

SUPOR 苏泊尔

Zhejiang Supor Co., Ltd.

2022 Semiannual Report

August 2022

SECTION I IMPORTANT NOTES, TABLE OF CONTENTS AND DEFINITIONS

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

Mr. Thierry de LA TOUR D'ARTAISE, person in charge of the Company, and Mr. Xu Bo, person in charge of accounting and person in charge of accounting department (accountant in charge), hereby confirm that the financial statement enclosed in this Semiannual Report is true, accurate and complete.

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

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

As for the risk factors confronted by the Company, see Part 10 "Risks and Countermeasures" of Section III "DISCUSSION AND ANALYSIS OF THE MANAGEMENT".

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

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CATALOG OF REFERENCE DOCUMENTS

I. 2022 Semiannual Report of the Company and abstract concerned with signature of legal representative;

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

III. Original of all company documents and bulletins published in newspaper designated by CSRC within the reporting period.

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

Definitions

Items to be Defined	means	Definitions
SZSE	means	Shenzhen Stock Exchange
CSRC	means	China Securities Regulatory Commission
CSDCC	means	Shenzhen Branch of China Securities Depository and Clearing Corporation Limited
Company, the company and Supor	means	Zhejiang Supor Co., Ltd.
SEB Internationale	means	SEB INTERNATIONALE S.A.S
SEB Group	means	SEB S.A.
Zhejiang Supor Electrical	means	Zhejiang Supor Electrical Appliance Manufacturing Co., Ltd.
Shaoxing Supor	means	Zhejiang Shaoxing Supor Domestic Electrical Appliances Co., Ltd.
Supor Vietnam	means	Supor (Vietnam) Co., Ltd.
Wuhan Recycling	means	Wuhan Supor Recycling Co., Ltd.
Wuhan Cookware	means	Wuhan Supor Cookware Co., Ltd.
Wuhan PC	means	Wuhan Supor Pressure Cooker Co., Ltd.
Omega	means	Hangzhou Omega Commercial Trade Co., Ltd.
Shanghai Marketing	means	Shanghai Supor Cookware Marketing Co., Ltd.
P&R	means	Zhejiang Supor Plastic & Rubber Co., Ltd.
Yuhuan Sales Company	means	Yuhuan Supor Cookware Marketing Co., Ltd.
SEADA	means	SOUTH EAST ASIA DOMESTIC APPLIANCES PTE. LTD.
AFS	means	AFS VIETNAM MANAGEMENT CO.LTD.
Shanghai WMF	means	Shanghai WMF Enterprise Development Co., Ltd.
Shanghai SEB/SSEAC	means	Shanghai SEB Electrical Appliances Co., Ltd.
Zhejiang WMF	means	Zhejiang WMF Housewares Co., Ltd.
Shaoxing Supor Housewares	means	Zhejiang Shaoxing Supor Housewares Co., Ltd.
Supor LKA	means	Zhejiang Supor Large Kitchen Appliance Co., Ltd.
Supor Water Heater	means	Zhejiang Supor Water Heater Co., Ltd.
GSIM or Indonesian Company	means	PT Groupe SEB Indonesia MSD
Hainan Supor E-commerce Company	means	Hainan Supor E-Commerce Co., Ltd.
Hainan Tefal Trade Company	means	Hainan Tefal Trade Co., Ltd.
2021 Equity Incentive Plan	means	2021 Restricted Stock Incentive Plan (Draft)

SECTION II COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS

I. Company Information

Short Form of the Stock:	Supor	Stock Code	002032
Abbreviation of Unchanged Stock (if any)	None		
Stock Exchange for Stock Listing	Shenzhen Stock Exchange		
Chinese Name of the Company	Zhejiang Supor Co., Ltd.		
Abbreviated Chinese Name of the Company (if any)	Supor		
Abbreviated English Name of the Company (if any)	ZHEJIANG SUPOR CO., LTD.		
Abbreviation of English Name of the Company (if any)	SUPOR		
Legal Representative	Thierry de LA TOUR D'ARTAISE		

II. Contact Person and Contact Information

	Board Secretary	Representative of Securities Affairs
Name	Ye Jide	Fang Lin
Address	Securities Department at 23F of Supor Building, No.1772 Jianghui Road, New & High Tech Development Zone, Hangzhou, China	Securities Department at 23F of Supor Building, No.1772 Jianghui Road, New & High Tech Development Zone, Hangzhou, China
Tel.:	0571-86858778	0571-86858778
Fax	0571-86858678	0571-86858678
Email	yjd@supor.com	flin@supor.com

III. Other Conditions

1. Contact information:

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

Applicable Not-applicable

The registered address, office address and postal code, website and email address of the Company did not change in the reporting period. See Annual Report 2021.

2. Media for information disclosure and archiving

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

Applicable Not-applicable

Papers appointed by the Company for information disclosure: website appointed by CSRC for publishing semiannual report, and the place for archiving the Company's semiannual report have not been changed in the reporting period. Refer to Annual Report 2021 for details.

3. Other relevant information

Whether other relevant information changed in the reporting period

Applicable Not-applicable

IV. Major Accounting Data and Financial Indicators

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

Yes No

	This reporting period	Same period last year	Increased or decreased
Operating income (RMB)	10,323,979,744.82	10,433,875,893.62	-1.05%
Net profits attributable to shareholders of listed company (RMB)	932,849,164.03	865,590,446.89	7.77%
Net profit attributable to shareholders of listed company after deducting non-recurring profit or loss (RMB)	909,114,292.90	860,175,721.67	5.69%
Net cash flows from operating activities (RMB)	1,308,844,866.33	300,430,763.45	335.66%
Basic earnings per share (RMB/share)	1.155	1.066	8.35%
Diluted earnings per share (RMB/share)	1.155	1.063	8.65%
Return on weighted average net assets	12.31%	12.02%	0.29%
	The end of the reporting period	End of last year	Increased or decreased
Total assets (RMB)	12,471,477,330.05	13,899,456,422.16	-10.27%
Net assets attributable to shareholders of listed company (RMB)	6,970,314,203.17	7,622,639,752.86	-8.56%

V. Accounting Data Discrepancies under domestic and foreign Accounting Standards

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

Applicable Not-applicable

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

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

Applicable Not-applicable

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

VI. Non-recurring Profit or Loss Items and Amount

Applicable Not-applicable

Unit: RMB

Item	Amount	Notes
Profit and loss on disposal of non-current assets (including the write-off of provision for asset impairment)	-312,542.28	
Government subsidies included in the current profits and losses (except those that are closely related to the Company's normal business operations, comply with national policies and regulations and are continuously available according to certain standard quota or quantity)	21,616,692.79	
Enterprise restructuring costs, such as resettling employees expenses, integration expenses, etc.	-453,079.14	
Except effective hedging business related to the Company's normal business operations, profits and losses from fair value changes caused by the held transactional financial assets and transactional financial liabilities, and investment income acquired from disposal of transactional financial assets, transactional financial liabilities and available-for-sale financial assets	10,065,488.38	
Other non-operating incomes or expenditures except for the foregoing items	883,117.00	
Minus: influenced amount of income tax	8,065,234.95	
Influenced amount on minority shareholders' equities (after tax)	-429.33	
Total	23,734,871.13	

Details of other profit and loss items complying with the definition of non-recurring profits or losses:

Applicable Not-applicable

The Company does not have other specific circumstances of other profit and loss items complying with the definition of non-recurring profits or losses in the Company.

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

Applicable Not-applicable

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

SECTION III DISCUSSION AND ANALYSIS OF THE MANAGEMENT

I. Main business during reporting period

(I) Main business of the Company

As China's famous cookware R&D and manufacturing company, Zhejiang Supor Co., Ltd is a China's leading manufacturer of small domestic appliances and also the first listed company in China's cookware industry. Established in 1994, the headquarters of the Company locates in Hangzhou owning six R&D and manufacturing bases located in Yuhuan City, Hangzhou City, Shaoxing City (Yuecheng District and Keqiao District) in Zhejiang Province, Wuhan City, Hubei Province and Ho Chi Minh City, Vietnam.

Supor's main businesses include: open fire cookware, kitchen utensil, small domestic appliance, large kitchen appliance and H&PC appliance.

1. Open fire cookware and kitchen utensils mainly include wok, pressure cooker, fry pan, sauce pan, steamer, pottery pot, kettle, knife, spatula, thermal pot, thermos& flask, kitchen tool, food container, etc.

2. The small domestic appliance mainly includes: electric rice cooker, electric pressure cooker, induction hob, soymilk maker, electric kettle, juicer, slow cooker, electric steamer, electric hotpot, food processor, baking pan, air fryer, etc.

3. The large kitchen appliance mainly includes: range hood, gas cooker, disinfection cabinets, water purifier, embedded steaming oven, water heater, integrated stove, etc.

4. The H&PC appliance mainly includes: air purifier, clothes steamer, vacuum cleaner, floor washer, electric iron, etc.

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

(II) Development of the Company's industry and its market status

In the first half of 2022, affected by repeated pandemic incidents and Russia-Ukraine conflict, the global imbalance between supply and demand intensified. In addition, the resulting impacts such as the soaring price of energies, slow growth rate of goods trade and significant increase of inflation have impeded the recovery of global economy. Due to unfavorable macroeconomic factors, global consumers become increasingly concerned about their purchasing power and cut spending on non-essential services and leisure. The global cookware and small domestic appliance market have confronted great challenges in the first half year.

Domestic retail consumption was greatly impacted by the recurring outbreak of pandemic incidents. Backed by effective measures for pandemic prevention&control and consumption-promoting policies, the consumer market gradually recovered. At the same time, we also have observed that the general trend of consumption upgrade in the post-pandemic era remains unchanged, and the further improvement in the urbanization rate in China, expedited facilitation of common prosperity, and popularization of pension, medical insurance and other social benefits, have provided a long-term support for the consumption upgrade. With the general trend of consumption upgrade, the continuous innovation and consumer research and the precise matching with the segment populations' high-end, individualized, fashion-orientated, healthy and intellectualized demand will become the major impetus that drives the growth of consumption in the industry.

In the field of open fire cookware, the flow of offline channels declined continuously. Due to the outbreak of pandemic in major consumption cities in China in the first half of 2022, the sales have been further shifting from offline to online channels. According to the data of 30 major cities in China monitored by GFK, the offline retail sales of eight major product categories of open fire cookware (wok, pressure cooker, frying pan, stockpot, milk pot, steamer, cookware set and ceramic slow cooker) declined in double digits in the first half of 2022 on a year-on-year basis. Supor's total offline market shares of above categories have reached 48.6% in total and maintained the leading position in the industry steadily. According to the monitoring data of AVC, the online retail sales of 11 major product categories of open fire cookware (wok, pressure cooker, milk pot, frying pan, kettle, casserole, stockpot, hot pot, steamer, enamel pot and cookware set) increased flat in the first half of 2022 on a year-on-year basis. Supor's total online market shares of above categories have reached 22.9%, which was four times that of the 2nd brand. In terms of the sales performance of various product

categories, the rigidly demanded product categories of wok and pressure cooker demonstrated strong vitality; the product categories of enamel pot with exquisite appearance and great popularity among young people had a 50% year-on-year online growth rate. The trend of consumption upgrade in the open fire cookware market remains unchanged. In addition, consumers preferred those healthy materials, such as 316L stainless steel and titanium.

In the field of small domestic appliance, the purchase behaviors of consumers tended to be more rational. Since consumers have higher requirements for the technology and quality of core product categories, plus their higher sensitivity to the idling of segment product categories, the consumption demand for small domestic appliance of kitchenware is continuously challenged. According to the total data from AVC, the retail sales of electric rice cooker, induction hob, electric pressure cooker, soybean milk machine, high-speed blender, mixer, juicer, electric kettle, baked machine (electric baking pan, electric barbecue oven, multifunctional pot), electric steamer, slow cooker, health kettle, air fryer and desktop single-function oven amounted to 26.38 billion yuan, representing a year-on-year decline of 4.9%. Supor's online market shares of above categories have reached 21.5% according to the data monitored by AVC in the first half of 2022. The market shares ranked first in the industry with a year-on-year growth of 1.0 pct. The total offline market shares of above categories have reached 33.5%, with a year-on-year growth of 3.3 pct., ranking second in the industry. In terms of the performance of various categories, the rigidly demanded product categories (electric rice cooker and electric kettle) showed strong resilience. The market of oil-free air fryer still grew rapidly in 2022. In the first half of 2022, its online retail sales achieved 160% year-on-year growth rate, becoming the second largest category after electric rice cooker. The versatility-oriented product categories of electric steamers increased by more than 50%, revealing consumers' preference for healthy cooking.

(III) Business performance in the reporting period

1. Product strategy

During the reporting period, Supor sustainably promoted the innovation strategy and new product development strategy of "centering on the consumers", with the help of big data on the internet, deeply tapped the users' demands of the subdivided consumers and different scenarios, continuously provided smart product solutions, met more diversified consumer demands and provided more considerate and all-around consumer experience.

In the business of open fire cookware, Supor has continuously explored consumer demand and accelerated the expansion of products with core market competitiveness. In the first half of 2022, the Company launched the ti-authentic uncoated non-stick wok, which created the uncoated technology. The well-loved product won the first place in the "618 Most Popular and New Item List in JD.COM".

In the business of small domestic appliance, Supor adheres to the differentiated product innovation strategy at all times, and constantly rolls out innovative and intelligent products which provide creative functions for healthy and nutritious cooking. In the category of electric rice cooker, Supor launched a small-capacity far-infrared IH rice cooker for small families, further consolidating the advantages of far-infrared series. Featuring the removable and washable technology and the design of differentiated removable and washable glass cover of air fryer, make cleaning much more easily and thoroughly. The first stirring health kettle launched in the industry. The ingredients could be cooked thoroughly to better meet the "health" needs through stirring. In addition, Supor keeps a close pace with the development of science and technology, and rolls out a brand-new "IOT Convenient Cuisine Pot", which combines science and technology with cooking, and the function of "NFC Touch" has been applied to quickly realize human-computer interaction. The versatile multi-cooker, Xiao C chef., is a hot-selling product, which wins the first place in the positive comment list of "618 Tmall Cooking Pot" and the first place in the sales volume of "618 JD.COM POP Cooking Robot".

Meanwhile, Supor persistently promoted the development of H&PC appliance, and launched a new floor washer M1. Supported by the "edge" cleaning technology, it cleaned with sterilized electrolyzed water, easily eliminating hidden bacteria, and creating a healthy environment for our family. In addition, as for the category of clothes steamer, Supor continues to keep its leading position in the industry. According to the monitoring data of AVC, the total online market shares of Supor's product category of clothes steamer reached 12.7% in the first half of 2022, ranking second in the industry.

As for the business of large kitchen appliance, Supor continued to enhance the development in the branding of large kitchen appliance, launched differentiated far-infrared heating, steaming and baking integrated stoves, and cooperated with sports star Zhang

Jike to further expand its product influence. During the "618 Promotion", the sales of integrated stoves increased by more than 450% year-on-year. According to the monitoring data of AVC, the total online market shares of Supor's product category of gas stove reached 15.5% in the first half of 2022, ranking first in the industry.

2. Channel strategy

With the accelerated integration of online and offline markets, Supor remained "centering on the consumers", kept optimizing its channel layout based on the changes in consumers' purchase paths, thereby meeting the purchase needs of different consumers with multi-channel and multi-mode layout matrices. Supor always insisted on winning the trust of consumers with excellent product quality and obtaining the support of distributors and retailers by virtue of excellent services.

In terms of online channels, Supor continues to promote the online channel transformation strategy and optimize the store matrix and product sales structure. In the first half of 2022, the Company's e-commerce business maintained rapid growth, and its proportion to Supor's overall domestic sales continued to increase. Thanks to the steady advancement of one stock inventory model and DTC strategy, Supor's sales during "618 Promotion" increased by 13.3% on a year-on-year basis. Meanwhile, Supor actively developed interest-based platforms and continuously improved its operational capabilities, and its Pinduoduo and TikTok businesses grew rapidly. In the first half of 2022, Supor ranked first in the small kitchen appliance industry in the TikTok channel. In addition, Supor attaches importance to member operation and takes advantage of marketing cloud platform to strengthen consumer operation and life cycle management, provide users with high-value services, continuously improve satisfaction and attract more members.

In terms of offline channels, due to the pandemic in the second quarter, customers flow in offline channels decreased, and the operation of offline channels faced challenges in the first half of 2022. However, Supor has been working with channel clients and agents to actively respond, expand brand alliances and integrate brand resources, and thus remaining the solid market position. Supor maintains rapid growth among tier-1 and 2 markets by promoting community group buying and home delivery business, and continues to enhance the cooperative relationship with head platforms to seize the opportunities of new channels. Besides, Supor continues to promote and further deepen the development strategy for tier-3 and 4 markets, strengthen and promote comprehensive cooperation with E-commerce platforms among the O2O channel in lower-tier cities, and give full play to the advantages of medium- and high-end product differentiation and agency stability with a view to creating new growth points of the Company in the tier-3 and 4 markets.

In terms of export business, due to geopolitical instability such as Russia-Ukraine War and high level of inflation among overseas countries, the demand of overseas markets such as Europe and America declined in the first half of 2022. In order to actively respond to the instable international market, the main customers for export sales take active control on the inventory level of local channels, therefore the Company's export business has declined after two consecutive years of rapid growth.

II. Core competitiveness analysis

1. Outstanding product innovation capability

As a company long time devoted to R&D, manufacturing and sales of open fire cookware and small domestic appliances, Supor has an acute observation and scientific research of the needs of Chinese consumers and has developed a systematic innovation system to ceaselessly launch new products in the market.

After 1994 when Supor launched the domestic first safety pressure cooker, the Company also launched the first electric rice cooker with ceramic crystal liner in 2005, pioneered the uncoated stainless iron pan technology in 2007, successfully introduced SEB thermo-spot patented technology in 2009, launched the industrial first IH electric rice cooker in 2011, pioneered the spherical liner in 2013, ceremoniously launched the industrial first steam IH electric rice cooker with spherical liner in 2015, innovated technology of electric rice cooker liner and launched the Shallow Pot IH Rice Cooker in 2018 and launched the handy, lighter and healthier "Core Iron II" wok, and the "Air-cooled Xpress electric rice cooker" with the rice cooked within half the time under the same quality in 2020. In 2021, Supor rolled out the new-generation anti-corrosion and anti-perforation ti-authentic stainless steel wok and the oil-concentrated frying pan that can make sunny side up eggs with a little oil. In terms of small domestic appliance, the Company has launched the industry's first far-infrared IH electric rice cooker and high-end versatile multi-cooker, Supor Xiao C chef. In 2022, the ti-authentic uncoated wok

was launched, which adopted the first uncoated technology in the industry.

2. Well-developed distributor network

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

3. Strong R&D and manufacturing capacity of open fire cookware and small domestic appliance

Supor has built up six R&D production bases, respectively in Yuhuan City, Hangzhou City, Shaoxing City (Yuecheng District and Keqiao District) in Zhejiang Province, Wuhan City, Hubei Province and Ho Chi Minh City, Vietnam. In particular, the annual production scale of Wuhan Base and Shaoxing Base ranked the top in the industry. The strong R&D power and the highly professional R&D team provide a powerful guarantee for the quality and innovation capacity of Supor products.

4. Synergistic effect of integration with SEB

Since 2006, the Company has started to establish strategic cooperation relationship with SEB which owns a long history of more than 160 years with leading market shares of cookware and small domestic appliances worldwide. The powerful cooperation between Supor and SEB has brought stable export orders to the Company, and increased its overall business size and manufacturing capacity. Meanwhile, the cooperation in aspects of R&D and management will continuously enhance the core competitiveness of the Company.

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

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

III. Main Business Analysis

Overview

During the reporting period, the Company achieved an operating income of RMB10,323,979,744.82, representing a year-on-year decrease of 1.05%. The Company realized a total profit of RMB1,252,951,332.99, representing a year-on-year growth of 12.42%; The earnings per share is RMB1.155 with 8.35% year-on-year growth. The revenue from main business was RMB10,256,439,431.57, a decrease of RMB125,500,311.45 or 1.21% compared with the same period of last year. The main business cost was RMB7,622,713,387.19, a decrease of RMB72,446,623.05 or 0.94% compared with the same period of the last year. The gross margin of main business was 25.68%, decreasing by 0.20% compared with the same period of the last year. Among them, the realized revenue from the main business of cookware was RMB3,066,665,527.99, a decrease of 0.39% on a year-on-year basis; the realized revenue from the main business of electric appliance was RMB7,174,700,594.40, a decrease of 1.60% on a year-on-year basis. The realized revenue from the main business of domestic sales was RMB7,419,891,762.28, an increase of 6.54% on a year-on-year basis. The revenue from the main business of foreign trade was RMB2,836,547,669.29, a decrease of 16.99% on a year-on-year basis.

Changes of main financial data in the same period

Unit: RMB

	This reporting period	Same period last year	Increase / decrease YoY (%)	Reason of change
Operating income	10,323,979,744.82	10,433,875,893.62	-1.05%	
Operating cost	7,670,449,954.61	7,725,851,457.97	-0.72%	
Sales expense	1,078,585,004.10	1,195,543,704.82	-9.78%	

Administrative expense	188,658,026.76	214,014,738.06	-11.85%	
Financial expense	-40,815,354.68	-4,600,114.71	-787.27%	Mainly due to the increase in interest revenue from bank deposits and exchange gains during the reporting period.
Income tax expense	319,256,554.10	250,485,268.05	27.46%	
R&D investment	194,481,803.42	192,490,424.34	1.03%	
Net cash flows from operating activities	1,308,844,866.33	300,430,763.45	335.66%	Mainly due to the increase in cash from sales of commodities and services provided in the cash inflow from operating activities in the reporting period.
Net cash flows from investing activities	883,025,051.67	354,213,147.88	149.29%	Mainly due to the increase in cash recovery from investment in financial products in cash inflow from investing activities during the reporting period.
Net cash flows from financing activities	-1,639,170,531.90	-1,305,486,628.95	-25.56%	
Net increase in cash and cash equivalents	564,870,879.41	-651,828,253.43	186.66%	Mainly due to the increase in operating cash inflow.

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

Applicable Not-applicable

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

Contents of operating income

Unit: RMB

	This reporting period		Same period last year		Increase / decrease YoY (%)
	Amount	Percentage to total operating income	Amount	Percentage to total operating income	
Total operating income	10,323,979,744.82	100%	10,433,875,893.62	100%	-1.05%
By Industry					
Cookware	3,066,665,527.99	29.70%	3,078,561,410.93	29.51%	-0.39%
Electric appliances	7,174,700,594.40	69.50%	7,291,006,353.18	69.87%	-1.60%
Others	82,613,622.43	0.80%	64,308,129.51	0.62%	28.47%
By Products					
Cookware and utensils	3,066,665,527.99	29.70%	3,078,561,410.93	29.51%	-0.39%
Cooking appliances	4,588,882,638.90	44.45%	4,584,107,417.54	43.93%	0.10%
Food processor appliances	1,568,135,937.20	15.19%	1,783,982,127.91	17.10%	-12.10%
Other household electric appliances	1,100,295,640.73	10.66%	987,224,937.24	9.46%	11.45%
By Areas					
Domestic sales	7,457,451,182.53	72.23%	7,016,634,762.03	67.25%	6.28%
Export sales	2,866,528,562.29	27.77%	3,417,241,131.59	32.75%	-16.12%

Note: "Others" by industry, "Other household electric appliances" by product, and region-based exceptionally include other business

incomes, the same below.

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

Applicable Not-applicable

Unit: RMB

	Operating income	Operating cost	Gross margin	Increase / decrease YoY (%) for total operating income	Increase / decrease YoY (%) for total operating cost	Increase / decrease YoY (%) for gross margin
By Industry						
Cookware	3,066,665,527.99	2,236,943,528.87	27.06%	-0.39%	1.21%	-1.14%
Electric appliances	7,174,700,594.40	5,374,982,284.90	25.08%	-1.60%	-1.84%	0.18%
By Products						
Cookware and utensils	3,066,665,527.99	2,236,943,528.87	27.06%	-0.39%	1.21%	-1.14%
Cooking appliances	4,588,882,638.90	3,414,192,626.73	25.60%	0.10%	0.51%	-0.30%
Food processor appliances	1,568,135,937.20	1,244,567,449.91	20.63%	-12.10%	-10.17%	-1.70%
Other household electric appliances	1,100,295,640.73	774,746,349.10	29.59%	11.45%	5.67%	3.86%
By Areas						
Domestic sales	7,457,451,182.53	5,268,830,298.87	29.35%	6.28%	9.94%	-2.35%
Export sales	2,866,528,562.29	2,401,619,655.74	16.22%	-16.12%	-18.12%	2.06%

Note: In this reporting period, the overall gross margin of the Company decreased by 0.25 percentage points on a year-on-year basis. It was mainly due to the implementation of New Revenue Standards in the current period, which reclassifies transportation expenses related to the sales of commodities from "selling expenses" to "operating costs". According to the statistics before reclassification, the overall gross margin of the Company increased by 2.95 percentage points on a year-on-year basis, which mainly due to channel transformation and sales structure optimization.

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

Applicable Not-applicable

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

Applicable Not-applicable

IV. Analysis on Non Main Business

Applicable Not-applicable

V. Analysis on Assets and Liabilities

1. Significant changes in assets

Unit: RMB

	The end of the reporting period		End of last year		Increase/d ecrease in proportion	Cause of change
	Amount	Percentage to total assets	Amount	Percentage to total assets		
Monetary capital	3,479,946,026.90	27.90%	2,654,052,417.47	19.09%	8.81%	Mainly due to the increase in cash generated from the Company's business operations during the reporting period.
Accounts receivable	2,151,142,929.18	17.25%	2,716,945,985.33	19.55%	-2.30%	Mainly due to the decrease of export accounts receivable at the end of the reporting period.
Inventories	2,280,319,255.52	18.28%	3,096,517,055.33	22.28%	-4.00%	Mainly due to the accelerated inventories turnover and reasonable control of inventories during the reporting period.
Long-term equity investment	65,019,578.66	0.52%	65,600,611.64	0.47%	0.05%	No significant change in the reporting period.
Fixed assets	1,278,054,718.16	10.25%	1,291,902,992.54	9.29%	0.96%	No significant change in the reporting period.
Construction in progress	21,688,231.49	0.17%	26,482,779.31	0.19%	-0.02%	No significant change in the reporting period.
Right-of-use asset	190,934,091.71	1.53%	195,528,644.13	1.41%	0.12%	No significant change in the reporting period.
Contract liabilities	470,023,043.75	3.77%	893,741,863.21	6.43%	-2.66%	Mainly due to the decrease in advance receipts from some distributors of its subsidiaries during the reporting period.
Lease obligation	152,646,041.84	1.22%	157,420,210.81	1.13%	0.09%	No significant change in the reporting period.
Receivables financing	232,348,975.14	1.86%	3,312,225.62	0.02%	1.84%	Mainly due to the increase in the amount of bank acceptance bills of subsidiaries at the end of the reporting period.
Other current assets	659,654,342.93	5.29%	2,055,027,382.63	14.78%	-9.49%	Mainly due to the maturity and delivery of term deposit investment at the end of the reporting period.
Other debt investments	586,813,657.54	4.71%	298,191,205.49	2.15%	2.56%	Mainly due to the investment increase in negotiable certificate of deposit at the end of the reporting period.

2. Main overseas assets

Applicable Not-applicable

3. Assets and liabilities measured at the fair value

Applicable Not-applicable

Unit: RMB

Item	Opening balance	Profit and loss from fair value changes in the reporting period	Accumulated fair value changes included into equity	Impairment loss of the current period	Amount of purchasing of the current period	Amount of sales of the current period	Other changes	Ending balance
Financial assets								
1. Transactional financial assets (excluding derivative financial assets)	180,312,742.31	3,434,993.03			220,000,000.00	183,197,205.49		220,550,529.85
2. Receivables financing	3,312,225.62						229,036,749.52	232,348,975.14
3. Other debt investments	298,191,205.49				281,908,816.58		6,713,635.47	586,813,657.54
Total	481,816,173.42	3,434,993.03			501,908,816.58	183,197,205.49	235,750,384.99	1,039,713,162.53
Financial liabilities	0.00							0.00

Content of other changes

Receivables financing Supor discounted or transferred by endorsement part of bank acceptances before maturity as required by its daily fund management and the business mode for such bank acceptance related to management was aimed for acquisition of contact cash flow and for sales. Therefore, bank acceptance was classified as financial assets measured at the fair value with their changes included into other comprehensive incomes.

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

Yes No

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

For details, see "52. Assets with title or use right restrictions" of "VII. Notes to items of consolidated financial statements" in Section X "FINANCIAL STATEMENT".

VI. Analysis on Investment

1. General conditions

Applicable Not-applicable

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

Applicable Not-applicable

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

Applicable Not-applicable

4. Financial asset investment

(1) Securities investment

Applicable Not-applicable

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

(2) Derivative products investment

Applicable Not-applicable

Unit: RMB10,000

Name of derivative product investment handler	Correlated relation	Connected transaction	Type of derivative product investment	Original amount of derivative product investment	Start date	Expiry date	Opening investment amount	Purchase amount during the reporting period	Purchase amount during the reporting period	Amount of impairment provision (if any)	Ending investment amount	Proportion of ending investment amount to the Company's net assets at the end of the reporting period	Actual profit and loss amount during the reporting period
Bank	None	No	Foreign exchange derivatives	14,790.55	January 1, 2022	June 30, 2022	14,790.55	80,392.27	59,671.22	0.00	35,511.60	5.09%	-129.17
Total				14,790.55	--	--	14,790.55	80,392.27	59,671.22	0.00	35,511.60	5.09%	-129.17
Source of derivative product investment fund				Own fund									
Proceedings (if applicable)				Not applicable									
Disclosure date of the announcement of the Board of Directors on the approval of derivatives investment (if any)				April 1, 2022									
Description of risk analysis and control measures for derivative positions during the reporting period (including but not limited to market risk, liquidity risk, credit risk, operating risk, legal risk, etc.)				<p>In order to hedge the exchange rate risk in operating activities, reduce the the risks arising from fluctuations in exchange and interest rates, and make full use of the hedging function of foreign exchange derivatives trading business, the Company has conducted foreign exchange derivatives trading business according to business scale, term and currency of the Company.</p> <p>(I) Risks</p> <ol style="list-style-type: none"> 1. Market risk: loss may be caused by price fluctuation of foreign exchange derivatives that was resulted from the fluctuation of market price such as target interest rate and exchange rate. 2. Internal control risk: foreign exchange derivatives trading business is highly specialized and complex, which may cause risks due to imperfect internal control mechanism. 3. Liquidity risk: the risk that a transaction cannot be completed due to insufficient market liquidity. 4. Performance risk: there is a risk of default caused by the failure to perform the contract. 5. Legal risk: risks may be caused due to changes in relevant laws or violation of relevant laws by counterparties, prohibiting the execution of the contract. <p>(II) Risk control measures</p> <ol style="list-style-type: none"> 1. Clear principle: foreign exchange derivatives trading shall be based on the principle of hedging, to avoid the risk brought by exchange rate fluctuation to the greatest extent, and adjust the 									

	<p>operation strategy in time in combination with the market situation, so as to improve the hedging effect.</p> <p>2. System construction: the Company has established the internal control system for the Administration of Foreign Exchange Derivatives Trading Business, which clearly defines the scope of authorization, approval procedures, key points of operation, risk management and information disclosure of derivatives transactions, and can effectively regulate foreign exchange derivatives transactions and control the risks of foreign exchange derivatives transactions.</p> <p>3. Product selection: comparative analysis shall be conducted for potential products. The foreign exchange derivatives that are most suitable for the Company's business background, strong liquidity and controllable risk shall be selected for trading. The Company uses forward as a tool for general hedging and swap contracts for rolling hedging.</p> <p>4. Counterparty management: carefully select the counterparties engaged in foreign exchange derivatives business. The Company only conducts foreign exchange derivatives trading business with large-scale commercial banks with legal qualifications and other foreign exchange institutions to avoid possible default risks and legal risks.</p> <p>5. Dedicated team: the Company's management representative, treasury department, the financial sharing service center, the audit department, the securities department and other relevant departments set up a special working team to be responsible for the risk assessment, trading execution, booking and monitoring. The working team shall take emergent measures to stop loss when the market changes significantly.</p>
Changes in market prices or product fair values of invested derivatives during the reporting period (The analysis of the fair value of derivatives shall be made with the disclosure of specific methods used, related assumptions and parameter settings)	The amount of profit and loss incurred during the reporting period of foreign exchange derivatives was RMB1.2917 million; It was obtained by using tools for profit and loss of delivery and evaluating the spot and forward foreign exchange quotations of banking institutions.
Description of whether the accounting policies and specific accounting principles for the Company's derivatives during the reporting period have changed significantly compared with that during the previous reporting period	Not applicable
Independent directors' special opinions on the Company's derivatives investment and risk control	The independent directors have issued independent opinions on Proposal on Foreign Exchange Derivatives Trading. For details, please refer to the Independent Opinions of Independent Directors on Related Matters disclosed on http://www.cninfo.com.cn on April 1, 2022.

5. Conditions of the use of the raised funds

Applicable Not-applicable

No situation of using raised capital of the company during the reporting period

VII. Sales for Major Assets and Equity

1. Sales for major assets

Applicable Not-applicable

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

2. Sales for major equities

Applicable Not-applicable

VIII. Analysis for Main Holding Companies and Joint Stock Companies

Applicable Not-applicable

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

Unit: RMB

Company name	Company type	Main business	Registered capital	Total assets	Net assets	Operating income	Operating profit	Net profit
Wuhan Supor Cookware Co., Ltd.	Subsidiary	Cookware	RMB91.16 million	1,205,756,642.84	426,358,851.62	1,578,669,081.43	62,048,490.88	46,353,243.63
Zhejiang Supor Electrical Appliance Manufacturing Co., Ltd.	Subsidiary	Electrical product	RMB133.6971 million	1,306,295,229.02	475,701,235.82	1,892,959,657.36	116,003,891.58	84,616,558.38
Zhejiang Shaoxing Supor Domestic Electrical Appliances Co., Ltd.	Subsidiary	SDA, large kitchen appliances	RMB610 million	2,955,358,411.79	2,347,633,031.44	3,042,695,029.89	566,003,878.98	415,955,345.47

Acquiring/disposing subsidiary during the reporting period

Applicable Not-applicable

IX. Structural Subject under the Company's Control

Applicable Not-applicable

X. Risks and Countermeasures

1. Risk from macroeconomic fluctuation

In the first half of 2022, the growth for domestic macroeconomic has slowed down significantly influenced by the international macroeconomic and a new round of pandemic. Since May, as the situation of COVID-19 improved, domestic consumption has gradually recovered. Although the overall scale of cookware and small domestic appliance industry in which the Company is located has declined, the government has promoted the growth of household appliance consumption through a series of policies and measures such as issuing consumer coupons and subsidies. The contribution of domestic demand is expected to pick up in the second half of the year.

Outlook for the second half, there are still downside risks in the domestic economic. In the face of the potential macroeconomic fluctuation risks, Supor will continue to adhere to its strategies, actively develop new categories and new businesses, expand market segments and foster new growth points.

In the first half of 2022, the consumption end faced huge pressure influenced by Russia-Ukraine War and high level of inflation among overseas countries. Foreign clients struggled to deal with and even strictly control their inventory. Outlook for the second half, Supor will continue to promote innovation of new products, enhance efficiency and reduce cost to conquer the gloomy international market given that the uncertainty is still remaining,

2. Risk from price fluctuations of production factors

In the first half of 2022, the prices of main raw materials of cookware and small domestic appliances such as aluminum, copper, stainless steel and plastics dropped slightly, but they remained at a high level. In order to cope with the risks caused by the price fluctuations of production factors, Supor is actively improving the internal labor productivity and pushing to implement the lean projects to reduce the negative impacts caused by the rise in price of raw materials on the production costs. Besides the Company is actively boosting the automation of production line, improving the per capita labor output, and reduce the impact caused by rise in labor cost.

3. Risk of intensified market competitiveness

As the operating cost of enterprise rises, industry brand concentration will be further increased, and there is the risk of intensified market competition in the field of cookware and small domestic appliances. In order to seize market share, high-end brand will continue to expand sales channel and regulate product and price strategy, and some high-end brand will enter shopping mall and supermarket channels to participate in high-end market competition, which will further intensify the competitiveness of industry.

