

SUPOR 苏泊尔

Zhejiang Supor Co., Ltd.

2023 Semiannual Report

August 2023

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 report enclosed in this semiannual report is true, accurate and complete.

All directors have attended the Board Meeting of semiannual report in person.

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.

For details of the risk factors faced by the Company, please refer to Part X "Risks Faced by the Company and Countermeasures" of Section III "DISCUSSION AND ANALYSIS OF THE MANAGEMENT".

The Company plans not to distribute cash dividend, issue bonus shares, or transfer reserve to common shares.

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CATALOG OF REFERENCE DOCUMENTS

- I. 2023 Semiannual Report of the Company and Abstract with the signature of legal representative;
- II. Accounting statements with signature of legal representative, person in charge of accounting and person in charge of accounting department and seal of the Company;
- III. Originals of all documents and announcements published in newspapers designated by CSRC during 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
The Company/this Company/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 Appliances 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 Supor Cookware	means	Wuhan Supor Cookware Co., Ltd.
Wuhan Supor Pressure Cooker	means	Wuhan Supor Pressure Cooker Co., Ltd.
Omegna	means	Hangzhou Omegna Commercial Trade Co., Ltd.
Shanghai Marketing	means	Shanghai Supor Cookware Marketing Co., Ltd.
P&R Products	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.
Zhejiang WMF	means	Zhejiang WMF Housewares Co., Ltd.
Shaoxing Supor Housewares	means	Zhejiang Shaoxing Supor Housewares Co., Ltd.
Supor Large Kitchen Appliance	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	<i>2021 Restricted Stock Incentive Plan (Draft)</i>
2022 Equity Incentive Plan	means	<i>2022 Restricted Stock Incentive Plan (Draft)</i>

SECTION II COMPANY FILE AND MAJOR FINANCIAL INDICATORS

I. Company Profile

Short Form of the Stock:	Supor	Stock Code	002032
Short Form of the Original Stock (if any)	None		
Stock Exchange for Stock Listing	Shenzhen Stock Exchange		
Chinese Name of the Company	浙江苏泊尔股份有限公司		
Short Form of Chinese Name of the Company (if any)	苏泊尔		
English Name of the Company (if any)	ZHEJIANG SUPOR CO., LTD.		
Short Form 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. Way of contact

Whether the Company registered address, office address, post code, Company website, email address, etc. have changed within the reporting period

☐ Applicable ☒ Not-applicable

The Company registered address, office address, post code, Company website and email address have not changed during the reporting

period. Please refer to the 2022 Annual Report.

2. Place for information disclosure and archiving

Whether information disclosure and designated location have changed within the reporting period

☐ Applicable ☒ Not-applicable

The securities exchange website and media name along with their respective URLs where the Company disclosed its semiannual report, as well as the location of the Company's semiannual report archives, remain unchanged during the reporting period. For specific details, please refer to the 2022 Annual Report.

3. Other relevant information

Change situation of other relevant data within 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 of last year	Increase/decrease of this reporting period from the same period of the last year (%)
Operating income (RMB)	9,982,616,440.73	10,323,979,744.82	-3.31%
Net profit attributable to shareholders of listed company (RMB)	880,618,279.78	932,849,164.03	-5.60%
Net profit attributable to shareholders of listed company with non-recurring profit or loss deducted (RMB)	857,420,949.15	909,114,292.90	-5.69%
Net cash flows from operating activities (RMB)	555,040,511.12	1,308,844,866.33	-57.59%
Basic earnings per share (RMB/share)	1.097	1.155	-5.02%
Diluted earnings per share (RMB/share)	1.095	1.155	-5.19%
Weighted average return on net assets	13.29%	12.31%	Increased by 0.98 percentage points
	End of this reporting period	End of last year	Increase/decrease of the end of this reporting period from the end of last year (%)
Total assets (RMB)	10,533,075,326.57	12,952,655,903.47	-18.68%
Net asset attributable to shareholders of listed company (RMB)	5,291,005,376.57	7,036,084,863.54	-24.80%

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

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

☐ Applicable ☒ Not-applicable

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

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

☐ Applicable ☒ Not-applicable

No net profit and net assets discrepancies in financial reports disclosed separately under Overseas Accounting Standards and Chinese Accounting Standards existed during 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)	-1,605,908.96	
Government subsidies included into 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 continuously available according to certain standard quota or quantity)	5,811,842.88	
Except the effective hedging business related to the normal operation of the Company, profits and losses from fair value changes caused by the held transactional finance assets and transactional financial liabilities, and investment income acquired from disposal of transactional financial assets, transactional financial liabilities and available-for-sale financial assets	25,750,454.86	
Other non-operating incomes or expenditures except for the foregoing items	53,535.90	
Minus: influenced amount of income tax	6,778,516.96	
Influenced amount of minority shareholders' equities (after tax)	34,077.09	
Total	23,197,330.63	

Other specific circumstances of other items of profits and losses complying with the definition of non-recurring profits or losses:

☐ Applicable ☒ Not-applicable

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

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 does not have the 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.

