturing	100.00%		Establishment
Supor (Vietnam) Co., Ltd [Note 1]	Vietnam	Vietnam	Manufacturing	100.00%		Establishment
Wuhan Supor Recycling Co., Ltd [Note 1]	Wuhan	Wuhan	Commercial	100.00%		Establishment
Wuhan Supor Cookware CO.,	Wuhan	Wuhan	Manufacturing		75.00%	Establishment

Ltd. [Note 1, 2]						
Hangzhou Omegna Commercial Trade Co., Ltd. [Note 1]	Hangzhou	Hangzhou	Commercial	100.00%		Establishment
Shanghai Supor Cookware Selling Co., Ltd. [Note 1]	Shanghai	Shanghai	Commercial	100.00%		Establishment
Wuhan Supor Pressure Cooker Co., Ltd. [Note 1]	Wuhan	Wuhan	Manufacturing	99.36%		Business combination under the same control
Zhejiang Supor Plastic & Rubber Co., Ltd [Note 1]	Yuhuan	Yuhuan	Manufacturing	93.23%		Business combination under the same control
Wuhan Supor CO., Ltd. [Note 1]	Wuhan	Wuhan	Manufacturing	96.53%		Business combination under the same control
Yuhuan Supor Recycling Co., Ltd. [Note 1]	Yuhuan	Yuhuan	Commercial	60.00%		Consolidation not under the same control

Explanation of shareholding ratio not equivalent to voting power ratio

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

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

(2) Important non wholly-owned subsidiaries

(Unit: RMB)

Subsidiary name	Shareholding ratio by minority shareholders	Profit/loss attributed to minority shareholders	Dividend declared for minority shareholders	Ending balance of equity for minority shareholders
Zhejiang Electrical Appliances	25.00%	19,134,644.70		248,706,637.20
Supor Electrical	30.00%	168,420.78		15,364,209.53
Wuhan Cookware	25.00%	25,490,742.11		257,171,656.79
Wuhan PC	0.64%	589,372.40		6,853,600.98
P&R	6.77%	408,351.07		6,629,916.66

Wuhan Supor	3.47%	-5,792.59		505,890.11
Yuhuan Recycling	40.00%	-398.81		1,301,666.90

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

(Unit: RMB)

Subsidiary name	Ending balance						Beginning 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
Zhejiang Electrical Appliances	1,325,171,771.07	194,599,943.16	1,519,771,714.23	518,931,885.11	530,931,999	519,462,817.10	1,313,391,679.67	184,448,320.92	1,497,840,000.59	575,786,638.75	242,218,222	576,028,856.97
Supor Electrical	51,338,065.64		51,338,065.64	124,033,86		124,033,86	50,762,335.35		50,762,335.35	109,706,20		109,706,20
Wuhan Cookware	1,477,590,755.26	235,682,517.73	1,713,273,272.99	677,599,637.67	6,306,350.19	683,905,987.86	1,457,309,062.19	195,950,858.14	1,653,259,920.33	719,357,262.40	7,178,999.22	726,536,261.62
Wuhan PC	1,497,915,390.21	436,098,043.55	1,934,013,433.76	676,132,577.79	6,306,350.19	682,438,927.98	1,480,525,585.60	398,681,614.32	1,879,207,199.92	726,732,987.02	7,178,999.22	733,911,986.24
P&R	113,576,198.86	17,423,14.39	130,999,313.25	32,928,140.99	43,435.56	32,971,576.55	110,475,505.69	18,271,478.47	128,746,984.16	36,847,935.49		36,847,935.49
Wuhan Supor	15,706,013.24	51,551.08	15,757,564.32	629,015,54	549,583,07	1,178,598.61	15,965,894.22	51,551.08	16,017,445.30	648,207,10	623,339,01	1,271,546.11
Yuhuan Recycling	2,948,988.77		2,948,988.77				2,956,067.51		2,956,067.51	6,081.73		6,081.73

(Unit: RMB)

Subsidiary name	Amount of this period				Amount of last period			
	Total sales	Net profit	Total comprehensive earnings	Cash outflows from operating activities	Total sales	Net profit	Total comprehensive earnings	Cash outflows from operating activities
Zhejiang Electrical	1,233,438,932.50	76,348,067.69	76,348,067.69	-121,881,375.12	1,011,887,399.30	43,748,543.82	43,748,543.82	-95,622,531.87

Appliances								
Supor Electrical		561,402.63	561,402.63	-168,363.74		520,588.65	520,588.65	-139,921.16
Wuhan Cookware	1,432,610,683.64	101,962,968.42	101,962,968.42	121,352,276.46	1,255,891,941.61	100,573,557.30	100,573,557.30	134,466,319.65
Wuhan PC	1,432,610,683.64	105,447,341.31	105,447,341.31	123,871,904.85	1,255,891,941.61	101,291,909.03	101,291,909.03	133,201,488.08
P&R	97,394,328.05	5,998,381.36	5,998,381.36	3,549,943.12	78,536,950.65	4,726,768.62	4,726,768.62	-5,691,553.25
Wuhan Supor		-166,933.48	-166,933.48	-273,456.52		-174,017.77	-174,017.77	-64,724.06
Yuhuan Recycling		997.01	997.01	-7,078.74		16,076.04	16,076.04	-16,258.88

2. Equity in joint venture arrangements or affiliated business

(1) Important joint venture or affiliated business

Name of joint venture or affiliated business	Main business address	Registration place	Business property	Proportion of share-holding		Accounting treatment of investment in joint venture or affiliated business
				direct	indirect	
Wuhan Anzai Cookware Co., Ltd.	Wuhan	Wuhan	Manufacturing	30.00%		Equity method

(2) Main financial information of important affiliated business

(Unit: RMB)