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

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

The current fluctuation in foreign exchange is possible to bring negative influence.

The Company has implemented the RMB settlement of export business to SEB, with low exchange risk.

SECTION IV CORPORATE GOVERNANCE

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

1. Shareholders' meeting in the Reporting Period

Session	Meeting type	Proportion of participated investors	Convening date	Date of disclosure	Meeting resolution
The Annual General Meeting of Shareholders for 2021 Fiscal Year	Annual Shareholders' Meeting	8.19%	April 25, 2022	April 26, 2022	For details, please refer to the Announcement of Resolution of the Annual General Meeting of Shareholders for 2021 Fiscal Year (2022-025) disclosed on http://www.cninfo.com.cn

2. Interim shareholders' meeting held at the request of preferred shareholders with restored voting right

Applicable Not-applicable

II. Change of directors, supervisors and senior executives

Applicable Not-applicable

The directors, supervisors and senior executives of the Company have not been changed within the report period. As for details, please see 2021 Annual Report.

III. Profit distribution and conversion of conversion from capital reserves to share capital during the reporting period

Applicable Not-applicable

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

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

Applicable Not-applicable

1. Equity incentive

1. On January 6 2022, the 11th Session of the Seventh Board of Directors and 10th Session of the Seventh Board of Supervisors reviewed and adopted the Proposal on Grant of Restricted Stock to Incentive Objects, agreeing to grant 1,209,500 shares of Restricted Stock to totally 293 Incentive Objects. Independent Directors have addressed independent opinions on above Proposals.

For details, please refer to the *Announcement of Grant of Restricted Stock to Incentive Objects* disclosed on *Securities Times*, *China Securities Journal*, *Securities Daily*, and <http://www.cninfo.com.cn> dated January 7, 2022.

2. On January 28, 2022, the Company disclosed the *Announcement of Completion of Registration for Grant of Restricted Stock* on *Securities Times*, *China Securities Journal*, *Securities Daily*, and <http://www.cninfo.com.cn>. The Restricted Stock of the Company has been registered under the name of all incentive objects on January 27, 2022.

3. On March 31, 2022, the 12th Session of the Seventh Board of Directors and 11th Session of the Seventh Board of Supervisors reviewed and adopted the Proposal on Repurchasing and Canceling a Part of Restricted Stock. For disqualification of six incentive objects due to their resignation, the Company has decided to repurchase and cancel 24,000 shares of Restricted Stock at the price of RMB1.00 per share. The proposals were reviewed and approved at the Annual General Meeting of Shareholders for 2021 Fiscal Year held on April 25, 2022. The Company has repurchased and canceled 24,000 shares of Restricted Stock at the price of RMB1.00 per share and paid totally RMB24,000 to the above resigned incentive objects. After confirmed by Shenzhen Branch of CSDCC, the Company completed purchase and cancellation work on June 29, 2022.

For detailed contents, see *Announcement of Repurchasing and Canceling a Part of Restricted Stock* and *Announcement of Completion of Repurchase and Cancellation a Part of Restricted Stock* disclosed on *Securities Times*, *China Securities Journal*, *Securities Daily*, and <http://www.cninfo.com.cn> dated April 1, 2022 and June 30, 2022 respectively.

2. Implementation of employee equity holding plan

Applicable Not-applicable

3. Other employee incentive measures

Applicable Not-applicable

SECTION V ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

I. Significant environmental protection problems

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

Yes No

Name of the Company or subsidiary	Name of main pollutant or specific pollutant	Discharge mode	Number of discharge ports	Distribution of discharge ports	Discharge concentration	Executive pollutant discharge standard	Total discharge amount	Total discharge amount checked	Excessive discharge
Zhejiang Supor Co., Ltd.	COD	Manage after pollutants are treated up to standards	1	Wastewater discharge port of the wastewater station in plant area	30mg/L	"Quasi-IV" standards in the Table of Effluent Indexes and Standard Limits for Urban Sewage Treatment Stations in Taizhou"	3.809t	8.662t/a	
	Ammoniacal nitrogen				1.5mg/L		0.19t	0.433t/a	
	SO ₂	Manage in an organized manner	15	No.1 and No.6 workshops	<3 mg/m ³	Limitation requirements in the Comprehensive Air Pollution Control Program for Industrial Furnaces (HDQ [2019] No.56)	0.476t	3.06t/a	
	NO _x				<8 mg/m ³		4.45t	14.66t/a	
Zhejiang Supor Electrical Appliance Manufacturing Co., Ltd.	COD	Indirect discharge	1	General discharge port of wastewater	13.007mg/l	Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002)	4.59t	14.6t/a	
	Ammoniacal nitrogen				0.140mg/l		0.049t	0.73t/a	
	VOCs	Manage in an organized manner	3	Spraying and drying exhaust gas discharge port; Spraying exhaust gas discharge port; Exhaust gas discharge port	11.493mg/m ³	Emission Standard of Air Pollutants for Industrial Surface Coating (DB33/2146-2018)	0.792t	2.067t/a	

				on plastic workshop					None
Zhejiang Shaoxing Supor Domestic Electrical Appliances Co., Ltd.	COD	Manage after pollutants are treated up to standards	1	Wastewater discharge port of the wastewater station in plant area	106.73mg/L	Integrated Wastewater Discharge Standard (GB8978-1996)	36.29t	69.63t/a	
	Ammoniacal nitrogen				8.38mg/L	Indirect Discharge for Emission Limitation of Nitrogen and Phosphorus for Industrial Wastewater (DB33/887-2013)	2.85t	7.43t/a	
	Total nitrogen				26.85mg/L	Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T 31962-2015)	9.13t	15.07135t/a	
	Total nickel				0mg/L	Emission Standard of Pollutants for Electroplating (GB 21900-2008)	0t	0.000022t/a	
Wuhan Supor Cookware Co., Ltd.	COD	Under intermittent discharge, the flow is unstable and irregular during discharge, but it does not belong to impact discharge	1	Wastewater discharge port of the sewage treatment station in plant area	14.19mg/L	Integrated Wastewater Discharge Standard (GB8978-1996)	3.31t	19.38t/a	
	Ammoniacal nitrogen				0.41mg/L	Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T 31962-2015)	0.10t	1.94t/a	
	VoCs	Manage in an organized manner	1	Spraying waste gas disposal and discharge port	0.3103mg/N/m ³	Integrated Emission Standard of Air Pollutants (GB16297-1996)	1.02t	12.16t/a	

Construction and operation of pollution prevention facilities

Under special sewage treatment mechanism in the Company, all wastewater generated will gather at this station for central treatment. After chemical precipitation and autocatalyzed oxidation, wastewater will meet the discharge standards and then be discharged into municipal wastewater pipes. At the same time, the Company has reclaimed water reuse facilities that can arrange water treatment plan according to water quality. The production wastewater is first treated at the sewage treatment station and then disposed through the reclaimed water system for production. After that, part of the sanitary sewage after combined treatment enters municipal sewage network.

During the reporting period, through on-line monitoring by authorities, the Company's corresponding pollution prevention and control facilities operate normally and meet the emission standards.

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

During the reporting period, the subsidiary, Shaoxing Supor, implemented the technical transformation project with an annual output of 18 million sets of smart domestic appliance in the existing plant area. The project complies with the national and local oriented development requirements for the relevant industry, and it also complies with the overall urban planning and land utilization planning of Shaoxing City and the partitioned control and management plan of "Three Lines and One List" for the ecological environment of Yuecheng District, Shaoxing City. The site election of the project is rational, and the project clean production measures are feasible, after taken the pollution prevention and control measures, the production pollutants can all meet the discharging standards, the total amount is under control with little impact on surrounding air environment, water environment, sound environment and other environmental protected objects. The quality of ambient air, surface water, underground water, acoustic environment in the surroundings of the project meet the corresponding functional requirements. Pursuant to the Notice about Enhancement on Environmental Impact Assessment Management with Environmental Quality Improvement as the Core (HHP [2016] No.150), the selected project site is not within the boundary line of ecological protection, and after effective governance measures are implemented for the project, the environmental quality meets relevant requirements. Therefore, the project development meets the requirements of "Three Lines and One List" (as set out in HHP [2016] No.150). To sum up, the project complies with the various principles of environmental protection approval, and the implementation of the project on the existing site is feasible from the perspective of environmental protection.

Environmental emergency plan

In order to establish and perfect the emergency mechanism of environmental events, improve the ability of enterprises to deal with environmental events, prevent the occurrence of abrupt environmental events, and quickly and effectively carry out personnel evacuation, cleaning and purification, environmental monitoring, pollution tracking, information disclosure, ecological environmental impact assessment and restoration actions upon occurrence of environmental events, reduce the accident losses and social hazards to the minimum, maintain social stability, safeguard public health and property security, protect the security of local environment and water resources, and promote the comprehensive, coordinated and sustainable development of the society, the Company, taking into account its actual production and operation situation, should formulate the emergency plan for abrupt environmental events on the basis of earnest identification and evaluation of potential major hazards, accident types, occurrence possibility, accident consequences, and degree of severity.

Currently, the Company has completed the preparation, review & approval and filing of the emergency plan for abrupt environmental events. The Company adheres to the principles of "Prevention Orientation, Hazard Mitigation, Centralized Leadership, Hierarchical Responsibility, Self-rescue Mechanism, Localized Management, Resource Integration, Linkage Disposal", and carries out the work in relation to the emergency plan for abrupt environmental events.

Environmental monitoring scheme

The Company has formulated the environment self-monitoring plan in accordance with relevant national laws and regulations, and which includes: (1) Waste gas pollution source monitoring: Sampling points are set up at all discharge ports of waste gases, and monitoring of waste gases is conducted on a quarterly/semi-annually basis and from time to time, based on different monitoring indexes; (2) Wastewater pollution source monitoring: Monitoring and sampling are conducted on a monthly basis at the inlet and outlet of the wastewater treatment station, in order to monitor the variation of wastewater pollution source and the up-to-standard discharge of the wastewater treated by the wastewater treatment station. The monitoring items include: suspended matters, five-day biochemical oxygen demand, anionic surfactant, total phosphorus, petroleum, etc.

Administrative penalty received within the reporting period due to environmental problems

None

Other environmental information that shall be made public

None

Measures to reduce carbon emissions during the reporting period and effects

Applicable Not-applicable

Other environmental protection related information

None

II. Social responsibilities

During the reporting period, the Company continued to support rural schools in need in remote mountainous areas in the central and western regions to improve their school-running conditions, and comprehensively improve the school-running ability of rural schools by means of teacher training, online & offline education support, etc.

In the context of rural revitalisation and common prosperity, the Company proposed to "share a better life with every child", hoping to leverage its industrial strengths to support rural primary schools to further develop into "schools suitable for rural children's lives", and to promote the practice of future-oriented life education in schools to improve the quality of education.

During the reporting period, the Company donated RMB2 million to support the post-disaster reconstruction of Supor Primary School in Yuanzhuang, Jun County, Henan Province, and it has completed the main construction of the teaching and dormitory buildings, which are expected to be put into use in the autumn term this year. So far, Supor has donated 28 rural schools in the central and western China. Among which, 14 Supor primary schools have introduced Ulight online livestreaming courses of art and foreign language for public welfare. In addition, the Company has tried to use its own products for the public good, allowing rural children to participate in the design of children's water cup products and giving them as gifts to over 3,000 mountainous rural children on Children's Day.

In line with the requirements for labor education in primary and secondary schools advocated by the Ministry of Education, the Company has been implementing future-oriented life education on a pilot basis with Wentao Primary School in Binjiang District, Hangzhou, striving to be a model implemented in more urban and rural schools.

With the promotion of rural revitalization and common prosperity, the Company will closely keep up with the national policy in the future. The Company will actively promote various public welfare actions in the areas of life education for children in mountain villages and broaden their horizons among young people in mountain villages by taking the advantages of own business capabilities and resources on the public welfare platform of Supor. Besides, we will unite more like-minded public welfare partners to work together to contribute to the realization of better life and better society in remote regions.

SECTION VI SIGNIFICANT EVENTS

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

Applicable Not-applicable

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

II. Non-operating occupation of capital of listed companies by controlling shareholders and related parties

Applicable Not-applicable

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

III. Conditions of illegal external guarantee

Applicable Not-applicable

The Company involves no illegal external guarantee during the reporting period.

IV. Employment and dismissal of certified public accountants

Has the semiannual financial statement been audited?

Yes No

The semiannual report has not been audited.

V. Explanation of the Board of Directors and the Board of Supervisors on the "Non-standard audit report"

Applicable Not-applicable

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

Applicable Not-applicable

VII. Bankruptcy or reorganization

Applicable Not-applicable

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

VIII. Lawsuits

Significant litigations and arbitrations

Applicable Not-applicable

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

Other lawsuits

Applicable Not-applicable**IX. Punishment and rectification**Applicable Not-applicable**X. Integrity Status of the Company, controlling shareholder and actual controller**Applicable Not-applicable**XI. Significant connected transactions****1. Connected transaction related to daily business**Applicable Not-applicable

Connected party	Correlated relation	Type of connected transaction	Contents of connected transaction	Pricing principle of connected transaction	Price of connected transaction	Amount of connected transaction (RMB10,000)	Percentage to amount of same transaction	Approved transaction limit (RMB10,000)	Exceeding approved limit or not	Means of payments of connected transaction	Market price of available same transaction	Date of disclosure	Reference for disclosure
Wuhan Anzai Cookware Co., Ltd.	Associated enterprise	Purchase of commodity	Finished products	Contract price	-	6,445.11	1.01%		No	Bank transfer or notes	-		
Wuhan Anzai Cookware Co., Ltd.	Associated enterprise	Purchase of commodity	Accessories	Market price	-	4,274.69	0.67%		No	Bank transfer or notes	-		
GROUPE SEB EXPORT	Same controlling shareholder with the controlling shareholder	Purchase of commodity	Finished products	Contract price	-	456.96	0.07%		No	Bank transfer or notes	-		
TEFAL S.A.S.	Same controlling shareholder with the controlling shareholder	Purchase of commodity	Accessories	Market price	-	556.48	0.09%		No	Bank transfer or notes	-		
LAGOSTI NA S.P.A.	Same controlling shareholder	Purchase of commodity	Finished products	Contract price	-	219.49	0.03%		No	Bank transfer or notes	-		
SEB INTERNATIONAL SERVICE S.A.S.	Same controlling shareholder with the controlling shareholder	Purchase of commodity	Accessories	Market price	-	23.42	0.00%		No	Bank transfer or notes	-		
GROUPE	Same	Purchase of	Accesso	Market	-	183.91	0.03%		No	Bank	-		

SEB MOULIN EX	controlling shareholder with the controlling shareholder	commodity	ries	price						transfer or notes			
ETHERA	Same controlling shareholder with the controlling shareholder	Purchase of commodity	Accessories	Market price	-	31.96	0.00%		No	Bank transfer or notes	-		
WMF GROUPE GMBH	Same controlling shareholder	Purchase of commodity	Finished products	Contract price	-	1,238.73	0.19%		No	Bank transfer or notes	-		
WMF (HE SHAN) MANUFACTURING COMPANY LIMITED	Same controlling shareholder	Purchase of commodity	Finished products	Contract price	-	21.41	0.00%		No	Bank transfer or notes	-		
Supor Group Co., Ltd.	The company controlled by related natural person	Purchase of commodity	Finished products	Contract price	-	0.75	0.00%		No	Bank transfer or notes	-		
SEB ASIA LTD.	Same controlling shareholder	Sale of commodities	Finished products	Contract price	-	259,959.08	25.18%		No	Bank transfer or notes	-		
SEB ASIA LTD.	Same controlling shareholder	Sale of commodities	Accessories	Contract price	-	264.81	0.03%		No	Bank transfer or notes	-		
S.A.S. SEB	Same controlling shareholder with the controlling shareholder	Sale of commodities	Finished products	Contract price	-	1,014.32	0.10%		No	Bank transfer or notes	-		
S.A.S. SEB	Same controlling shareholder with the controlling shareholder	Sale of commodities	Accessories	Contract price	-	49.54	0.00%		No	Bank transfer or notes	-		
TEFAL S.A.S.	Same controlling shareholder with the controlling shareholder	Sale of commodities	Finished products	Contract price	-	577.16	0.06%		No	Bank transfer or notes	-		
TEFAL S.A.S.	Same controlling shareholder with the controlling	Sale of commodities	Accessories	Contract price	-	781.05	0.08%		No	Bank transfer or notes	-		

	shareholder												
GROUPE SEB MOULIN EX	Same controlling shareholder with the controlling shareholder	Sale of commodities	Finished products	Contract price	-	1,172.99	0.11%		No	Bank transfer or notes	-		
Supor Group Co., Ltd.	The company controlled by related natural person	Sale of commodities	Finished products	Market price	-	245.99	0.02%		No	Bank transfer or notes	-		
Zhejiang Nanyang Pharmaceutical Sales Co., Ltd.	The company controlled by related natural person	Sale of commodities	Finished products	Market price	-	21.67	0.00%		No	Bank transfer or notes	-		
SEB INTERNATIONAL SERVICE S.A.S.	Same controlling shareholder with the controlling shareholder	Sale of commodities	Accessories	Contract price	-	1,067.88	0.10%		No	Bank transfer or notes	-		
Wuhan Anzai Cookware Co., Ltd.	Associated enterprise	Sale of commodities	Accessories	Contract price	-	1.19	0.00%		No	Bank transfer or notes	-		
LAGOSTINA S.P.A.	Same controlling shareholder	Sale of commodities	Finished products	Contract price	-	4.93	0.00%		No	Bank transfer or notes	-		
LAGOSTINA S.P.A.	Same controlling shareholder	Sale of commodities	Accessories	Contract price	-	78.17	0.01%		No	Bank transfer or notes	-		
IMUSA USA LLC	Same controlling shareholder	Sale of commodities	Finished products	Contract price	-	987.27	0.10%		No	Bank transfer or notes	-		
IMUSA USA LLC	Same controlling shareholder	Sale of commodities	Accessories	Contract price	-	1.73	0.00%		No	Bank transfer or notes	-		
WMF Consumer Goods (Shanghai) Co, Ltd.	Same controlling shareholder	Sale of commodities	Finished products	Contract price	-	21.91	0.00%		No	Bank transfer or notes	-		
GROUPE SEB VIETNAM JOINT STOCK COMPANY	Same controlling shareholder	Sale of commodities	Finished products	Contract price	-	1,271.21	0.12%		No	Bank transfer or notes	-		
GROUPE SEB VIETNAM JOINT	Same controlling shareholder	Sale of commodities	Accessories	Contract price	-	1.11	0.00%		No	Bank transfer or notes	-		

STOCK COMPAN Y													
GROUPE SEB CANADA	Same controlling shareholder	Sale of commodities	Finished products	Contract price	-	828.11	0.08%		No	Bank transfer or notes	-		
GROUPE SEB ANDEAN S.A.	Same controlling shareholder	Sale of commodities	Accesso ries	Contract price	-	278.51	0.03%		No	Bank transfer or notes	-		
Total					--	282,081. 54	--		--	--	--	--	--
Details of large sales return				Not applicable									
Actual implementation of estimated total amount of connected transaction by category incurred during the reporting period in the report period (if any)				During January to June of 2022, the total amount of connected transactions between Supor and SEB Group and its related parties was RMB 2,710,921,400.									
Reason for the big difference between transaction price and market reference price (if applicable)				Not applicable									

2. Connected transaction from the acquisition and sale of assets or equity purchase

Applicable Not-applicable

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

3. Connected transaction for co-investment abroad

Applicable Not-applicable

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

4. Connected creditor's rights and debts

Applicable Not-applicable

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

5. Transactions with connected financial companies

Applicable Not-applicable

There is no deposit, loan, credit granting or other financial business between the Company and the financial companies with association relation, and the Company and the related party.

6. The transactions between the financial company controlled by the Company and related party

Applicable Not-applicable

There is no deposit, loan, credit granting or other financial business between the finance companies controlled by the Company and the related party.

7. Other important connected transactions

Applicable Not-applicable

There were no significant connected transactions in the Company reporting period.

XII. Important contracts and performances

1. Trusteeship, contracting and lease

(1) Trusteeship

Applicable Not-applicable

The Company has no trusteeship during the reporting period.

(2) Contracting

Applicable Not-applicable

No contracting was made in the reporting period.

(3) Lease situation

Applicable Not-applicable

Descriptions of related lease situation

For details, see "14. Right-of-use asset" and "25. Lease obligation" of "VII. Notes to items of consolidated financial statements" in Section X "FINANCIAL STATEMENT".

Projects that bring profit and loss exceeding 10% of the Company's total profit amount in the reporting period.

Applicable Not-applicable

During the reporting period, there are no leasing items which bring profits and losses to the Company of more than 10% of the total profits during the reporting period.

2. Important guarantee

Applicable Not-applicable

Unit: RMB10,000

External guarantee of the Company and its subsidiaries (excluding the guarantee of subsidiaries)										
Name of guaranteed object	Disclosure date of announcement related to the guaranteed amount	Guaranteed amount	Actual occurring date	Actual guaranteed amount	Guarantee type	Collateral (if any)	Counter-guarantee condition (if any)	Guarantee period	Fulfilled or not	Whether it is guaranteed by related party
The distributors meeting certain	On January 22, 2021	80,000.00	July 2021 - December 2021	38,324.72	General guarantee and pledge	Cash	Yes	July 2021 - June 2022	Yes	No

requirements in Supor										
The distributors meeting certain requirements in Supor	December 14, 2021	140,000.00	January 2022 - June 2022	32,108.55	General guarantee and pledge	Cash	Yes	January 2022 - December 2022	No	No
Total approved external guaranteed amount within the reporting period (A1)			140,000.00	Total actual external guaranteed amount within the reporting period (A2)						70,433.27
Total approved external guaranteed amount at the end of the reporting period (A3)			220,000.00	Total balance of actual external guarantee at the end of the reporting period (A4)						21,919.74
The Company's guarantee of subsidiaries										
Name of guaranteed object	Disclosure date of announcement related to the guaranteed amount	Guaranteed amount	Actual occurring date	Actual guaranteed amount	Guarantee type	Collateral (if any)	Counter-guarantee condition (if any)	Guarantee period	Fulfilled or not	Whether it is guaranteed by related party
Zhejiang Shaoxing Supor Housewares Co., Ltd.	April 2021	1,200,000.00	July 2021-August 2021	26,600.00	General guarantee	None	None	July 2021 - February 2022	Yes	No
Zhejiang Shaoxing Supor Housewares Co., Ltd.	April 2021	1,200,000.00	January 2022 - April 2022	24,081.50	General guarantee	None	None	January 2022 - October 2022	No	No
Zhejiang Shaoxing Supor Housewares Co., Ltd.	April 2022	1,300,000.00	May 2022-June 2022	41,570.00	General guarantee	None	None	May 2022 - December 2022	No	No
Total approved guaranteed amount of subsidiaries within the reporting period (B1)			400,000	Total actual guaranteed amount of subsidiaries within the reporting period (B2)						92,251.50
Total approved guaranteed amount of subsidiaries at the end of the reporting period (B3)			700,000	Total actual guarantee balance of subsidiaries at the end of the reporting period (B4)						65,651.50
Subsidiaries' guarantee of subsidiaries										
Name of guaranteed object	Disclosure date of announcement related to the guaranteed amount	Guaranteed amount	Actual occurring date	Actual guaranteed amount	Guarantee type	Collateral (if any)	Counter-guarantee condition (if any)	Guarantee period	Fulfilled or not	Whether it is guaranteed by related party
Zhejiang Shaoxing Supor Housewares Co., Ltd.	April 2021	1,200,000.00	July 2021-October 2021	8,417.50	General guarantee	None	None	July 2021-April 2022	Yes	No
Zhejiang Shaoxing Supor Housewares	April 2021	1,200,000.00	January 2022	33,667.00	General guarantee	None	None	January 2022 - July 2022	No	No

Co., Ltd.										
Zhejiang Shaoxing Supor Housewares Co., Ltd.	April 1, 2022	300,000.00	June 2022	5,323.50	General guarantee	None	None	June 2022 - December 2022	No	No
Total approved guaranteed amount of subsidiaries within the reporting period (C1)				0	Total actual guaranteed amount of subsidiaries within the reporting period (C2)					47,408.00
Approved total guaranteed amount towards the subsidiaries at the end of the reporting period (C3)				0	Total actual guarantee balance of subsidiaries at the end of the reporting period (C4)					38,990.50
Total guaranteed amount of the Company (namely the total of the first three items)										
Approved total guaranteed amount in reporting period (A1+B1+C1)				540,000.00	Total guaranteed actual amount during the reporting period (A2+B2+C2)					210,092.77
Total approved guaranteed amount at the end of reporting period (A3+B3+C3)				920,000.00	Total actual guarantee balance at the end of reporting period (A4+B4+C4)					126,561.74
Proportion (%) of the actual total guaranteed amount (that is A4+B4+C4) in the Company's net assets										18.16%
Including:										
Total guaranteed amount of shareholders, actual controllers and related party (D)										0
Guaranteed amount provided for guaranteed objects with a liability rate of assets of over 70% directly or indirectly (E)										104,642.00
Excess of total guaranteed amount over 50% of net assets (F)										0
Total guaranteed amount of the said three items (D+E+F)										104,642.00
Description of the situation where the guarantee liability has occurred within the reporting period or there is evidence that it is possible to bear joint liability for repayment for the unexpired guarantee contract (if any)					None					
Descriptions for external guarantee provided against the established procedures (if any)					None					

Note: The 12th Session of the Seventh Board of Directors and the Annual General Meeting of Shareholders for 2021 Fiscal Year reviewed and adopted the Proposal on Guarantee for Wholly-owned Subsidiary and Mutual Guarantee among Wholly-owned Subsidiaries. The Company and its wholly-owned subsidiary would guarantee for wholly-owned subsidiaries with a total amount not exceeding RMB 4 billion in 2022 fiscal year.

3. Entrustment of wealth management

Applicable Not-applicable

Unit: RMB10,000

Specific type	Source of entrusted financial fund	Amount of entrusted financial management	Undue balance	Overdue amount unclaimed	Amount of impairment accrued from overdue financial products
Bank financial products	Own fund	30,000.00	22,000.00	0	0
Total		30,000.00	22,000.00	0	0

During the reporting period, financial products were purchased and the principal and income were recovered as follows:

For the short-term financial products purchased by the Company in first half of 2022, please refer to <http://www.cninfo.com.cn> Announcement of Using Excessive Cash to Purchase Short-term Financial Products (2022-015), Announcement of Progress of Using Excessive Cash to Purchase Short-term Financial Products (2022-024) and Announcement of Progress of Using Excessive Cash to Purchase Short-term Financial Products (2022-041).

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

Applicable Not-applicable

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

Applicable Not-applicable

4. Other important contracts

Applicable Not-applicable

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

XIII. Introduction for Other Important Matters

Applicable Not-applicable

There were no other important matters in the reporting period.

XIV. Important Matter of the Company's Subsidiaries

Applicable Not-applicable

SECTION VII CHANGES IN SHARE CAPITAL AND PARTICULARS ABOUT SHAREHOLDERS

I. Changes in Share Capital

1. Changes in share capital

Unit: share

	Before change			Increase/decrease in the period (+, -)			After change		
	Share number	Proportion	New shares	Shares bonus	Converted capital	Others	Subtotal	Share number	Proportion
I. Restricted Outstanding Shares	848,564	0.10%				1,007,259	1,007,259	1,855,823	0.23%
1. Shares held by the State	0	0.00%				0	0	0	0.00%
2. Shares held by state-owned legal entities	0	0.00%				0	0	0	0.00%
3. Shares held by other domestic investors	848,564	0.10%				1,007,259	1,007,259	1,855,823	0.23%
Including: Shares held by domestic legal entities	0	0.00%				0	0	0	0.00%
Shares held by domestic natural persons	848,564	0.10%				1,007,259	1,007,259	1,855,823	0.23%
4. Shares held by foreign capitals	0	0.00%				0	0	0	0.00%
Including: Shares held by foreign legal entities	0	0.00%				0	0	0	0.00%
Shares held by foreign natural persons	0	0.00%				0	0	0	0.00%
II. Non-restricted Outstanding Shares	807,829,912	99.90%				-1,031,259	-1,031,259	806,798,653	99.77%
1. RMB common shares	807,829,912	99.90%				-1,031,259	-1,031,259	806,798,653	99.77%
2. Domestically listed foreign shares	0	0.00%				0	0	0	0.00%
3. Overseas listed foreign shares	0	0.00%				0	0	0	0.00%
4. Others	0	0.00%				0	0	0	0.00%
III. Sum of Shares	808,678,476	100.00%				-24,000	-24,000	808,654,476	100.00%

Reasons for share capital change

Applicable Not-applicable

1. Top management of the Company unlocked 25% of the shares registered under their names on the last transaction date of the previous year.
2. Totally 1,209,500 shares of Restricted Stock in 2021 Restricted Stock Incentive Plan have been registered under the name of 293 incentive objects on January 27, 2022.
3. On June 29, 2022, the totally 24,000 shares of restricted stock that have been granted to resigned incentive objects but have not been

unlocked from restriction in 2021 restricted stock incentive plan were repurchased and cancelled. Upon the repurchase and cancellation, the Company's total share capital decreased from 808,678,476 to 808,654,476 shares.

Approval of change in stock

Applicable Not-applicable

1. On January 6 2022, the 11th Session of the Seventh Board of Directors and the 10th Session of the Seventh Board of Supervisors reviewed and adopted the Proposal on Grant of Restricted Stock to Incentive Objects, agreeing to grant 1,209,500 shares of Restricted Stock to totally 293 Incentive Objects. The grant date for Restricted Stock is January 6, 2022. After confirmed by Shenzhen Branch of CSDCC, the Restricted Stock in 2021 Restricted Stock Incentive Plan were registered under all incentive objects on January 27, 2022.

2. On March 31, 2022, the 12th Session of the Seventh Board of Directors and the 11th Session of the Seventh Board of Supervisors reviewed and adopted the Proposal on Repurchasing and Canceling a Part of Restricted Stock. For disqualification of six Incentive Objects due to their resignation, the Company has decided to repurchase and cancel 24,000 shares of Restricted Stocks at the price of RMB1 per share. The proposal has been deliberated and approved during the Annual General Meeting of Shareholders for 2021 Fiscal Year held on April 25, 2022. The Company has repurchased and canceled 24,000 shares of Restricted Stock at the price of RMB1 per share and paid totally RMB24,000 to the above resigned incentive objects. After confirmed by Shenzhen Branch of CSDCC, the Company completed purchase and cancellation work on June 29, 2022.

Transfer of shares changed

Applicable Not-applicable

After confirmed by Shenzhen Branch of CSDCC, totally 1,209,500 shares of Restricted Stock in 2021 Restricted Stock Incentive Plan were transferred and registered to the names of 293 incentive objects on January 27, 2022

Progress in the implementation of share repurchase

Applicable Not-applicable

The Proposal on Public Shares Repurchase Plan was reviewed and adopted by the 12th Session of Seventh Board of Directors held on March 31, 2022. To effectively protect the interests of shareholders, enhance investor confidence, and consider the Company's overall financial situation, the Company planned to repurchase the Company's shares with self-owned capital for reducing registered capital and implementing equity incentive plan. The Company would repurchase the Company's shares from secondary market through concentrated competitive bidding. The maximum price for repurchasing shares shall not exceed RMB57.96 per share (adjusted to RMB56.03 per share after Profit Distribution for 2021 Fiscal Year). The top limitation of shares to be repurchased will not exceed 16,173,570 shares and the bottom limitation of shares will not be lower than 8,086,785 shares. The valid duration of public shares repurchase plan shall be within 12 months after the general meeting of shareholders having approved the Resolution on Public Shares Repurchase Plan. The Company initially implemented the share repurchase plan on May 6, 2022. As of the end of the reporting period, the Company has repurchased 1,095,000 shares accounting for 0.14% of the total share capital of the Company; at the highest price of RMB54.00/share and lowest price of RMB50.75/share with the payment of RMB58,179,500 (excluding transaction cost).

The Proposal on Public Share Repurchase Plan was reviewed and adopted by the Annual General Meeting of Shareholders for 2021 Fiscal Year held on April 25, 2022 and the Repurchase Report on Public Shares was published on April 26, 2022. For detailed contents, please see the Repurchase Report on Public Shares (Announcement No.: 2022-028), Announcement on Adjusting Share Price for Public Shares Repurchase Plan (Announcement No.: 2022-035), Announcement of Initial Repurchase of Public Shares (Announcement No.: 2022-032) and Announcement on Progress of Public Shares Repurchase Plan (Announcement No.: 2022-033, 2022-036 and 2022-038) disclosed on Securities Times, China Securities Journal, Securities Daily, and <http://www.cninfo.com.cn>.

Progress in the reduction of shareholding of repurchased shares through auction

Applicable Not-applicable

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

Applicable Not-applicable

Totally 24,000 shares of Restricted Stock were repurchased and cancelled which creates minor influence on the earnings per share and diluted revenue per share and creates no influence on the net asset value per share vested in common shareholders of the Company and other financial indexes.