SECTION III DISCUSSION AND ANALYSIS OF THE MANAGEMENT

I. Main Business during the Reporting Period

(I) Main businesses of the Company

As China's famous cookware R&D and manufacturing company, Zhejiang Supor Co., Ltd. (hereinafter referred to as "the Company") is a China's leading manufacturer of small 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 6 R&D and manufacture 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 and kitchen utensil, small domestic appliance, large kitchen appliance and H&PC appliance.

- (1) Open fire cookware and kitchen utensils mainly include wok, pressure cooker, frying pan, sauce pan, steamer, ceramic slow cooker, kettle, knife, spatula, thermal pot, thermos & flask, kitchen gadgets, crisper, 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 chafing dish, food processor, baked machine, air fryer, etc.
- (3) The large kitchen appliance mainly includes range hood, gas stove, disinfection cabinet, water purifier, embedded steaming oven, water heater, integrated stove, etc.;
- (4) The H&PC appliance mainly includes air purifier, clothes steamers, dust collector, floor washer and electric iron.

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

(II) Industry development and market position of the Company

In 2023, transportation and tourism, catering service and other industries took the lead in benefiting from the recovery relatively fast, while other industries, including cookware and small domestic appliances categories are more sluggish in consumer demands. According to the analysis of consumption data in the first half of the year, the current consumer demand shows signs of a hierarchy. On the one hand, consumer demand for high-quality and high-value products still maintains a rising trend; at the same time, more consumers are willing to buy cost-effective products.

In the field of open fire cookware, online emerging platforms such as TikTok and PDD remained relatively fast-growing, while traditional e-commerce platforms experienced a slight slump, therefore, the whole retail scale among online channels obtained slight increase. However, the offline channels still remained subdued. According to monitoring data from AVC, in the first half of 2023, across the eleven major categories of open fire cookware (such as woks, pressure cookers, frying pans, milk pots, stockpots, kettles, casseroles, hot pots, steamers, cookware sets, enamel pots), traditional e-commerce platforms experienced an 11% year-on-year decline in retail sales. Supor continued to outperform the industry in such sluggish market environment and continued to gain market shares with online market share leading the second brand by more than 4 times and offline market share close to 50%, continuing to remain the industry's top one. From the performance of specific categories, the performance of pressure cooker, casserole, steamer etc., that

relates to healthy concept were outstanding, and in terms of product materials, cookware made by healthy materials such as steel 316L and titanium were more favored by consumers.

In the field of small domestic appliances, according to AVC aggregated data from January to June 2023 across all channels, small domestic appliances (such as coffee machines, electric rice cookers, induction hobs, electric pressure cookers, soymilk maker, high-speed blenders, mixers, juicers, electric kettles, electric steamers and slow cookers, health kettles, electric grills, tabletop single-function ovens, and air fryers) reached a total sales of RMB 27.55 billion, with a year-on-year decrease of 8.5%. Despite the temporary decline in industry sales scale, Supor still outperforms the industry with increasing online and offline market shares in the above categories (excluding coffee machines) and were ranked as first and second in the industry respectively. From the performance of specific categories, the products that are related to healthy concept such as electric steamers, soymilk maker and health kettles still maintaining growth momentum.

(III) Operating condition during the reporting period

1. Product strategy

During the reporting period, Supor continued the "consumer-centric" strategy guiding its innovation and development of new products, and deeply explored the needs of segmented users under different scenarios by means of internet data, so as to constant provide smart and ingenious product solutions that meet diversified consumer needs and offer intimate, comprehensive consumer experiences.

In the business of open fire cookware, Supor continuously explored the consumer demand and kept accelerating the expansion of products with core competitiveness. Also, combined with consumer demand for healthier, better-looking and other consumer demand, Supor launched a variety of popular products such as the second generation of titanium uncoated non-stick wok, upgrading the titanium-iron alloy overlay technology and improved its non-stick capabilities. In the category of uncoated wok, it held a significant lead in sales. During the "618" e-commerce promotion period, it secured the first position on the "Tmall Uncoated Wok List". Another hot-selling product is the lightweight thermo-spot non-stick wok, featuring a high-value creamy appearance and a lightweight pot body, it ranked first in the "618 Tmall frying pan V list".