	Ending balance/ amount incurred in current period	Beginning balance/amount incurred in previous period
Current Assets:	114,105,416.42	120,313,967.29
Non-current assets:	58,301,216.41	59,323,857.25
Total assets	172,406,632.83	179,637,824.54
Current liabilities:	77,743,932.31	92,080,044.54
Non-current liabilities:		1,240,000.00
Total liabilities	77,743,932.31	93,320,044.54
Shareholder's equity attributed to the	94,662,700.52	86,317,780.00

parent company		
Net assets calculated based on shareholding ratio	28,398,810.16	25,895,334.00
--goodwill	22,585,444.13	22,585,444.13
-- Unrealized profit of internal trading	680,879.56	1,371,058.64
Book value of equity investment in affiliated business	48,958,866.76	47,109,719.49
Total sales	122,473,445.95	115,391,113.59
Net profit	4,165,356.82	3,621,119.66
Total comprehensive earnings	4,165,356.82	3,621,119.66

IX. Risks associated with Financial Instruments

This Company has been engaged in risk management to achieve a balance between risks and benefits, minimize the negative effect of risk upon the company's business performance, and maximize the benefits for shareholders and other equity investors. With this purpose, this Company has adopted a basic risk management policy, which is to identify and analyze all risks confronting the company, set a risk bottom line and implement risk management, and timely and reliably supervise all risks and control risks within the defined limits.

The main risks associated with the company's financial instruments are credit risks, liquidity risk and market risk. The management layer have reviewed and approved the risk management policies, summarized as follows:

(i) Credit risk

Credit risk refers to the risk of financial loss for one party of the financial instrument caused by the other party's failure to fulfill his obligations. Credit risk of this Company is mainly associated with accounts receivables. To control the risk, the Company has taken following measures:

1. Notes receivable

Notes receivables of the Company are mainly bank acceptance bills receivable. The Company keeps supervisory control over bank acceptance bills to ensure no serious bad debt risks.

2. Accounts receivable

This Company trades only with recognized third party in good standing. According to policies of the Company, all clients with whom the Company trades in the form of credit shall be subject to credit check. Additionally, the Company keeps continuous supervisory control over balance of accounts receivable to ensure no serious bad debt risks.

(1) Enhancing risk consciousness and strengthening risk management of accounts receivable Strengthen internal control of client's credit policy management. Adjustment of client's credit policy must be subject to necessary review and approval procedures.

(2) Making detailed business records and accounting work Client's payment records shall be used as the important reference for evaluation of his credit. Exercise dynamic management of client's information and understand their newest credit situation to make corresponding credit policies.

Since this Company trades only with recognized third party in good standing, no guaranty is required. Credit risks are centralized managed by clients. Among the accounts receivable at period-end, amount receivable from SEB ASIA LTD. accounting for 57.67% of ending balance (62.73% on December 31, 2014). The Company did not expect large credit risk about it. Risk points of other accounts receivable are distributed in several partners and clients. By June 30, 2015, accounts receivable from the top five clients (deducting accounts receivable from SEB ASIA LTD.) occupies 10.30% of ending balance of accounts receivable (10.09% on

December 31, 2014). Therefore, there exist no major centralized credit risks.

3. Other accounts receivable

Other accounts receivable of the Company is mainly value-added tax rebate receivable. The Company will keep supervisory control over this amount and related business.

1) Amount in accounts receivable that is not overdue and not depreciated, the amount that is overdue but not depreciated, and the overdue age:

Item	Ending balance				
	Not overdue and not depreciated	Overdue but not depreciated			Total
		Within 1 year	1-2 years	Over 2 years	
Notes receivable	708,261,921.31				708,261,921.31
Subtotal	708,261,921.31				708,261,921.31
Item	Opening balance				
	Not overdue and not depreciated	Overdue but not depreciated			Total
		Within 1 year	1-2 years	Over 2 years	
Notes receivable	486,320,125.68				486,320,125.68
Subtotal	486,320,125.68				486,320,125.68

2) For accounts receivable with separate accrual of depreciation, refer to the accounts receivable in notes to the financial statements.

(ii) Liquidity risk

Liquidity risk refers to capital shortage risks confronted by a company when fulfilling financial liability-related obligations. Its reason may be inability to sell financial assets as soon as possibly at fair value or the other party's inability to pay contract debt, or maturity accelerated debt, or being unable to achieve the estimated cash flow.

To control the risk, the Company keeps optimizing the assets and liabilities structure, and maintains the balance between the continuity and flexibility of debt financing.

Financial instruments classified by remaining maturity date

Item	Ending balance				
	Book value	Undiscounted contract value	Within 1 year	1-3 years	Over 3 years
Financial assets					
Monetary funds	694,987,606.91		694,987,606.91		
Financial assets measured at fair value with variation included in current profits and losses	651,688,219.18		651,688,219.18		
Notes receivable	708,261,921.31		708,261,921.31		
Accounts receivable	1,330,898,287.49		1,330,898,287.49		
Interest receivable	3,209,336.69		3,209,336.69		
Other accounts receivable	10,508,981.71		10,508,981.71		

Other current assets (Note)	400,766,136.98		400,766,136.98	
Subtotal	3,800,320,490.27		3,800,320,490.27	
Financial liabilities				
Accounts payable	1,475,441,127.98		1,475,441,127.98	
Other accounts payable	48,463,120.79		48,463,120.79	
Subtotal	1,523,904,248.77		1,523,904,248.77	

Note: financial products purchased

(Continued)

Item	Opening balance				
	Book value	Undiscounted contract value	Within 1 year	1-3 years	Over 3 years
Financial assets					
Monetary funds	620,684,489.46		620,684,489.46		
Financial assets measured at fair value with variation included in current profits and losses	913,655,148.86		913,655,148.86		
Notes receivable	486,320,125.68		486,320,125.68		
Accounts receivable	1,004,256,291.61		1,004,256,291.61		
Interest receivable	1,333,136.33		1,333,136.33		
Other accounts receivable	48,727,819.25		48,727,819.25		
Other current assets (Note)	392,256,657.53		392,256,657.53		
Subtotal	3,467,233,668.72		3,467,233,668.72		
Financial liabilities					
Accounts payable	1,593,473,427.68		1,593,473,427.68		
Other accounts payable	52,765,467.80		52,765,467.80		
Subtotal	1,646,238,895.48		1,646,238,895.48		

(iii) Market risk

Market risk refers to fluctuation risk of fair value of financial instrument or future cash flow due to change of market price. Market risks mainly include interest rate risk and foreign exchange risk.