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

Applicable Not-applicable

2. Changes of Restricted Stock

Applicable Not-applicable

Unit: share

Name	Restricted outstanding stocks at period-begin	Restricted outstanding stocks unlocked in the reporting period	Increased outstanding stocks unlocked in the reporting period	Restricted outstanding stocks at period-end	Restriction reason	Date of unlocking restriction
Su Xianze	486,136	121,534		364,602	Locked stocks of top management	Top management of the Company unlocked 25% of the shares registered under their names on the last transaction date of the previous year.
Xu Bo	173,737	43,434		130,303	Locked stocks of top management	Top management of the Company unlocked 25% of the shares registered under their names on the last transaction date of the previous year.
Ye Jide	52,191	13,048		39,143	Locked stocks of top management	Top management of the Company unlocked 25% of the shares registered under their names on the last transaction date of the previous year.
Su Ming-Jui	136,500	225		136,275	Locked stocks of top management (resignation)	Before November 19, 2023, 25% of the total shares can be unlocked each year. All the shares held after the above date will be unlocked.
Incentive objects of 2021 Equity Incentive Plan	0	24,000	1,209,500	1,185,500	Restricted Stock of equity incentive, of which the Company repurchased and cancelled 24,000 shares of Restricted Stock granted to the resigned incentive objects that had not yet reached the conditions for release of Restricted Stock.	Totally 1,209,500 shares of Restricted Stock in 2021 Restricted Stock Incentive Plan were transferred and registered to 293 incentive objects on January 27, 2022. The above Restricted Stock will be unlocked in two phases after 24 months from the date of completion of grant registration with each phase having a 50% unlocking ratio. The first phase is expected to be unlocked on January 27, 2024; and the second phase is expected to be unlocked on January 27, 2025.
Total	848,564	202,241	1,209,500	1,855,823	--	--

II. Security Offering and Listing Information

Applicable Not-applicable

III. Number of Shareholders of the Company and Share-holding Conditions

Unit: share

Total number of common shareholders at the end of the reporting period	16,005		Total number of preferred shareholder whose voting right is recovered at the end of reporting period (if any) (refer to Note 8)	0				
Information on shareholders holding more than 5% stocks or information on top 10 shareholders								
Name	Nature	Shareholding ratio	Number of shares held at period-end	Increase/decrease in the reporting period	Number of restricted outstanding shares	Number of non-restricted outstanding shares	Pledge, labeling, or freezing	
							Status of shares	Share number
SEB INTERNATIONALE S.A.S	Foreign legal entity	82.44%	666,681,904	0	0	666,681,904		
Hong Kong Securities Clearing Company Ltd.	Foreign legal entity	8.43%	68,164,438	3,696,054	0	68,164,438		
Ningbo Bank-Zhongtai Xingyuan Value-selected Flexible Complex Securities Investment Funds	Others	0.70%	5,689,830	5,115,178	0	5,689,830		
Fidelity Mutual Fund & Investment Management - Customers' Capital	Foreign legal entity	0.31%	2,529,922	-1,264,800	0	2,529,922		
China Merchants Bank-Zhongtai Yuheng Value-selected Flexible Complex Securities Investment Funds	Others	0.27%	2,192,383	1,892,683	0	2,192,383		
BNP Paribas - Own Funds	Foreign legal entity	0.27%	2,150,145	-2,391,836	0	2,150,145		
National Social Security Fund No. 502	Others	0.23%	1,862,265	1,862,265	0	1,862,265		
Industrial Bank-Zhongtai Xingwei Value-selected Complex Securities Investment Funds	Others	0.21%	1,680,777	1,680,777	0	1,680,777		
BARCLAYS BANK PLC	Foreign legal entity	0.17%	1,386,091	1,288,819	0	1,386,091		
Bank of Communications-E-Fund Kerui Flexible Complex Securities Investment Funds	Others	0.16%	1,314,314	1,314,314	0	1,314,314		
Strategic investor or general corporate investor who becomes top 10 shareholder as a result of rights issue (if any) (refer to Note 3)	None							
Description on the above-mentioned shareholder relationships or concerted actions	Ningbo Bank-Zhongtai Xingyuan Value-selected Flexible Complex Securities Investment Funds, China Merchants Bank-Zhongtai Yuheng Value-selected Flexible Complex Securities Investment Funds and Industrial Bank-Zhongtai Xingwei Value-selected Complex Securities Investment Funds, all of which belongs to Zhongtai Fund. It is not aware of whether other shareholders are associated with each other, and whether they are persons acting in concert as stipulated in the Measures for the Administration of the Acquisition of Listed Companies.							
Description of the above shareholders' involvement in entrusted/entrusted voting rights and waiver of voting rights	None							
Special instructions for the existence of special repurchase accounts among the top 10 shareholders (if any) (see Note 11)	None							
Top 10 shareholders holding non-restricted outstanding shares								
Name			Number of non-restricted		Type of share			

	outstanding stocks held at reporting period-end	Type of share	Share number
SEB INTERNATIONALE S.A.S	666,681,904	RMB common shares	666,681,904
Hong Kong Securities Clearing Company Ltd.	68,164,438	RMB common shares	68,164,438
Ningbo Bank-Zhongtai Xingyuan Value-selected Flexible Complex Securities Investment Funds	5,689,830	RMB common shares	5,689,830
Fidelity Mutual Fund & Investment Management - Customers' Capital	2,529,922	RMB common shares	2,529,922
China Merchants Bank-Zhongtai Yuheng Value-selected Flexible Complex Securities Investment Funds	2,192,383	RMB common shares	2,192,383
BNP Paribas - Own Funds	2,150,145	RMB common shares	2,150,145
National Social Security Fund No. 502	1,862,265	RMB common shares	1,862,265
Industrial Bank-Zhongtai Xingwei Value-selected Complex Securities Investment Funds	1,680,777	RMB common shares	1,680,777
BARCLAYS BANK PLC	1,386,091	RMB common shares	1,386,091
Bank of Communications-E-Fund Kerui Flexible Complex Securities Investment Funds	1,314,314	RMB common shares	1,314,314
Connected relationship or concerted parties among the top 10 shareholders holding non-restricted outstanding shares, and between the top 10 shareholders holding non-restricted outstanding stocks and top 10 shareholders	Same as above		
Information on top 10 common shareholders involved in securities margin trading business (if any) (see Note 4)	None		

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

Yes No

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

IV. Changes in share holding status of directors, supervisors and senior executives

Applicable Not-applicable

Name	Position	Position status	Beginning quantity of stocks	Quantity of increased stocks in this period	Quantity of decreased stocks in this period	Closing quantity of stocks	Quantity of restricted stocks to be granted at the beginning	Quantity of restricted stocks to be granted in this period	Quantity of restricted stocks to be granted at the end of period
Su Xianze	Director	On-service	486,136	0	121,534	364,602	0	0	0
Cheung Kwok Wah	General Manager	On-service	0	0	0	0	0	60,000	60,000
Xu Bo	Chief Financial Officer	On-service	173,737	0	0	173,737	0	45,000	45,000
Ye Jide	Vice General Manager, Board Secretary	On-service	52,191	0	0	52,191	0	20,000	20,000

Total	--	--	712,064	0	121,534	590,530	0	125,000	125,000
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V. Change of the controlling shareholder or actual controller

Change of controlling shareholder in the reporting period

Applicable Not-applicable

No change of controlling shareholder occurred in the reporting period.

Change of actual controller in the reporting period

Applicable Not-applicable

No change of actual controller occurred in the reporting period.

SECTION VIII INFORMATION ON PREFERRED SHARE

Applicable Not-applicable

No preferred share existed in the reporting period.

SECTION IX INFORMATION ON BOND

Applicable Not-applicable

SECTION X FINANCIAL STATEMENT

I. Audit Report

Was semiannual report audited?

Yes No

The semiannual report has not been audited.

II. Financial statement

Unit of statement in notes to financial statement: RMB

1. Consolidated balance sheet

Compiled by: Zhejiang Supor Co., Ltd.

June 30, 2022

Unit: RMB

Item	June 30, 2022	January 1, 2022
Current asset:		
Monetary capital	3,479,946,026.90	2,654,052,417.47
Settlement reserve		
Loans to other banks		
Transactional financial assets	220,550,529.85	180,312,742.31
Derivative financial assets		
Notes receivable	35,454,679.55	54,879,357.24
Accounts receivable	2,151,142,929.18	2,716,945,985.33
Receivables financing	232,348,975.14	3,312,225.62
Advance payment	398,813,676.89	385,367,862.85
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserve receivable		
Other receivables	16,635,885.82	12,159,756.67
Including: Interest receivable		
Dividends receivable		
Reverse-REPO financial assets		
Inventories	2,280,319,255.52	3,096,517,055.33

Contract assets		
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	659,654,342.93	2,055,027,382.63
Total current assets	9,474,866,301.78	11,158,574,785.45
Non-current assets:		
Loans and advances granted		
Debt investment		
Other debt investments	586,813,657.54	298,191,205.49
Long-term receivables		
Long-term equity investment	65,019,578.66	65,600,611.64
Other equity instrument investments		
Other non-current financial assets		
Investment properties		
Fixed assets	1,278,054,718.16	1,291,902,992.54
Construction in progress	21,688,231.49	26,482,779.31
Productive biological assets		
Oil and gas assets		
Right-of-use asset	190,934,091.71	195,528,644.13
Intangible assets	445,623,658.16	452,200,863.39
Development expenditures		
Goodwill		
Long-term unamortized expenses		
Deferred income tax assets	408,477,092.55	410,974,540.21
Other non-current asset		
Total non-current asset	2,996,611,028.27	2,740,881,636.71
Total assets	12,471,477,330.05	13,899,456,422.16
Current liabilities:		
Short-term borrowings		
Central bank loan		
Loans from others		
Transactional financial liabilities		

Derivative financial liabilities		
Notes payable	1,578,200,000.00	500,250,000.00
Accounts payable	2,554,956,770.95	3,769,700,826.50
Advance receipt		
Contract liabilities	470,023,043.75	893,741,863.21
Proceeds from sale of repurchase financial assets		
Deposit taken and interbank deposit		
Proceeds from security transaction agency		
Proceeds from security underwriting agency		
Employee remuneration payable	219,734,937.36	321,692,953.88
Taxes payable	231,014,248.04	254,094,791.55
Other payables	99,060,772.22	110,605,272.21
Including: Interest payable		
Dividends payable		
Handling fee and commission payable		
Payable reinsurance payment		
Held-for-sale liabilities		
Non-current liabilities for one year	34,437,379.21	29,191,343.78
Other current liabilities	110,697,928.26	189,810,383.37
Total current liabilities	5,298,125,079.79	6,069,087,434.50
Non-current liabilities:		
Reinsurance contract reserve		
Long-term borrowings		
Bonds payable		
Including: preferred shares		
Perpetual bond		
Lease obligation	152,646,041.84	157,420,210.81
Long-term payables		
Long-term employee remuneration payable	1,626,823.60	1,903,631.69
Estimated liabilities	12,172,333.27	12,737,298.24
Deferred income		
Deferred income tax liabilities		

Non-current liabilities		
Total non-current liabilities	166,445,198.71	172,061,140.74
Total liabilities	5,464,570,278.50	6,241,148,575.24
Owners' equities:		
Share capital	808,654,476.00	808,678,476.00
Other equity instruments		
Including: preferred shares		
Perpetual bond		
Capital reserves	145,575,590.16	122,970,340.27
Minus: treasury share	59,370,915.23	76,159,897.25
Other comprehensive incomes	-30,421,771.31	-41,522,541.60
Special reserves		
Surplus reserve	356,924,811.32	356,924,811.32
General risk reserve		
Undistributed profit	5,748,952,012.23	6,451,748,564.12
Total owners' equities belonging to parent company	6,970,314,203.17	7,622,639,752.86
Minority shareholders' equities	36,592,848.38	35,668,094.06
Total owners' equities	7,006,907,051.55	7,658,307,846.92
Total liabilities and owners' equities	12,471,477,330.05	13,899,456,422.16

Legal representative: Thierry de LA TOUR D'ARTAISE Person in charge of accounting: Xu Bo Person in charge of accounting department: Xu Bo

2. Balance sheet of parent company

Unit: RMB

Item	June 30, 2022	January 1, 2022
Current asset:		
Monetary capital	1,050,757,489.52	800,923,960.55
Transactional financial assets		100,147,324.89
Derivative financial assets		
Notes receivable	945,000.00	2,997,000.00
Accounts receivable	589,830,608.64	742,333,802.03

Receivables financing		
Advance payment	21,570,247.56	63,620,742.54
Other receivables	879,855,389.11	1,845,295,351.20
Including: Interest receivable		
Dividends receivable		
Inventories	241,333,189.94	240,622,374.15
Contract assets		
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	564,455,967.74	1,889,046,917.63
Total current assets	3,348,747,892.51	5,684,987,472.99
Non-current assets:		
Debt investment		
Other debt investments	229,911,671.23	194,975,863.02
Long-term receivables		
Long-term equity investment	3,024,414,764.47	3,013,961,596.02
Other equity instrument investments		
Other non-current financial assets		
Investment properties		
Fixed assets	154,201,318.29	151,228,257.41
Construction in progress	6,112,140.82	12,559,947.93
Productive biological assets		
Oil and gas assets		
Right-of-use asset	2,894,545.61	3,363,931.38
Intangible assets	80,291,803.97	83,723,923.89
Development expenditures		
Goodwill		
Long-term unamortized expenses		
Deferred income tax assets	12,251,797.01	14,878,870.52
Other non-current assets		

Total non-current assets	3,510,078,041.40	3,474,692,390.17
Total assets	6,858,825,933.91	9,159,679,863.16
Current liabilities:		
Short-term borrowings		
Transactional financial liabilities		
Derivative financial liabilities		
Notes payable		
Accounts payable	195,821,905.14	193,367,234.90
Advance receipts		
Contract liabilities	2,398,065.17	1,510,782.40
Employee remuneration payable	40,332,025.87	56,501,055.35
Taxes payable	3,100,858.18	31,587,253.36
Other payables	1,630,691,897.71	2,355,630,738.97
Including: Interest payable		
Dividends payable		
Held-for-sale liabilities		
Non-current liabilities for one year	823,513.46	289,557.95
Other current liabilities	1,048,534.25	3,038,481.86
Total current liabilities	1,874,216,799.78	2,641,925,104.79
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Including: preferred shares		
Perpetual bond		
Lease obligation	2,034,457.67	2,494,235.39
Long-term payables		
Long-term employee remuneration payable	174,501.03	193,670.03
Estimated liabilities		
Deferred income		
Deferred income tax liabilities		

Non-current liabilities		
Total non-current liabilities	2,208,958.70	2,687,905.42
Total liabilities	1,876,425,758.48	2,644,613,010.21
Owners' equities:		
Share capital	808,654,476.00	808,678,476.00
Other equity instruments		
Including: preferred shares		
Perpetual bond		
Capital reserves	259,506,303.70	236,901,053.81
Minus: treasury share	59,370,915.23	76,159,897.25
Other comprehensive incomes		
Special reserves		
Surplus reserve	404,339,238.00	404,339,238.00
Undistributed profit	3,569,271,072.96	5,141,307,982.39
Total owners' equities	4,982,400,175.43	6,515,066,852.95
Total liabilities and owners' equities	6,858,825,933.91	9,159,679,863.16

3. Consolidated profit statement

Unit: RMB

Item	2022 Semiannual	2021 Semiannual
I. Total operating incomes	10,323,979,744.82	10,433,875,893.62
Including: Operating income	10,323,979,744.82	10,433,875,893.62
Interest revenue		
Premium earned		
Revenue from handling fees and commission		
II. Total operating costs	9,158,859,522.93	9,374,133,409.86
Including: Operating cost	7,670,449,954.61	7,725,851,457.97
Interest expense		
Expense for handling fees and commission		
Surrender value		

Net payments for insurance claims		
Net amount of withdrawn reserve fund for insured liability		
Policy dividend expenditures		
Reinsurance expenses		
Taxes and surcharges	67,500,088.72	50,833,199.38
Sales expense	1,078,585,004.10	1,195,543,704.82
Administrative expense	188,658,026.76	214,014,738.06
R&D expense	194,481,803.42	192,490,424.34
Financial expense	-40,815,354.68	-4,600,114.71
Including: interest expense	4,810,441.61	5,136,071.01
Interest revenue	32,112,351.33	14,007,637.46
Plus: other incomes	40,687,848.15	33,089,410.91
Investment income ("-" for loss)	38,216,844.32	52,771,988.88
Including: investment income on associated enterprise and joint venture	-457,219.85	1,025,583.40
Income from derecognition of financial assets measured by amortized cost		
Exchange gain ("-" for loss)		
Net exposure hedging gains ("-" for loss)		
Gains from changes in fair value ("-" for loss)	550,529.85	1,005,713.48
Credit impairment loss ("-" for loss)	25,222,441.21	-20,575,682.19
Asset impairment loss ("-" for loss)	-16,045,044.53	-8,335,090.73
Assets disposal income ("-" for loss)	-193,453.10	-540,385.03
III. Operating profit ("-" for loss)	1,253,559,387.79	1,117,158,439.08
Plus: Non-operating income	2,288,254.03	2,030,947.54
Minus: non-operating expense	2,896,308.83	4,639,873.99
IV. Total profit ("-" for total loss)	1,252,951,332.99	1,114,549,512.63
Minus: income tax expense	319,256,554.10	250,485,268.05
V. Net profit ("-" for net loss)	933,694,778.89	864,064,244.58
(I) By business continuity		
1. Net profit under continuing operation ("-" for net loss)	933,694,778.89	864,064,244.58
2. Net profit under discontinuing operation ("-" for net loss)		

(II) By ownership		
1. Net profit belonging to the owners of parent company	932,849,164.03	865,590,446.89
2. Minority shareholders' profit and loss	845,614.86	-1,526,202.31
VI. After-tax net amount of other comprehensive income	11,179,909.75	-1,966,964.74
After-tax net amount of other comprehensive income belonging to the owners of parent company	11,100,770.29	-1,695,778.42
(I) Other comprehensive incomes that cannot be reclassified into profit and loss		
1. Remeasured amount of changes in defined benefit plan		
2. Other comprehensive income that cannot be transferred to gain and loss under the equity method		
3. Changes in the fair value of other equity instrument investments		
4. Changes in the fair value of the Company's own credit risk		
5. Others		
(II) Other comprehensive incomes to be reclassified into the profit and loss	11,100,770.29	-1,695,778.42
1. Other comprehensive income that can be transferred to gain and loss under the equity method		
2. Changes in the fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Credit impairment provision for other debt investments		
5. Cash flow hedging reserve		
6. Conversion difference of foreign currency financial statements	11,100,770.29	-1,695,778.42
7. Others		
After-tax net amount of other comprehensive income belonging to minority shareholder	79,139.46	-271,186.32
VII. Total comprehensive income	944,874,688.64	862,097,279.84
Total comprehensive income attributed to owners of parent company	943,949,934.32	863,894,668.47
Total comprehensive income attributed to minority shareholders	924,754.32	-1,797,388.63
VIII. Earnings per share:		
(I) Basic earnings per share	1.155	1.066
(II) Diluted earnings per share	1.155	1.063

For enterprise merger under the same control in the current period, the net profit realized by the acquiree before merger was RMB0, and the net profit realized by the acquiree during the prior period was: RMB0.

Legal representative: Thierry de LA TOUR D'ARTAISE Person in charge of accounting: Xu Bo Person in charge of accounting department: Xu Bo

4. Profit statement of the parent company

Unit: RMB

Item	2022 Semiannual	2021 Semiannual
I. Operating incomes	1,118,472,456.99	1,353,888,354.10
Minus: Operating cost	1,025,029,076.41	1,160,224,276.22
Taxes and surcharges	7,884,054.34	7,829,816.27
Sales expense	14,001,016.71	35,788,176.87
Administrative expense	64,126,174.81	53,768,220.53
R&D expense	2,352,554.61	22,326,866.27
Financial expense	-27,520,636.18	13,837,911.71
Including: interest expense	6,883,884.15	20,972,657.94
Interest revenue	28,750,182.79	8,377,902.92
Plus: other incomes	6,194,324.12	5,944,578.92
Investment income ("-" for loss)	33,451,552.55	41,632,021.76
Including: investment income on associated enterprise and joint venture	-457,219.85	1,025,583.40
Income from derecognition of financial assets measured by amortized cost ("-" for loss)		
Net exposure hedging gains ("-" for loss)		
Gains from changes in fair value ("-" for loss)		
Credit impairment loss ("-" for loss)	8,948,497.00	-3,266,715.86
Asset impairment loss ("-" for loss)	-162,535.03	374,082.16
Assets disposal income ("-" for loss)	-2,477.95	-128,783.76
II. Operating profit ("-" for loss)	81,029,576.98	104,668,269.45
Plus: Non-operating income	294,087.79	303,976.02
Minus: non-operating expense	1,642,475.77	1,266,531.49
III. Total profit ("-" for total loss)	79,681,189.00	103,705,713.98
Minus: income tax expense	16,072,382.51	25,680,832.65
IV. Net profit ("-" for net loss)	63,608,806.49	78,024,881.33
(I) Net profit under continuing operation ("-" for net loss)	63,608,806.49	78,024,881.33
(II) Net profit under discontinuing operation ("-" for net loss)		
V. After-tax net amount of other comprehensive income		

(I) Other comprehensive incomes that cannot be reclassified into profit and loss		
1. Remeasured amount of changes in defined benefit plan		
2. Other comprehensive income that cannot be transferred to gain and loss under the equity method		
3. Changes in the fair value of other equity instrument investments		
4. Changes in the fair value of the Company's own credit risk		
5. Others		
(II) Other comprehensive incomes to be reclassified into the profit and loss		
1. Other comprehensive income that can be transferred to gain and loss under the equity method		
2. Changes in the fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Credit impairment provision for other debt investments		
5. Cash flow hedging reserve		
6. Conversion difference of foreign currency financial statements		
7. Others		
VI. Total comprehensive income	63,608,806.49	78,024,881.33
VII. Earnings per share:		
(I) Basic earnings per share		
(II) Diluted earnings per share		

5. Consolidated cash flow statement

Unit: RMB

Item	2022 Semiannual	2021 Semiannual
I. Cash Flows from Operating Activities:		
Cash received from sales of commodities or rendering of services	9,104,543,317.02	8,500,943,320.64
Net increase of customer deposit and interbank deposit		
Net increase of central bank loans		
Net increase of loans from other financial institutions		
Cash received from original insurance contract premium		
Net cash received from reinsurance		
Net increase of policy-holder deposit and investment		

Cash receipts from interest, handling charges and commission		
Net increase of loans from others		
Net increment of repurchase capital		
Net cash from security transaction agency		
Tax refund received	288,937,060.38	372,770,395.92
Other cash receipts related to operating activities	66,261,772.81	76,387,133.95
Subtotal of cash inflows from operating activities	9,459,742,150.21	8,950,100,850.51
Cash payments for purchasing commodities and receiving services	5,387,151,906.60	5,643,346,506.88
Net increment of customer loans and advances		
Net increase of central bank deposit and interbank deposit		
Cash payment for insurance indemnities of original insurance contracts		
Net increase of loans to others		
Cash payment of interest, handling fees and commission		
Cash payment of policy dividend		
Cash paid to and on behalf of employees	973,247,343.65	967,472,279.57
Taxes paid	714,021,716.57	628,745,960.07
Other cash payments related to operating activities	1,076,476,317.06	1,410,105,340.54
Subtotal of cash outflows from operating activities	8,150,897,283.88	8,649,670,087.06
Net cash flows from operating activities	1,308,844,866.33	300,430,763.45
II. Cash flows from investing activities:		
Cash received from return of investments		
Cash received from investment income	151,894,174.39	18,883,366.78
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	541,981.84	701,751.00
Net cash received from disposal of subsidiaries and other business units		
Other cash receipts related to investing activities	1,380,000,000.00	1,015,003,017.64
Subtotal of cash inflows from investing activities	1,532,436,156.23	1,034,588,135.42
Cash paid for acquiring fixed assets, intangible assets and other long-term assets	99,411,104.56	134,374,987.54
Cash paid for investment		
Net increase of pledge loans		
Net cash paid for acquiring subsidiaries and other business units		

Other cash payments related to investing activities	550,000,000.00	546,000,000.00
Subtotal of cash outflows from investing activities	649,411,104.56	680,374,987.54
Net cash flows from investing activities	883,025,051.67	354,213,147.88
III. Cash flows from financing activities:		
Cash received from investment by others		
Including: cash received by subsidiaries from minority shareholder investment		
Cash received from obtaining borrowings		
Other cash receipts related to financing activities		892,000.00
Subtotal of cash inflows from financing activities		892,000.00
Cash paid for debt repayment		
Cash paid for distribution of dividends or profits or for payment of interest	1,559,494,958.68	1,048,601,714.34
Including: dividends or profits paid by subsidiaries to minority shareholders		
Other cash payments related to financing activities	79,675,573.22	257,776,914.61
Subtotal of cash outflows from financing activities	1,639,170,531.90	1,306,378,628.95
Net cash flows from financing activities	-1,639,170,531.90	-1,305,486,628.95
IV. Impact of change in exchange rate on cash and cash equivalents	12,171,493.31	-985,535.81
V. Net increase in cash and cash Equivalents	564,870,879.41	-651,828,253.43
Plus: balance of cash and cash equivalents at the beginning of the period	2,443,731,679.06	1,655,785,919.04
VI. Balance of cash and cash equivalents at the end of the period	3,008,602,558.47	1,003,957,665.61

6. Cash flow statement of parent company

Unit: RMB

Item	2022 Semiannual	2021 Semiannual
I. Cash flows from operating activities:		
Cash received from sales of commodities or rendering of services	1,324,182,549.43	1,104,715,153.93
Tax refund received	114,517,829.38	106,870,814.76
Other cash receipts related to operating activities	19,758,321.08	8,240,439.60
Subtotal of cash inflows from operating activities	1,458,458,699.89	1,219,826,408.29
Cash payments for purchasing commodities and receiving services	1,012,862,505.92	1,136,899,701.62
Cash paid to and on behalf of employees	106,996,783.81	126,403,802.15

Taxes paid	50,991,057.87	63,899,866.91
Other cash payments related to operating activities	57,637,041.82	25,851,310.76
Subtotal of cash outflows from operating activities	1,228,487,389.42	1,353,054,681.44
Net cash flows from operating activities	229,971,310.47	-133,228,273.15
II. Cash flows from investing activities:		
Cash received from return of investments		
Cash received from investment income	150,204,703.19	933,661,872.24
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	14,000.00	292,000.00
Net cash received from disposal of subsidiaries and other business units		
Other cash receipts related to investing activities	1,300,000,000.00	400,000,000.00
Subtotal of cash inflows from investing activities	1,450,218,703.19	1,333,953,872.24
Cash paid for acquiring fixed assets, intangible assets and other long-term assets	29,041,702.26	11,901,615.99
Cash paid for investment		
Net cash paid for acquiring subsidiaries and other business units		
Other cash payments related to investing activities	1,042,829,946.14	535,510,506.31
Subtotal of cash outflows from investing activities	1,071,871,648.40	547,412,122.30
Net cash flows from investing activities	378,347,054.79	786,541,749.94
III. Cash flows from financing activities:		
Cash received from investment by others		
Cash received from obtaining borrowings		
Other cash receipts related to financing activities	1,255,053,202.49	890,996,856.45
Subtotal of cash inflows from financing activities	1,255,053,202.49	890,996,856.45
Cash paid for debt repayment		
Cash paid for distribution of dividends or profits or for payment of interest	1,559,494,958.68	1,048,601,714.34
Other cash payments related to financing activities	58,185,415.23	257,776,914.61
Subtotal of cash outflows from financing activities	1,617,680,373.91	1,306,378,628.95
Net cash flows from financing activities	-362,627,171.42	-415,381,772.50
IV. Impact of change in exchange rate on cash and cash equivalents	4,142,335.13	-147,662.14
V. Net increase in cash and cash equivalents	249,833,528.97	237,784,042.15
Plus: balance of cash and cash equivalents at the beginning of the period	800,923,960.55	231,835,282.92

VI. Balance of cash and cash equivalents at the end of the period	1,050,757,489.52	469,619,325.07
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7. Consolidated statement of changes in owners' equities

Amount of this period

Unit: RMB

Item	2022 Semiannual														
	Owners' equities belonging to parent company											Minority shareholders' equities	Total owners' equities		
	Share capital	Other equity instruments			Capital reserves	Minus: treasury share	Other comprehensive incomes	Special reserves	Surplus reserve	General risk reserve	Undistributed profit			Others	Subtotal
	Preferred shares	Perpetual bond	Others												
I. Closing balance of last year	808,678,476.00				122,970,340.27	76,159,897.25	-41,522,541.60		356,924,811.32		6,451,748,564.12		7,622,639,752.86	35,668,094.06	7,658,307,846.92
Plus: cumulative changes of accounting policies															
Error correction of prior period															
Enterprise merger under the same control															
Others															
II. Opening balance of current year	808,678,476.00				122,970,340.27	76,159,897.25	-41,522,541.60		356,924,811.32		6,451,748,564.12		7,622,639,752.86	35,668,094.06	7,658,307,846.92
III. Current period increase ("-" for decrease)	-24,000.00				22,605,249.89	16,788,982.02	11,100,770.29				702,796,551.89		652,325,549.69	924,754.32	651,400,795.37
(I) Total of comprehensive incomes							11,100,770.29				932,849,164.03		943,949,934.32	924,754.32	944,874,688.64
(II) Capital invested and reduced by the owner	-24,000.00				22,605,249.89	74,974,397.25					76,150,757.24		21,404,889.90		21,404,889.90
1. Common shares invested by shareholders															
2. Capital invested by other equity instrument holders															
3. Amount of share-based payment included into owners' equities	-24,000.00				22,605,249.89	74,974,397.25					76,150,757.24		21,404,889.90		21,404,889.90
4. Others															
(III) Profit distribution											1,559,494,958.68		1,559,494,958.68		1,559,494,958.68
1.															

		shares	bond				incomes						
I. Closing balance of last year	821,083,860.00				226,859,041.81	412,206,786.34	-39,031,832.57	401,648,181.64	6,202,587,444.38	7,200,939,908.92	35,784,081.11	7,236,723,990.03	
Plus: cumulative changes of accounting policies													
Error correction of prior period													
Enterprise merger under the same control													
Others													
II. Opening balance of current year	821,083,860.00				226,859,041.81	412,206,786.34	-39,031,832.57	401,648,181.64	6,202,587,444.38	7,200,939,908.92	35,784,081.11	7,236,723,990.03	
III. Current period increase ("-" for decrease)	-4,237,199.00				109,418,236.42	37,684,949.46	-1,695,778.42	176,243,585.79	183,011,267.45	436,921,117.62	-1,797,388.63	-438,718,506.25	
(I) Total of comprehensive incomes							-1,695,778.42		865,590,446.89	863,894,668.47	-1,797,388.63	862,097,279.84	
(II) Capital invested and reduced by the owner	-4,237,199.00				109,387,301.34	295,430,928.99		176,243,585.79		5,562,842.86		5,562,842.86	
1. Common shares invested by shareholders													
2. Capital invested by other equity instrument holders													
3. Amount of share-based payment included into owners' equities	-26,000.00				5,562,842.86	26,000.00				5,562,842.86		5,562,842.86	
4. Others	-4,211,199.00				114,950,144.20	295,404,928.99		176,243,585.79					
(III) Profit distribution									1,048,601,714.34	1,048,601,714.34		1,048,601,714.34	
1. Appropriation of surplus reserve													
2. Appropriation of general risk reserve													
3. Appropriation of profit to									1,048,601,714.34	1,048,601,714.34		1,048,601,714.34	

accounting policies												
Error correction of prior period												
Others												
II. Opening balance of current year	808,678,476.00				236,901,053.81	76,159,897.25			404,339,238.00	5,141,307,982.39		6,515,066,852.95
III. Current period increase ("-" for decrease)	24,000.00				22,605,249.89	16,788,982.02				1,572,036,909.43		1,532,666,677.52
(I) Total of comprehensive incomes										63,608,806.49		63,608,806.49
(II) Capital invested and reduced by the owner	24,000.00				22,605,249.89	74,974,397.25				76,150,757.24		21,404,889.90
1. Common shares invested by shareholders												
2. Capital invested by other equity instrument holders												
3. Amount of share-based payment included into owners' equities	24,000.00				22,605,249.89	74,974,397.25				76,150,757.24		21,404,889.90
4. Others												
(III) Profit distribution										1,559,494,958.68		1,559,494,958.68
1. Appropriation of surplus reserve												
2. Appropriation of profit to owners (or shareholders)										1,559,494,958.68		1,559,494,958.68
3. Others												
(IV) Internal carry-over within owners' equities												
1. Transfer of capital reserve to capital (or share capital)												
2. Transfer of surplus reserve to capital (or share capital)												
3. Surplus reserve to cover losses												
4. Earnings retained												

carrying over amount of changes in defined benefit plan												
5. Earnings retained after carrying over other comprehensive incomes												
6. Others												
(V) Special reserve												
1. Appropriation of current period												
2. Application of current period												
(VI) Others						58,185.4 15.23						- 58,185.4 15.23
IV. Closing balance of current period	808,654, 476.00				259,506, 303.70	59,370.9 15.23			404,339, 238.00	3,569,27 1,072.96		4,982,40 0,175.43

Amount of last year

Unit: RMB

Item	2021 Semiannual											
	Share capital	Other equity instruments			Capital reserves	Minus: treasury share	Other comprehensive incomes	Special reserves	Surplus reserve	Undistributed profit	Others	Total owners' equities
		Preferred shares	Perpetual bond	Others								
I. Closing balance of last year	821,083, 860.00				666,767, 326.32	412,206, 786.34			410,621, 980.00	1,255,63 1,844.17		2,741,89 8,224.15
Plus: cumulative changes of accounting policies												
Error correction of prior period												
Others												
II. Opening balance of current year	821,083, 860.00				666,767, 326.32	412,206, 786.34			410,621, 980.00	1,255,63 1,844.17		2,741,89 8,224.15
III. Current period increase ("-" for decrease)	- 4,237.19 9.00				- 284,368, 054.46	- 37,684.9 49.46				- 970,576, 833.01		- 1,221.49 7,137.01
(I) Total of comprehensive incomes										78,024.8 81.33		78,024.8 81.33
(II) Capital invested and reduced by the owner	- 4,237.19 9.00				- 284,337, 119.38	- 295,430, 928.99						6,856.61 0.61
1. Common shares invested by shareholders												
2. Capital												

					8						914.61
IV. Closing balance of current period	816,846,661.00				382,399,271.86	374,521,836.88			410,621,980.00	285,055,011.16	1,520,401,087.14

III. Basic Information of the Company

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

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

The financial statements have been approved by the Board of Directors on August 30, 2022.

As of June 30, 2022, there were altogether 21 subsidiaries included into the scope of consolidated financial statement. See Note 9 "Equity in other entities" for details.

IV. Preparation basis of the financial statements

1. Preparation basis

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

Supor has carried out new standards on financial instruments such as Accounting Standards for Business Enterprises No. 22 -- Recognition and Measurement of Financial Instruments and Accounting Standards for Business Enterprises No. 14 - Revenue revised by the Ministry of Finance in 2017 since January 1, 2019 and January 1, 2020 respectively. And since January 1, 2021, the Ministry of Finance 2018 revised Accounting Standards for Business Enterprises No. 21 - Leasing.

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

2. Continuing operation

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

V. Important accounting policies and estimates

Specific accounting policies and estimates:

Supor has made accounting policies and estimates as to method for accruing provision for bad debts for receivables, method for calculating inventory value and accruing depreciation provision, depreciation of fixed assets and amortization of intangible assets, recognition time point of revenue and other transactions and items based on the actual production and operation features and the provisions of related accounting standards for business enterprises. For details, please refer to descriptions of 9 "Financial instruments", 12 "Inventory" - (3), 16 "Fixed assets" - (2), 19 "Intangible assets" - (1), and 26 "Revenue" of Note 5.

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

The financial statement prepared by the Company conforms to the requirements of the Accounting Standards for Business Enterprises and has reflected relevant information such as the financial conditions on June 30, 2022, and operating results and cash flow of the first half year of 2022 of the Company and Supor on an authentic and intact basis. In addition, the financial statements of the Company and Supor conform to the disclosure requirements of the Regulations of Corporate Information Disclosure and Preparation by Companies Publicly Issuing Securities No.15 - General Provisions on Financial Reporting revised by the China Securities Regulatory Commission in 2014 and related financial statements and their notes.

2. Accounting period

The accounting period of Supor is divided into annual period and interim period; an interim period refers to a reporting period which is shorter than a whole fiscal year. Supor takes calendar year as the fiscal year, i.e., from January 1 to December 31.

3. Operating cycle

The normal operating cycle means the period from the time when Supor purchases the assets used for processing to the time of realizing cash and cash equivalents. Supor takes 12 months as an operating cycle and uses it as a standard for classifying the liquidity of assets and liabilities.

4. Recording currency

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

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

Enterprise merger refers to the transactions or events of two or more separate enterprises combing into a reporting entity. Enterprise merger is divided into the enterprise merger under the same control and enterprise merger not under the same control.

For transactions not under the same control, the acquirer will consider whether to choose to use the simplified judgment method of "concentration test" when determining whether the acquired asset portfolio forms a business. If the portfolio passes the concentration test, it is judged not to form a business; otherwise, it should still be judged against business conditions.

When Supor has acquired a group of assets or net assets that do not constitute a business, the purchase cost shall be distributed

according to the relative fair value basis of all identifiable assets and liabilities acquired on the purchase date, and it shall not be handled according to the following accounting treatment method of enterprise merger.

(1) Enterprise merger under the same control

If enterprises involved with merger are under the final control of the same party or same multiple parties before and after merger, and the control is not temporary, it belongs to an enterprise merger under the same control. For enterprise merger under the same control, the party which has obtained the control rights for other combining enterprises on the merger date will be considered as the acquirer, and other participating enterprises are the acquiree. The merger date refers to the day when the acquirer actually obtains the control rights of the acquiree.

The assets and liabilities obtained by the acquirer shall be measured on the basis of book value of the acquiree on the merger date. As to the difference between the book value of net assets acquired by acquirer and the book value of merger consideration paid by it (or total amount of the book value of shares issued), the capital reserve shall be adjusted correspondingly (share capital premium); the retained earnings will be adjusted as long as capital reserve (share capital premium) is insufficient to be offset.

The acquirer's direct expenses incurred from enterprise merger shall be included into the current profits and losses at the time of occurrence.

(2) Enterprise merger not under the same control

If enterprises involved with merger are not under the final control of the same party or same multiple parties before and after merger, it belongs to an enterprise merger not under the same control. For enterprise merger not under the same control, the party which has obtained the control rights for other combining enterprises on the purchase date will be considered as the acquirer, and other participating enterprises are the acquiree. The purchase date refers to the day when the acquirer obtains the control right over the acquiree.

As for enterprise merger not under the same control, the merger costs include the assets paid by the acquirer, the liabilities accrued and assumed, as well as the fair value of the equity security issued for obtaining acquiree's control right on the purchase date; the intermediary fees, such as auditing, legal service and evaluation and consulting, and other related administrative expenses for the enterprise merger shall be included into the current profits and losses at the time of occurrence. Transaction cost of equity securities or debt securities issued by the acquirer as merger consideration shall be included into initial recognition amount of the equity securities or debt securities. Contingent consideration involved shall be included into the merger cost according to the fair value at the purchase date; if new or further proofs appearing within 12 months after the purchase date show that the contingent consideration needs to be adjusted, the consolidation goodwill shall be adjusted correspondingly. The merger costs incurred by the acquirer and the identifiable net assets obtained in the merger shall be measured at the fair value on the purchase date. The difference between the merger cost and the fair value of the identifiable net assets of the acquiree obtained in the merger on the purchase date is recognized as goodwill. If the merger cost is lower than the fair value of identifiable net assets of the acquiree during merger, the measurement of the identifiable assets of the acquiree obtained, liabilities or fair value of contingent liabilities and the merger costs shall be reviewed firstly. If the merger cost is still lower than the fair value of identifiable net assets of the acquiree during merger, the difference shall be included into the current profits and losses.

If the deductible temporary difference of the acquiree gained by acquirer fails to be confirmed on the purchase date due to the inconformity of the recognition condition of deferred income tax assets, and in case new or further information obtained indicates that the relevant conditions on the purchase date have existed within 12 months after the purchase date, and it is predicted that the economic benefits brought by the acquiree from deductible temporary differences can be realized on the purchase date, relevant deferred income tax assets shall be confirmed, and at the same time, the goodwill shall be reduced; if the goodwill is insufficient for offset, the differential part shall be confirmed as the current profits and losses; except for above conditions, in case the deferred income tax assets are confirmed to be related to the enterprise merger, they shall be included into the current profits and losses.

As for enterprise merger not under the same control realized step by step through multiple transactions, it shall judge whether the multiple transactions belong to the "package deal" according to No. 5 Notice about Printing and Issuing Accounting Standards for Business Enterprises Explanation in Ministry of Finance (CK [2012] No.19) and the judgment standard (refer to the Note 5. 6

"Preparation method for consolidated financial statements" (2)) about "package deal" in Article 51 of the Accounting Standards for Business Enterprises No. 33 -- Consolidated Financial Statement. If the multiple transactions belong to the "package deal", refer to the above descriptions of the part and Note 5. 15 "Long-term equity investment" to conduct the accounting treatment; for those not belonging to "package deal", it shall distinguish the individual financial statement and consolidated financial statement to conduct relevant accounting treatment:

The sum of book value of the acquiree's equity investment held prior to the purchase date and the newly investment cost on the purchase date in the individual financial statement shall be regarded as the initial investment cost of such investment; in case that the equity of the acquiree held before the purchase date is involved in other comprehensive incomes, when disposing the investment, other comprehensive income related shall be converted into current investment incomes.

In consolidated financial statements, the equity of the acquiree held before the purchase date shall be measured again according to the fair value of the equity at the purchase date, and the difference between fair value and its book value shall be included into the current investment income; in case that the equity of the acquiree held before the purchase date is involved in other comprehensive incomes, other comprehensive income related shall be converted into the current investment incomes of the purchase date.

6. Preparation method for consolidated financial statements

(1) Determination principles of consolidated financial statement

The merger scope of the consolidated financial statements shall depend on the control. Control refers to the power of Supor over the investee. The Group can enjoy variable return through participating in related activities of the investee and has the ability of using its power over the investee to influence the return amount. The merger scope includes the Company and all its subsidiaries. Subsidiaries are entities controlled by Supor.

Supor will make a re-evaluation if the change in the relevant facts and circumstances leads to the change of the relevant elements involved in the above definition of control.

(2) Preparation method for consolidated financial statements

From the date of obtaining actual control right of subsidiaries' net assets and production operation decision, Supor will begin to include it into the merger scope; subsidiaries will not be included into the merger scope from the date when the Company loses its actual control right. As for the disposed subsidiaries, the operating results and cash flow before disposal date have been properly included into the consolidated profit statement and consolidated cash flow statement; as for subsidiaries disposed in the current period, the beginning amount of the consolidated balance sheet will not be adjusted. As for subsidiary increased due to the enterprise merger not under the same control, its operating results and cash flow after the purchase date have been properly included into the consolidated profit statement and consolidated cash flow statement, and the beginning amount and contrast balance of the consolidated financial statement shall not be adjusted. As for subsidiary increased due to the enterprise merger under the same control and the acquiree under merger, the operating results and cash flow from the beginning of the current period of the merger to the merger date have been properly included into the consolidated profit statement and the consolidated cash flow statement, and the contrast balance of the consolidated financial statement shall be adjusted simultaneously.

When consolidated financial statements are prepared, in case the accounting policies or accounting periods employed by the subsidiary and the Company are different, it's required to make necessary adjustment on the subsidiary's financial statements according to the Company's accounting policy and accounting period. As to the subsidiary acquired by the enterprise merger not under the same control, it's required to adjust its financial statement on the basis of fair value of identifiable net assets at the purchase date.

All significant current balance and transaction and unrealized profits in the Group are offset in the preparation of consolidated financial statements.

The shareholders' equities and current net profits and losses of subsidiaries that do not belong to the part owned by the Company shall be separately listed in the shareholders' equities and net profits in the consolidated financial statement as the minority shareholders' equities and profits and losses. The share in the current net profit or loss of the subsidiary that belongs to minority shareholders' equities

shall be set out as "minority shareholders' profit and loss" under net profit in the consolidated profit statement. In case the losses of the subsidiary shared by minority shareholders exceed the share that shall be enjoyed by minority shareholders in the subsidiary's shareholders' equities at the beginning of the year, the minority shareholders' equities shall be offset.

When the control right of the original subsidiary is lost due to disposal of partial equity investment or other reasons, the residual equity shall be remeasured at its fair value on the date of loss of control right. The difference between the sum of the consideration acquired by equity disposal and the fair value of residual equity and the share of net assets of the original subsidiary that shall be enjoyed and is calculated continuously from the purchase date according to the original shareholding ratio shall be included into the investment income of the current period when the control right is lost. As for other comprehensive incomes related to the equity investment of the original subsidiary, when the control right is lost, the accounting treatment shall be carried out on the same basis as the subsidiary's direct disposal of relevant assets or liabilities. Thereafter, the residual equity of this part shall be further measured in accordance with Accounting Standards for Business Enterprises No. 2 -- Long-term Equity Investment or Accounting Standards for Business Enterprises No. 22 -- Recognition and Measurement of Financial Instruments. As for details, please refer to Note 5.15 "Long-term equity investment" or Note 5.9 "Financial instruments".

If Supor disposes the equity investment of subsidiary step by step via multiple transactions until losing the control right, it is necessary to distinguish whether transactions for disposal to the equity investment of subsidiary until losing the control right belong to the package deal. When the disposal of the articles, conditions and the economic impact of various transactions for the equity investment of the subsidiary is subject to one or more of the following conditions, it generally indicates that it shall conduct accounting treatment by taking the multiple transactions as a package deal: ① These transactions are considered to be concluded at the same time or made in the case of considering mutual influence; ② These transactions as a whole can reach a complete business result; ③ The occurrence of a transaction depends on the occurrence of at least one other transaction; ④ One transaction alone is not economical, but when being considered together with other transactions, it is economical. If it is not package deal, every transaction will be conducted by the accounting treatment according to the following suitable principles, namely, "partially dispose the long-term equity investment of subsidiary when the control right is not lost" (See Note 5.15 "Long-term equity investment" (2), (d)) and "lose the control right of the original subsidiary due to disposal of partial equity investment or other reasons" (see previous paragraph). If all transactions from the disposal of equity investment in subsidiaries to the loss of control right are package deals, such transactions are regarded as a transaction that disposes the subsidiary and loses the control right; however, the difference between the disposal price and the subsidiary's net asset shares enjoyed corresponding to disposing investment before losing the control right shall be recognized as other comprehensive incomes in the consolidated financial statement, which shall be transferred into the current profits and losses of losing the control right when the control right is lost.

7. Determining standards for cash and cash equivalents

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

8. Foreign currency business and foreign currency statement conversion

(1) Conversion method for foreign currency transaction

Upon initial recognition, the foreign currency transactions occurring in Supor are converted into recording currency amounts at the spot rate prevailing on the transaction date (usually the central parity of the exchange rate quoted on the day of issuance by the People's Bank of China, the same below).

(2) Conversion method for foreign currency monetary items and foreign currency non-monetary items

For the balance sheet date, the spot rate on the balance sheet date will be adopted in the conversion of the foreign currency monetary items. In terms of the resulting exchange differences: ① The exchange difference of special foreign currency borrowings related to acquiring and constructing assets which meet capitalization conditions is disposed on the principle of the capitalization of borrowing expense; and ② foreign currency monetary items measured at the fair value with their changes included into other comprehensive incomes, except that the exchange difference created by other book balance changes other than by amortized costs (including decrease in value) is included into other comprehensive incomes, are included into the current profits and losses.

As to foreign currency non-monetary items measured by historical cost, the amount in the recording currency converted at the spot rate on the transaction date is still employed for measurement; as to foreign currency non-monetary items measured by fair value, it's required to employ the spot rate at the fair value confirmation date for conversion, and the resulting exchange difference falls into equity instrument measured at the fair value with their changes included into other comprehensive incomes, which shall be included into other comprehensive incomes. Other differences are included into the current profits and losses.

(3) Conversion method of foreign currency financial statements

The foreign currency financial statement of overseas business is converted to RMB statement with the following method: the assets and liabilities in the balance sheet shall be converted based on the spot rate on the balance sheet date; as for shareholders' equities, except the "undistributed profits", other items shall be converted by the spot rate on the date of occurrence. Items under revenue and cost in income statement shall be translated according to the spot rate at the transaction date. The undistributed profits at the beginning of the year is the year-end undistributed profit after conversion of last year; the year-end undistributed profit is calculated and presented according to the profit distribution of each item after conversion; the balance of the total amount among the assets and liabilities as well as shareholders' equities after conversion serves as "conversion difference in foreign currency statement" and is recognized as other comprehensive income. For disposal of overseas business and the loss of control right, the conversion difference in foreign currency statement related to the overseas business and presented under the shareholders' equities in the balance sheet is transferred wholly or according to the disposal ratio of the overseas business into the disposal of current profits and losses.

Foreign cash flows and cash flows of subsidiaries overseas are converted based on spot rate on the occurring date of cash flows. The effect of changes in the exchange rate on cash is listed separately in the cash flow statement as an adjustment item.

The beginning amount of the year and actual amount of the previous year shall be presented according to the amount after conversion of financial statement of last year.

In case of loss of control right of overseas business due to disposal of Supor's entire owners' equities in overseas business, or the disposal of partial equity investment or other reasons, the foreign currency conversion difference listed in the shareholders' equities items in the balance sheet, related to the overseas business and attributable to owners' equities belonging to parent company shall be totally converted into the current disposal profits and losses.

In case of decrease of the ratio of overseas business, but no loss of control right due to disposal of partial equity investment or other reasons, the conversion difference related to the disposal of part of related currency in the overseas business shall be attributable to the minority shareholders' equities, and not converted into the current profits and losses.

If there are any foreign currency monetary items that substantially constitute net investment in overseas businesses, the exchange difference generated due to the exchange rate change in the consolidated financial statements shall be determined to other comprehensive incomes as "conversion difference in foreign currency statements"; when disposing overseas business, it shall be included into the current disposal profits and losses.

9. Financial instrument

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

(1) Classification, recognition and measurement of financial assets

Based on the business model for managing financial assets and the contracted cash flow features of financial assets, Supor divides the financial assets into: financial assets measured by amortized cost, financial assets measured at the fair value with their changes included into other comprehensive incomes, financial assets measured at the fair value with their changes included into the current profits and losses.

The business model for managing financial assets means that how Supor manages its financial assets, so as to generate cash flows. Through business model, it can be determined that whether the cash flow of financial assets managed by Supor is from the collection of contractual cash flow, sales of financial assets, or both. Supor, based on the objective facts and specific business objectives of financial asset management determined by key management personnel, makes decisions on the business model for managing financial assets.

Supor evaluates the contractual cash flow characteristic of financial assets to determine whether the contractual cash flow generated by the relevant financial assets on the specific date is only the payment of the principal and the interest on the basis of the outstanding principal amount. Wherein, the principal refers to the fair value of financial assets at initial recognition; the interest includes the consideration of the time value of money, the credit risk related to the outstanding principal amount for a specific period, and other basic borrowing risks, costs, and profits. Furthermore, Supor evaluates the contract terms that are likely to cause changes in the distribution of time or amount of the contractual cash flow of financial assets, to determine whether the terms satisfy the requirements of the above contractual cash flow characteristics.

Unless Supor changes the business model of the financial asset management, all influenced financial assets will be reclassified on the first day of the first reporting period after the business model changes under such conditions. Otherwise, the financial assets cannot be reclassified after the initial recognition.

Financial assets shall be measured by fair value during initial recognition. As to financial assets measured at the fair value with their changes included into the current profits and losses, related transaction cost shall be included into the current profits and losses directly; as to other categories of financial assets, related transaction cost shall be included into initial recognition amount. Accounts receivable or notes receivable that are from sale of products or rendering of labors, and do not include or take into account significant financing parts are taken as initial recognition amount by Supor based on the consideration amount that the Group is entitled to receive.

(a) Income from derecognition of financial assets measured by amortized cost

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

(b) Financial assets measured at the fair value with their changes included into other comprehensive incomes,

The business model of Supor to manage such financial assets is aimed at receiving contracted cash flows as well as sales; the contract cash flow features of such financial assets are consistent with basic loan arrangements. Supor measures such financial assets at fair value with their changes included into other comprehensive income, but impairment losses or gains, exchange gains and losses, and interest revenues calculated based on effective interest method are included into the current profits and losses. At the time of derecognition of such financial assets, the accumulated gains or losses included into other comprehensive income before will be shifted from other comprehensive income and included into the current profits and losses.

For non-tradable equity instrument investments, Supor may, at the initial recognition, irrevocably designate it as the financial assets measured at the fair value with their changes included into other comprehensive incomes. The assignment is based on the independent investment and related investment conforms to the definition of equity instruments from the issuer's point of view. Supor includes the related dividend revenue of such financial assets into the current profits and losses with the change in fair value included into other comprehensive income. At the time of derecognition of such financial assets, the accumulated gains or losses included into

other comprehensive income before will be shifted to retained earnings from other comprehensive income but not included into the current profits and losses.

(c) Financial assets measured at the fair value with their changes included into the current profits and losses.

Supor recognizes financial assets that are not measured by amortized cost nor at fair value with changes included into other comprehensive incomes as the financial assets measured at fair value with their changes included into the current profits and losses. In addition, during initial recognition, in order to eliminate or significantly reduce accounting mismatches, Supor designates part of the financial assets as financial assets measured at the fair value with their changes included into the current profits and losses. After the initial recognition, such financial assets are subject to the follow-up measurement as per fair value by Supor and the gains or losses generated (including the interest and dividend revenue) are included into current profits and losses unless such financial assets are a part of the hedging relationship.

(2) Classification, recognition and measurement of financial liabilities

Financial liabilities are classified into financial liabilities measured at the fair value with their changes included into the current profits and losses, financial guarantee liabilities and other financial liabilities during initial recognition. As to financial liabilities measured at the fair value with their changes included into the current profits and losses, related transaction cost shall be included into the current profits and losses directly; as to other financial liabilities, related transaction cost shall be included into initial recognition amount.

(a) Financial liabilities measured at the fair value with their changes included into the current profits and losses

Financial liabilities measured at the fair value with their changes included into the current profits and losses include financial liabilities held for trading (including derivatives that are classified as financial liabilities) and financial liabilities that are designated to be measured at the fair value with their changes included into the current profits and losses during initial recognition.

Financial liabilities held for trading (including derivatives that are classified as financial liabilities) are measured subsequently at fair value and except for those related to hedge accounting, changes in fair value are included into current profits and losses.

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

(b) Financial guarantee liabilities

A financial guarantee contract refers to the contract that requires Supor to pay a specific amount to the contract holder who has suffered a loss when the specific debtor fails to pay the debt in accordance with the original or modified debt instrument terms at the time of expiry.

After the initial recognition, the relevant incomes of the financial guarantee contracts shall be amortized and included into the current profits and losses pursuant to accounting policy set forth in Note 5.26 "Revenues". Financial guarantee liabilities will be treated with subsequent measurement as per the loss provision determined as per the impairment principle of financial instruments, and the balance after deducting the accumulative amortized amount determined as per the financial guarantee contract with the initial recognition amount, whichever is higher.

(c) Other financial liabilities

In addition to financial liabilities and financial guarantee contracts as a result of financial asset transfers that are not in line with derecognition condition or continuous involvement in transferred financial asset, other financial liabilities are classified as financial

liabilities measured at amortized cost and measured subsequently at amortized cost, and gains or losses arising from derecognition or amortization of such liabilities are included into the current profits and losses.

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

If financial assets meet one of the following conditions, derecognition of such financial assets will be carried out: ① the contractual right to receive cash flow from the financial assets is terminated; ② the financial assets have been transferred and almost all the risks and rewards in the ownership of the financial assets are transferred to the transferee; ③ the financial assets have been transferred and, although the Group has neither transferred nor retained almost all risks and rewards in the ownership of the financial assets, it has waived its control over the financial assets.

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

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

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

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

(4) Derecognition of financial liabilities

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

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

(5) Offset of financial assets and financial liabilities

In case Supor has the legal right of offsetting the financial assets and financial liabilities recognized and such legal right is executable now, and Supor plans to carry out settlement by net amount or realize the financial assets and pay off the financial liabilities

simultaneously, the net amount after mutual offset of such financial assets and financial liabilities shall be set out in the balance sheet. Otherwise, financial assets and financial liabilities shall be set out in the balance sheet respectively and will not be offset mutually.

(6) Equity instruments

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

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

10. Financial assets impairment

Financial assets with impairment loss confirmed by Supor are financial assets measured with amortized cost and debt instrument investment measured at the fair value with their changes included into other comprehensive incomes, mainly including notes receivable, accounts receivable, receivables financing, other receivables, and other debt investments. Moreover, as for contract assets and some financial guarantee contracts, it's necessary to calculate and withdraw impairment provision and recognize credit impairment losses pursuant to accounting policy set forth in this part.

(1) Recognition method of impairment provision

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

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

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

When the expected credit loss is measured, the longest period to be considered by Supor is the longest contract period when the enterprise faces the credit risk (including considering the renewal option). The expected credit loss of the whole duration refers to the expected credit loss arising from all possible events of default regarding financial instrument occurring during the entire duration. The expected credit loss within the next 12 months refers to the expected credit loss caused by possible event of default concerning financial instrument within 12 months after the balance sheet date (the expected duration, if the expected duration of the financial instrument is less than 12 months) which is part of the expected credit losses during the entire duration.

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

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

In case that probability of default of one financial asset confirmed on the balance sheet date in the expected period of existence is obviously higher than that confirmed at the moment of initial recognition in the expected period of existence, it means credit risk of

such financial asset remarkably increases. The changes of default risk within the next 12 months are adopted by Supor other than special cases as reasonable estimate in the entire duration, ensuring whether the credit risk has increased significantly since the initial recognition.

(3) Combinatorial method of appraising future credit risk based on portfolio

Supor appraises the credit risk of the financial asset item of significantly different credit risks, such as: receivables from the related parties; receivables disputed with the opposite side or involving litigation or arbitration; there have been obvious signs showing that the debtor possibly is not able to perform the repayment obligations of receivable amounts, etc.

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

(4) Accounting treatment method of financial assets impairment

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

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

(a) Notes receivable

Supor measures loss provision for notes receivable based on the amount equivalent to predicted credit loss in the whole period of existence.

(b) Accounts receivable and contract assets

For accounts receivable and contract assets not containing significant financing part, Supor measures its loss provisions based on the amount of expected credit losses during the entire duration.

For accounts receivable and contract assets containing significant financing part, Supor always selects to measure its loss provisions based on the amount of expected credit losses during the duration.

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

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

(c) Other receivables

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

Item	Basis for determination of portfolio
Portfolio 1: age portfolio	Aging of receivables is used as the credit risk feature for this portfolio.
Portfolio 2: low-risk portfolio	The portfolio includes low-risk amounts such as dividends receivable and related receivables from government departments.

Portfolio 3: merged related parties portfolio	This portfolio includes current amount between related parties within the merger scope of amounts receivable.
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11. Receivables financing

The notes receivable and accounts receivable measured at the fair value with their changes included into other comprehensive incomes are listed as receivables financing with a term of less than one year (including one year) from the initial recognition. For related accounting policies, please refer to Note 5. 9 "Financial instruments" and Note 5. 10 "Financial assets impairment".

12. Inventories

(1) Classification

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

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

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

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

Net realizable value refers to the amount of the estimated selling price of inventories deducted by estimated costs to be incurred upon completion, estimated sales expenses and related taxes in daily activities. For the inventories held for executing the sales contract or labor contract, the net realizable value shall be measured based on the contract price. When the amount of inventories held is more than the ordering amount in the sales contract, the net realizable value of the excess shall be measured based on the general sales price. The determination of realizable net value of the inventory shall be based on the concrete evidence acquired and consider the purpose of holding inventory, and impacts of the events after the balance sheet date.

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

After the inventory depreciation reserve is withdrawn, if factors that previously reduced the value of inventory disappear, causing net realizable value of inventory to be higher than its book value, the original inventory depreciation reserves will be reversed and the amount reversed is included into current profits and losses.

(4) Inventory system is perpetual inventory system

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

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

13. Contract assets

Supor lists as contract assets in the balance sheet the right that the customer has not paid the contract consideration, but Supor has fulfilled the performance obligations according to the contract and does not belong to the unconditional (only depending on the passage of time) collection right from the customer. Contract assets and contract liabilities under the same contract are reported in net amount, and contract assets and contract liabilities under different contracts are not offset.

For the determination and accounting treatment methods of expected credit loss of contract assets, please refer to Note 5. 10 "Financial assets impairment".

14. Held-for-sale assets and disposal group

In case Supor mainly recovers the book value by selling (including non-monetary assets exchange of commercial essence, the same below) rather than using a non-current asset or disposal group continuously, it will be classified as held-for-sale category. Specific standard refers to meeting the following conditions at the same time: one non-current asset or disposal group can be immediately sold under the current situation pursuant to the convention for selling such asset or disposal group in similar transaction; Supor has made a resolution about sale plan and got certain of purchase commitment; It's predicted that the sale will be completed within one year. Among them, disposal group refers to a group of assets that will be disposed together as a whole by selling or other means in a transaction and the liabilities directly related to these assets and transferred in the transaction. In case the asset group or asset group portfolio where the disposal group belongs has amortized the goodwill acquired in enterprise merger according to Accounting Standards for Business Enterprises No. 8 -- Impairment of Assets, the disposal group shall include the goodwill amortized to it.

If there are non-current assets or disposal groups purchased under agreements to resell during initial measurement or on the balance sheet day based on remeasurement of Supor, and if the book value is higher than the net amount by deducting the selling expenses with the fair value, the book value shall be written down and be equal to the net amount by deducting the selling expenses with the fair value. The write-down amount shall be confirmed as the asset impairment loss and shall be included into the current profits and losses. At the same time, the impairment provision of the held-for-sale assets shall be calculated and withdrawn. For the disposal group, it shall deduct the book value of the goodwill in the disposal group with the asset impairment loss confirmed, and then deduct the book value of each non-current asset in the disposal group in proportion conforming to the measurement provisions of Accounting Standards for Business Enterprises No. 42 -- Non-current Assets and Disposal Groups Held for Sale and Termination of Business Operation (hereinafter referred to as "Standard for Held-for-sale Non-current Assets"). For the held-for-sale disposal group, if the net amount after deducting the selling expenses from the fair value on the subsequent balance sheet date increases, the previous write-down amount shall be recovered and shall be reversed from the confirmed amount of asset impairment loss amount of the non-current asset as per the measurement provisions on the Standard for Held-for-sale Non-current Assets after the assets are classified as held-for-sale category. The reverse amount shall be included into the current profits and losses, and the book value shall be added in proportion of the book value of each non-current asset in the disposal group applicable to the measurement provisions on the Standard for Held-for-sale Non-current Assets, except for the goodwill; book value of the goodwill that has been offset and asset impairment loss recognized before the non-current assets applying to the measurement provisions on Standard for Held-for-sale Non-current Assets are classified as held-for-sale category shall not be reversed.

Depreciation or amortization will not be withdrawn for held-for-sale non-current assets or non-current assets in the disposal group, and the interest of liabilities in held-for-sale disposal group and other expenses shall be recognized continuously.

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

15. Long-term equity investment

The long-term equity investment mentioned in this part refers to the long-term equity investment of which Supor has control right, common control right or significant impact on the invested units. Long-term equity investments that Supor does not have control, common control or significant impact on the invested unit are checked as financial assets financial assets measured at the fair value with their changes included into the current profits and losses. If such assets are non-transactional, Supor may specify these capitals as financial assets measured at the fair value with their changes included into other comprehensive incomes at the time of initial recognition. For the accounting policy, please refer to Note 5.9 "Financial instruments".

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

Determination of investment cost

For the long-term equity investment obtained from the enterprise merger under the same control, the initial investment cost of the long-term equity investment shall be taken as the share of the book value of the acquiree's shareholders' equities/owners' equities in consolidated financial statements of the final controlling party on the merger date. As to the difference between initial investment cost of long-term equity investments and the book value of the cash paid, non-cash assets transferred and liabilities assumed, it's required to adjust the capital reserve correspondingly. In case the capital reserve is insufficient for the offset, it's required to adjust the retained earnings. In case that the issuance of equity securities is used as the merger consideration, the share of the book value of the acquiree's shareholders' equities/owners' equities in consolidated financial statements of the final controlling party is regarded as the initial investment cost of long-term equity investment on the merger date; the capital reserves shall be adjusted in accordance with taking the total book value of the issued share as share capital, and the difference between the initial investment cost of long-term equity investment and the total book value of shares issued; In case the capital reserve is insufficient for the offset, it's required to adjust the retained earnings. The equity of the acquiree held step by step through several transactions, which finally forms enterprise merger under the same control, shall be handled separately according to whether it belongs to "package deal": if it belongs to the "package deal", the accounting treatment will be carried out by taking the transaction as the transaction with acquisition of control right. If it does not belong to "package deal", the share of the book value of the acquiree's shareholders' equities/owners' equities in consolidated financial statements of the final controlling party on the merger date will be taken as the initial investment cost of long-term equity investment, and the capital reserve will be adjusted according to the difference between the initial investment cost of long-term equity investment and the sum of book value of long-term equity investment before merger and book value of consideration newly paid for acquiring the share; in case the capital reserve is insufficient for the offset, it's required to adjust the retained earnings. Other comprehensive income of equity investment held before the merger date, which is accounted by equity method or recognized as financial assets measured at the fair value with their changes included into other comprehensive incomes, is not subject to the accounting treatment temporarily.

The long-term equity investment obtained from the enterprise merger not under the same control shall be used as the initial investment cost of long-term equity investment according to the merger cost on the purchase date. The merger cost includes the sum of assets paid by the acquirer, liabilities incurred or assumed, and fair value of issued equity securities. The equity of the acquiree held step by step through several transactions, which finally forms enterprise merger not under the same control, shall be handled separately according to whether it belongs to "package deal": if it belongs to the "package deal", the accounting treatment will be carried out by taking the transaction as the transaction with acquisition of control right. If it does not a "package deal", it shall take the sum of the book value of the original equity investment held by the original acquiree and the newly investment cost as the initial investment cost of the long-term equity investments under the cost method. If the equity originally held is accounted for by the equity method, the relevant other comprehensive incomes will not be accounted for the time being.

The initial measurement of other equity investments except for the long-term equity investment formed by the enterprise merger shall be carried out according to the costs; in consideration of the different acquisition modes of long-term equity investment, such costs shall be determined respectively by the cash purchase price actually paid by Supor, the fair value of equity securities issued by Supor, value agreed in the investment contract or agreement, the fair value or original book value of assets surrendered in the non-monetary assets exchange transaction, the fair value of the long-term equity investment, etc. The expenses, taxes and other necessary expenditures directly related to the acquisition of the long-term equity investment shall also be included into the investment cost. If the significant impact or common control is implemented on the invested unit due to the additional investment, but it does not constitute the control, the long-term equity investment cost is the sum of fair value of the originally held equity investment determined according to Accounting Standards for Business Enterprises No. 22 -- Recognition and Measurement of Financial Instruments and newly

investment cost.

(2) Methods for the subsequent measurement and the profit and loss confirmation

The long-term equity investment implementing the common control (except constituting the joint operator) or significant impact upon the invested unit adopts the equity method for accounting. Besides, the Company's financial statement adopts the cost method to account the long-term equity investment that can be controlled by the invested unit.

(a) Long-term equity investments under the cost method

When the cost method is adopted for the accounting, the long-term equity investment shall be valued according to the initial investment cost and the cost of long-term equity investment shall be adjusted by additional or recovering of the investment. The current investment incomes shall be recognized by the cash dividends or profits announced and issued by the invested unit, except for the actual price paid when the investment is obtained or the cash dividends or profits which have been declared but not issued in the consideration.

(b) Long-term equity investments under the equity method

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

Under equity method, it's required to recognize the investment income and other comprehensive income respectively according to net profit or loss realized by the invested unit that shall be owned or shared and other comprehensive income, and book value of the long-term equity investment shall be adjusted simultaneously. As to the part that shall be owned and calculated according to the profits or cash dividends announced and distributed by the invested unit, it's required to reduce the book value of long-term equity investment correspondingly. As to other changes in owners' equities of the invested unit except for net profits and losses, other comprehensive incomes and profit distribution, book value of the long-term equity investment shall be adjusted and included into the capital reserve. When the shares of net profit or loss of the invested unit that shall be owned are recognized, it shall be based on fair value of identifiable assets of the invested unit when the investment is acquired and after the adjustment is made on net profit of the invested unit. In case the accounting policy and accounting period employed by the invested unit are different from those employed by Supor, financial statements of the invested unit shall be adjusted according to Supor's accounting policy and accounting period. Besides, investment income, other comprehensive income, etc., shall be recognized on this basis. For the transaction incurred between Supor and associated enterprises and joint ventures, if the invested or sold assets do not constitute a business, the parts that do not achieve internal transaction profits and losses or belongs to Supor calculated in proportion to entitlement will be offset, and the profits or losses on investment will be confirmed on this basis. However, the unrealized internal transaction losses between Supor and the invested unit are not offset if they belong to the impairment loss of the transferred assets. If the assets invested by Supor to the joint venture or associated enterprise constitute business, and the investor thereupon obtains the long-term equity investment but fails to obtain the control right, the fair value of business launched is taken as the initial investment cost of newly long-term equity investment, and the difference between the initial investment cost and book value of business launched will be included into current profits and losses in full. If the assets sold by Supor to the joint venture or associated enterprise constitute the business, the difference between the consideration acquired and the book value of business shall be fully included into the current profits and losses. If Supor's assets purchased from the joint venture or associated enterprise constitute business, accounting treatment shall be conducted in accordance with the provisions of the Accounting Standards for Business Enterprises No. 20 -- Business Combinations, fully recognize the gains or losses related to the transaction.

When the net loss of the invested unit that shall be shared is recognized, it shall be limited to writing off the book value of long-term equity investment and other long-term equity constituting the net investment in the invested unit to the zero. Besides, if Supor is obliged to bear the extra loss for the invested unit, it shall be necessary to determine estimated liabilities and record them to current investment loss in compliance with obligations expected to be assumed. In case the net profit is realized by the invested unit later, after Supor makes up the unrecognized loss amount shared by the income amount shared, it's required to recover the recognition of income

amount shared.

(c) Acquisition of minority shareholders' equities

When compiling the consolidated financial statements, the Company shall adjust the capital reserve due to the difference between the newly-increased long-term equity investment from the purchase of minority shareholders' equities and the net asset shares entitled according to the newly-increased shareholding proportion of the subsidiary continuously calculated from the purchase date (or the merger date); in case that the capital reserves are not sufficient to offset, the Company shall adjust the retained earnings.

(d) Disposal of the long-term equity investment

The parent company partially disposes the long-term equity investment of the subsidiary when the control right is not lost in consolidated financial statement. The difference between disposal price and subsidiaries' net assets entitled corresponding to the disposal of long-term equity investment will be included into the shareholders' equities; supposing that the parent company loses the control right for the subsidiary due to the partial disposal of the long-term equity investment for the subsidiary, it shall be dealt with according to the related accounting policy as specified in the Note 5.6 "Preparation method for consolidated financial statements" (2).

As for the disposal of the long-term equity investment under other circumstances, the difference between the book value of the disposed equity and the actually-obtained price shall be included into current profits and losses.

For the long-term equity investment accounted by the equity method, if the residual equities after disposal shall still be accounted by the equity method, upon the disposal, the part of the other comprehensive incomes that is originally included into the shareholders' equities shall have the accounting treatment on the same basis of the invested unit's directly disposing the relevant assets or liabilities according to the corresponding proportion. However, the owners' equities that are recognized based on the changes in other owners' equities shall be converted into current profits and losses in proportion, except for net profits and losses, other comprehensive incomes and profit distribution of the investee.

For the long-term equity investments under the cost method, if the residual equities after disposal are still accounted with the cost method, as for other comprehensive incomes confirmed due to adopting the equity method for accounting or adopting the standards of recognition and measurement of financial instruments for accounting before obtaining control of the invested unit, it shall be conducted with accounting treatment on the same basis of the invested unit's directly disposal of the relevant assets or liabilities, and it shall be carried down to current profits and losses in proportion; changes in owners' equities other than net profits and losses, other comprehensive incomes and profit distribution in the net assets of the invested unit recognized as a result of adopting the equity method are carried forward to the current profits and losses in proportion.

If Supor loses control of the invested unit due to disposal of partial equity investment, and the residual equities after disposal may exert common control or significant impact on the invested unit while preparing individual financial statement, equity method will be adopted for accounting, and it will be accounted with equity method which is same as that when obtaining and adjusted; if the residual equities after disposal cannot implement the common control or exert significant impact on the invested unit, the relevant provisions in respect of the standards of recognition and measurement of financial instruments shall be referenced for the accounting treatment, and the difference between the fair value and book value shall be included into current profits and losses on the date of losing control. Before Supor acquires the control on the invested unit, for other comprehensive incomes confirmed due to adopting the equity method for accounting or adopting the standards of recognition and measurement of financial instruments for accounting, when the Group loses the control on the invested unit, it shall conduct the accounting treatment on the same basis of the invested unit's directly disposing the relevant assets or liabilities; the changes of the other owners' equities in net assets of the invested unit other than the net profits and losses, other comprehensive incomes and profit distribution accounted and confirmed by the equity method shall be converted into current profits and losses when the Group loses control on invested unit. Among which, if the residual equities after disposal are calculated by the equity method, other comprehensive incomes and other owners' equities shall be carried forward in proportion; if the residual equities after disposal are subject to the standards of recognition and measurement of financial instruments for the accounting treatment, other comprehensive incomes and other owners' equities shall be carried down.

If Supor loses the common control or significant impact on the invested unit due to disposal of partial equity investment, the residual equities after disposal shall be accounted according to standards of recognition and measurement of financial instruments. The

difference between the fair value and book value shall be included into current profits and losses on the date of losing common control or significant impact. As for other comprehensive incomes as recognized when the original equity investment is accounted with the equity method, it shall be subject to the accounting treatment on the same basis of the assets or liabilities which are directly disposed by the invested unit when the equity method is abandoned. The owners' equities which are recognized by the invested unit due to the changes in other owners' equities, except for net profits and losses, other comprehensive incomes and profit distribution of the investee, will be converted into current investment incomes when the equity method is abandoned.

Supor will take the multiple transactions to dispose the subsidiaries' equity investment step by step until lose its control right. When the above-mentioned transactions belong to the package deal, the transactions will be subject to the accounting treatment as an equity investment of subsidiaries and transaction which has lost the control right. The difference between disposal price and the corresponding book value of long-term equity investment will be recognized as the other comprehensive incomes before losing the control right, which will be converted into current profits and losses when the control right is lost.

16. Fixed assets

(1) Recognition conditions

Fixed assets refer to tangible assets held for producing commodities, providing labor service, leasing or operation management with service life of more than 1 fiscal year. The fixed asset can be confirmed only when the economic interest related to a fixed asset is likely to flow into Supor, and the cost of such fixed asset can be reliably measured. The initial measurement of fixed assets shall be carried out according to the cost and considering the expected influence of the discard expenses.