1. Interest rate risk

Interest rate risk refers to fluctuation risk of fair value of financial instrument or future cash flow due to change of interest rate. By June 30, 2015, the Company has no bank loan. Therefore interest rate risk will not exert significant impact on the Company's total profit or shareholders' equity.

X. Disclosure of Fair Value

1. Ending balance of assets and liabilities measured at the fair value

(Unit: RMB)

Item	Fair value at period-end			
	First-level Measurement of fare value	Second-level Measurement of fare value	Third-level Measurement of fare value	Total
I. Continued measurement of fair value	--	--	--	--
2. Financial assets measured at fair value with variation included in current profits and losses	651,688,219.18			651,688,219.18
(1) Debt instruments investment	651,688,219.18			651,688,219.18
Total assets continuously measured at fair value	651,688,219.18			651,688,219.18
II. Non-continued measurement of fair value	--	--	--	--

XI. Connected parties and Connected Transactions

1. Parent company

Company name	Registration place	Business property	Registered capital	Share holding percentage of parent company in this Company	Voting right percentage of parent company in this Company
SEB INTERNATIONAL E S.A.S	France	Investment company	Euro 80M	71.55%	71.55%

Information on the parent company:

Business scope: Equity investment in France and overseas enterprises (despite business types), namely, purchasing and subscribing of stocks, bonds, company shares, equities, various securities and valuable securities, and transfer of such securities or notes; all financial operations related to equity participation, including purchasing, manufacturing and selling home appliances for the purpose of distribution and providing relevant services; all activities directly or indirectly contributing to the realization of these operations, particularly in the areas of movable properties, estate, finance, commerce and industry.

Final controller of the Company is SEB S.A.

2. Branch companies

See "VIII. Equity in other entities" in Notes.

3. Joint ventures and affiliated companies

See "VIII. Equity in other entities" in Notes.

Other joint ventures or affiliated companies having connected transactions with this Company during this period, or having connected transactions with this Company during the previous period where balance is generated:

Name of joint venture or affiliated business	Relationship with this Company
Wuhan Anzai Cookware Co., Ltd.	Affiliated companies

4. Other connected parties

Name	Relationship with the Company
GROUPE SEB EXPORT	Same controlling shareholder with the controlling shareholder
S.A.S GROUPE SEB MOULINEX	Same controlling shareholder with the controlling shareholder
LAGOSTINA S.P.A.	Same controlling shareholder
TEFAL S.A.S.	Same controlling shareholder with the controlling shareholder
SEB ASIA LTD.	Same controlling shareholder
S.A.S. SEB	Same controlling shareholder with the controlling shareholder
Supor Group Co., Ltd.	Shareholder
SEB INTERNATIONAL SERVICE S.A.S	Same controlling shareholder with the controlling shareholder
ALL-CLAD METALCRAFTERS LLC	Same controlling shareholder
Wuhan Anzai Cookware Co., Ltd.	Affiliated companies
SEB COLOMBIA	Same controlling shareholder
Zhejiang Supor Pharmaceutical Sales Co., Ltd.	Subsidiary of the shareholder

5. Connected transactions

(1) Purchasing and sales of goods, rendering and receiving of services

Purchase and sale of goods, rendering and receiving services

(Unit: RMB)

Connected parties	Content of connected transactions	Amount of this period	Transaction quota granted	Whether or not exceeding transaction quota	Amount of last period
Wuhan Anzai Cookware Co., Ltd.	Finished products	69,694,604.29			74,834,237.00

Wuhan Anzai Cookware Co., Ltd.	Accessories	46,008,681.87			46,974,561.71
Supor Group Co., Ltd.	Finished products				471,855.85
GROUPE SEB EXPORT	Finished products	1,375,142.89			
S.A.S GROUPE SEB MOULINEX	Accessories	7,504,807.47			2,762,340.29
TEFAL S.A.S	Accessories	1,424,348.82			3,153,389.23
LAGOSTINA S.P.A.	Finished products	1,990,663.58			4,730,666.77
S.I.S SEB	Accessories				3,161.47
S.A.S SEB	Accessories				1,067,842.69

Sale of goods and rendering of services

(Unit: RMB)

Connected parties	Content of connected transactions	Amount of this period	Amount of last period
SEB ASIA LTD.	Finished products	1,421,790,924.36	1,140,838,169.03
SEB ASIA LTD.	Accessories	5,442,864.09	3,556,884.27
SAS SEB	Finished products	11,698,932.77	13,068,325.01
SAS SEB	Accessories	1,417,261.49	695,541.85
TEFAL SAS	Finished products	9,937,355.78	3,193,788.86
TEFAL SAS	Accessories	9,404,886.82	8,404,400.64
SAS GROUPE SEB MOULINEX	Finished products	10,556,598.16	5,016,835.43
SAS GROUPE SEB MOULINEX	Accessories	71,936.17	306,286.79
SEB INTERNATIONAL SERVICE SAS	Finished products	326,132.20	388,413.59
SEB INTERNATIONAL SERVICE SAS	Accessories	1,887,133.84	1,387,451.73
ALL-CLAD METALCRAFTERS LLC	Finished products	163,057.31	165,410.58
SEB COLOMBIA	Accessories	116,676.02	744,374.38
LAGOSTINA S.P.A.	Finished products	21,938.36	68,403.95
LAGOSTINA S.P.A.	Accessories	514,622.05	663,591.12
Supor Group Co., Ltd.	Finished products	2,969,703.11	1,714,576.89