(2) Depreciation method

From the following month when fixed assets reach the estimated applicable state, the depreciation is withdrawn within its service life with the straight-line method. Service life, expected net residual value, annual depreciation rate of all kinds of fixed assets are as follows:

Categories	Depreciation method	Useful life (years)	Estimated residual value proportion	Annual depreciation rate
Buildings and structures	Straight-line method	20-30 years	3%-10%	3.00%-4.85%
General equipment	Straight-line method	3-5 years	3%-10%	18.00%-32.33%
Special equipment	Straight-line method	10 years	3%-10%	9.00%-9.70%
Transport facilities	Straight-line method	4-10 years	3%-10%	9.00%-24.25%

The expected net residual value refers to the expected amount that Supor may obtain from the current disposal of fixed assets after deducting the expected disposal expenses at the expiration of its expected service life.

(3) Impairment test method and counting and withdrawing method of the impairment provision of fixed assets

Refer to Note 5. 21 "Impairment of long-term assets" about the impairment test method and the withdrawing method of impairment provision of fixed assets.

(4) Other remarks

The subsequent expenditures related to fixed assets shall be included into fixed assets cost, and the derecognition of the book value of the substitution part shall be carried out if economic benefits related to such fixed assets may flow in and its cost can be reliably measured. Other subsequent expenditures, excepting for this, shall be included into the current profits and losses at the time of occurrence.

As for each component constituting fixed assets, in case that they have different service life or provide economic interests for Supor by different ways and apply to different rates of depreciation and depreciation methods, Supor confirms each component as a single fixed asset.

When the fixed assets are under disposal state or it is estimated that no economic benefits can be produced through usage or disposal,

such fixed asset is confirmed to be derecognized. The difference between book value and relevant taxes deducted from the disposal income obtained from the sales, transfer, discard or damage of the fixed assets shall be included into the current profits and losses. Supor shall review the service life, expected net residual value and depreciation method of the fixed assets at least by the end of the year. In case of any change, it shall be deemed as changes in accounting estimate.

17. Construction in progress

The cost of construction in progress shall be confirmed as per actual engineering expenditures, including various project expenditures under construction, capitalized borrowing expense for making the project reach the expected serviceable condition, and other relevant costs. The construction in progress shall be transferred to the fixed assets when it reaches the expected serviceable condition.

Refer to Note 5. 21 "Impairment of long-term assets" about the impairment test method and the withdrawing method of impairment provision of construction in progress.

18. Borrowing expenses

Borrowing expenses include interest on borrowing, amortization of discounts or premiums, auxiliary costs and exchange differences arising from foreign currency borrowings, etc. For the borrowing expense generated from the acquisition and construction or production that can be directly attributable to the assets that meet capitalization conditions, the capitalization shall be started when the asset expenditure or the borrowing expense has incurred, or the acquisition and construction or production activities necessary for making the assets available for expected serviceable or marketable state have been started; capitalization shall be stopped when the assets under acquisition and construction or production that meet capitalization conditions reach the expected serviceable condition or marketable state. Other borrowing expenses are recognized as expenses in the current period.

The amount after the actual interest expense generated from the specific borrowing deducts the interest revenue from the unused loan funds deposited in the bank or investment income obtained from the temporary investment in the current period can be capitalized; for the general borrowing, the capitalized amount will be determined after the weighted average of excessive part of accumulative asset expenditures compared to the asset expenditure of special borrowing is multiplied by the capitalization rate of the general borrowing occupied. The capitalization rate is determined based on the weighted average interest rate of general borrowing.

In the capitalization period, all exchange differences of special foreign currency borrowings shall be capitalized; exchange difference of general foreign currency borrowing shall be included into the current profits and losses.

Assets meeting capitalization conditions refer to the fixed asset, investment properties, inventory, etc., which can reach the expected serviceable state or marketable state after quite a long time of acquisition and construction or production.

If assets meeting capitalization conditions are interrupted abnormally in the process of acquisition and construction or production, and the interruption lasts for more than 3 months, the capitalization of borrowing expense shall be suspended till the asset acquisition and construction or production restarts.

19. Intangible assets

(1) Intangible assets

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

The initial measurement of intangible assets shall be conducted according to its costs. Expenditures related to intangible assets shall be included into the cost of intangible assets if the relevant economic benefits may flow in Supor and its cost can be reliably measured. Other expenditures, excepting for this, shall be included into the current profits and losses at the time of occurrence.

Land use right acquired is usually calculated as an intangible asset. As for buildings such as self-developed and constructed workshops, the related land use right expenditure and construction cost of the buildings shall be calculated as intangible assets and fixed assets respectively. As for purchased houses and buildings, the related prices are distributed between land use rights and buildings. If it is difficult to allocate reasonably, all shall be treated as fixed assets.

As for intangible assets with a limited service life, the accumulative amount after deducting the expected net residual value and the accrued impairment provisions with original value since the serviceable date is amortized with the straight-line method within the expected service life. Intangible assets with undetermined service life will not be amortized.

Among them, the service life and amortization method of intangible assets of intellectual property right are as follows:

Item	Amortization period (years)	Amortization method
Land use right	43-50	Straight-line method
Software	2-10	Straight-line method
Trademark right	10	Straight-line method

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

(2) R&D expenditure

Expenditures on the internal R&D items of Supor are divided into research expenditure and development expenditure.

Research expenditure is included into the current profits and losses when it occurs

Development expenditure that can meet the following conditions will be recognized as intangible assets, while those cannot meet will be included into current profits and losses:

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

If it is unable to distinguish the research expenditure from development expenditure, both R&D expenditures will be included into the current profits and losses.

(3) Impairment test method and counting and withdrawing method of the impairment provision of intangible assets

Refer to Note 5. 21 "Impairment of long-term assets" about the impairment test method and the withdrawing method of impairment provision of intangible assets.

20. Long-term unamortized expenses

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

21. Impairment of long-term assets

As for fixed assets, construction in progress, right-of-use assets, intangible assets with a limited service life, investment properties measured by cost measurement, long-term unamortized expenses and non-current and non-financial assets such as the long-term equity investment and goodwill of subsidiaries, joint ventures and associated enterprises, Supor shall determine whether there is any sign of impairment on the balance sheet date. If there are signs of impairment, the recoverable amount shall be estimated and impairment test shall be carried out. Goodwill, intangible assets with undetermined service life and intangible assets that have not reached the serviceable state, whether there is any sign of impairment, shall be subject to impairment test every year.

If the impairment test result shows that the recoverable amount of assets is lower than the book value thereof, impairment provision shall be withdrawn according to the difference and it will be included into impairment losses. The recoverable amount shall be determined as the net amount obtained by the fair value of assets minus disposal expense, or as the present value of the estimated future cash flow of assets, whichever is higher. The fair value of the asset is determined according to the price in the sales agreement in the fair transaction; if there is no sales agreement but there is an active market of assets, the fair value is determined according to buyer's price of the asset; if there is no sales agreement and an active market of assets does not exist, the fair value of assets shall be estimated based on the best information obtained. The disposal expenses include the legal fees related to the asset disposal, relevant taxes, carriage expenses as well as direct expenses for achieving the marketable state status. The present value of the estimated future cash flow of assets shall be determined by the discounted amount by an appropriate discount rate, on the basis of the estimated future cash flow generated during the continuous usage and final disposal of assets. The asset impairment provision shall be calculated and recognized on the basis of a single asset. If it is hard to assess the recoverable amount of a single asset, the recoverable amount of the asset group shall be determined according to the asset group including the assets. Asset group refers to the minimum asset portfolio that is capable of independently generating cash inflow.

For the goodwill separately presented in the financial statements, during the impairment test, the book value of goodwill shall be apportioned to the asset group or asset group portfolio expected to be benefited from the synergistic effect of enterprise merger. If the test results show that the recoverable amount of the asset group or asset group portfolio containing the apportioned goodwill is lower than its book value, the corresponding impairment loss shall be recognized. The amount of impairment loss firstly offsets the book value of goodwill apportioned to the asset group or asset group portfolio, and then offsets the book value of other assets in proportion of the book value other than goodwill in the asset group or asset group portfolio.

Once the above-mentioned asset impairment losses are recognized, it will not be reversed for the part whose value has been restored in subsequent periods.

22. Contract liabilities

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

23. Employee remuneration

Employee remuneration of Supor mainly includes short-term remuneration, post-employment benefit, termination benefit and other long-term employee welfares. Including:

Short-term employee remuneration mainly includes salary, bonus, allowance and subsidy, employee benefit expense, medical insurance premium, birth insurance premium, work-related injury insurance premium, housing accumulation fund, labor union

expenditure and employees' educational fund, non-monetary benefit, etc. During the accounting period in which Supor's employees provide services for Supor, actual short-term employee remuneration incurred shall be recognized as the liabilities and included into the current profits and losses or relevant asset costs. And the non-monetary benefits shall be measured at fair value.

Post-employment benefit mainly includes basic endowment insurance, unemployment insurance, and annuity. The plan of post-employment benefit includes the defined contribution plan. In case that the defined contribution plan is adopted, corresponding amount which shall be deposited will be included into the relevant asset costs or current profits and losses at the time of occurrence.

Labor relation with employees shall be cancelled before the employee's labor contract expires, or suggestion on giving compensation shall be proposed for the purpose of encouraging employees to voluntarily accept downsizing. When Supor cannot unilaterally withdraw termination benefits provided for cancellation of labor relation plan or downsizing suggestion and on the date when Supor confirms the cost related to reconsolidation involving payment of termination benefits, whichever is the earlier, the employee remuneration liabilities caused by termination benefits shall be recognized and included into the current profits and losses. However, if it is expected that the termination benefits cannot be fully paid within twelve months after the annual reporting period is over, it shall be handled according to other long-term employee remuneration.

The same principle for termination benefits described above shall be adopted for the plan of employee internal retirement. Personnel salary and social insurance premium to be paid by Supor for the early retired employee from the date of stopping providing services to the date of normal retirement are included into current profits and losses (termination benefit) if the recognition conditions of estimated liabilities are met.

24. Estimated liabilities

When the obligation related to contingencies satisfies the following conditions at the same time, they will be recognized as estimated liabilities: ① The obligation is the present obligation undertaken by Supor; ② Performance of this obligation may make economic benefits flow out of the enterprise; ③ Amount of this obligation can be reliably measured.

On the balance sheet date, considering the risks, uncertainties and time value of money related to contingencies, the estimated liabilities are measured in accordance with the optimal estimate of the expenditure required to perform the relevant current obligations.

There is a continuous range of required expenditures, and the likelihood of the occurrence of outcomes within the range is the same. The optimal estimate is determined by the intermediate value within the range. In other cases, the optimal estimate shall be handled in accordance with the following situations respectively:

Where the contingency involves a single item, it shall be determined based on the most likely amount.

Where the contingency involves multiple items, it shall be determined based on various possible outcomes and associated probabilities.

If all or part of the expenditure necessary for paying off estimated liabilities is compensated by the third party, the compensation amount shall be confirmed separately as asset when confirming it may be recovered. Confirmed compensation amount shall not exceed the book value of anticipation liabilities.

(1) Loss contract

The loss contract refers to a contract whose performance of the contractual obligations will inevitably incur costs in excess of the expected economic benefits. When an executory contract becomes a loss contract, for which the liability can conform to the aforesaid estimated liabilities confirmation conditions, the part of the estimated contract loss exceeding the confirmed impairment loss (if any) of the underlying asset of the contract shall be recognized as the estimated liability.

(2) Restructuring obligations

The estimated liabilities shall be determined according to the direct expenditures related to the restructuring which has detailed, formal and publicly stated restructuring plan and which are in line with the confirmation conditions of the aforesaid estimated liabilities. The restructuring obligation related to partially-sold business will be recognized to be the associated obligation only when Supor promises to sell partial businesses (namely, signs the binding-force sales agreement).

25. Share-based payment

(1) Accounting treatment of share-based payment

A share-based payment is a transaction that grants the equity instruments or assumes a liability determined on the basis of the equity instruments in order to obtain services from employees or other parties. Share-based payments are divided into equity-settled share-based payments and cash-settled share-based payments.

(a) Equity-settled share-based payment

Equity-settled share-based payments in exchange for services provided by employees are measured at the fair value with the equity instruments granted to the employees at the grant date. The amount of the fair value is included into the relevant cost or expense based on the optimal estimate of the number of vesting equity instruments in the waiting period, based on the optimal estimate of the number of vesting equity instruments in case of completing the service within the waiting period or meeting the required performance conditions; when the vesting right is granted immediately after the grant, the relevant cost or expense is included into the grant date, and the capital reserves shall be increased accordingly.

On each balance sheet date during the waiting period, Supor makes the optimal estimate based on the latest information such as the change in the number of employees with vesting rights, and corrects the number of equity instruments that are expected to be vested. The impact of the above estimates is included into the current relevant cost or expense, and the capital reserves shall be adjusted accordingly.

In the case of equity-settled share-based payments in exchange for other parties' services, if the fair value of other parties' services can be reliably measured, the fair value of other parties' services is measured at the fair value on the date of acquisition; if the fair value of other parties' services cannot be reliably measured, but the fair value of equity instruments can be measured reliably, it shall be measured at the fair value of the equity instrument on the acquisition date, and is included into the relevant cost or expense, and increases the shareholders' equities accordingly.

(b) Cash-settled share-based payment

The cash-settled share-based payment is measured at the fair value of the liabilities determined by Supor based on shares or other equity instruments. If the vesting right is granted immediately after the grant, the relevant cost or expense will be included on the grant date, and the liabilities increased accordingly; if the service within the waiting period must be completed or the required performance conditions are met, the fair value of the liabilities assumed by Supor is based on the optimal estimate of the vesting rights on each balance sheet date of the waiting period. The services obtained in the current period are included into the cost or expense, and the liabilities are increased accordingly.

The fair value of the liability is re-measured at the balance sheet date and the balance sheet date before the settlement of relevant liabilities, and the change is included into the current profits and losses.

(2) Accounting treatment related to the modification and termination of share-based payment plan

When Supor modifies the share-based payment plan, if the modification increases the fair value of the equity instruments granted, the increase in the fair value of the equity instruments is recognized accordingly. The increase of the fair value of equity instruments refers to the difference between the fair value of the equity instruments before and after the modification on the modification day. If the modification reduces the total fair value of the share-based payment or adopts other methods that are not conducive to the employee, the service obtained will continue to be accounted for, as if the change has never occurred, unless Supor cancels some or all of the equity instruments granted.

During the waiting period, if the granted equity instrument is cancelled, Supor will cancel the granted equity instrument as an accelerated exercise, and the amount to be recognized in the remaining waiting period will be immediately included into the current profits and losses, and the capital reserves shall be recognized at the same time. If the employee or other party can choose to meet the non-vesting conditions but fails to meet in the waiting period, Supor will treat it as a cancellation of the equity instrument.

(3) Accounting treatments of the share-based payment transactions involving Supor and the shareholders or actual controllers of the Company

For share-based payment transaction involving Supor or the Company's shareholders or actual controller, if either settlement enterprise or service enterprise is inside Supor or outside Supor, the accounting treatment shall be conducted in the consolidated financial statements according to the following regulations:

- Where the settlement enterprise makes calculation by its own equity instruments, the share-based payment transaction shall be treated as the equity-settled share-based payment; in addition, it is handled as a cash-settled share-based payment.
- If the settlement enterprise is an investor of a service enterprise, it shall be recognized as the long-term equity investment of the service enterprise according to the fair value of the equity instrument at the grant date or the fair value of the liability to be assumed, and the capital reserves (other capital reserve) or liabilities shall be recognized.
- If the service enterprise has no settlement obligation or the equity instruments granted to employees of the enterprise are its own equity instruments, such share-based payment transaction shall be taken as the equity-settled share-based payment treatment; If the service enterprise has settlement obligation and the equity instruments granted to employees of the enterprise are not its own equity instruments, such share-based payment transaction shall be taken as the cash-settled share-based payment treatment.

The share-based payment transactions between the enterprises within Supor, if the acceptance services enterprise and the settlement enterprise are not the same enterprise, and the confirmation and measurement of the share-based payment transaction in the individual financial statements of the acceptance service enterprise and the settlement enterprise shall be compared with the above principles.

26. Revenues

Accounting policies adopted for revenue recognition and measurement

Revenue is the total inflow of economic benefits that Supor has formed in its daily activities that will result in an increase in shareholders' equities and has nothing to do with the capital invested by shareholders. Where the contract between Supor and its customers can meet the following conditions at the same time, the revenue shall be confirmed when the customer owns the relevant control right of the commodity (including labor service, the same below): the parties to the contract have approved the contract and undertake to perform their respective obligations; the contract specifies the rights and obligations of the parties to the contract in relation to the commodities transferred or the services rendered; the contract has express terms of payment in relation to the commodities transferred; the contract is for commercial purposes, which means the performance of the contract will change the risk, timing or amount of Supor's future cash flows; and the consideration to which Supor is entitled as a result of the transfer of commodities to the customer is likely to be recovered. Obtaining the control right of related commodities means being able to dominate the use of such commodities and obtain almost all economic benefits from them.

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

For contracts with quality assurance terms, Supor analyzes the nature of the quality assurance provided. If the quality assurance provides a separate service in addition to assuring customers that the goods sold meet the established standards, Supor will treat it as an individual performance obligation.

The transaction price refers to the amount of consideration that Supor expects to be entitled to receive due to the transfer of goods or services to the customers, excluding payments received on behalf of third parties. The transaction price recognized by Supor does not exceed the amount at which the accumulated recognized revenue would be extremely unlikely to be significantly reversed when the relevant uncertainty is eliminated.

For an individual performance obligation under the contract, Supor recognizes as revenue the transaction price apportioned to the individual performance obligation during the relevant performance period based on the progress of the performance in the case of any of the following: the customer obtains and consumes the economic benefits from Supor's performance of the contract at the same time as Supor's performance; the customer is able to control the commodities under construction during Supor's performance of the contract;

or the commodities produced during Supor's performance of the contract have irreplaceable uses, and Supor is entitled to receive related amount for the cumulative performed part to date over the entire contract term. The progress of performance is determined by the input method or the output method as applicable to the properties of the commodities transferred. If the progress of performance cannot be reasonably determined, and the costs incurred by Supor are expected to be compensated, income is recognized based on the amount of costs incurred until the progress of performance can be reasonably determined.

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

For sales with return policies, when the customers obtain the control right of relevant goods, Supor recognizes the revenues according to the amount of consideration expected to be entitled to receive due to the transfer of goods to the customers (i.e., excluding the amount expected to be returned due to sales return), and recognizes the liabilities according to the amount expected to be returned due to sales return. In the meanwhile, according to the expected book value of the returned goods at the time of transfer, the balance after deducting the estimated cost of recovering the goods (including the value impairment of the returned goods) is recognized as an asset. According to the book value at the time of goods transfer, the net carry-over cost of the aforementioned asset cost is deducted. On each balance sheet date, Supor will re-estimate the future sales return. In case of any change, it will conduct the accounting treatment as the change of accounting estimate.

Supor's selling of commodities such as cooking utensils and small domestic appliances is a type of performance obligation at a certain time point, of which the revenue is recognized when the control over commodities has been transferred to the customers. According to the agreement in the sales contract, Supor mainly recognizes the control over commodities having been transferred to the customer and relevant commodity revenues when such commodities have left Supor's warehouses or its specified warehouses, delivered to the customers with the acceptance receipt issued, or such commodities have been delivered on board to the sea transport carrier with the customs declaration for export and bill of lading obtained.

27. Contract cost

The incremental cost incurred by Supor to obtain the contract and expected to be recovered is recognized as an asset as the contract acquisition cost. However, if the amortization period of the asset does not exceed one year, it shall be included in the current profits and losses when it occurs.

If the cost incurred for the performance of the contract does not fall within the scope of the Accounting Standards for Business Enterprises No. 14 -- Revenue (Revised in 2017) and meets the following conditions at the same time, it shall be recognized as an asset as the contract performance cost: ① The cost is directly related to a current or anticipated contract, including direct labor, direct materials, manufacturing expenses (or similar expenses), costs clearly borne by the customer, and other costs incurred solely due to the contract; ② This cost increases the resources Supor will use to fulfill its performance obligations in the future; ③ This cost is expected to be recovered.

Assets recognized for contract acquisition cost and those recognized for contract performance cost (hereinafter referred to as "assets related to the contract cost") shall be amortized on the same basis as the revenue recognition of commodities or services related to such assets and included into the current profits and losses.

Where the book value of assets related to contract costs is higher than the difference between the following two items, Supor shall withdraw the impairment provision of the excess part and recognize it as the asset impairment loss:

- Residual consideration expected to be obtained by Supor arising from the transfer of commodities or services related to the assets;
- Cost estimated to be occurred for the transfer of the relevant commodities or services.

28. Government subsidies

Government subsidies refer to monetary assets and non-monetary assets obtained by Supor from the government, excluding the capital invested by the government as the investor with enjoying corresponding owners' equities. Government subsidies are divided into government subsidies concerning assets and government subsidies concerning benefits. Supor defines the government subsidies obtained for the acquisition and construction or the formation of long-term assets in other ways as government subsidies concerning assets; other government subsidies shall be defined as the government subsidies concerning benefits. If the government document does not clear the subsidy object, the subsidies will be divided based on the following modes into government subsidies concerning benefits and government subsidies concerning assets: ① If the particular item of the subsidies is clear in the government document, it shall make a division according to the relative proportion of expense amount of the formed assets in the budget of the particular item and the expense amount included into the cost, review the division ratio at each balance sheet date and make changes if necessary; ② In the government document, for general terms only for the purpose without specifying the particular item, it will be used as the government subsidies concerning benefits. If government subsidies are monetary assets, they shall be measured according to the amount received or receivable. If not, they shall be measured according to their fair value; if their fair value cannot be reliably obtained, they shall be measured according to their nominal amount. The government subsidies measured at the nominal amount shall be directly included into the current profits and losses.

When Supor actually receives the government subsidies, it shall be recognized and measured as the amount received. However, for the end of the year, there are conclusive evidences that it can meet the relevant conditions stipulated by the financial support policy, and it is expected that the financial support funds can be received, it shall be measured according to the amount receivable. The government subsidies measured as the amount receivable shall comply with the following conditions: ① The amount of the subsidy receivable has been recognized by the competent government department, or may be reasonably calculated according to the relevant provisions of the formally published financial fund management method, and the estimated amount is free of significant uncertainty; ② The bases are the initiatively published financial support project by the local financial department and its financial fund management method in accordance with the regulations of the Decree of Government Information Openness, and this management method shall be favorable to the public (any enterprise qualified can apply), not just to the specified companies; ③ The relevant subsidy official documents have clearly promised the appropriation period, and the appropriation of this fund shall be safeguarded by the relevant financial budget, so it can be reasonably guaranteed that it can be received within the specified period; ④ Other relevant conditions that shall be satisfied (if any) based on the specific circumstances of Supor and the grant.

If the government subsidies concerning assets are recognized as deferred incomes and are included into the current profits and losses by installments in a reasonable and systematic way within the service life of underlying assets. Government subsidies concerning benefits used to compensate future relevant costs or losses will be recognized as deferred incomes, and included into the current profits and losses; those used to compensate relevant costs or losses that have occurred will be included into the current profits and losses directly.

At the same time, it includes the government subsidies related to assets and incomes, and separates different parts for accounting treatment; for those hard to be differentiated, it shall be taken as government subsidies concerning benefits as a whole.

The government subsidies concerning daily activities of Supor shall be included into other incomes, or used to offset the relevant costs according to the economic business nature; government subsidies concerning not daily activities will be included into non-operating income.

If the government subsidies confirmed needs to be returned and there is the deferred incomes balance concerned, the book balance of relevant deferred incomes shall be offset against, but the excessive part shall be included into current profits and losses; in other circumstances, they shall be included into current profits and losses directly.

29. Deferred income tax assets/deferred income tax liabilities

(1) Current income tax

On the balance sheet date, the current income tax liabilities (or assets) incurred in the current period or prior periods shall be measured in accordance with the expected payable (or refundable) amount of income tax which is calculated according to the tax law. The taxable income on which the current income tax expenses are calculated shall be calculated after the corresponding adjustment of the pre-tax accounting profit in the current reporting period in accordance with the relevant tax law.

(2) Deferred income tax assets and deferred income tax liabilities

The difference between the book value of some assets and liabilities and their tax bases, and the temporary difference caused by the difference between the book value of the items that are not recognized as assets and liabilities but whose tax bases can be determined according to the tax law, shall be used to recognize deferred income tax assets and deferred income tax liabilities with the balance sheet liability method.

For taxable temporary differences related to the initial confirmation of goodwill and related to the initial recognition of assets or liabilities arising from transactions that are neither enterprise merger nor affecting the accounting profit and taxable income (or deductible loss) when it occurs, the relevant deferred income tax liabilities shall not be recognized. In addition, for taxable temporary differences related to the investments of subsidiaries, joint ventures and associated enterprises, if Supor can control the time of reversal of the temporary differences, and the temporary differences are likely not to be reversed in the foreseeable future, the relevant deferred income tax liabilities shall not be recognized. Except for the above exceptions, Supor shall recognize all other deferred income tax liabilities incurred in the taxable temporary differences.

For deductible temporary differences related to the initial recognition of assets or liabilities arising from transactions that are neither enterprise merger nor affecting the accounting profit and taxable income (or deductible loss) when it occurs, the relevant deferred income tax assets shall not be recognized. In addition, for the deductible temporary differences related to the investment of subsidiaries, joint ventures and associated enterprises, if the temporary differences are not likely to be reversed in the foreseeable future, or it is not likely to obtain the taxable income used to offset the deductible temporary differences in the future, the relevant deferred income tax assets shall not be recognized. Except for the above exceptions, Supor shall recognize the deferred income tax assets arising from other deductible temporary differences to the extent that taxable income is likely to be obtained for deducting the deductible temporary differences.

For deductible losses and tax deductions that can be carried forward for subsequent years, the corresponding deferred income tax assets shall be recognized to the extent of the future taxable income likely to be obtained for deducting the deductible losses and tax deduction.

Deferred income tax assets and deferred income tax liabilities shall be calculated on the balance sheet date based on the applicable tax rate during the period of expected recovery of relevant assets or clearing off relevant liabilities according to tax laws.

On the balance sheet date, it is required to recheck the book value of the deferred income tax assets. If sufficient taxable income is not likely to be obtained for deducting the interest of deferred income tax assets in the future, the book value of deferred income tax assets shall be written down. When it is possible to obtain sufficient taxable income, the reduced amount shall be reversed.

(3) Income tax expense

The income tax expenses comprise the current income tax and deferred income tax.

Moreover, the other current income tax and deferred income tax expenses or earnings shall be included into the current profits and losses, except for book value of goodwill which is adjusted on the basis of the deferred income tax caused by the enterprise merger, and that the current income tax and the deferred income taxes related to other comprehensive incomes or transaction or affairs of direct recording in the shareholders' equities are included into other comprehensive incomes or shareholders' equities.

(4) Income tax offsets

In the case of having legal rights of net settlement and intending to settle or obtain assets and pay off debts with net amount, Supor's current income tax assets and current income tax liabilities shall be presented with the net amount after offsetting.

In the case of having legal rights to settle current income assets and current income liabilities with net amount, deferred income tax assets and deferred income tax liabilities being related to income taxes collected by one tax collection and administration department against the same taxpayer or related to different taxpayers, but involved tax payers intending to settle the current income tax assets and liabilities with net amount or obtaining assets while paying off debts in any important period of reversing deferred income tax assets and liabilities, Supor's deferred tax asset and deferred income tax liabilities shall be presented with the net amount after offsetting.

30. Leases

Lease refers to the lessor transferring the use right of assets to the lessee to get the corresponding consideration within a certain period.

Supor evaluates whether the contract is used for lease or includes the lease on the contract commencement date. If one party of the contract assigns the one or more use rights of the identified assets under the control in a certain period for consideration, the contract is used for lease or includes the lease.

To determine whether the contract transfers the right to control the use of the identified assets within a certain period, the following assessments are conducted by Supor:

Whether the contract involve the use of identified assets. Identified assets may be explicitly specified by the contract or implicitly specified when the asset is available to customers, and the asset is physically distinguishable, or a certain part of the capacity or other parts of the asset is physically indistinguishable but substantially represents the entire capacity of the asset, so that the customer can obtain almost all the economic benefits arising from the use of the asset. In the event that the supplier of the asset has a substantial right to replace the asset during the entire period of use, the asset is not an identified asset;

Whether the lessee has the right to obtain almost all the economic benefits arising from the use of the identified assets during the period of use;

Whether the lessee has the right to direct the use of the identified asset during the period of use.

If the contract contains multiple separate leases at the same time, the lessee and lessor will split the contract and account for each separate lease separately to have accounting treatment. If the contract includes lease and non-lease parts at the same time, the lessee and lessor will split lease and non-lease parts.

(1) Supor as the lessee

On the commencement date of the lease term, Supor recognizes the right-of-use assets and lease obligations. The right-of-use assets are initially measured at cost, including the initial measurement amount of the lease obligation, the amount of lease payments paid on or before the start of the lease term (deducting the amount of lease incentives already enjoyed), the initial direct expense incurred, and the estimated cost incurred for dismantling and removing the leased asset, restoring the site where the leased asset is located, or restoring the leased asset to the state agreed upon in the lease terms.

Supor uses the straight-line method to depreciate the right-of-use assets. If the ownership of the leased assets can be reasonably confirmed to be obtained upon expiry of the lease term, the depreciation of the leased assets shall be withdrawn during the remaining service life by Supor. Otherwise, the leased assets shall be depreciated during the lease term or the remaining service life of the leased assets, whichever is shorter. The impairment provision of right-of-use assets is made pursuant to the accounting policy set forth in Note 5. 21 "Impairment of long-term assets".

The lease obligations are initially measured at the present value of the lease payment that has not been paid at the beginning of the lease term, and the discount rate is the implicit rate of the lease. If the implicit rate of the lease cannot be determined, Supor's incremental borrowing rate is used as the discount rate.

Supor calculates the interest expense of the lease obligation in each period of the lease terms at a fixed cyclical interest rate and includes it into current profits and losses or relevant asset costs. The variable lease payment not included into the measurement of lease obligations will be included into current profits and losses or relevant asset costs when it actually occurs.

In case of the following situations after the commencement date of the lease term, Supor will measure the lease obligation anew as per the present value of lease payment after the change:

The amount payable anticipated is changed as per the guaranteed residual value changes;

The index or ratio used for confirming the lease payment changes;

Supor has a change in the assessment results of the option to purchase, renewal option or option of determination of tenancy changes or the actual exercising of the renewal option of determination of the lease is inconsistent with the original assessment result.

When the lease obligation is measured anew, Supor will adjust the book value of right-of-use assets accordingly. If the book value of right-of-use assets has been reduced to zero, but the lease obligation still needs to be further reduced, Supor will include the remaining amount into the current profits and losses.

Supor chooses not to confirm the right-of-use asset and lease obligation for short-term lease (lease term not exceeding 12 months) and low-value asset lease, and includes related lease payment into current profits and losses or relevant asset costs in each period within the lease term pursuant to the straight-line method.

(2) Supor as the lessor

Supor will divide the lease into financing lease and operating lease on the lease commencement date. Financing lease refers to the actual transfer of the lease of almost all the risks and rewards related to the lease asset ownership regardless of whether the ownership is finally transferred. The operating lease refers to the other leases except for the financing lease.

Supor, as the lessor, provides classification of subleases based on the right-of-use assets created by the original lease rather than the underlying assets of the original lease. If the original lease is a short-term lease and Supor elects to apply the simplified treatment of the above short-term lease to the original lease, then Supor classifies the sublease as an operating lease.

Under the financing lease, at the beginning of the lease term, Supor confirms financing lease receivables for financing lease and derecognizes the financial leasing assets. Supor makes the net investment in a lease as the entry value of financing lease receivables at the time of initial measurement for financing lease receivables. The net investment in a lease is the sum of the present value of unguaranteed residual value and rental receipts not gotten yet on the commencement date of the lease term which is subject to discounting in accordance with the implicit rate of the lease.

Supor calculates and confirms the interest revenue in each period within the lease term as the fixed periodic rate. The derecognition and impairment of financing lease receivables are made based on the accounting policies described in Note 5.9 "Financial instruments" and 10 "Financial assets impairment" for accounting treatment. The variable lease payment which is not included into the net investment in the lease is included into the current profits and losses when it actually occurs.

The lease receipts of operating lease are confirmed as rental revenue within the lease term in light of straight-line method. Supor capitalizes the initial direct expenses pertaining to operating leases as well as apportions and includes such expenses into current profits and losses as per the same basis used for recognizing the rental revenue within the lease term. The variable lease payment which is not included into the lease receipt is included into the current profits and losses when it actually occurs.

31. Related parties

If one party controls or jointly controls the other party or imposes a significant impact on the other party, and two or more parties are controlled or jointly controlled by one party, these parties are related parties. A related party can be an individual or enterprise. An enterprise that is only controlled by the state but does not have other related party relations does not constitute a related party.

Besides, the Company confirms Supor or its related parties pursuant to the Administrative Measures for the Disclosure of Information of Listed Companies issued by China Securities Regulatory Commission.

32. Segment report

Please refer to XVI. 1 "Segment information" for relevant accounting policies of segment reports.

33. Other important accounting policies and estimates

(1) Repurchasing shares

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

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

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

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

(2) Hedge accounting

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

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

(a) Fair value hedge

The gains or losses from the hedging tool specified as fair value hedge with qualification are included into the current profits and losses. Otherwise, the profits or losses from non-tradable equity instruments (or their components) measured at the fair value with their changes included into other comprehensive incomes are included into other comprehensive earning. The gains or losses formed from the hedging risks of the hedged item shall be included into current profits and losses and the book value of the recognized hedged item not measured at the fair value shall be adjusted simultaneously. The related gain or loss from the hedged item that is measured as fair value is included into the current profits and losses and other comprehensive income without book value adjustment.

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

(3) Measurement of fair value

Fair value, refers to the price that market participant can obtain or needs to pay after selling an asset or transferring a liability, among the orderly transactions made on the measurement date. Supor measures relevant asset or liability and considers the characteristics of this asset or liability at fair value; supposes the sales of assets or transfer of liabilities by market participant are orderly transaction under current market conditions; supposes the orderly sales of assets or transfer of liabilities are carried out in the main market of

relevant assets or liabilities; supposes the transaction is made in the most favorable market for relevant assets or liabilities when there is no main market. Supor adopts the assumptions used by market participants to maximize their economic benefits when they price assets or liabilities.

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

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

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

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

34. Change of important accounting policies and estimates

(1) Change of important accounting policies

Applicable Not-applicable

(2) Change of important accounting estimates

Applicable Not-applicable

VI. Taxes

1. Main taxes and tax rates

Taxes	Tax bases	Tax rates
VAT	The taxable revenue from sales of commodities or rendering of services	Taxable income is calculated at output tax rates of 0, 6%, 9%, and 13%, and VAT is calculated based on the difference after deducting the input tax allowable for the current period.
Urban maintenance and construction tax	Actually paid VAT	7%

Enterprise income tax	Taxable income	Corporate income tax rate is 25%. The overseas subsidiary GSIM is subject to the tax rate of 22%; the Vietnam Supor and AFS, 20%; and the SEADA, 17%.
Education surcharge	Actually paid VAT	3%
Local education surcharge	Actually paid VAT	2%
Housing property tax	for housing property levied on an ad valorem basis, housing property tax is levied at the rate of 1.2% of the residual value after the deduction of 30% of the original value; for housing property levied on the basis of rent, housing property tax is levied at the rate of 12% of rental revenue.	1.2%、12%

VII. Notes to Items of Consolidated Financial Statements

1. Monetary capital

Unit: RMB		
Item	Closing balance	Opening balance
Cash on hand	45,511.13	71,122.80
Cash in bank	2,982,149,647.87	2,420,563,810.46
Other monetary capital	497,750,867.90	233,417,484.21
Total	3,479,946,026.90	2,654,052,417.47
Including: deposited overseas	61,166,935.87	78,040,992.57

Other remarks:

- 1) On June 30, 2022, the bank deposit with restricted use was RMB263,468.43 (December 31, 2021: RMB263,468.43) of the frozen bank account of the deregistered branch, and the remaining bank deposit of RMB2,981,886,179.44 was not restricted.
- 2) On June 30, 2022, other monetary capitals were the security of acceptance bills with restricted use of RMB412,530,000.00 (December 31, 2021: RMB150,545,967.12), the deposit of Kuaishou, Alipay, TikTok and other e-commerce platforms of RMB550,000.00 (December 31, 2021: RMB1,511,302.86), and the deposit security of advance payment financing of RMB58,000,000.00 (December 31, 2021: RMB58,000,000.00), and RMB26,670,867.90 (December 31, 2021: RMB 23,360,214.23) of unrestricted monetary capitals such as Alipay wallet, JD Wallet, TikTok Wallet, securities settlement account, futures settlement account and Youzan account.
- 3) On June 30, 2022, the monetary capital deposited by Supor in Vietnam was equivalent to RMB53,122,463.70 (December 31, 2021: equivalent to RMB72,031,237.91); the monetary capital deposited in Singapore was equivalent to RMB3,524,393.06 (December 31, 2021: equivalent to RMB2,195,848.27); the monetary capital deposited in Indonesia was equivalent to RMB4,520,079.11 (December 31, 2021: equivalent to RMB3,813,906.39).

2. Transactional financial assets

Unit: RMB		
Item	Closing balance	Opening balance
Financial assets measured at the fair value with their changes included into the current profits and losses	220,550,529.85	180,312,742.31

Including:		
- Short-term financial products	220,550,529.85	180,312,742.31
Total	220,550,529.85	180,312,742.31

Other remarks:

On June 30, 2022, financial assets measured at the fair value with their changes included into the current profits and losses are the financial products purchased by Shaoxing Supor Housewares and Shaoxing Supor, totaling RMB220,000,000.00 (December 31, 2021: RMB180,000,000.00). The income of these financial products fluctuates and is linked to the interest rate and exchange rate. At the end of the current period, the gains from changes in fair value was recognized to be RMB550,529.85 (December 31, 2021: RMB312,742.31).

3. Notes receivable

(1) Classification list of the notes receivable

Unit: RMB

Item	Closing balance	Opening balance
Bank acceptance	35,454,679.55	54,879,357.24
Total	35,454,679.55	54,879,357.24

Unit: RMB

Categories	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Provision proportion		Amount	Proportion	Amount	Provision proportion	
Notes receivable for provision for bad debts on a portfolio	35,454,679.55	100.00%			35,454,679.55	54,879,357.24	100.00%			54,879,357.24
Including:										
Portfolio: Bank acceptance	35,454,679.55	100.00%			35,454,679.55	54,879,357.24	100.00%			54,879,357.24
Total	35,454,679.55	100.00%			35,454,679.55	54,879,357.24	100.00%			54,879,357.24

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

Applicable Not-applicable

(2) Pledged notes receivable at the end of the year for the Company

On June 30, 2022, Supor had no pledged notes receivable (December 31, 2021: None).

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

Unit: RMB

Item	Closing balance recognized	Closing balance derecognized
Bank acceptance		32,678,311.69
Total		32,678,311.69

Other remarks:

By June 30, 2022, Supor's undue and endorsed notes receivable of RMB32,678,311.69 have not been recognized as notes transferred to the suppliers to settle the accounts payable. This is mainly because that, according to the management, the risks and remunerations attached to the ownership of the notes have not been actually transferred. The book values of the said undue notes receivable approximate their fair values. The said undue notes receivable will get mature within 1 year.

(4) Notes transferring to accounts receivable because the drawer fails to perform contract at the end of the period

On June 30, 2022, Supor had no notes transferred to accounts receivable as the result of the drawer's nonperformance (December 31, 2021: None).

4. Accounts receivable

(1) Details on categories

Unit: RMB

Categories	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Provision proportion		Amount	Proportion	Amount	Provision proportion	
Accounts receivables for provision for bad debts on an individual basis						4,523,328.43	0.16%	4,523,328.43	100.00%	
Including:										
Accounts receivable for provision for bad debts by portfolio	2,243,674,795.96	100.00%	92,531,866.78	4.12%	2,151,142,929.18	2,834,428,535.98	99.84%	117,482,550.65	4.14%	2,716,945,985.33
Including:										
Portfolio 1: age portfolio	2,111,798,598.40	94.12%	92,399,990.58	4.38%	2,019,398,607.81	2,751,659,068.87	96.92%	117,399,781.18	4.27%	2,634,259,287.69
Portfolio 2: low-risk portfolio	131,876,197.56	5.88%	131,876.20	0.10%	131,744,321.36	82,769,467.11	2.92%	82,769.47	0.10%	82,686,697.64
Total	2,243,674,795.96	100.00%	92,531,866.78	4.12%	2,151,142,929.18	2,838,951,864.41	100.00%	122,005,879.08	4.30%	2,716,945,985.33

Provision for bad debts by portfolio: Portfolio 1: age portfolio

Unit: RMB

Name	Closing balance
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	Book balance	Provision for bad debts	Provision proportion
Within 1 year (inclusive)	2,107,141,430.57	91,198,654.34	4.33%
1-2 years (inclusive)	2,620,205.73	209,616.45	8.00%
2-3 years (inclusive)	991,416.23	148,712.43	15.00%
3-4 years (inclusive)	399,675.36	199,837.68	50.00%
4-5 years (inclusive)	13,504.15	10,803.32	80.00%
Over 5 years	632,366.36	632,366.36	100.00%
Total	2,111,798,598.40	92,399,990.58	

Explanation of the basis for determining such portfolio:

The expected credit loss rate is calculated upon the experience on the actual credit loss, and adjusted based on the difference between the economy during the historic period of data collection, the current economy and the economy during the duration expected by Supor. If provision for bad debts for accounts receivable is made based on the general model of expected credit losses, please disclose the relevant information about the provision for bad debts with reference to the disclosure of other receivables:

Applicable Not-applicable

Disclosure by ages

Unit: RMB

Ages	Closing balance
Within 1 year (inclusive)	2,239,017,628.13
1-2 years	2,620,205.73
2-3 years	991,416.23
Over 3 years	1,045,545.87
3-4 years	399,675.36
4-5 years	13,504.15
Over 5 years	632,366.36
Total	2,243,674,795.96

(2) Provision for bad debts accrued, collected or reversed in the current period

Provision for bad debts in current period:

Unit: RMB

Categories	Opening balance	Amount of changes in the current period				Closing balance
		Provision	Collected or reversed	Canceled after verification	Others	
Provision for bad debts for accounts receivable	122,005,879.08	-25,130,551.51		4,523,328.43	179,867.64	92,531,866.78
Total	122,005,879.08	-25,130,551.51		4,523,328.43	179,867.64	92,531,866.78

Other remarks:

Other changes represent the increase of RMB179,867.64 in the provision for bad debts due to conversion differences of foreign currency

statements as a result of changes in exchange rates.

(3) Accounts receivable actually written off in current period

Unit: RMB

Item	Amount
Accounts receivable actually written off	4,523,328.43

Including significant accounts receivable written off:

Unit: RMB

Name of organization	Type of accounts receivable	Amount	Reason	Write-off procedures performed	Whether the amount was from connected transactions
Customer A	Goods payment	4,523,328.43	Bad debts of long ages cannot be recovered.	Approval by the management	No
Total		4,523,328.43			

(4) Accounts receivable details of the top 5 closing balances by debtors

Unit: RMB

Name of organization	Closing balance of accounts receivable	Proportion in the total closing balance of accounts receivable	Closing balance of provision for bad debts
SEB ASIA LTD.	1,316,557,188.89	58.68%	52,662,287.56
Customer B	238,549,177.73	10.63%	11,934,671.97
Customer C	97,282,171.59	4.34%	97,282.17
Customer D	57,021,083.22	2.54%	2,851,054.16
Customer E	30,004,876.05	1.34%	1,541,325.92
Total	1,739,414,497.48	77.53%	

5. Receivables financing

Unit: RMB

Item	Closing balance	Opening balance
Notes receivable	232,348,975.14	3,312,225.62
Total	232,348,975.14	3,312,225.62

Other remarks:

Taking its daily fund management needs into consideration, Supor will endorse or discount certain bank acceptance bills. In view of the amount and frequency of endorsement or discount of bank acceptance bills, Supor judges that the objective of this business model is to simultaneously collect the contract cash flow and sell the notes receivable. Therefore, it classifies such notes receivable as financial assets measured at the fair value with their changes included into other comprehensive incomes and presents them as receivables financing.

On June 30, 2022, Supor had no pledged receivables financing.

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

Applicable Not-applicable

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

Applicable Not-applicable

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

Item	Closing balance recognized	Closing balance derecognized
Bank acceptance	3,594,035,426.52	
Total	3,594,035,426.52	

Other remarks:

In order to settle part of the payables, Supor endorsed the undue notes receivable of the same amount to the suppliers. Its management believes that some undue notes meet almost all the risks and rewards of ownership, and that the current obligations of relevant payables have met all the conditions for release. Therefore, the recognition of relevant notes receivable and payables is terminated. The largest potential loss suffered by Supor's continued involvement is the amount of undue notes receivable endorsed by Supor to its suppliers. The said undue notes receivable will get mature within 1 year.

6. Advance payment

(1) Listing by ages

Unit: RMB

Ages	Closing balance		Opening balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	396,806,716.28	99.50%	384,209,532.57	99.70%
1-2 years	1,855,442.32	0.46%	988,460.68	0.26%
2-3 years			6,000.00	0.00%
Over 3 years	151,518.29	0.04%	163,869.60	0.04%
Total	398,813,676.89		385,367,862.85	

Other remarks:

The accounting age will be calculated from the advance payment confirmation day.

(2) Advance payment of the top 5 closing balances by prepayment objects

Name of organization	Book balance	Proportion in the balance of advance payment (%)
Supplier A	52,605,307.73	13.19%
Supplier B	40,349,387.63	10.12%
Supplier C	27,348,484.59	6.86%
Supplier D	25,765,045.91	6.46%
Supplier E	23,926,576.70	6.00%

Subtotal	169,994,802.56	42.63%
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7. Other receivables

Unit: RMB

Item	Closing balance	Opening balance
Other receivables	16,635,885.82	12,159,756.67
Total	16,635,885.82	12,159,756.67

(1) Other receivables

1) Other receivables categorized by nature

Unit: RMB

Nature of receivables	Ending book balance	Opening book balance
Deposit as security	10,262,378.88	9,533,739.58
Temporary payment receivable	3,350,336.37	2,817,399.32
Personal deposit	4,956,187.68	1,550,886.08
Tax refund receivable	1,523,227.27	1,237,370.65
Total	20,092,130.20	15,139,395.63

2) Provision for bad debts

Unit: RMB

Provision for bad debts	Phase I	Phase II	Phase III	Total
	Predicted credit loss in future 12 months	Predicted credit loss in the whole period of existence (without credit impairment)	Predicted credit loss in the whole period of existence (with credit impairment)	
Amount on January 1, 2022	2,979,638.96			2,979,638.96
Balance on January 1, 2022 in the current period				
Provision for bad debts during the reporting period	473,075.27			473,075.27
Other changes	3,530.15			3,530.15
Balance on June 30, 2022	3,456,244.38			3,456,244.38

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

Applicable Not-applicable

Disclosure by ages

Unit: RMB

Ages	Closing balance
Within 1 year (inclusive)	12,157,466.65
1-2 years	3,509,630.29
2-3 years	1,692,349.81
Over 3 years	2,732,683.45
3-4 years	595,495.78
4-5 years	407,956.60
Over 5 years	1,729,231.07
Total	20,092,130.20

(3) Provision for bad debts accrued, collected or reversed in the current period

Provision for bad debts in current period:

Unit: RMB

Categories	Opening balance	Amount of changes in the current period				Closing balance
		Provision	Collected or reversed	Canceled after verification	Others	
Provision for bad debts of other receivables	2,979,638.96	473,075.27			3,530.15	3,456,244.38
Total	2,979,638.96	473,075.27			3,530.15	3,456,244.38

Other remarks:

Other changes represent the increase of RMB3,530.15 in the provision for bad debts due to conversion differences of foreign currency statements as a result of changes in exchange rates.

(4) Other receivable details of the top 5 closing balances by debtors

Unit: RMB

Name of organization	Nature of receivables	Closing balance	Ages	Proportion in the total closing balance of other receivables	Closing balance of provision for bad debts
Customer F	Deposit as security	1,980,000.00	1-2 years	9.85%	158,400.00
Customer B	Temporary payment receivable/Deposit as security	1,733,257.93	1-3 years	8.63%	122,662.90
Tax refund receivable	Tax refund receivable	1,523,227.27	Within 1 year	7.58%	
Customer G	Deposit as security	1,180,000.00	Within 1 year	5.87%	59,000.00
Customer H	Temporary payment receivable/Deposit as security	936,580.00	Within 1 year	4.66%	46,829.00
Total		7,353,065.20		36.59%	386,891.90

8. Inventories

If the Company needs to comply with real estate industry disclosure requirements

No

(1) Inventory classification

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Inventory depreciation reserve/impairment provision for contract performance cost	Book value	Book balance	Inventory depreciation reserve/impairment provision for contract performance cost	Book value
Raw materials	465,350,909.69	14,963,593.22	450,387,316.47	600,492,823.00	10,291,195.98	590,201,627.02
Unfinished products	91,113,125.00		91,113,125.00	106,157,761.25		106,157,761.25
Finished products	1,663,173,851.20	26,250,346.17	1,636,923,505.03	2,289,813,383.66	14,771,911.61	2,275,041,472.05
Low value consumables	90,321,823.98	98,429.17	90,223,394.81	107,094,627.93	29,787.94	107,064,839.99
Packing materials	11,671,914.21		11,671,914.21	18,051,355.02		18,051,355.02
Total	2,321,631,624.08	41,312,368.56	2,280,319,255.52	3,121,609,950.86	25,092,895.53	3,096,517,055.33

(2) Inventory depreciation reserve and impairment provision for contract performance cost

Unit: RMB

Item	Opening balance	Increase		Decrease		Closing balance
		Provision	Others	Reversed or written off	Others	
Raw materials	10,291,195.98	7,266,976.22	157,317.64	2,751,896.62		14,963,593.22
Finished products	14,771,911.61	13,779,843.28	17,110.86	2,318,519.58		26,250,346.17
Low value consumables	29,787.94	68,641.23				98,429.17
Total	25,092,895.53	21,115,460.73	174,428.50	5,070,416.20		41,312,368.56

Other remarks:

Other changes represent the increase of RMB 174,428.50 in inventory depreciation reserve due to conversion differences of foreign currency statements as a result of changes in exchange rates.

9. Other current assets

Unit: RMB

Item	Closing balance	Opening balance
Return cost receivable	10,829,085.35	13,377,148.99

Creditable VAT	42,226,764.49	171,398,751.97
Term deposit [Note]	592,407,534.24	1,863,761,369.84
Others	14,190,958.85	6,490,111.83
Total	659,654,342.93	2,055,027,382.63

Other remarks:

Note: The term deposits are for the purpose of earning interest and as at 30 June 2022, the principal amount of the term deposits was RMB 550,000,000.00 (31 December 2021: RMB 1,700,000,000.00) and the interest receivable was RMB 42,407,534.24 (31 December 2021: RMB 163,761,369.84).

10. Other debt investment

Unit: RMB

Item	Opening balance	Interest receivable	fair value changes in the reporting period	Closing balance	Cost	Cumulative changes of fair value	Loss provisions that are cumulatively determined in other comprehensive incomes	Remarks
Negotiable certificate of deposit	298,191,205.49	17,776,917.81		586,813,657.54	569,036,739.73			
Minus: Part due within one year								
Total	298,191,205.49	17,776,917.81		586,813,657.54	569,036,739.73			

Important other debt investment

Unit: RMB

Other creditor's items	Closing balance				Opening balance			
	Book value	Face value interest rate	Effective annual interest rate	Maturity date	Book value	Face value interest rate	Effective annual interest rate	Maturity date
The Company - Negotiable certificate of deposit at Bank of China	40,000,000.00	3.85%	3.71%	March 24, 2024	40,000,000.00	3.85%	3.71%	March 24, 2024
The Company - Negotiable certificate of deposit at Bank of China	60,000,000.00	3.85%	3.73%	April 16, 2024	60,000,000.00	3.85%	3.73%	April 16, 2024
The Company - Negotiable certificate of deposit at Bank of China	10,000,000.00	3.85%	3.80%	April 2, 2024	10,000,000.00	3.85%	3.80%	April 2, 2024
The Company - Negotiable certificate of deposit at Bank of China	60,000,000.00	3.85%	3.78%	March 25, 2024	60,000,000.00	3.85%	3.78%	March 25, 2024
The Company - Negotiable certificate of deposit at Bank of China	20,000,000.00	3.85%	3.78%	April 9, 2024	20,000,000.00	3.85%	3.78%	April 9, 2024
Shaoxing Supor Housewares - Negotiable certificate of deposit at China Guangfa Bank	100,000,000.00	3.60%	3.50%	February 8, 2024	100,000,000.00	3.60%	3.50%	February 8, 2024
The Company - Negotiable certificate of deposit at Bank of China	30,000,000.00	3.85%	3.93%	December 11, 2023				

Shaoxing Supor Housewares - Negotiable certificate of deposit at China Guangfa Bank	200,000,000.00	3.55%	3.43%	April 21, 2025				
Shaoxing Supor Housewares - Negotiable certificate of deposit at China Guangfa Bank	50,000,000.00	3.55%	3.36%	March 11, 2025				
Total	570,000,000.00					290,000,000.00		

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

Applicable Not-applicable

Other remarks:

11. Long-term equity investment

Unit: RMB

Invested unit	Opening balance (book value)	Increase/decrease							Closing balance (book value)	Closing balance of impairment provision	
		Investment increased	Investment decreased	Investment profit or loss recognized by equity method	Adjustment in other comprehensive income	Change s in other equity	Cash dividend/profit declared for distribution	Accrued impairment provision			Others
I. Joint Venture											
II. Associated Enterprise											
Wuhan Anzai Cookware Co., Ltd.	65,600,611.64			-581,032.98						65,019,578.66	
Subtotal	65,600,611.64			-581,032.98						65,019,578.66	
Total	65,600,611.64			-581,032.98						65,019,578.66	

12. Fixed assets

Unit: RMB

Item	Closing balance	Opening balance
Fixed assets	1,278,054,718.16	1,291,902,992.54
Total	1,278,054,718.16	1,291,902,992.54

(1) Fixed assets

Unit: RMB

Item	Buildings and structures	General equipment	Special equipment	Transport facilities	Total
I. Original Book Value:					
1. Opening balance	1,186,764,153.98	278,665,369.15	916,415,607.69	32,649,668.69	2,414,494,799.51
2. Increase	12,953,658.98	14,856,164.33	23,470,053.79	491,698.70	51,771,575.80
(1) Acquisition	2,520,607.63	9,012,554.47	13,858,303.01	491,698.70	25,883,163.81
(2) Transferred in from construction in progress	10,433,051.35	5,843,609.86	9,611,750.78		25,888,411.99

(3) Increase from enterprise merger					
3. Decrease	3,993,719.68	3,015,226.97	19,714,325.92	2,242,697.40	28,965,969.97
(1) Disposal or scrapping	3,993,719.68	3,015,226.97	19,714,325.92	2,242,697.40	28,965,969.97
4. Effect of changes in exchange rate	976,703.11	269,162.03	2,089,959.54	72,308.61	3,408,133.29
5. Closing balance	1,196,700,796.39	290,775,468.54	922,261,295.10	30,970,978.60	2,440,708,538.63
II. Accumulated depreciation					
1. Opening balance	331,504,046.92	192,857,951.65	572,072,689.24	26,157,119.16	1,122,591,806.97
2. Increase	21,237,529.59	12,768,709.73	26,651,947.97	1,604,105.51	62,262,292.80
(1) Provision	21,237,529.59	12,768,709.73	26,651,947.97	1,604,105.51	62,262,292.80
3. Decrease		2,832,895.58	18,875,625.98	1,860,715.81	23,569,237.37
(1) Disposal or scrapping		2,832,895.58	18,875,625.98	1,860,715.81	23,569,237.37
4. Effect of changes in exchange rate	306,905.55	157,838.90	849,539.31	54,674.31	1,368,958.07
5. Closing balance	353,048,482.06	202,951,604.70	580,698,550.54	25,955,183.17	1,162,653,820.47
III. Book Value					
1. Closing book value	843,652,314.33	87,823,863.84	341,562,744.56	5,015,795.43	1,278,054,718.16
2. Opening book value	855,260,107.06	85,807,417.50	344,342,918.45	6,492,549.53	1,291,902,992.54

(2) Fixed assets with certificate of titles unsettled

Unit: RMB

Item	Book value	Reasons for unsettlement
Function dormitory of Shaoxing Supor	37,210,966.69	After all projects are completed, and the completion and settlement procedures are fulfilled, the property ownership certificate shall be processed uniformly
No.3 plant of Shaoxing Supor	27,429,391.29	After all projects are completed, and the completion and settlement procedures are fulfilled, the property ownership certificate shall be processed uniformly
No.1 plant of Shaoxing Supor	25,175,535.90	After all projects are completed, and the completion and settlement procedures are fulfilled, the property ownership certificate shall be processed uniformly
No.8 plant of Shaoxing Supor	29,812,123.41	After all projects are completed, and the completion and settlement procedures are fulfilled, the property ownership certificate shall be processed uniformly
Function cafeteria of Shaoxing Supor	12,402,452.40	After all projects are completed, and the completion and settlement procedures are fulfilled, the property ownership certificate shall be processed uniformly
No.12 plant of Shaoxing Supor	12,532,437.72	After all projects are completed, and the completion and settlement procedures are fulfilled, the property ownership certificate shall be processed uniformly
Transformer substation (35 kV) of Shaoxing Supor	3,359,461.76	After all projects are completed, and the completion and settlement procedures are fulfilled, the property ownership certificate shall be processed uniformly
No.13 plant of Shaoxing Supor	16,241,358.09	After all projects are completed, and the completion and settlement procedures are fulfilled, the property ownership certificate shall be processed uniformly

No.14 plant of Shaoxing Supor	24,782,244.58	After all projects are completed, and the completion and settlement procedures are fulfilled, the property ownership certificate shall be processed uniformly
No.15 plant of Shaoxing Supor	43,066,611.03	After all projects are completed, and the completion and settlement procedures are fulfilled, the property ownership certificate shall be processed uniformly
Forklift charge room of Shaoxing Supor	919,603.94	After all projects are completed, and the completion and settlement procedures are fulfilled, the property ownership certificate shall be processed uniformly
Generator room of P&R Products	2,141.89	Transfer procedures of land use right certificate are not settled due to land ownership issue
Water pump building and structures of P&R Products	103,590.88	Transfer procedures of land use right certificate are not settled due to land ownership issue
Extended plant for bakelite workshop of P&R Products	228,651.59	Transfer procedures of land use right certificate are not settled due to land ownership issue
Polishing workshop of P&R Products	106,560.00	Transfer procedures of land use right certificate are not settled due to land ownership issue
Workshop warehouse access canopy of Supor LKA	37,441.98	After all projects are completed, and the completion and settlement procedures are fulfilled, the property ownership certificate shall be processed uniformly
Hood laboratory civil construction plumbing and gas ventilation of Supor LKA	67,586.36	After all projects are completed, and the completion and settlement procedures are fulfilled, the property ownership certificate shall be processed uniformly
Forklift charging room of Supor LKA	163,551.03	After all projects are completed, and the completion and settlement procedures are fulfilled, the property ownership certificate shall be processed uniformly
Construction project of the finished product warehouse of SuporLKA and the quality office area	43,713.48	After all projects are completed, and the completion and settlement procedures are fulfilled, the property ownership certificate shall be processed uniformly
Design and decoration project of the indoor exhibition hall for Supor LKA	1,043,449.94	After all projects are completed, and the completion and settlement procedures are fulfilled, the property ownership certificate shall be processed uniformly
Water purifier dust-free workshop of Supor LKA	660,644.47	After all projects are completed, and the completion and settlement procedures are fulfilled, the property ownership certificate shall be processed uniformly
High-voltage power distribution room of Supor LKA	5,657,042.52	After all projects are completed, and the completion and settlement procedures are fulfilled, the property ownership certificate shall be processed uniformly
Stove warehouse of Supor LKA	19,292,755.88	After all projects are completed, and the completion and settlement procedures are fulfilled, the property ownership certificate shall be processed uniformly
Dormitory of Supor LKA	24,286,349.00	After all projects are completed, and the completion and settlement procedures are fulfilled, the property ownership certificate shall be processed uniformly
Underground water pump room of Supor LKA	1,831,296.84	After all projects are completed, and the completion and settlement procedures are fulfilled, the property ownership certificate shall be processed uniformly
Reception room of Supor LKA	399,242.25	After all projects are completed, and the completion and settlement procedures are fulfilled, the property ownership certificate shall be processed uniformly
Bottling storage room of Supor LKA	164,178.51	After all projects are completed, and the completion and settlement procedures are fulfilled, the property ownership certificate shall be processed uniformly
R&D workshop of Supor LKA	4,617,124.60	After all projects are completed, and the completion and settlement procedures are fulfilled, the property ownership certificate shall be processed uniformly
Test workshop of Supor LKA	4,069,069.01	After all projects are completed, and the completion and settlement procedures are fulfilled, the property ownership certificate shall be processed uniformly
Water purifier workshop of Supor LKA	18,926,114.17	After all projects are completed, and the completion and settlement procedures are fulfilled, the property ownership certificate shall be processed uniformly
Stove workshop of Supor LKA	18,064,381.99	After all projects are completed, and the completion and settlement procedures are fulfilled, the property ownership certificate shall be processed uniformly

Water purifier warehouse of Supor LKA	20,369,174.17	After all projects are completed, and the completion and settlement procedures are fulfilled, the property ownership certificate shall be processed uniformly
Total	353,066,247.37	

13. Construction in progress

Unit: RMB

Item	Closing balance	Opening balance
Construction in progress	21,688,231.49	26,482,779.31
Total	21,688,231.49	26,482,779.31

(1) Details

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Piecemeal projects	13,569,301.92		13,569,301.92	18,462,190.40		18,462,190.40
Equipment payment	8,118,929.57		8,118,929.57	2,760,998.31		2,760,998.31
Zhejiang WMF factory project				5,259,590.60		5,259,590.60
Total	21,688,231.49		21,688,231.49	26,482,779.31		26,482,779.31

(2) Changes in significant projects

Unit: RMB

Item	Budgets	Opening balance	Increase	Transferred to fixed assets	Other decrease	Closing balance	Accumulated investment to budget	Completion percentage (%)	Accumulated amount of interest capitalization	Including: amount of interest capitalization in current period	rate of interest capitalization in current period	Capital source
Piecemeal projects		18,462,190.40	11,760,812.30	16,653,700.78		13,569,301.92						Own fund
Equipment payment		2,760,998.31	6,308,144.76	950,213.50		8,118,929.57						Own fund
Zhejiang WMF factory project	248,276,513.76	5,259,590.60	3,024,907.11	8,284,497.71			97.17%	100.00%				Own fund
Total	248,276,513.76	26,482,779.31	21,093,864.17	25,888,411.99		21,688,231.49						

Other remarks

As at June 30, 2022, the project budget of Zhejiang WMF's plant was RMB 248,276,513.76, including land use rights of RMB 67,164,093.75.

14. Right-of-use assets

Unit: RMB

Item	Buildings and structures	Land	Total
I. Original Book Value:			
1. Opening balance	227,141,323.93	2,997,832.55	230,139,156.48
2. Increase	37,173,206.06		37,173,206.06
3. Decrease	31,361,857.63		31,361,857.63
4. Effect of changes in exchange rate	4,324.98	90,731.77	95,056.75
5. Closing balance	232,956,997.34	3,088,564.32	236,045,561.66
II. Accumulated depreciation			
1. Opening balance	34,518,604.93	91,907.42	34,610,512.35
2. Increase	22,427,196.51	46,195.37	22,473,391.88
(1) Provision	22,427,196.51	46,195.37	22,473,391.88
3. Decrease	11,972,839.10		11,972,839.10
(1) Disposal	11,972,839.10		11,972,839.10
4. Effect of changes in exchange rate	-3,526.00	3,930.82	404.82
5. Closing balance	44,969,436.34	142,033.61	45,111,469.95
III. Book Value			
1. Closing book value	187,987,561.00	2,946,530.71	190,934,091.71
2. Opening book value	192,622,719.00	2,905,925.13	195,528,644.13

15. Intangible assets**(1) Details**

Unit: RMB

Item	Land use right	Trademark right	Software	Total
I. Original Book Value:				
1. Opening balance	474,749,614.53	47,328,811.32	87,015,884.82	609,094,310.67
2. Increase			5,021,567.82	5,021,567.82
(1) Acquisition			5,021,567.82	5,021,567.82
(2) In-house R&D				
(3) Increase from enterprise merger				

3. Decrease			189,655.17	189,655.17
(1) Disposal			189,655.17	189,655.17
4. Effect of changes in exchange rate	150,933.35		23,729.95	174,663.30
5. Closing balance	474,900,547.88	47,328,811.32	91,871,527.42	614,100,886.62
II. Accumulated Amortization				
1. Opening balance	88,398,664.67	28,352,236.77	40,142,545.84	156,893,447.28
2. Increase	4,985,986.95	2,366,440.57	4,230,672.58	11,583,100.10
(1) Provision	4,985,986.95	2,366,440.57	4,230,672.58	11,583,100.10
3. Decrease			64,798.86	64,798.86
(1) Disposal			64,798.86	64,798.86
4. Effect of changes in exchange rate	50,415.00		15,064.94	65,479.94
5. Closing balance	93,435,066.62	30,718,677.34	44,323,484.50	168,477,228.46
III. Book Value				
1. Closing book value	381,465,481.26	16,610,133.98	47,548,042.92	445,623,658.16
2. Opening book value	386,350,949.86	18,976,574.55	46,873,338.98	452,200,863.39

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

16. Deferred income tax assets/deferred income tax liabilities

(1) Un-offset deferred income tax assets

Unit: RMB

Item	Closing balance		Opening balance	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Impairment provision of assets	116,058,220.47	24,889,181.85	140,835,930.67	31,223,473.17
Profits not realized by internal transaction	68,226,299.21	17,055,508.42	65,189,056.55	16,265,944.20
Deductible losses	9,974,784.69	2,194,452.63	11,483,414.26	2,526,351.14
Accrued expenses	1,403,277,066.18	346,328,975.43	1,387,553,412.35	342,490,567.25
Accrued salary	33,182,654.84	8,295,663.71	55,679,676.14	13,919,919.04
Estimated liabilities	12,172,333.27	1,928,083.32	12,737,298.24	1,910,594.74
Share-based payment	21,404,889.90	5,351,222.16		
Book-tax difference for depreciation of fixed assets			758,178.56	189,544.64
Expected returns	6,406,873.58	1,601,718.39	7,251,899.92	1,812,974.98
The impact of the new lease standards	3,391,336.38	832,286.64	2,601,983.12	635,171.05

Total	1,674,094,458.52	408,477,092.55	1,684,090,849.81	410,974,540.21
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(2) Deferred income tax assets or liabilities presented in the net amount after offsetting

Unit: RMB

Item	Deferred income tax assets and liabilities at the end of the debt period	Closing balance of deferred income tax assets or liabilities after offsetting	Deferred income tax assets and liabilities at the end of the debt period	Opening balance of deferred income tax assets or liabilities after offsetting
Deferred income tax assets		408,477,092.55		410,974,540.21

(3) Detail about unrecognized deferred income tax assets

Unit: RMB

Item	Closing balance	Opening balance
Deductible temporary difference	21,242,259.25	9,242,482.90
Deductible losses	25,452,407.22	22,983,929.59
Total	46,694,666.47	32,226,412.49

(4) Deductible losses of unconfirmed deferred income tax assets shall expire in the following years

Unit: RMB

Year	Closing balance	Opening balance	Remarks
2024	8,287,689.09	8,287,689.09	
2025	6,945,189.33	6,945,189.33	
2026	7,751,051.17	7,751,051.17	
2027	2,468,477.63		
Total	25,452,407.22	22,983,929.59	

17. Notes payable

Unit: RMB

Category	Closing balance	Opening balance
Bank acceptance	1,578,200,000.00	500,250,000.00
Total	1,578,200,000.00	500,250,000.00

Other remarks:

The closing balance are all notes payable due within one year, and total notes payable due and unpaid at the end of the period are RMB 0.

18. Accounts payable**(1) Details**

Unit: RMB

Item	Closing balance	Opening balance
Goods payment	1,072,983,585.28	2,385,533,206.14
Equipment and engineering funds	26,481,386.78	74,164,020.84
Expenses payment	1,455,491,798.89	1,310,003,599.52
Total	2,554,956,770.95	3,769,700,826.50

Other remarks:

As at June 30, 2022, the Group had no significant accounts payable with an age of more than one year.

19. Contract liabilities

Unit: RMB

Item	Closing balance	Opening balance
Advances on sales	470,023,043.75	893,741,863.21
Total	470,023,043.75	893,741,863.21

Other remarks:

The contract liabilities mainly involve the advance receipts received by Supor from customers pursuant to sales contracts, which are collected in accordance with the contractual agreements. Revenue related to these contract will be recognized when Supor has fulfilled its performance obligations.

The amount with major changes in its book value during the reporting period and its reasons

Unit: RMB

Item	Variation Amount	Reason of change
Advances on sales	-893,741,863.21	Include revenue recognized for amounts in the opening book value of contract liabilities
Advances on sales	470,023,043.75	Increase due to cash received (excluding amounts recognized as revenue in the current year)
Total	-423,718,819.46	-

20. Employee remunerations payable**(1) Details**

Unit: RMB

Item	Opening balance	Increase	Decrease	Closing balance
I. Short-term Employee Remuneration	303,575,560.46	825,452,544.85	915,107,361.74	213,920,743.57
II. Post-employment Benefits - Defined Contribution Plan	9,073,751.55	48,356,790.71	52,241,223.38	5,189,318.88

III. Termination Benefit	9,043,641.87	797,934.15	9,216,701.11	624,874.91
Total	321,692,953.88	874,607,269.71	976,565,286.23	219,734,937.36

(2) Details of short-term employee remuneration

Unit: RMB

Item	Opening balance	Increase	Decrease	Closing balance
1. Wage, bonus, allowance and subsidy	261,402,348.07	736,041,268.48	830,527,590.87	166,916,025.68
2. Employee services and benefits	5,591,592.20	35,558,044.55	32,960,268.70	8,189,368.05
3. Social insurance charges	3,795,053.66	24,823,608.25	24,777,538.57	3,841,123.34
Work-related injury insurance	231,126.92	1,608,313.06	1,630,730.61	208,709.37
Medical and maternity insurance	3,563,926.74	23,215,295.19	23,146,807.96	3,632,413.97
4. Housing provident fund		19,089,114.47	18,996,260.71	92,853.76
5. Labor union expenditure and employees' educational fund	32,786,566.53	9,940,509.10	7,845,702.89	34,881,372.74
Total	303,575,560.46	825,452,544.85	915,107,361.74	213,920,743.57

(3) Details of defined contribution plan

Unit: RMB

Item	Opening balance	Increase	Decrease	Closing balance
1. Basic pension insurance	8,917,574.02	46,899,498.61	50,813,050.78	5,004,021.85
2. Unemployment insurance premium	156,177.53	1,457,292.10	1,428,172.60	185,297.03
Total	9,073,751.55	48,356,790.71	52,241,223.38	5,189,318.88

(4) Termination benefit

The amount of the termination benefit paid by Supor for termination of employment during the reporting period was RMB 9,216,701.11 (the same period in 2021: RMB 18,745,333.69) and the amount outstanding at the end of the period payable was RMB 624,874.91 (December 31, 2021: RMB 9,043,641.87).