Wuhan Anzai Cookware Co., Ltd.	Accessories	15,353.08	
Zhejiang Supor Pharmaceutical Sales Co., Ltd.	Finished products	97,813.68	

(2) Related leasing

As lessee:

(Unit: RMB)

Name of lessor	Name of lessee	Type of leased assets	Rental fee confirmed in this period	Rental fee confirmed in previous period
Supor Group Co., Ltd.	This Company	Real estate		182,500.00
Supor Group Co., Ltd.	Wuhan Cookware	Real estate	285,551.94	297,557.91
Supor Group Co., Ltd.	Omegna	Real estate	113,069.70	101,761.68
Supor Group Co., Ltd.	Zhejiang Electrical Appliances	Real estate	1,245,646.45	1,245,648.00
Supor Group Co., Ltd.	Wuhan Supor	Real estate	No charge of rental temporarily	No charge of rental temporarily
Supor Group Co., Ltd.	P&R	Land	No charge of rental temporarily	No charge of rental temporarily

(7) Remuneration for key management personnel

(Unit: RMB)

Item	Amount of this period	Amount of last period
Remuneration for key management personnel	3,878,844.99	3,633,065.10

4. Other connected transactions

1) Water and electricity

Seller	Buyer	Water and electricity expenses confirmed in this period	Water and electricity expenses confirmed in same period last year
Hangzhou Supor Property Management Co., Ltd.	Wuhan Cookware	290,400.00	313,260.00
This Company	Zhejiang South Ocean Pharmaceuticals Co., Ltd.	535,020.18	334,211.35
This Company	Zhejiang Supor Sanitary Wares	5,880.00	1,794.87

	Co., Ltd.		
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2) Property management fee and parking fee

Party rendering service	Party receiving service	Property management fee and parking fee confirmed in this period	Property management fee and parking fee confirmed in same period last year
Hangzhou Supor Property Management Co., Ltd.	Wuhan Cookware	153,787.44	278,964.96
	Omegna	7,434.72	7,434.72
	This Company	102,000.00	58,575.00

3) According to the Technical License Contract (No. N.TLC-AC004) signed on Jan 21, 2009 between Wuhan Cookware and SAS TEFAL, TEFAL S.A.S licensed Wuhan Cookware the paid use right of the patent "heating element covered with color-changing decorative layer". According to the contract signed between the two parties, 3% of realized sales income of licensed product should be paid as royalty. In current period, Wuhan Cookware should pay TEFAL S.A.S. technical royalty of 5,769,560.81 yuan, among which 2,761,315.88 yuan was outstanding by June 30, 2015.

4) According to the Technical License Contract signed on Dec. 29, 2013 between Wuhan Cookware and SEB S.A., SEB S.A. licensed Wuhan Cookware the paid use right of 5 patents including "household appliance with elastomer safety valve for steaming and cooking food under pressure" owned by SEB S.A.. According to the contract signed between the two parties, 3% of realized sales income of licensed product should be paid as royalty. In current period, Wuhan Cookware should pay SEB S.A. technical royalty of 249,130.37 yuan, among which 118,328.31 yuan was outstanding by June 30, 2015.

5) According to the Trademark License Agreement signed between Wuhan Cookware, Zhejiang Supor, Wuhan PC and LAGOSTINA SPA on March 22, 2011, LAGOSTINA SPA licensed the three companies the paid use right of trademark. According to the contract signed between the two parties, 4% of net realized sales income of licensed product should be paid as royalty. In current period, Wuhan Cookware should pay LAGOSTINA SPA technical royalty of 261,420.54 yuan, among which 261,420.54 yuan was outstanding by June 30, 2015.

6) There is no trademark license agreement signed between Omegna and LAGOSTINA SPA. The two parties agree that 4% of net realized sales income of licensed product should be paid as royalty. In current period, Omegna should pay LAGOSTINA SPA technical royalty of 379,508.47 yuan, among which 379,508.47 yuan was outstanding by June 30, 2015.

6. Receivables and payables by connected parties

(1) Items receivable

(Unit: RMB)

Project name	Connected parties	Ending balance		Beginning balance	
		Book balance	Bad debt reserve	Book balance	Bad debt reserve
Accounts receivable					
	SEB ASIA LTD.	808,806,257.58	40,440,312.88	663,176,661.54	33,158,945.22
	S.A.S SEB	9,185,135.55	459,256.78	10,698,702.62	534,935.13
	TEFAL S.A.S	11,730,071.93	586,503.60	4,672,758.68	233,637.93
	SEB INTERNATIONAL SERVICE S.A.S	1,466,650.17	73,332.51	1,011,305.60	50,565.28

	SEB COLOMIBIA	116,446.47	5,822.32	362,564.58	18,128.23
	LAGOSTINA S.P.A.	225,974.31	11,298.72	67,369.46	3,368.47
	SEB USA	36,962.83	1,848.14	36,995.47	1,849.77
	S.A.S GROUPE SEB MOULINEX	7,234,425.00	361,721.25		
	SEB DEVELOPPMENT	48,713.16	2,435.66		
	Supor Group Co., Ltd.	2,297,851.25	114,892.56		
	Wuhan Anzai Cookware Co., Ltd.	17,963.10	898.16		
Subtotal		841,166,451.35	42,058,322.57	680,026,357.95	34,001,430.03
Accounts paid in advance					
	Supor Group Co., Ltd.	2,231,728.00		147,374.91	
Subtotal		2,231,728.00		147,374.91	
Other accounts receivable					
	Supor Group Co., Ltd.	10,000.00	500.00	10,000.00	500.00
Subtotal		10,000.00	500.00	10,000.00	500.00

(2) Items payable

(Unit: RMB)

Project name	Connected parties	Book balance at period-end	Book balance at period-begin
Accounts payable			
	Wuhan Azai Cookware Co., Ltd.	16,991,469.00	36,538,954.11
	GROUPE SEB EXPORT	7,899,866.52	4,092,250.27
	TEFAL S.A.S	4,276,724.40	1,645,463.70
	SHANGHAI SEB	23,081.79	1,005,306.50
	S.A.S SEB	1,044,566.51	998,564.24
	LAGOSTINA S.P.A.	1,694,192.31	884,408.87
	S.A.S GROUPE SEB MOULINEX	13,772,998.78	94,053.93

	SIS.SAS	59,431.05	
Subtotal		45,762,330.36	45,259,001.62

XII. Share-based Payment

1. General information

Total equity instruments granted in current period	
Total equity instruments exercised in current period	1,104,041 share
Total equity instruments void in current period	Stock option: 2,142,624shares; Restricted stock: 978,252shares;
The range of exercise price of stock options by the end of the period and the remaining period of the contract	14.15 yuan/share, 2 years
The range of exercise price of other equity instruments by the end of the period and the remaining period of the contract	0 yuan/share, 2 years and 3.46 years

Other notes

1) According to the Proposal on the "Restricted Stock Incentive Plan (Revised Draft)" and its Abstract (hereinafter referred to as the "Equity Incentive Plan 2013") adopted at the Second Interim General Meeting of Shareholders of 2013 held on Oct. 28, 2013, and subject to the approval of China Securities Regulatory Commission, the Company would grant 5,720,205 shares of restricted stock to incentive objects, and completed the repurchase of 5,720,205 shares of company stock from November 6, 2013 to December 5, 2013. The Company first granted 5,540,000 shares in 2013, and then granted 180,205 shares in 2014, at the price of 0 yuan per share.

The Equity Incentive Plan 2013 is valid for five years from the first grant date. The lock-up period of the first part granted is 12 months, and the unlocking period is 48 months, divided into four periods. When reaching the unlocking conditions, the incentive objects may apply for unlocking by four times, respectively after 12 months, 24 months, 36 months and 48 months since the granted date and respectively for 10%, 20%, 30% and 40% of the total restricted stock granted. The lock-up period of reserved part is 12 months. The unlocking period is 36 months divided into three periods. When reaching the unlocking conditions, the incentive objects may apply for unlocking by three times, respectively after 12 months, 24 months and 36 months since the granted date and respectively for 20%, 20% and 60% of the total restricted stock granted. By June 30, 2015, the remnant term of this Incentive Plan is 3.46 years.

According to the Proposal on Unlocking of Restricted Stock within the First Unlock Period of Restricted Stock Incentive Plan reviewed and adopted at the 22nd Session of the Fourth Board of Directors, 554,000 shares of restricted stock would be unlocked in 2014.

According to the Proposal on Unlocking of Restricted Stock within the Second Unlock Period and Reserved Restricted Stock during the First Unlock Period reviewed and adopted at the 5th Session of the Fifth Board of Directors, the numbers of restricted stock unlocked and reserved restricted stock unlocked are respectively 1,068,000 shares and 36,041shares, totally 1,104,041 shares.

Considering resignation of several incentive objects, the Company, according to the Proposal on Annulling a Part of Stock Options and Repurchasing and Canceling a Part of Restricted Stock reviewed and adopted at the 2nd Session of the Fifth Board of Directors, would repurchase 180,000 shares of restricted stock previous granted to resigned incentive objects at the price of 0 yuan per share.

Considering resignation of several incentive objects, the Company, according to the Proposal on Annulling a Part of Stock Options and Repurchasing and Canceling a Part of Restricted Stock reviewed and adopted at the 5th Session of the Fifth Board of Directors, would repurchase 67,500 shares of restricted stock previous granted to resigned incentive objects at the price of 0 yuan per share.

2) According to the Stock Options and Restricted Stock Incentive Plan of Zhejiang Supor Co., Ltd. (revised draft) (hereinafter

referred to as the "Equity Incentive Plan 2012") adopted at the First Interim Shareholders Meeting held on June 29, 2012, and subject to the approval of China Securities Regulatory Commission, the Company completed grant to incentive objects a total of 7,275,840 shares of equity option and 2,640,000 shares of restricted stock in 2012, and reserved stock option and restricted stock respectively 794,640 shares and 110,000 shares. The grant price of stock option is 14.15 yuan per share; and the price of restricted stock is 0 yuan per share.

Considering unfulfillment of exercise and unlocking conditions and resignation of some incentive objects, the Company, according to the resolution adopted at the 14th Session of the Fourth Board of Directors, would cancel 1,088,736 shares of stock option granted in 2013 and would repurchase restricted stock granted totaling 473,088 shares at the price of 0 yuan. According to the resolution adopted at the 17th Session of the Fourth Board of Directors, the Company would cancel the grant of reserved stock option of 794,640 shares and restricted stock of 110,000 shares. According to the resolution adopted at the 22nd Session of the Fourth Board of Directors, would cancel 1,581,888 shares of stock option and would repurchase restricted stock granted totaling 540,672 shares at the price of 0 yuan in 2014.