21. Taxes payable

Unit: RMB

Item	Closing balance	Opening balance
VAT	32,550,273.14	16,872,131.15
Enterprise income tax	179,190,271.97	211,061,366.37
Individual income tax	2,450,288.11	3,008,686.26

Urban maintenance and construction tax	4,066,598.66	2,435,989.79
Housing property tax	5,115,538.26	8,277,905.43
Land use tax	3,477,015.94	6,675,898.84
Stamp tax	1,240,799.60	4,014,935.73
Education surcharge	1,747,773.15	994,165.50
Local education surcharge	1,175,689.21	753,712.48
Total	231,014,248.04	254,094,791.55

22. Other payables

Unit: RMB

Item	Closing balance	Opening balance
Other payables	99,060,772.22	110,605,272.21
Total	99,060,772.22	110,605,272.21

(1) Other payables

1) Listing by nature

Unit: RMB

Item	Closing balance	Opening balance
Deposit as security	73,725,163.98	72,599,903.25
Temporary receipts payable	13,019,095.33	25,902,507.85
Others	12,316,512.91	12,102,861.11
Total	99,060,772.22	110,605,272.21

23. Non-current liabilities due within one year

Unit: RMB

Item	Closing balance	Opening balance
Lease obligation due within one year	34,437,379.21	29,191,343.78
Total	34,437,379.21	29,191,343.78

24. Other current liabilities

Unit: RMB

Item	Closing balance	Opening balance
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Refund payable	17,235,958.92	20,629,048.91
Endorsed bank acceptances that are not derecognized	32,678,311.69	53,979,357.24
Output tax to be written-off	60,783,657.65	115,201,977.22
Total	110,697,928.26	189,810,383.37

25. Lease obligation

Unit: RMB

Item	Closing balance	Opening balance
Long-term lease obligation	187,083,421.05	186,611,554.59
Minus: Lease obligation due within one year	-34,437,379.21	-29,191,343.78
Total	152,646,041.84	157,420,210.81

Other remarks:

Supor leased employee dormitories and temporary warehouses for a period of one year, which are short-term leases. Supor acted on these leases without recognizing right-of-use assets and lease obligation.

26. Long-term payable employee remuneration

(1) Long-term employee remuneration payable

Unit: RMB

Item	Closing balance	Opening balance
II. Termination Benefit	1,626,823.60	1,903,631.69
Total	1,626,823.60	1,903,631.69

27. Estimated liabilities

Unit: RMB

Item	Closing balance	Opening balance	Reasons for the balance
Pending lawsuit	11,150,000.00	11,150,000.00	For details, please refer to Note 14. Commitments and contingencies
Financial guarantee contract	1,022,333.27	1,587,298.24	For details, please refer to Note 14. Commitments and contingencies
Total	12,172,333.27	12,737,298.24	

28. Share capital

Unit: RMB

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

Total shares	808,678,476.00				-24,000.00	-24,000.00	808,654,476.00
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Other remarks:

The share capital of the current period is reduced by RMB 24,000.00, which corresponds to the repurchase and write-off of the 24,000 restricted stocks from the dismissed equity incentive objects at the price of RMB 1 per share and results in a reduction of RMB 24,000.00 in share capital.

29. Capital reserves

Unit: RMB

Item	Opening balance	Increase	Decrease	Closing balance
Capital premium (share capital premium)	52,997,061.77	76,150,757.24	74,950,397.25	54,197,421.76
Other capital reserve	69,973,278.50	21,404,889.90		91,378,168.40
Total	122,970,340.27	97,555,647.14	74,950,397.25	145,575,590.16

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

- 1) The increase in capital premium (share capital premium) of RMB 76,150,757.24 for the year was due to the amount of RMB 76,150,757.24 set aside for restricted stock repurchase from undistributed profits for the year;
- 2) The decrease of capital premium (share capital premium) by RMB 74,950,397.25 was due to the grant of restricted stocks to the incentive objects, which was partially offset by capital reserve - share premium;
- 3) The increase in other capital reserve for the year of RMB 21,404,889.90 was due to the recognition of RMB 21,404,889.90 of equity-settled share-based payment expenses in capital reserve (other capital reserve) during the year, as described in Note 13. Description of Share-based Payment, to these financial statements.

30. Treasury share

Unit: RMB

Item	Opening balance	Increase	Decrease	Closing balance
Treasury share	76,159,897.25	58,185,415.23	74,974,397.25	59,370,915.23
Total	76,159,897.25	58,185,415.23	74,974,397.25	59,370,915.23

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

The Proposal on Public Shares Repurchase Plan was reviewed and approved by the 12th Session of the Seventh Board of Directors and the General Meeting of Shareholders 2021. The aim of this Stock Repurchase Plan is to reduce registered capital fund of the Company and to implement equity incentive. The increase for the year was due to the repurchase of 1,095,000 shares of the Company from the parallel market by way of centralized competitive trading for a total amount of RMB 58,179,536.09 and a repurchase handling fee of RMB 5,879.14 during the reporting period.

- 2) The decrease of treasury shares by RMB 74,974,397.25 for the year. ① The Proposal of Granting Restricted Stocks To Incentive Object was considered and approved at the 11th Session of the Seventh Board of Directors of the Company in 2022, and the granting of restricted stocks to incentive objects decreased treasury shares by RMB 74,950,397.25 for the year; ② The 12th Session of the Seventh Board of Directors of the Company in 2022 resolved that six incentive objects of the Company no longer meet the incentive conditions due to their departure, and repurchased and cancelled a total of 24,000 restricted stocks at a price of RMB 1/share, decreasing the repurchase obligation by RMB 24,000.00 accordingly.

31. Other comprehensive income

Unit: RMB

Item	Opening balance	Amount incurred during this period						Closing balance
		Current period cumulative before income tax	Minus: OCI carried forward transferred to profit or loss	Minus: OCI carried forward transferred to retained earning	Minus: Income tax expense	Attributable to parent company	Attributable to non-controlling interest	
II. Other Comprehensive Incomes To Be Reclassified into the Profit and Loss	-41,522,541.60	11,179,909.75				11,100,770.29	79,139.46	-30,421,771.31
Conversion difference of foreign currency financial statements	-41,522,541.60	11,179,909.75				11,100,770.29	79,139.46	-30,421,771.31
Total other comprehensive income	-41,522,541.60	11,179,909.75				11,100,770.29	79,139.46	-30,421,771.31

32. Surplus reserves

Unit: RMB

Item	Opening balance	Increase	Decrease	Closing balance
Statutory surplus reserve	356,924,811.32			356,924,811.32
Total	356,924,811.32			356,924,811.32

33. Undistributed profits

Unit: RMB

Item	Current period	Prior period
Undistributed profits at period beginning after adjustment	6,451,748,564.12	6,202,587,444.38
Plus: Net profit belonging to the owners of parent company in this period	932,849,164.03	865,590,446.89
Minus: Ordinary share dividends payable	1,559,494,958.68	1,048,601,714.34
Restricted stock grant	76,150,757.24	
Undistributed profits at the end of the period	5,748,952,012.23	6,019,576,176.93

Adjustment of undistributed profits at period beginning:

- 1). Due to retroactive adjustment of Accounting Standards for Business Enterprises and relevant new regulations, Undistributed profits at period beginning was changed by RMB 0.
- 2). Due to change of accounting policies, Undistributed profits at period beginning was changed by RMB 0.
- 3). Due to rectification of important accounting errors, undistributed profit at period beginning was changed by RMB 0.

- 4). Due to change of merger scope resulted from same control, undistributed profit at period beginning was changed by RMB 0.
- 5). Due to other adjustment, undistributed profit at period beginning was changed by RMB 0.

34. Operating income and operating cost

Unit: RMB

Item	Amount incurred during this period		Amount incurred during last period	
	Revenue	Cost	Revenue	Cost
Main business	10,256,439,431.57	7,622,713,387.19	10,381,939,743.02	7,695,160,010.24
Other business	67,540,313.25	47,736,567.42	51,936,150.60	30,691,447.73
Total	10,323,979,744.82	7,670,449,954.61	10,433,875,893.62	7,725,851,457.97

Information related to revenue:

Unit: RMB

Contract Classification	Total
Commodity type	
Including:	
Cooking utensils and utensils	3,066,665,527.99
Cooking appliances	4,588,882,638.90
Food cooking appliances	1,568,135,937.20
Other household electric appliances	1,100,295,640.73
Classified by business area	
Including:	
Domestic	7,457,451,182.53
Foreign	2,866,528,562.29
Classification by time of commodity transfer	
Including:	
Revenue recognized at a certain time point	10,323,979,744.82

Information related to performance obligations:

None

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

The amount of revenue corresponding to performance obligations that have been contracted but not yet performed or not yet completed at the end of the reporting period is RMB 470,023,043.75, of which RMB 470,023,043.75 is expected to be recognized as revenue in fiscal 2022.

35. Taxes and surcharges

Unit: RMB

Item	Amount incurred during this period	Amount incurred during last period
Urban maintenance and construction tax	34,278,449.74	23,543,464.32
Education surcharge	14,678,925.15	10,133,084.03
Housing property tax	6,514,302.51	5,430,607.45
Land use tax	-1,684,552.99	443,100.90
Vehicle and vessel use tax	27,176.40	31,696.40
Stamp tax	3,852,928.84	4,432,175.02
Local education surcharge	9,785,950.09	6,787,694.21
Environmental protection tax	46,908.98	31,377.05
Total	67,500,088.72	50,833,199.38

Other remarks:

See Note 6. Taxes, for details of the accrual criteria for each tax and surcharge.

36. Sales expenses

Item	Unit: RMB	
	Amount incurred during this period	Amount incurred during last period
Advertising, sales promotion, and special gift expenses	793,740,249.03	630,832,596.38
Transportation expenses		300,560,031.00
Employee remuneration	200,599,623.31	190,110,925.64
Office and business traveling expenses	58,158,944.19	56,702,384.07
Others	26,086,187.57	17,337,767.73
Total	1,078,585,004.10	1,195,543,704.82

37. Administrative expense

Item	Unit: RMB	
	Amount incurred during this period	Amount incurred during last period
Employee remuneration	109,519,189.69	146,444,519.38
Office, business travelling and depreciation and amortization expenses	38,758,513.91	37,087,803.85
Equity incentive costs	21,404,889.90	5,634,982.68
Others	18,975,433.26	24,847,432.15
Total	188,658,026.76	214,014,738.06

38. R&D expenses

Unit: RMB

Item	Amount incurred during this period	Amount incurred during last period
Employee remuneration	97,605,516.41	89,105,947.27
Trial production experiment cost and consumption expenditure	45,231,026.76	60,155,343.04
New product design cost	21,083,513.80	14,765,977.41
Patent and external institutional fees	20,485,620.53	20,576,192.20
Others	10,076,125.92	7,886,964.42
Total	194,481,803.42	192,490,424.34

39. Financial expenses

Item	Unit: RMB	
	Amount incurred during this period	Amount incurred during last period
Interest revenue	-32,112,351.33	-14,007,637.46
Gain or loss on foreign exchange	-16,222,180.30	3,200,629.44
Handling fees and others	2,708,735.34	1,070,822.30
Interest expense	4,810,441.61	5,136,071.01
Total	-40,815,354.68	-4,600,114.71

40. Other incomes

(1) Classification of other incomes

Source of other incomes	Unit: RMB	
	Amount incurred during this period	Amount incurred during last period
Government subsidies concerning daily activities	39,595,641.01	32,166,988.75
Refund of individual income tax handling fee	1,092,207.14	922,422.16
Total	40,687,848.15	33,089,410.91

(2) Government subsidies concerning daily activities

Subsidy item	Unit: RMB		
	Amount incurred during this period	Amount incurred during last period	Related to assets/income
Project subsidy	11,916,692.79	17,184,332.70	Related to benefits
Government reward	9,700,000.00	7,820,000.00	Related to benefits
Tax returns	17,978,948.22	7,162,656.05	Related to benefits
Total	39,595,641.01	32,166,988.75	

41. Investment incomes

Unit: RMB

Item	Amount incurred during this period	Amount incurred during last period
Long-term equity investment income under the equity method	-457,219.85	1,025,583.40
Investment income from disposal of transactional financial asset	2,801,323.05	
Interest for term deposit	29,159,105.64	51,746,405.48
Investment income of debt investment during the holding period	6,713,635.48	
Total	38,216,844.32	52,771,988.88

42. Gains from changes in fair value

Unit: RMB

Source of gains from changes in fair value	Amount incurred during this period	Amount incurred during last period
Variation in fair value of financial products	550,529.85	1,005,713.48
Total	550,529.85	1,005,713.48

43. Credit impairment losses

Unit: RMB

Item	Amount incurred during this period	Amount incurred during last period
Loss on bad debts of other receivables	-473,075.27	120,275.04
Accounts receivable	25,130,551.51	-20,867,807.16
Notes receivable		171,849.93
Financial guarantee contract	564,964.97	
Total	25,222,441.21	-20,575,682.19

44. Asset impairment loss

Unit: RMB

Item	Amount incurred during this period	Amount incurred during last period
I. Loss from Inventory Depreciation and Loss from Impairment of Contract Performance Cost	-16,045,044.53	-2,845,405.73
II. Fixed asset impairment loss		-5,489,685.00
Total	-16,045,044.53	-8,335,090.73

45. Assets disposal income

Unit: RMB

Source of assets disposal income	Amount incurred during this period	Amount incurred during last period
Profits for non-current assets disposal Profits of non-current assets (loss "-")	-498,368.94	-540,385.03
Gain on disposal of right-of-use asset	304,915.84	
Total	-193,453.10	-540,385.03

46. Non-operating income

Unit: RMB

Item	Amount incurred during this period	Amount incurred during last period	Amount included into non-recurring profit or loss
Gains from disposal of non-current assets	125,962.34	304,679.19	125,962.34
Including: Profits for fixed assets disposal	125,962.34	304,679.19	125,962.34
Default fine revenue	937,976.52	1,350,795.41	937,976.52
Others	1,224,315.17	375,472.94	1,224,315.17
Total	2,288,254.03	2,030,947.54	2,288,254.03

47. Non-operating expenses

Unit: RMB

Item	Amount incurred during this period	Amount incurred during last period	Amount included into non-recurring profit or loss
Donation expenditures	1,120,000.02	1,179,209.52	1,120,000.02
Losses from disposal of non-current assets	245,051.52	254,975.30	245,051.52
Including: Fixed asset disposal loss	245,051.52	254,975.30	245,051.52
Others	1,531,257.29	3,205,689.17	1,531,257.29
Total	2,896,308.83	4,639,873.99	2,896,308.83

48. Income tax expenses**(1) Details**

Unit: RMB

Item	Amount incurred during this period	Amount incurred during last period
Current income tax expenses	316,759,106.44	270,175,426.88
Deferred income tax expenses	2,497,447.66	-19,690,158.83
Total	319,256,554.10	250,485,268.05

(2) Reconciliation of accounting profit to income tax expenses

Item	Unit: RMB	
	Amount incurred during this period	
Total profit	1,252,951,332.99	
Income tax expenses based on statutory/applicable tax rate	313,237,833.25	
Effect of different tax rate applicable to subsidiaries	-2,131,449.66	
Effect of prior income tax reconciliation	5,640,101.11	
Effect of non-taxable revenue	114,304.96	
Effect of deductible temporary differences or deductible losses on unrecognized deferred income tax assets in the current period	2,395,764.44	
Income tax expense	319,256,554.10	

49. Other comprehensive income

For details, please refer to Note 31.

50. Items of cash flow statement**(1) Other cash received related to operating activities**

Item	Unit: RMB	
	Amount incurred during this period	Amount incurred during last period
Receipt of government subsidies	22,708,899.93	32,166,988.75
Receipt of deposit, security and staff reserve fund loan	10,386,022.99	25,374,312.95
Interest revenue	22,572,015.53	11,962,551.57
Others	10,594,834.36	6,883,280.68
Total	66,261,772.81	76,387,133.95

(2) Other cash payments related to operating activities

Item	Unit: RMB	
	Amount incurred during this period	Amount incurred during last period
Cash payment for sales expense	899,665,674.62	783,583,395.10
Cash payment for administrative expenses	60,907,658.14	82,114,394.80
Cash payment for R&D expenses	109,717,018.05	103,780,795.72
Donations payment	673,091.00	908,628.40
Deposit security payment for Note payable		434,032,922.14

Other payments	5,512,875.25	5,685,204.38
Total	1,076,476,317.06	1,410,105,340.54

(3) Other cash receipts related to investing activities

Item	Unit: RMB	
	Amount incurred during this period	Amount incurred during last period
Cash receipt from recovery of financial products, principal and interest of term deposit	1,380,000,000.00	1,015,003,017.64
Total	1,380,000,000.00	1,015,003,017.64

(4) Other cash payments related to investing activities

Item	Unit: RMB	
	Amount incurred during this period	Amount incurred during last period
Cash payment for financial products and term deposit	550,000,000.00	546,000,000.00
Total	550,000,000.00	546,000,000.00

(5) Other cash receipts related to financing activities

Item	Unit: RMB	
	Amount incurred during this period	Amount incurred during last period
Bank loan, etc.		892,000.00
Total		892,000.00

(6) Other cash payments related to financing activities

Item	Unit: RMB	
	Amount incurred during this period	Amount incurred during last period
Repurchased stock and handling fee	58,185,415.23	257,776,914.61
Cash paid for repayment of lease obligation principal and interest	21,490,157.99	
Total	79,675,573.22	257,776,914.61

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

Supplement information	Unit: RMB	
	Amount of this period	Amount of last period
1. Reconciliation of net profit to cash flow from operating activities:		

Net profit	933,694,778.89	864,064,244.58
Plus: Impairment provision of assets	16,045,044.53	8,335,090.73
Credit impairment loss	-25,222,441.21	20,575,682.19
Depreciation of fixed assets, oil and gas assets, productive biological assets	62,262,292.80	64,637,888.19
Depreciation of right-of-use assets	22,473,391.88	22,581,086.79
Amortization of intangible assets	11,583,100.10	10,682,415.26
Amortization of long-term unamortized expenses		309,232.79
Loss on disposal of fixed assets, intangible assets and other long-term assets ("-" for gains)	193,453.10	540,385.03
Fixed assets retirement loss ("-" for gains)	119,089.18	461,304.25
Loss from fair value changes ("-" for earnings)	-550,529.85	-1,005,713.48
Financial expenses ("-" for gains)	-16,222,180.30	8,335,355.17
Investments losses ("-" for gains)	-38,216,844.32	-52,771,988.88
Decrease of deferred income tax assets ("-" for increase)	2,497,447.66	-19,533,087.43
Increase of deferred income tax liabilities ("-" for decrease)		
Decrease in inventories ("-" for increase)	799,978,326.78	439,495,557.02
Decrease in operating receivables ("-" for increase)	510,296,788.15	-451,477,284.90
Increase in operating payable ("-" for decrease)	-933,306,325.73	-180,766,481.72
Others	-36,780,525.33	-434,032,922.14
Net cash flows from operating activities	1,308,844,866.33	300,430,763.45
2. Significant investing and financing activities not related to cash receipts and payments:		
Conversion of debt into capital		
Convertible corporate bonds due within one year		
Fixed assets under financing lease		
3. Net changes in cash and cash equivalents:		
Closing balance of cash	3,008,602,558.47	1,003,957,665.61
Minus: Opening balance of cash	2,443,731,679.06	1,655,785,919.04
Plus: closing balance of cash equivalents		
Minus: opening balance of cash equivalents		
Net increase in cash and cash equivalents	564,870,879.41	-651,828,253.43

(2) Cash and cash equivalents

Unit: RMB

Item	Closing balance	Opening balance
I. Cash	3,008,602,558.47	2,443,731,679.06
Including: Cash on hand	45,511.13	71,122.80
Cash in bank on demand for payment	2,981,886,179.44	2,420,300,342.03
Other monetary capital on demand for payment	26,670,867.90	23,360,214.23
III. Balance of Cash and Cash Equivalents at the End of the Period	3,008,602,558.47	2,443,731,679.06

52. Assets with title or use right restrictions

Unit: RMB

Item	Closing book value	Reasons for restrictions
Monetary capital	58,000,000.00	Deposit security for advance payment financing
Monetary capital	412,530,000.00	Security for bank acceptance
Monetary capital	550,000.00	E-commerce platform security and frozen funds
Monetary capital	263,468.43	Cancellation of branch bank account frozen amount
Total	471,343,468.43	

53. Foreign currency monetary items

(1) Foreign currency monetary item

Unit: RMB

Item	Closing balance in foreign currencies	Conversion rate	Closing balance of converted RMB
Monetary capital			
Including: USD	46,346,334.49	6.7114	311,048,789.30
EUR	3,604,059.21	7.0084	25,258,688.57
GBP	29.80	8.1365	242.47
VND	6,062,525,682.50	0.000288352	1,748,141.41
SGD	88,724.39	4.8170	427,385.39
IDR	10,022,348,361.00	0.000451	4,520,079.11
Accounts receivable			
Including: USD	45,120,212.77	6.7114	302,819,795.98
VND	30,545,065,505.50	0.000288352	8,807,730.73
IDR	2,486,517,195.00	0.000451	1,121,419.25
Accounts payable			

Including: USD	1,785,999.08	6.7114	11,986,554.23
GBP	1,007,800.55	8.1365	8,199,969.18
EUR	620.00	7.0084	4,345.21
VND	51,832,208,886.84	0.000288352	14,945,921.10
SGD	115,375.00	4.8170	555,761.38
IDR	1,258,157,747.28	0.000451	567,429.14

VIII. Change on Merger Scope

1. Others

There was no change on merger scope in the current period.

IX. Equity in Other Entities

1. Equity in subsidiaries

(1) Structure of enterprise Group

The subsidiary name	Main operating place	Place of registration	Business nature	Shareholding ratio		Acquisition method
				Direct	Indirect	
Zhejiang Supor Electrical Appliance Manufacturing Co., Ltd. [Note 1]	Hangzhou	Hangzhou	Manufacturing industry	100.00%		Establishment
Zhejiang Shaoxing Supor Domestic Electrical Appliances Co., Ltd. [Note 1]	Shaoxing	Shaoxing	Manufacturing industry	100.00%		Establishment
Supor (Vietnam) Co., Ltd [Note 1]	Vietnam	Vietnam	Manufacturing industry	100.00%		Establishment
Wuhan Supor Recycling Co., Ltd [Note 1]	Wuhan	Wuhan	Commerce	100.00%		Establishment
Wuhan Supor Cookware Co., Ltd [Note 1] & [Note 2]	Wuhan	Wuhan	Manufacturing industry	25.00%	75.00%	Establishment
Hangzhou Omega Commercial Trade Co., Ltd [Note 1]	Hangzhou	Hangzhou	Commerce	100.00%		Establishment
Shanghai Supor Cookware Marketing Co., Ltd [Note 1]	Shanghai	Shanghai	Commerce	100.00%		Establishment
Wuhan Supor Pressure Cooker Co., Ltd [Note 1]	Wuhan	Wuhan	Manufacturing industry	100.00%		Enterprise merger under the same control
Zhejiang Supor Plastic & Rubber Co., Ltd [Note 1]	Yuhuan	Yuhuan	Manufacturing industry	100.00%		Enterprise merger under the same control
Yuhuan Supor Cookware Marketing Co., Ltd [Note 1]	Yuhuan	Yuhuan	Commerce	100.00%		Enterprise merger not under the same control
SEADA [Note 1]	Singapore	Singapore	Commerce	51.00%		Enterprise merger under the same control
AFS Vietnam Management Co., Ltd [Note 1] [Note 3]	Vietnam	Vietnam	Commerce		100.00%	Enterprise merger under the same control

						control
WMF (Shanghai) Co., Ltd [Note 1]	Shanghai	Shanghai	Manufacturing industry	100.00%		Establishment
Zhejiang WMF Housewares Co., Ltd [Note 1]	Yuhuan	Yuhuan	Manufacturing industry	100.00%		Establishment
Zhejiang Shaoxing Supor Housewares Co., Ltd. [Note 1]	Shaoxing	Shaoxing	Manufacturing industry	100.00%		Establishment
Shanghai SEB Electrical Appliances Co., Ltd [Note 1]	Shanghai	Shanghai	Manufacturing industry	100.00%		Enterprise merger under the same control
Zhejiang Supor Large Kitchen Appliance Co., Ltd [Note 1]	Shaoxing	Shaoxing	Manufacturing industry	100.00%		Establishment
PT GROUPE SEB INDONESIA MSD [Note 4]	Indonesia	Indonesia	Commerce		66.67%	Establishment
Zhejiang Supor Water Heater Co., Ltd. [Note 1] [Note 5]	Shaoxing	Shaoxing	Manufacturing industry	52.00%		Establishment
Hainan Supor E-commerce Co., Ltd. [Note 1] [Note 6]	Hainan	Hainan	Commerce		100.00%	Establishment
Hainan Tefal Trade Co., Ltd. [Note 1] [Note 6]	Hainan	Hainan	Commerce		100.00%	Establishment

Description that the shareholding ratio in the subsidiary is different from the voting right proportion:

Note 1: Hereinafter referred to as Zhejiang Supor Electrical, Shaoxing Supor, Wuhan Recycling, Wuhan Cookware, Omega, Shanghai Marketing, Wuhan PC, P&R, Yuhuan Sales Company, SEADA, AFS, Shanghai WMF, Zhejiang WMF, Shaoxing Supor Housewares, Shanghai SEB, Supor kitchen & electric appliance, Supor Water Heater, Hainan Supor E-commerce and Hainan Tefal Trade.

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

Note 3: The Company holds 51% of the equity of SEADA, and AFS is a 100% owned subsidiary of SEADA.

Note 4: PT GROUPE SEB INDONESIA MSD was established jointly by SEADA, a subsidiary of the Company and the third party PT MULTIFORTUNA in Indonesia this year. SEADA holds 66.67% shares and PT MULTIFORTUNA holds 33.33% shares.

Note 5: Zhejiang Supor Water Heater Co., Ltd. is jointly invested and established by the Company and Supor Group Co., Ltd. The Company holds 52% shares and Supor Group Co., Ltd holds 48% shares.

Note 6: Hainan Supor E-commerce and Hainan Tefal Trade are 100% owned subsidiaries of Zhejiang Supor Electrical. Ending on the disclosure date of this report, Hainan Supor Technology Co., Ltd. has changed new company name of Hainan Tefal Trade Co., Ltd. and above registration change was completed on July 26, 2022.

(2) Significant non-wholly-owned subsidiaries

Unit: RMB

The subsidiary name	Holding proportion of non-controlling interest	Profit or loss attributable to non-controlling interest	Dividend declared to non-controlling interest	Balance of minority shareholders' equities at the end of the period
SEADA	49.00%	-88,014.04		6,974,435.97
AFS	49.00%	78,122.63		25,101.14
GSM	33.33%	461,416.16		2,190,774.85
Supor Water Heater	48.00%	394,090.11		27,402,536.42

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

Unit: RMB

The subsidiary name	Closing balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
SEADA	3,528,626.69	7,852,586.71	11,381,213.39	7,949,522.64		7,949,522.64	2,201,136.53	7,691,059.63	9,892,196.16	7,407,010.28		7,407,010.28
AFS	3,024,192.95	33,729,200	3,057,922.15	740,565.64		740,565.64	3,972,561.59	410,013.58	4,382,575.17	976,857.81	266,917.90	1,243,775.71
GSIM	16,985,112.54	3,293,584.07	20,278,696.61	4,313,464.11	577,114.77	4,890,578.89	16,835,657.30	3,754,654.59	20,590,311.89	5,525,709.41	487,900.80	6,013,610.21
Supor Water Heater	76,177,511.44	3,875,633.44	80,053,144.87	22,683,379.65		22,683,379.65	82,108,107.10	3,773,931.89	85,882,038.99	29,357,361.93		29,357,361.93

Unit: RMB

The subsidiary name	Amount incurred during this period				Amount incurred during last period			
	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities
SEADA	487,263.80	880,735.29	946,504.87	202,599.96	322,031.26	-104,497.72	-867,851.46	231,465.12
AFS		159,433.94	238,911.66	913,081.75		108,108.08	91,449.40	-47,709.90
GSIM	7,834,711.92	699,115.39	811,416.04	699,146.18	6,762,711.58	-2,047,878.29	-1,548,286.82	-2,902,272.80
Supor Water Heater	32,635,218.27	845,088.15	845,088.15	-1,246,208.23	33,709,631.15	-567,999.40	-567,999.40	-5,936,272.42

2. Equity in joint venture or associated enterprise**(1) Significant joint venture or associated enterprise**

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

(2) Main financial information of significant associated enterprises

Unit: RMB

	Closing balance/current period cumulative	Opening balance/amount incurred during last period
Current assets	121,253,241.05	146,447,108.80
Non-current assets	44,420,038.70	46,881,291.93
Total assets	165,673,279.75	193,328,400.73

Current liabilities:	23,686,164.65	49,304,509.03
Non-current liabilities	540,000.00	640,000.00
Total liabilities	24,226,164.65	49,944,509.03
Attributable to shareholders' equities of the parent company	141,447,115.10	143,383,891.70
Proportionate share in net assets	42,434,134.53	43,015,167.51
--Goodwill	22,585,444.13	22,585,444.13
Book value of investments in associated enterprises	65,019,578.66	65,600,611.64
Operating income	107,194,897.86	123,513,682.51
Net profit	-1,936,776.60	2,548,754.93
Total comprehensive income	-1,936,776.60	2,548,754.93

X. Risks related to financial instruments

(I) Risk management objectives and policies

Supor aims to seek the appropriate difference between risks and returns, minimize the negative impact of risks on Supor's operating performance, and maximize the interests of shareholders and other equity investors. Based on such objectives, Supor's risk management policies are established to identify and analyze the risks faced by Supor, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

1. Market risk

(1) Foreign exchange risk

Foreign exchange risk refers to the risk of fluctuations in the fair value of financial instruments or future cash flows due to changes in foreign exchange rate. Supor's foreign exchange risk relates mainly to foreign currency monetary assets and liabilities. When short-term imbalance occurred to foreign currency assets and liabilities, Supor may conduct foreign exchange hedge or trade foreign currency at market exchange rate when necessary, in order to maintain the net risk exposure within an acceptable level.

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

Sensitivity analysis:

Assuming that other risk variables other than the exchange rate remain unchanged, the change in the exchange rate of RMB against all foreign currencies on June 30 of Supor will lead to the increase of shareholders' equities and net profit by 1%. The influence is presented by converting it to RMB at the spot rate on the balance sheet day.

	Shareholders' equities	Net profit
June 30, 2022		
USD	4,619,175.06	4,619,175.06
EUR	189,407.58	189,407.58
GBP	-61,497.95	-61,497.95
VND	-35,120.43	-35,120.43
SGD	-1,066.22	-1,066.22
IDR	39,577.74	39,577.74

Total	4,750,475.78	4,750,475.78
December 31, 2021		
USD	3,757,640.60	3,757,640.60
EUR	395.31	395.31
GBP	2.17	2.17
VND	-93,874.85	-93,874.85
SGD	-1,854.16	-1,854.16
IDR	49,730.04	49,730.04
Total	3,712,039.11	3,712,039.11

(2) Interest risk - cash flow change risk

Interest risk refers to the risk of fluctuations in the fair value of financial instruments or future cash flows due to changes in market interest rate. As of June 30, 2022, Supor had no bank borrowings, and Supor's gross profit and shareholders' equities were not significantly affected by interest risk.

2. Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The monetary capital of Supor other than cash are mainly deposited in financial organizations with good credit, and entrusted financial products are issued by financial organizations with good credit. The management believes that there is no significant credit risk and it is not expected to cause losses to Supor due to the other party's default.

The maximum credit risk exposure assumed by Supor is the book value of each financial asset in the balance sheet (including derivative financial instruments). Supor has not provided any guarantee that could expose it to credit risk other than the financial guarantee set out in Note XIV. The exposure of the maximum credit risk assumed by the above financial guarantees on the balance sheet date has been disclosed in Note XIV.

Supor's credit risk is primarily attributable to receivables. In order to control such risks, Supor has taken the following measures:

(1) Receivables financing and notes receivable

Receivables financing and notes receivable of the Supor are mainly bank acceptance receivable. Supor conducts ongoing monitoring on receivables, to avoid significant risks in bad debts.

(2) Accounts receivable

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

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

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

At the end of the year, Supor's accounts receivable from related party SEB ASIA LTD accounted for 58.68% of closing balance (70.35% as of December 31, 2021), and the Company's account receivables are expected to have less credit risk. As the Company's credit risks fall into several business partners and customers, as of June 30, 2022, 18.85% (11.28% as of December 31, 2021) of the

total accounts receivable was due from the five largest customers of the Company after deducting receivables from related party SEB ASIA LTD. The Company had no significant central credit risk.

3. Other receivables

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

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

Unit: RMB

Item	Closing balance				
	Neither past due nor impaired	Past due nor impaired			Total
		Within 1 year	1-2 years	Over 2 years	
Receivables financing	232,348,975.14				232,348,975.14
Other receivables	1,523,227.27				1,523,227.27
Subtotal	233,872,202.41				233,872,202.41

(Continued)

Item	Opening balance				
	Neither past due nor impaired	Past due nor impaired			Total
		Within 1 year	1-2 years	Over 2 years	
Receivables financing	3,312,225.62				3,312,225.62
Other receivables	1,237,370.65				1,237,370.65
Subtotal	4,549,596.27				4,549,596.27

(b) Please refer to Note VII "4. Accounts receivable" for receivables with impairment provision made on individual basis.

3. Liquidity risk

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

In order to control such risk, Supor optimizes asset liabilities, and finally maintains a balance between financing sustainability and flexibility.

Financial instruments classified based on remaining time period till maturity

Unit: RMB

Item	Closing balance				
	Book value	Within 1 year	1-3 years	Over 3 years	Total
Financial assets					
Monetary capital	3,479,946,026.90	3,479,946,026.90			3,479,946,026.90
Transactional financial assets	220,550,529.85	220,550,529.85			220,550,529.85
Notes receivable	35,454,679.55	35,454,679.55			35,454,679.55

Accounts receivable	2,151,142,929.18	2,151,142,929.18			2,151,142,929.18
Receivables financing	232,348,975.14	232,348,975.14			232,348,975.14
Other receivables	16,635,885.82	16,635,885.82			16,635,885.82
Other debt investments	586,813,657.54		632,835,000.00		632,835,000.00
Other current assets [note]	592,407,534.24	592,407,534.24			592,407,534.24
Subtotal	7,315,300,218.22	6,728,486,560.68	632,835,000.00		7,361,321,560.68
Financial liabilities					
Notes payable	1,578,200,000.00	1,578,200,000.00			1,578,200,000.00
Accounts payable	2,554,956,770.95	2,554,956,770.95			2,554,956,770.95
Other payables	99,060,772.22	99,060,772.22			99,060,772.22
Other current liabilities	32,678,311.69	32,678,311.69			32,678,311.69
Lease obligation	187,083,421.05	36,159,248.17	100,603,828.59	79,087,554.02	215,850,630.78
Subtotal	4,451,979,275.91	4,301,055,103.03	100,603,828.59	79,087,554.02	4,480,746,485.64

Note: Other current assets are term deposits for the purpose of earning interest.

(Continued)

Item	Opening balance				
	Book value	Within 1 year	1-3 years	Over 3 years	Total
Financial assets					
Monetary capital	2,654,052,417.47	2,654,052,417.47			2,654,052,417.47
Transactional financial assets	180,312,742.31	180,312,742.31			180,312,742.31
Notes receivable	54,879,357.24	54,879,357.24			54,879,357.24
Accounts receivable	2,716,945,985.33	2,716,945,985.33			2,716,945,985.33
Receivables financing	3,312,225.62	3,312,225.62			3,312,225.62
Other receivables	12,159,756.67	12,159,756.67			12,159,756.67
Other debt investments	298,191,205.49		322,745,000.00		322,745,000.00
Other current assets [note]	1,863,761,369.84	1,863,761,369.84			1,863,761,369.84
Subtotal	7,783,615,059.97	7,485,423,854.48	322,745,000.00		7,808,168,854.48
Financial liabilities					
Notes payable	500,250,000.00	500,250,000.00			500,250,000.00
Accounts payable	3,769,700,826.50	3,769,700,826.50			3,769,700,826.50

Other payables	110,605,272.21	110,605,272.21			110,605,272.21
Other current liabilities	53,979,357.24	53,979,357.24			53,979,357.24
Lease obligation	186,611,554.59	37,993,728.54	98,489,145.81	75,992,456.73	212,475,331.08
Subtotal	4,621,147,010.54	4,472,529,184.49	98,489,145.81	75,992,456.73	4,647,010,787.03

Note: Other current assets are term deposits for the purpose of earning interest.

(II) Transformation of financial assets

Financial assets that have been transferred but not collectively terminated for recognition

For details, please refer to the relevant description of Note VII "3. Notes receivable financing and 24. Other current liabilities" of this financial statement.