Considering resignation of incentive objects, the Company, according to the Proposal on Annulling a Part of Stock Options and Repurchasing and Canceling a Part of Restricted Stock reviewed and adopted at the 2nd Session of the Fifth Board of Directors, would cancel 221,760 shares of stock option, and repurchase 36,960 shares of restricted stock previous granted to resigned incentive objects at the price of 0 yuan per share.

Considering unfulfillment of exercise and unlocking conditions and resignation of some incentive objects, the Company, according to the Proposal on Annulling a Part of Stock Options and Repurchasing and Canceling a Part of Restricted Stock reviewed and adopted at the 2nd Session of the Fifth Board of Directors, would cancel 1,920,864 shares of stock option, and repurchase 693,792 shares of restricted stock previous granted to resigned incentive objects at the price of 0 yuan per share.

The Equity Incentive Plan 2012 is valid for five years from the grant date. The lock-up period of the first part granted is 12 months, and the unlocking period is 48 months, divided into four periods. When reaching the unlocking conditions, the incentive objects may apply for unlocking by four times, respectively after 12 months, 24 months, 36 months and 48 months since the granted date and respectively for 10%, 20%, 30% and 40% of the total equity options and restricted stock granted. The lock-up period of reserved part is 12 months. The unlocking period is 36 months divided into three periods. When reaching the unlocking conditions, the incentive objects may apply for unlocking by three times, respectively after 12 months, 24 months and 36 months since the granted date and respectively for 20%, 20% and 60% of the total equity options and restricted stock granted. By June 30, 2015, the remnant term of this Incentive Plan is 2 years.

2. Equity-settled share-based payment

(2) Determination criteria of fair value of equity instruments at grant date	According to the revised Black-Scholes Option Pricing Model
Determination basis for the number of exercisable equity instruments	Based on the corresponding equity instruments of staff, the performance of the company in this period and the forecast of annual performance of the company [Note 1]
Reasons of significant difference between the estimates in the current period and the preceding period	No
Accumulated amount of equity-settled share-based payment included in capital reserve	-96,854,120.16 [Note 1]
Total amount of equity-settled share-based payment in this period	6,309,246.00 [Note 2]

Note: If there is no big difference between estimates of this period and last period, please fill in "no".

Other notes**(1) Details**

[Note 1]: The amount of equity-settled share-based payment among capital reserves by the end of 2014 was -104,141,618.16 yuan. Restricted stock purchased back at the price of 0 yuan was 978,252.00 yuan. The equity-settled share-based payment was 6,309,246.00 yuan. The total was -96,854,120.16 yuan.

[Note 2]Based on the estimation of the Company's domestic sales and domestic operating profit in this period, the Incentive Plan for 2013 was expected to satisfy the requirements of Proposal on Restricted Stock Incentive Plan (Revised Draft) and Abstract about performance appraisal indicators for the unlock of restricted stock. Therefore, a total of 6,309,246.00 yuan of share-based payment was confirmed in this period.

(2) Other notes

1) The fair value of equity instruments of Restricted Stock of Incentive Plan implemented in 2013 shall be determined according to the revised Black-Scholes Option Pricing Model; relevant parameters are as follows:

- a. Grant price: the grant price of restricted stock is 0 yuan/share;
- b. Average price for repurchase of restricted stock is 15.14 yuan / share;
- c. Unlocking period for every schedule of restricted stock: one year, two years, three years, four years;
- d. Estimated fluctuation rate of stock price: 48.9%;
- e. No-risk return rate: 4.13%;
- f. Beta value: 1.05;
- g. Risk return rate: 6.82%;
- h. Cash dividend return rate: 2.38%.

2) Based on the parameters above, the total cost of restricted stock of Incentive Plan implemented in 2013 is 42,641,075.97 yuan.

XIII. Commitments and Contingencies**1. Important Commitments**

Important commitments on the balance sheet date

By the balance sheet date, there is no significant commitments that should be disclosed.

2. Contingencies**(1) Important contingencies on the balance sheet date**

In 2014, Shaoxing Supor and Zhejiang Electrical Appliances filed a lawsuit against opponent and several malls for infringement of patent right; in the same year, the opponent filed a lawsuit against Shaoxing Supor and several malls for infringement of patent. The case was still under trial during the reporting period. The two sides were actively looking for settlement. Till disclosure date of 2015 Semiannual Report, the two sides had reached package settlement agreement.

(2) Important contingencies that should be disclosed

The Company has no important contingencies that should be disclosed.

XIV. Events after the Balance Sheet Date**1. Details**

No

XV. Notes to the Main Items of the Financial Statements of the Parent Company**1. Accounts receivable****(1) Classification of accounts receivable**

(Unit: RMB)

Category	Ending balance					Beginning balance				
	Book balance		Bad debt reserve		Book value	Book balance		Bad debt reserve		Book value
	Amount	Scale	Amount	Accrual percentage		Amount	Scale	Amount	Accrual percentage	
Accounts receivable accrued for bad debt provision in combination based on credit risks	327,296,409.49	89.11%	16,410,283.76	5.01%	310,886,125.73	248,224,469.65	88.82%	12,456,808.00	5.02%	235,767,661.65
Accounts receivable of insignificant single amount but separately accrued for bad debt provision	39,979,412.48	10.89%			39,979,412.48	31,232,112.93	11.18%			31,232,112.93
Total	367,275,821.97	100.00%	16,410,283.76	4.47%	350,865,538.21	279,456,582.58	100.00%	12,456,808.00	4.46%	266,999,774.58

Accounts receivable with significant single amount and accrual of bad debt provision at period-end

 Applicable Not Applicable

Receivables with provision made on group basis with age analysis method

 Applicable Not Applicable

(Unit: RMB)

Age	Ending balance		
	Accounts receivable	Bad debt reserve	Accrual percentage
Sub-item within 1 year			
Subtotal	327,233,480.31	16,361,674.02	5.00%

1 - 2 years	2,387.97	191.04	8.00%
2 - 3 years	21.95	3.29	15.00%
4 - 5 years	60,519.26	48,415.41	80.00%
Total	327,296,409.49	16,410,283.76	

Determination basis:

Account receivable using balance fraction method for bad debt provision

Applicable Not Applicable

Account receivable using other method for bad debt provision

(2) Bad debt provisions accrued and recovered

During the period, bad debt provision accrued was 3,953,475.76 yuan; bad debt provision recovered was 0.00 yuan.

(3) First five accounts receivables classified by debt parties

Company	Book balance	Proportions in the balance of accounts receivable (%)	Bad debt reserve
SEB ASIA LTD.	320,363,263.01	87.23%	16,018,163.15
Customer 1	20,287,344.66	5.52%	
Customer 2	9,681,662.07	2.64%	
TEFAL SAS	6,230,163.35	1.70%	311,508.17
Wuhan Cookware	4,668,070.69	1.27%	
Total	361,230,503.78	98.35%	16,329,671.32

2. Other accounts receivable

(1) Type of other accounts receivable

(Unit: RMB)

Category	Ending balance					Beginning balance				
	Book balance		Bad debt reserve		Book value	Book balance		Bad debt reserve		Book value
	Amount	Scale	Amount	Accrual percentage		Amount	Scale	Amount	Accrual percentage	
Other accounts receivable with significant single	82,577,981.32	96.49%			82,577,981.32	92,195,604.02	95.43%			92,195,604.02

amount and separate accrual of bad debt provision										
Other accounts receivable accrued for bad debt provision in combination based on credit risks	3,000,321.45	3.51%	915,503.98	30.51%	2,084,817.47	4,411,189.25	4.57%	1,016,337.08	23.04%	3,394,852.17
Total	85,578,302.77	100.00%	915,503.98	1.07%	84,662,798.79	96,606,793.27	100.00%	1,016,337.08	1.05%	95,590,456.19

Other accounts receivable with significant single amount and accrual of bad debt provision at period end

√ Applicable □ Not Applicable

(Unit: RMB)

Other accounts receivable (by companies)	Ending balance			
	Other accounts receivable	Bad debt reserve	Accrual percentage	Accrual reason
Supor Vietnam	49,809,554.59			As loan interest receivable from subsidiary, no bad debt is reserved for no risk is expected.
Omegna	32,768,426.73			As loan interest receivable from subsidiary, no bad debt is reserved for no risk is expected.
Total	82,577,981.32		--	--

Other receivables with provision made on group basis with age analysis method

√ Applicable □ Not Applicable

(Unit: RMB)

Age	Ending balance		
	Other accounts receivable	Bad debt reserve	Accrual percentage
Sub-item within 1 year			
Subtotal	1,997,875.75	99,893.79	5.00%
1 - 2 years	31,539.29	2,523.14	8.00%
2 - 3 years	26,234.00	3,935.10	15.00%
3 - 4 years	270,699.71	135,349.86	50.00%
Over 5 years	853.03	682.42	100.00%

Total	3,000,321.45	915,503.98	
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Determination basis:

Other account receivable using balance fraction method for bad debt provision

Applicable Not Applicable

Other account receivable using other method for bad debt provision

Applicable Not Applicable

(2) Bad debt provisions accrued and recovered

During the period, bad debt provision accrued was 124,076.06 yuan; bad debt provision recovered was 224,909.16 yuan.

(3) Other accounts receivable classified by nature of accounts

(Unit: RMB)

Nature	Book balance at period-end	Book balance at period-begin
Deposit		1,330,900.00
Borrowings	82,577,981.32	74,992,658.64
Temporary payments receivable	1,015,581.98	1,788,073.13
Export rebate		17,202,945.38
Personal deposit	1,984,739.47	1,292,216.12
Total	85,578,302.77	96,606,793.27

(4) First five other accounts receivables classified by debt parties

(Unit: RMB)

Company	Nature of accounts	Ending balance	Age	Percentage in ending balance of other accounts receivable	Ending balance of bad debt reserve
Supor Vietnam	Borrowings	49,809,554.59	900,754.59 yuan within one year; 48,908,800.00 yuan within 2-3 years	58.20%	
Omegna	Borrowings	32,768,426.73	Within 1-2 years	38.29%	
Yuhuan Yuhuayuan Co., Ltd.,	Temporary payments receivable	342,475.00	Over 5 years	0.40%	342,475.00
Wen & Partners	Temporary payments receivable	248,451.00	Over 5 years	0.29%	248,451.00
Lin Chuanchao	Personal deposit	210,466.66	Within 1 year	0.25%	10,523.33
Total	--	83,379,373.98	--	97.43%	601,449.33

3. Long-term equity investment

(Unit: RMB)

Item	Ending balance			Beginning balance		
	Book balance	Depreciation reserve	Book value	Book balance	Depreciation reserve	Book value
Investment in subsidiaries	1,102,926,667.63		1,102,926,667.63	1,099,787,839.63		1,099,787,839.63
Investment in joint ventures and affiliated business	48,958,866.76		48,958,866.76	47,109,719.49		47,109,719.49
Total	1,151,885,534.39		1,151,885,534.39	1,146,897,559.12		1,146,897,559.12

(1) Investment in subsidiaries

(Unit: RMB)