XI. Disclosure of fair value

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

Unit: RMB

Item	Fair value as of the balance sheet date			
	Level 1 of fair value measurement	Level 2 of fair value measurement	Level 3 of fair value measurement	Total
I. Recurring fair value measurement	--	--	--	--
(I) Transactional financial asset			220,550,529.85	220,550,529.85
(II) Other debt investments		586,813,657.54		586,813,657.54
(III) Receivables financing				
(1) Notes receivable		232,348,975.14		232,348,975.14
II. Non-continued measurement of fair value	--	--	--	--

2. Basis of determining the market price of continuous and non-continuous level 1 fair value measurement project

None

3. Continuous and non-continuous level 2 fair value measurement item, using valuation technique and quantitative and qualitative information of important parameters

For other debt investments and receivables financing, the fair value is determined by discounting future cash flows.

4. Continuous and non-continuous level 3 fair value measurement item, using valuation technique and quantitative and qualitative information of important parameters

For the financial products in financial assets measured at the fair value with their changes included into the current profits and losses, its fair value is determined by the method of discounting future cash flows which is calculated at the agreed expected rate of return.

5. Details of the fair value of the financial assets and financial liabilities not measured at fair value

On June 30th, there is no significant difference between the book value and fair value of Supor's financial assets and liabilities.

XII. Related parties and connected transactions

1. Parent company

The parent company name	Place of registration	Business nature	Registered capital	Holding proportion over the parent company (%)	Holding voting rights over the parent company (%)
SEB INTERNATIONALE S.A.S	France	Investment company	EUR 830 Million	82.44%	82.44%

Remarks on the parent company

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

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

2. Company's subsidiaries

Please refer Note IX, 1. "Equity in subsidiaries" for details on the Company's subsidiaries.

3. Joint ventures and associated enterprises of the Company

Please refer to Note IX, 2. "Equity in joint venture or associated enterprise" for details on the Company's significant joint ventures and associated enterprises.

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

Name of joint venture or associated enterprise	Relationships with the Company
Wuhan Anzai Cookware Co., Ltd.	Associated enterprise

4. Other related parties of the Company

Related party	Relationships with the Company
SEB S.A.	Ultimate controlling shareholder
SEB ASIA LTD.	Same controlling shareholder
TEFAL S.A.S.	Same controlling shareholder with the controlling shareholder
ALL-CLAD METALCRAFTERS LLC	Same controlling shareholder

S.A.S. SEB	Same controlling shareholder with the controlling shareholder
SEB INTERNATIONAL SERVICE S.A.S.	Same controlling shareholder with the controlling shareholder
LAGOSTINA S.P.A.	Same controlling shareholder
GROUPE SEB MOULINEX	Same controlling shareholder with the controlling shareholder
GROUPE SEB EXPORT	Same controlling shareholder with the controlling shareholder
SEB DEVELOPPMENT SAS	Same controlling shareholder with the controlling shareholder
IMUSA USA LLC	Same controlling shareholder
CALOR SAS	Same controlling shareholder with the controlling shareholder
Supor Group Co., Ltd.	The company controlled by related natural person
Zhejiang Supor Sanitary Ware Co., Ltd.	The company controlled by related natural person
ETHERA	Same controlling shareholder with the controlling shareholder
WMF CONSUMER ELECTRIC GMBH	Same controlling shareholder
WMF Consumer Goods (Shanghai) Co, Ltd.	Same controlling shareholder
WMF GROUPE GMBH	Same controlling shareholder
GROUPE SEB VIETNAM JOINT STOCK COMPANY	Same controlling shareholder
GROUPE SEB SINGAPORE	Same controlling shareholder
GROUPE SEB THAILAND	Same controlling shareholder
Emsa Taicang Co., Ltd.	Same controlling shareholder
WMF (HE SHAN) MANUFACTURING COMPANY LIMITED	Same controlling shareholder
ROWENTA WERKE GMBH	Same controlling shareholder with the controlling shareholder
EMSA GMBH	Same controlling shareholder
GROUPE SEB USA	Same controlling shareholder
GROUPE SEB CANADA	Same controlling shareholder
GROUPE SEB ANDEAN S.A.	Same controlling shareholder
GROUPE SEB IBERICA	Same controlling shareholder
GROUPE SEB SCHWEIZ GMBH	Same controlling shareholder
SEB DO BRASIL PRODS.DOM.LTDA	Same controlling shareholder
GROUPE SEB KOREA,LTD	Same controlling shareholder
GROUPE SEB MALAYSIA	Same controlling shareholder
GS INNOVATION CENTER CO., LTD.	Same controlling shareholder
Zhejiang Nanyang Pharmaceutical Sales Co., Ltd.	The company controlled by related natural person
Zhejiang Sukean Pharmaceutical Co., Ltd	The company controlled by related natural person

5. Situations of connected transaction

(1) Connected transactions in the purchase and sale of commodities, provision and acceptance of labor services

Purchase of commodities and receiving of services

Unit: RMB

Related party	Contents of connected transaction	Amount incurred during this period	Transaction quota granted	Exceeding transaction amount or not	Amount incurred during last period
Wuhan Anzai Cookware Co., Ltd.	Finished products	64,451,093.92		No	72,149,324.35
Wuhan Anzai Cookware Co., Ltd.	Accessories	42,746,852.61		No	50,308,402.62
GROUPE SEB EXPORT	Finished products	4,569,624.34		No	4,681,888.48
TEFAL S.A.S.	Accessories	5,564,791.38		No	11,906,028.49
LAGOSTINA S.P.A.	Finished products	2,194,942.00		No	1,427,551.91
SEB INTERNATIONAL SERVICE S.A.S.	Finished products			No	89,892.57
SEB INTERNATIONAL SERVICE S.A.S.	Accessories	234,206.73		No	0.00
GROUPE SEB MOULINEX	Accessories	1,839,097.62		No	4,079,912.51
CALOR SAS	Accessories			No	758,681.93
WMF (HE SHAN) MANUFACTURING COMPANY LIMITED	Finished products	214,089.78		No	156,628.32
GROUPE SEB THAILAND	Finished products			No	237,155.10
EMSA GMBH	Finished products			No	312,245.49
ETHERA	Accessories	319,583.04		No	2,092,156.82
WMF GROUPE GMBH	Finished products	12,387,300.16		No	21,197,316.07
WMF Consumer Goods (Shanghai) Co, Ltd.	Finished products			No	357,692.92
Supor Group Co., Ltd.	Finished products	7,471.00		No	198,449.00

Sale of commodities and rendering of services

Unit: RMB

Related party	Contents of connected transaction	Amount incurred during this period	Amount incurred during last period
SEB ASIA LTD.	Finished products	2,599,590,781.21	3,211,594,813.23
SEB ASIA LTD.	Accessories	2,648,083.19	2,303,452.69
S.A.S. SEB	Finished products	10,143,181.26	11,211,990.95
S.A.S. SEB	Accessories	495,400.35	471,368.44
TEFAL S.A.S.	Finished products	5,771,600.06	5,555,389.15
TEFAL S.A.S.	Accessories	7,810,501.26	8,550,683.56
GROUPE SEB MOULINEX	Finished products	11,729,902.13	20,125,024.32

Supor Group Co., Ltd.	Finished products	2,459,900.56	1,762,877.47
Zhejiang Nanyang Pharmaceutical Sales Co., Ltd.	Finished products	216,700.00	
SEB INTERNATIONAL SERVICE S.A.S.	Finished products		50,257.57
SEB INTERNATIONAL SERVICE S.A.S.	Accessories	10,678,771.92	9,538,342.63
LAGOSTINA S.P.A.	Finished products	49,269.52	85,928.20
LAGOSTINA S.P.A.	Accessories	781,661.90	525,338.80
ALL-CLAD METALCRAFTERS LLC	Finished products		355,563.53
IMUSA USA LLC	Finished products	9,872,683.87	7,116,454.14
IMUSA USA LLC	Accessories	17,306.67	
WMF Consumer Goods (Shanghai) Co, Ltd.	Finished products	219,109.25	210,726.93
GROUPE SEB CANADA	Finished products	8,281,052.82	6,332,810.49
GROUPE SEB VIETNAM JOINT STOCK COMPANY	Finished products	12,712,078.20	15,780,546.35
GROUPE SEB VIETNAM JOINT STOCK COMPANY	Accessories	11,067.77	11,451.68
CALOR SAS	Finished products		22,887,048.00
GROUPE SEB ANDEAN S.A.	Accessories	2,785,092.32	536,496.98
Wuhan Anzai Cookware Co., Ltd.	Finished products		136,200.50
Wuhan Anzai Cookware Co., Ltd.	Accessories	11,947.34	

(2) Related party leases

Supor as the lessor:

None

Supor as the lessee:

Unit: RMB

Lessor	leasee	Types of leased assets	Right-of-use asset confirmed on January 1, 2022	Right-of-use asset purchased in 2022	Interest expense on lease obligation accrued in 2022
Supor Group Co., Ltd.	Wuhan Cookware	Real estate	12,199,661.48		232,535.11
	Zhejiang Supor Electrical	Real estate	41,784,917.90		749,408.06
	Shaoxing Supor	Real estate	3,987,385.03		69,393.51

Other remarks:

This item is the right-of-use asset confirmed under the implementation of the New Lease Standards.

Unit: RMB

Lessor	leasee	Types of leased assets	Lease income for current period	Lease income for last period
Supor Group Co., Ltd.	P&R	Real estate	68,114.29	59,600.00

Other remarks:

This is the short-term lease cost under the implementation of the New Lease Standards.

(3) Key management personnel's emoluments

Unit: RMB10,000

Item	Amount incurred during this period	Amount incurred during last period
Key management personnel's emoluments	1,091.43	690.24

(4) Other connected transaction

Unit: RMB

① Water and electricity charges

Selling parties	Purchasing parties	Amount incurred during this period	Amount incurred during last period
Supor Group Co., Ltd.	Zhejiang Supor Electrical	106,169.13	215,047.66
	Wuhan Cookware		31,382.22
	Shaoxing Supor		29,985.43
The Company	Supor Group Co., Ltd.		530,222.21

② Property fee, maintenance cost and berth fee

Service renderer	Service receiver	Amount incurred during this period	Amount incurred during last period
Supor Group Co., Ltd.	The Company		290,380.76
	Zhejiang Supor Electrical		97,142.86
	Wuhan Cookware		164,285.71

③ Consulting fee

Service renderer	Service receiver	Amount incurred during this period	Amount incurred during last period
SEB ASIA LTD.	The Company	448,824.00	448,824.00
	Wuhan Cookware	227,046.00	-1,072,070.75
	Shaoxing Supor	318,516.00	318,516.00
	Zhejiang Supor Electrical	205,614.00	-972,694.61

④ Cost of international shopping center

Service renderer	Service receiver	Amount incurred during this period	Amount incurred during last period
SEB DEVELOPMENT SAS	Shaoxing Supor	1,680,000.00	1,680,000.00
	Zhejiang Supor Electrical	1,320,000.00	1,320,000.00
	Wuhan Cookware	834,070.74	4,495,122.41

⑤ Testing services, etc.

Service renderer	Service receiver	Amount incurred during this period	Amount incurred during last period
The Company	GS INNOVATION CENTER CO., LTD.	62,842.64	31,967.45

Shaoxing Supor			149,192.38
Zhejiang Supor Electrical		236,616.00	194,180.87
AFS	GROUPE SEB VIETNAM JOINT STOCK COMPANY	1,586,131.90	1,757,050.03
GS INNOVATION CENTER CO., LTD.	Shaoxing Supor	1,256,325.00	1,183,987.50

⑥ Warehousing services

Service renderer	Service receiver	Amount incurred during this period	Amount incurred during last period
The Company	SEB ASIA LTD.	2,519,895.82	
Wuhan Cookware		986,402.20	
Zhejiang Supor Electrical		351,667.60	
Shaoxing Supor		1,764,063.02	

⑦ Pursuant to the Technical License Contract entered into by and between Wuhan Supor Cookware Co., Ltd and S.A.S. SEB on December 29, 2013, S.A.S. SEB licensed Wuhan Supor Cookware Co., Ltd to use its five invention patents including "Household appliance equipped with safety valve of elastomer for cooking food under pressure" on a compensation basis. According to related terms in the contract signed by both parties, use charges are accrued at 3% of revenue from sales of products licensed. In the current period, Wuhan Supor Cookware Co., Ltd shall pay S.A.S. SEB technology use charges of RMB 188,839.30 (2021: RMB 959,469.90), and as of June 30, 2022, a balance of RMB 27,003.47 has not been paid (December 31, 2021: RMB 59,092.58).

⑧ Pursuant to the Trademark License entered into by and between Wuhan Cookware and LAGOSTINA SPA. on December 15, 2014, LAGOSTINA SPA. licensed Wuhan Cookware to use its trademark "LAGE" on a compensation basis. According to the related terms and conditions of the contract signed by both parties, the usage fee is calculated according to 4% of the sales of licensed products. This year, Wuhan Cookware should pay LAGOSTINA SPA. trademark usage fee RMB 14,164.15 (2021: RMB 242,952.24), and on June 30, 2022, there was still left RMB 1,366,729.81 to be paid (December 31, 2021: RMB 1,352,565.66).

⑨ Pursuant to the Trademark License Agreement entered into by and between Omegna and LAGOSTINA SPA. on December 5, 2016, LAGOSTINA SPA. licensed Omegna to use its trademark "LAGE" on a compensation basis. According to the related terms and conditions of the contract that signed by both parties, the usage fee should be accounted according to 4% of the achieved sales of the licensed products. This year, Omegna should pay LAGOSTINA SPA trademark usage fee RMB 60,208.52 (RMB 296,857.06 in 2021), and there was still left RMB 3,983,949.59 to be paid on June 30, 2022 (RMB 3,923,741.07 on December 31, 2021).

⑩ Shaoxing Supor Company purchased and used particles product of air purifier and relevant technology in accordance with Agreement on Purchase and Using for Particles of Air Purifier signed by Shaoxing Supor Company on April 25, 2016 with ETHERA. According to the related terms and conditions of the contract that signed by both parties, the usage fee should be accounted according to 4% of the achieved sales of the licensed products. This year, Shaoxing Supor should pay ETHERA trademark usage fee RMB 10,204.23 (RMB 26,477.63 in 2021), and there was still left RMB 4,345.21 to be paid on June 30, 2022 (RMB 4,508.27 on December 31, 2021).

6. Receivables and payables by related parties

(1) Items receivable

Unit: RMB

Item	Related party	Closing balance	Opening balance
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		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable	SEB ASIA LTD.	1,316,557,188.89	52,662,287.56	1,997,332,966.57	79,893,318.66
	S.A.S. SEB	9,841,435.47	393,657.42	6,147,139.48	245,885.58
	TEFAL S.A.S.	6,475,188.73	259,007.55	8,875,016.25	355,000.65
	SEB INTERNATIONAL SERVICE S.A.S.	6,361,517.07	254,460.68	4,644,231.13	185,769.25
	GROUPE SEB MOULINEX	4,038,642.41	161,545.70	11,459,698.09	458,387.92
	IMUSA USA LLC	9,032,734.67	361,309.39	1,014,864.16	40,594.57
	Supor Group Co., Ltd.	365,082.69	18,254.13	4,899.50	244.98
	WMF Consumer Goods (Shanghai) Co, Ltd.	423,930.90	16,957.24	186,011.75	7,440.47
	GROUPE SEB CANADA	3,239,592.70	129,583.71	4,763,025.58	190,521.02
	GROUPE SEB VIETNAM JOINT STOCK COMPANY	13,515,419.09	540,616.76	14,256,667.31	570,266.69
	GROUPE SEB ANDEAN S.A.	2,585,908.06	103,436.32	832.03	33.28
	Wuhan Anzai Cookware Co., Ltd.	13,500.50	675.03		
	LAGOSTINA S.P.A.	473,709.12	18,948.36	563,856.28	22,554.25
	GS INNOVATION CENTER CO., LTD.	325,793.68	13,031.75	290,340.44	11,613.62
	Total	1,373,249,643.98	54,933,771.60	2,049,539,548.57	81,981,630.94
Advance payment	Supor Group Co., Ltd.			71,520.00	
	Total			71,520.00	
Other receivables	Supor Group Co., Ltd.	145,000.00	38,750.00	145,000.00	31,250.00
	Total	145,000.00	38,750.00	145,000.00	31,250.00

(2) Items payable

Unit: RMB

Item	Related party	Ending book balance	Opening book balance
Accounts payable	Wuhan Anzai Cookware Co., Ltd.	12,090,496.70	25,709,129.31
	WMF GROUPE GMBH	3,913,213.46	9,027,718.65
	GROUPE SEB EXPORT	3,324,314.50	
	TEFAL S.A.S.	3,158,249.22	6,211,218.34
	S.A.S. SEB	27,003.47	61,735.76
	LAGOSTINA S.P.A.	7,107,021.40	6,012,269.93
	GROUPE SEB MOULINEX	1,206,546.65	3,082,576.38
	GROUPE SEB THAILAND	417,891.72	111,031.93

	GROUPE SEB SINGAPORE		1,147,747.82
	SEB INTERNATIONAL SERVICE S.A.S.	243,137.68	10,454.54
	ETHERA	4,345.21	156,257.68
	GS INNOVATION CENTER CO., LTD.	85,394.66	282,079.64
	Supor Group Co., Ltd.	462,017.63	3,621,694.75
	SEB ASIA LTD.	367,774.83	
	WMF (HE SHAN) MANUFACTURING COMPANY LIMITED	241,921.45	
	Total	32,649,328.58	55,433,914.73
Contract liabilities:	Supor Group Co., Ltd.	104,203.43	405,442.77
	Zhejiang Nanyang Pharmaceutical Sales Co., Ltd.	407.08	305.31
	Total	104,610.51	405,748.08
Other payables	SEB S.A.	7,228,621.42	6,839,932.07
	Total	7,228,621.42	6,839,932.07
Lease obligation:	Supor Group Co., Ltd.	41,779,159.50	43,864,152.61
	Total	41,779,159.50	43,864,152.61

XIII. Share-based Payment

1. Overall information

Applicable Not-applicable

Unit: RMB

Total amount of equity instruments granted in the current period of the company	1,209,500.00
Total amount of equity instruments exercised in the current period of the company	0.00
Total amount of equity instruments expired in the current period of the company	24,000.00
The range of exercise price of stock options issued by the company at the end of the period and the remaining term of the contract	2021 Equity Incentive Plan: RMB 1/share, 3.58 years

Other remarks

According to the Proposal on the 2021 Restricted Stock Incentive Plan (Draft) of Zhejiang Supor Co., Ltd. and its abstract (hereinafter referred to as the 2021 Incentive Plan) reviewed and approved at the third interim shareholders' meeting in 2021 held on December 30, 2021, the company plans to grant 1,209,500 restricted stocks to the incentive target and completed the repurchase of 1,209,500 shares of the share capital company from December 15, 2021 to December 21, 2021. The Company granted 1,209,500 shares on January 6, 2022 at a price of RMB 1/share.

The 2021 annual incentive plan is valid for 4 years from the first grant date. The incentive plan has a lock-up period of 24 months and an unlock period of 36 months, which can be unlocked in two phases. If the unlock conditions are met, the incentive object can apply for unlocking twice, and then apply for unlocking 50% and 50% of the total restricted stocks granted after 24 months and 36 months from the grant registration date respectively. As of June 30, 2022, the remaining term of the above incentive plan is 3.58 years.

Since some incentive objects resigned from the Company, totally 24,000 shares of restricted stock that had been granted to resigned incentive objects were repurchased at the price of RMB1 per share in accordance with the Proposal on Repurchasing and Canceling a Part of Restricted Stock deliberated and adopted in the 12th Session of the Seventh Board of Directors.

2. Equity-settled share-based payment

Applicable Not-applicable

Unit: RMB

Determination method for fair value of equity instruments on Grant Date	According to the market price on the Grant Date.
Basis for determining the number of exercisable equity instruments	Based on the corresponding equity instruments of the on-the-job incentive targets, the Company shall determine the performance of the Company and the forecast of future performance of the Company
Reasons for significant difference between the estimates in current period and prior period	None
The accumulated amount of equity-settled share-based payment included in the capital reserve	21,404,889.90
Total cost incurred due to equity-settled share-based payment transactions	21,404,889.90

Other remarks

Note 1. According to the 2021 annual incentive plan reviewed and approved by the third interim shareholders' meeting in 2021 held on December 30, 2021, the Company used its own funds to buy back 1,209,500 shares of the Company for the incentive plan, with the grant price of RMB 1.00 per share, which decreased the treasury share of RMB 1,209,500 yuan, and included in the capital reserve-capital premium of RMB 74,950,397.25.

2. The capital reserve affected by the equity incentive plan in 2021 is RMB 0 yuan at the beginning of the year, RMB 21,404,889.90 this year, and RMB 21,404,889.90 at the end of the year.

XIV. Commitments and Contingencies

1. Contingencies

(1) Significant contingencies at the date of balance sheet

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

In 2016, the private patent holder filed a lawsuit against its subsidiary Shaoxing Supor for infringing its patent. In 2020, the relevant patent right held by the plaintiff was declared invalid by the Patent Reexamination Board of the State Intellectual Property Office, and the litigation risk of Supor decreased. At present, the above-mentioned case is still inconclusive. Considering the principle of conservatism, Supor still retained the estimated liabilities of RMB 5.15 million on June 30, 2022 (December 31, 2021: RMB 5.15 million). In 2020, an export customer filed a legal lawsuit against Shaoxing Life Electric Appliance Company, a subsidiary company, on the grounds of a user dispute. At present, the above-mentioned case is still inconclusive. Considering the principle of conservatism, Supor still retained the estimated liabilities of RMB 4 million on June 30, 2022 (December 31, 2021: RMB 4 million). In 2021, another export customer filed a claim for product quality problems against its subsidiary Shaoxing Supor on the grounds of user disputes. At present, the above case is still inconclusive. Considering the principle of conservatism, Supor still retained the estimated liabilities of RMB 2 million on June 30, 2022 (December 31, 2021: RMB 2 million).

Contingent liabilities formed by financial guarantee and its financial impact

Supor signed a tripartite acceptance agreement with distributors and banks, and Supor provided financing guarantee for banks to issue bank acceptance bills to distributors. In the case of endorsement and transfer of the acceptance bill obtained by Supor, if the distributor fails to repay the difference between the security and the amount of the acceptance bill after the maturity of the acceptance bill, the risk exposure that Supor will bear is the partial difference loss that the bank has not recovered from the distributor. As of June 30, 2022, Supor will bear the risk exposure of RMB 204,466,653.39, and the Company will make provision for the estimated liabilities of financial guarantee contract for this risk exposure, totaling RMB 1,022,333.27.

(2) If the Company has no important contingencies that need to be disclosed, it shall also be explained

The Company has no important contingencies to be disclosed.

XV. Events after the Balance Sheet Date**1. Liquidation of subsidiaries**

On January 24, 2022, Shanghai SEB was put into liquidation with a special liquidation team established. Shanghai SEB has stopped its production in July 2021 and moved its production line and supporting facilities as a whole to the Group's production base in Shaoxing and Hangzhou in Zhejiang. The liquidation team filed at Minhang Market Supervision and Administration Bureau on February 16, 2022, and the liquidation began after an announcement published on the newspapers to the creditors on February 24, 2022. Shanghai SEB is in the process of liquidation by the date of the approval of this financial statement.

XVI. Other Important Matters**1. Branch information****(1) Determination basis and accounting policy of reportable segment**

Supor establishes operating segment according to internal organizational structure, management requirement and internal report system; determines reportable segment and disclose segment information based on operating segment.

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

When preparing segment reports, inter-segment transaction income is measured based on the actual transaction price. The accounting policies adopted in the preparation of segment reports are consistent with those adopted in the preparation of Supor's financial statements.

Supor's main products are cooking utensils, small domestic appliance, etc. Supor determines the reportable segment based on product and regional segment, and the assets and liabilities shared by each product segment cannot be clearly distinguished.

(2) Financial information of reportable segments

① Product segment

Unit: RMB

Item	Cooking utensils	Electrical product	Others	Inter-segment offsetting	Total
Revenue from main business	3,089,629,748.93	7,182,486,418.81	87,534,215.61	103,210,951.78	10,256,439,431.57
Cost of main business	2,266,959,061.22	5,383,268,896.34	75,896,893.21	103,411,463.58	7,622,713,387.19

② Geographic segment

Supor's information on foreign transaction revenue and non-current assets (excluding financial assets and deferred income tax assets, the same below) listed by different regions is shown in the table below. Foreign transaction revenue is divided according to the location of customers who receive services or purchase products. Non-current assets are classified according to the physical location of assets (for fixed assets and construction in progress), the location where related businesses are assigned (for intangible assets) or the location of joint venture and associated enterprise.

Item	Domestic	Foreign	Inter-segment offsetting	Total
Revenue from main business	7,419,891,762.28	2,846,696,169.69	10,148,500.40	10,256,439,431.57
Cost of main business	5,168,929,688.89	2,464,080,719.08	10,297,020.78	7,622,713,387.19

③ Major Customers

Among Supor's customers, there is one (2021: 1) whose revenue from a single customer accounts for 10% or more of Supor's total revenue, which is a related party SEB ASIA LTD, accounting for about 25.21% of Supor's total revenue (2021: 30.80%).

XVII. Notes to items of parent company financial statements

1. Accounts receivable

(1) Details on categories

Unit: RMB

Categories	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Provision proportion		Amount	Proportion	Amount	Provision proportion	
Accounts receivable for provision for bad debts by portfolio	608,569,577.91	100.00%	18,738,969.27	3.08%	589,830,608.64	770,159,019.26	100.00%	27,825,217.23	3.61%	742,333,802.03
Including:										
Portfolio 1: age portfolio	468,277,521.50	76.94%	18,617,525.51	3.98%	449,659,995.99	695,510,017.57	90.31%	27,765,218.24	3.99%	667,744,799.33
Portfolio 2: low-risk portfolio	121,443,761.99	19.96%	121,443.76	0.10%	121,322,318.23	59,998,991.48	7.79%	59,998.99	0.10%	59,938,992.49
Portfolio 3: merged related parties portfolio	18,848,294.42	3.10%		0.00%	18,848,294.42	14,650,010.21	1.90%			14,650,010.21
Total	608,569,577.91	100.00%	18,738,969.27	3.08%	589,830,608.64	770,159,019.26	100.00%	27,825,217.23	3.61%	742,333,802.03

Provision for bad debts by portfolio: Portfolio 1: age portfolio

Unit: RMB

Name	Closing balance		
	Book balance	Provision for bad debts	Provision proportion
Within 1 year	468,277,521.50	18,617,525.51	3.98%

Total	468,277,521.50	18,617,525.51	
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If provision for bad debts for accounts receivable is made based on the general model of expected credit losses, please disclose the relevant information about the provision for bad debts with reference to the disclosure of other receivables:

Applicable Not-applicable

Disclosure by ages

Unit: RMB

Ages	Closing balance
Within 1 year (including 1 year)	608,569,577.91
Total	608,569,577.91

(2) Provision for bad debts accrued, collected or reversed in the current period

Provision for bad debts in current period:

Unit: RMB

Categories	Opening balance	Amount of changes in the current period				Closing balance
		Provision	Collected or reversed	Canceled after verification	Others	
Provision for bad debts for accounts receivable	27,825,217.23	-9,086,247.96				18,738,969.27
Total	27,825,217.23	-9,086,247.96				18,738,969.27

(3) Accounts receivable with top 5 closing balances collected by debtors

Unit: RMB

Name of organization	Closing balance of accounts receivable	Proportion in the total closing balance of accounts receivable	Closing balance of provision for bad debts
SEB ASIA LTD.	462,358,248.67	75.97%	18,494,329.95
Customer C	97,282,171.59	15.99%	97,282.17
Wuhan Cookware	9,040,741.34	1.49%	
Customer I	8,828,869.25	1.45%	8,828.87
Customer J	5,296,930.71	0.87%	5,296.93
Total	582,806,961.56	95.77%	

2. Other receivables

Unit: RMB

Item	Closing balance	Opening balance
Other receivables	879,855,389.11	1,845,295,351.20
Total	879,855,389.11	1,845,295,351.20

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

Unit: RMB

Nature of receivables	Ending book balance	Opening book balance
Fund pool	876,567,505.24	1,844,438,348.07
Temporary payment receivable	1,111,787.30	1,439,315.12
Personal deposit	3,252,497.53	356,338.04
Total	880,931,790.07	1,846,234,001.23

2) Provision for bad debts

Unit: RMB

Provision for bad debts	Phase I	Phase II	Phase III	Total
	Predicted credit loss in future 12 months	Predicted credit loss in the whole period of existence (without credit impairment)	Predicted credit loss in the whole period of existence (with credit impairment)	
Amount on January 1, 2022	938,650.03			938,650.03
Balance on January 1, 2022 in the current period				
Provision for bad debts during the reporting period	137,750.93			137,750.93
Balance on June 30, 2022	1,076,400.96			1,076,400.96

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

Applicable Not-applicable

Disclosure by ages

Unit: RMB

Ages	Closing balance
Within 1 year (including 1 year)	879,930,540.89
1-2 years	100,000.00
Over 3 years	901,249.18
4-5 years	5,000.00
Over 5 years	896,249.18
Total	880,931,790.07

3) Provision for bad debts accrued, collected or reversed in the current period

Provision for bad debts in current period:

Unit: RMB

Categories	Opening balance	Amount of changes in the current period				Closing balance
		Provision	Collected or reversed	Canceled after verification	Others	
Provision for bad debts of other receivables	938,650.03	137,750.93				1,076,400.96
Total	938,650.03	137,750.93				1,076,400.96

4) Other receivables with top 5 closing balances collected by debtors

Unit: RMB

Name of organization	Nature of receivables	Closing balance	Ages	Proportion in the total closing balance of other receivables	Closing balance of provision for bad debts
Wuhan Cookware	Fund pool	340,218,591.34	Within 1 year	38.62%	
Zhejiang Supor Electrical	Fund pool	301,528,747.16	Within 1 year	34.23%	
Shanghai WMF	Fund pool	89,000,000.00	Within 1 year	10.10%	
Omegna	Fund pool	67,721,070.08	Within 1 year	7.69%	
Zhejiang WMF	Fund pool	56,760,672.49	Within 1 year	6.44%	
Total		855,229,081.07		97.08%	

3. Long-term equity investment

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Investment in subsidiaries	2,959,452,926.82		2,959,452,926.82	2,948,542,538.52		2,948,542,538.52
Investments in associates and joint ventures	64,961,837.65		64,961,837.65	65,419,057.50		65,419,057.50
Total	3,024,414,764.47		3,024,414,764.47	3,013,961,596.02		3,013,961,596.02

(1) Investments in subsidiaries

Unit: RMB

Invested unit	Opening balance (Book value)	Increase/decrease				Closing balance (Book value)	Closing balance of impairment provision
		Investment increased	Investment decreased	Accrued impairment provision	Others		
Wuhan PC	240,428,244.41					240,428,244.41	
P&R	20,804,297.92					20,804,297.92	
Yuhuan Sales Company	2,990,149.81					2,990,149.81	
Zhejiang Supor Electrical	770,267,854.79	2,698,838.94				772,966,693.73	

Shaoxing Supor	639,411,908.49	3,256,304.04				642,668,212.53
Supor Vietnam	105,143,165.64					105,143,165.64
Wuhan Recycling	1,000,000.00					1,000,000.00
Omegna	10,000,000.00					10,000,000.00
Shanghai Marketing	5,000,000.00					5,000,000.00
Wuhan Cookware	598,253,566.39	1,822,822.38				600,076,388.77
SEADA	11,890,622.45					11,890,622.45
Shanghai WMF	50,000,000.00	176,973.06				50,176,973.06
Shanghai SEB/SSEAC	212,152,728.62					212,152,728.62
Zhejiang WMF	100,000,000.00	805,227.36				100,805,227.36
Supor LKA	100,000,000.00	247,762.26				100,247,762.26
Shaoxing Supor Housewares	50,000,000.00	1,902,460.26				51,902,460.26
Supor Water Heater	31,200,000.00					31,200,000.00
Total	2,948,542,538.52	10,910,388.30				2,959,452,926.82

(2) Investments in associates and joint ventures

Unit: RMB

Investing unit	Opening balance (book value)	Increase/decrease								Closing balance (book value)	Closing balance of impairment provision
		Investment increased	Investment decreased	Investment profit or loss recognized by equity method	Adjustment in other comprehensive income	Changes in other equity	Cash dividend/profit declared for distribution	Accrued impairment provision	Others		
I. Joint Venture											
II. Associated Enterprise											
Wuhan Anzai Cookware Co., Ltd.	65,419,057.50			-457,219.85						64,961,837.65	
Subtotal	65,419,057.50			-457,219.85						64,961,837.65	
Total	65,419,057.50			-457,219.85						64,961,837.65	

4. Operating income and operating cost

Unit: RMB

Item	Amount incurred during this period		Amount incurred during last period	
	Revenue	Cost	Revenue	Cost
Main business	1,100,175,925.03	1,008,919,142.74	1,275,291,505.47	1,086,178,831.77
Other business	18,296,531.96	16,109,933.67	78,596,848.63	74,045,444.45
Total	1,118,472,456.99	1,025,029,076.41	1,353,888,354.10	1,160,224,276.22

Information related to revenue:

Unit: RMB

Contract Classification	Total
Commodity type	
Including:	
Cooking utensils and utensils	1,098,857,913.76
Other household electric appliances	19,614,543.23
Classified by business area	
Including:	
Domestic	55,518,735.18
Foreign	1,062,953,721.81
Classification by time of commodity transfer	
Including:	
Revenue recognized at a certain time point	1,118,472,456.99

Information related to performance obligations:

None

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

At the end of the reporting period, the amount of revenue corresponding to the performance obligations that have signed contracts but have not been fulfilled is RMB 2,398,065.17, of which RMB 2,398,065.17 is expected to be recognized in 2022.

5. Investment income

Unit: RMB

Item	Amount incurred during this period	Amount incurred during last period
Long-term equity investment income under the equity method	-457,219.85	1,025,583.40
Investment income from disposal of transactional financial asset	1,534,044.99	
Interest for term deposit	28,822,530.29	40,606,438.36
Investment income of debt investment during the holding period	3,552,197.12	
Total	33,451,552.55	41,632,021.76

XVIII. Supplementary information**1. Breakdown of non-recurring profit or loss in the current period**Applicable Not-applicable

Unit: RMB

Item	Amount	Notes
Losses and gains from disposal of non-current assets	-312,542.28	
Government subsidies included in the current profits and losses (except those that are closely related to the Company's normal business operations, comply with national policies and regulations and are continuously available according to certain standard quota or quantity)	21,616,692.79	
Enterprise restructuring costs, such as resettling employees expenses, integration expenses, etc.	-453,079.14	
Except effective hedging business related to the Company's normal business operations, profits and losses from fair value changes caused by the held transactional financial assets and transactional financial liabilities, and investment income acquired from disposal of transactional financial assets, transactional financial liabilities and available-for-sale financial assets	10,065,488.38	
Other non-operating incomes or expenditures except for the foregoing items	883,117.00	
Minus: Influenced amount of income tax	8,065,234.95	
Influenced amount on minority shareholders' equities	-429.33	
Total	23,734,871.13	--

Details of other profit and loss items complying with the definition of non-recurring profits or losses:

Applicable Not-applicable

The Company does not have other specific circumstances of other profit and loss items complying with the definition of non-recurring profits or losses in the Company.

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

Applicable Not-applicable**2. Return on net assets and earnings per share**

Profit of the reporting period	Return on weighted average net assets	Earnings per share	
		Basic earnings per share (RMB/share)	Diluted earnings per share (RMB/share)
Net profit attributable to shareholders of ordinary shares	12.31%	1.155	1.155
Net profit attributable to shareholders of ordinary shares after deducting non-recurring profit or loss	11.99%	1.126	1.125

3. Accounting Data Discrepancies under domestic and foreign 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

(2) Net profit and net assets discrepancies in financial statements disclosed separately under International Accounting Standards and Chinese Accounting Standards

Applicable Not-applicable

(3) The reason for the accounting data difference under domestic and foreign accounting standard shall be explained. If the data audited by the foreign audit organization carries out the difference adjustment, the name of the foreign organization shall be indicated.

None

Zhejiang Supor Co., Ltd.
Chairman: Thierry de LA TOUR D'ARTAISE
August 31, 2022