Company invested	Beginning balance	Increase	Decrease	Ending balance	Provision for impairment loss	Ending balance of depreciation reserves
Wuhan PC	223,306,622.26	680,658.00		223,987,280.26		
Supor Electrical	1,400,000.00			1,400,000.00		
P&R	13,131,408.04			13,131,408.04		
Yuhuan Recycling	1,762,595.51			1,762,595.51		
Wuhan Supor	10,700,959.54			10,700,959.54		
Zhejiang Electrical Appliances	106,343,535.41	1,833,948.00		108,177,483.41		
Shaoxing Supor	621,999,553.23	624,222.00		622,623,775.23		
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 Sales	5,000,000.00			5,000,000.00		
Total	1,099,787,839.63	3,138,828.00		1,102,926,667.63		

(2) Investment in joint ventures and affiliated business

(Unit: RMB)

Company invested	Beginning balance	Increase/decrease								Ending balance	Ending balance of
		Additional	Negative	Profit and	Adjustme	Other	Declaring	Provision	Others		

		l investmen t	investmen t	loss on investmen ts confirmed under equity law	nt of other comprehe nsive income	equities alteration	issuing cash dividends or profits	for impairme nt loss			depreciati on reserves
I. Joint ventures											
II. Affiliated companies											
Wuhan Anzai	47,109,71			1,849,147						48,958,86	
Cookware Co., Ltd.	9.49			.27						6.76	
Subtotal	47,109,71 9.49			1,849,147 .27						48,958,86 6.76	
Total	47,109,71 9.49			1,849,147 .27						48,958,86 6.76	

(3) Other notes

The changes of long-term equity investment in Wuhan Pressure Cooker, Zhejiang Electrical, and Shaoxing Supor are due to stock option incentive implemented in this period., which has confirmed the share-based payment born by these companies for receiving services as the change of the Company's long-term equity investment in these companies.

4. Sales and operating cost

(Unit: RMB)

Item	Amount of this period		Amount of last period	
	income	cost	income	cost
Main business	836,825,556.11	678,691,473.58	632,807,872.59	513,081,098.08
Other business	1,688,072.00	2,753,116.93	12,231,789.39	12,723,654.25
Total	838,513,628.11	681,444,590.51	645,039,661.98	525,804,752.33

5. Return on investment

(Unit: RMB)

Item	Amount of this period	Amount of last period
Long-term equity investment income calculated by the Equity Method	1,849,147.27	1,229,487.91
Investment income from forward exchange		58,743.27

Return on investment of financing products	16,594,430.55	6,881,528.17
Total	18,443,577.82	8,169,759.35

XVI. Supplemental Information

1. Non-recurring Profit and Loss Statement

Applicable Not Applicable

(Unit: RMB)

Item	Amount	Explanation
Gains and losses on disposal of non-current assets	-275,189.80	
Government grant included in current period profit or loss (excluding those related to operating activities or regular government grants)	19,303,260.00	
Other non-operating revenues or expenditures	-190,341.25	
Other profit or loss conforming to the definition of non-recurring profit or loss	23,542,756.43	Mainly investment income from financial products
Less: enterprise income tax incurred by taxable gains	9,010,731.96	
Influence on minority interests	882,112.58	
Total	32,487,640.84	--

For the non-recurring gains and losses defined by the Company in accordance with the definition in the "Regulations of Questions and Responses of Information Disclosure Standard by Companies Publicly Issuing Securities No. 1 --- Non-recurring Gains and Losses", and for defining the non-recurring gains and losses listed in the "Regulations of Questions and Responses of Information Disclosure Standard by Companies Publicly Issuing Securities No. 1 --- Non-recurring Gains and Losses" into recurring gains and losses, the Company shall explain the reason.

Applicable Not Applicable

2. Net return on equity and earnings per share

Profit in the reporting period	Return on weighted average net assets	Earnings per share	
		Basic earnings per share (yuan/share)	Diluted earnings per share (yuan/share)
Net profit belonging to common shareholders of the Company	10.03%	0.623	0.623
Net profit belonging to common shareholders of the company after	9.20%	0.572	0.572

deducting non-recurring P&L			
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3. Calculation of weighted average return on net assets

Item		No.	Amount at current period
Net profit belonging to common shareholders of the Company		A	395,081,399.38
Non-recurring gain and loss		B	32,487,640.84
Net profit belonging to common shareholders of the company after deducting non-recurring P&L		C=A-B	362,593,758.54
Opening net assets belonging to common shareholders of the company		D	3,788,068,076.63
Newly increased net assets belonging to common shareholders of the company by issuing new shares or debt-converted shares		E	
Number of months from the second month of net assets increasing till period end		F	
Decreased net assets due to repurchase or cash dividend belonging to ordinary shareholders of the company		G	272,136,330.79
Number of months from the second month of net assets decreasing till period end		H	1
Others	Cost of share-based payments recorded into the owner's equities	I1	5,980,029.73
	Number of months from the second month of net assets increase/decrease till period end	J1	3
	Increase of translation difference for foreign currency statements	I2	-6,794,365.30
	Number of months from the second month of net assets increase/decrease till period end	J2	3
Number of months of the reporting period		K	6
Weighted average net assets		$L = D + A/2 + E \times F/K - G \times H/K \pm I \times J/K$	3,939,845,553.41
Return on weighted average net assets		$M = A/L$	10.03%
Return on weighted average net assets after deducting nonrecurring gains and losses		$N = C/L$	9.20%

SECTION X DOCUMENTS AVAILABLE FOR REFERENCE

- I. Original 2015 Semiannual Report and Abstract bearing the signature of the legal representative of the Company.**
- II. The financial statements bearing the signature and official stamps of the legal representative, chief financial officer and head of accounting department.**
- III. The original copy of all documents and announcements disclosed in the reporting period in the websites designated by the CSRC.**

Place for archiving the reference documents: Securities Department of the Company

Zhejiang Supor Co., Ltd.

Board Chairman: Frédéric VERWAERDE

August 28, 2015