In the business of small domestic appliance, Supor always insists on combining consumer insight with differentiated product innovation strategies, constantly launching smart, ingenious and healthy creative products. Under the premise that consumers' demand for "one-person dish" is becoming more and more obvious, the Company has launched a series of small-capacity products, such as small-capacity fast electric steamers, electric hot pots, soymilk makers and so on. In addition, the Company combined the Internet of Things technology with Chinese cuisine cooking techniques, and launched an automatic cooking machine that can toss. During the "618" e-commerce promotion period, it won the first place in the "List of Live Streaming Commodities of Kitchen Appliances Brands in TikTok". Meanwhile, Supor seized the popularity of outdoor travel and launched a portable Mini Italian coffee machine, satisfying the needs of coffee enthusiasts in outdoor scenes, and it achieved impressive sales results in the first half of the year.

In the business of H&PC appliances, Supor persistently facilitates the product category developments. For example, under the cleaning appliances category, Supor newly launched a double-roller floor washer, which can easily eliminate hidden bacteria and guard the health of the family with strong "edge" cleaning technology and electrolytic water clean sterilization. In terms of the clothes steamer category, Supor continued to keep the leading position in the industry. According to the monitoring data of AVC, the total online market share of Supor's clothes steamer category ranked second in the industry in the first half of 2023.

In the business of large kitchen appliances, Supor continued to enhance its brand construction and vigorously develop the integrated stove category. For example, the newly-launched deep-cavity, far-infrared heating, steam-roasting integrated stoves, combining stove,

steaming oven, and storage cabinet, meet consumers' integrated demands very well. In terms of advantageous categories of stoves, according to the monitoring data of AVC, the total online market share of Supor's stove category ranked first in the industry in the first half of 2023.

2. Channel strategy

As for online channels, the Company established good cooperative relations with mainstream e-commerce platforms such as Tmall, JD, PDD, Vipshop and TikTok, and continued to optimize the store matrix and product sales structure to enhance sales performance. In the first half of 2023, the Company's e-commerce business maintained growth momentum, and its proportion in total domestic sales further enhanced. In addition, the Company actively explores private traffic marketing and accelerated new member acquisition and retention. The launch of the WeChat store this year was aimed to further tap into potential purchasing demands from WeChat members and followers to enhance customer loyalty. At the same time, the Company utilizes the marketing cloud platform, strengthens consumer operations and lifecycle management, offering comprehensive product services to continuously enhance customer satisfaction. In the first half of 2023, the Company's online membership resulted in an 43% year-on-year increase.

As for offline channels, Supor has large-scale sales terminals, and in the context of reduced offline customer traffic and changes in consumer behavior, the Company has continued to optimize its sales network, expand its brand alliances, integrate its brand resources, and strengthen its terminal image management, which has enabled Supor to maintain a dominant position in the offline channel. In tier one and tier two cities, while the traditional contemporary channels are still in decline, the Company maintained good growth through community group purchases and home-delivery businesses. In tier three and tier four cities, the Company reinforces the comprehensive cooperation with e-commerce platforms in O2O channels to create new increase points in these markets. In terms of B2B business, the Company carries out points redemption business with a number of large and medium-sized enterprises, including banks and airlines, to further expand its sales channels. At the same time, Supor has strengthened its cooperation with regional real estate developers and renovation companies to expand its large kitchen appliance business.

In terms of export sales, the Company's order quantity was affected by a sluggish global economy and weak demand in European and American markets during the first quarter, resulting in its slight decrease from major export customers. From the second quarter, the Company's major export customers gradually digested their inventories and increased the number of orders, resulting in an overall year-on-year increase of 7.18% in export sales in the second quarter.

II. Core Competitiveness Analysis

1. Excellent product innovation ability

Supor has long been focusing on product development, manufacturing and sales in the field of cookware and small domestic appliance. In recent years, the Company has continued to improving the efficiency of R&D and established an innovation center at headquarter level to enhance synergy of R&D resources within and outside the Company. Externally, the Company continues to introduce new manufacturing processes and new materials through close cooperation with research institutions and universities. Meanwhile, the Company has maintained close cooperation with SEB Group in innovation to introduce more new product categories and technologies. Internally, the innovation center continuously improves the innovation incentive mechanism to encourage internal innovation across all business units.

In the product design module, the Company integrates industrial design, user experience and consumption trend research into product innovation, so as to further enhance the visual aesthetic feeling, sense of form and sense of experience of products. Meanwhile, the Company has made great efforts to solve users' pain points and bring consumers a better product experience. Since the beginning

of 2023, the Company has won several design and creation related honors, such as "2023 AWE Award - Excellent Product Award", "2023 IF Design Award", and "The First Batch of National Key Pilot Units for the Implementation of International Standards for Intellectual Property Rights in Innovation Management in Zhejiang Province", etc.

2. Stable distribution network

Supor has a stable distribution team, and maintains a long-term, good cooperative relationship with distributors and agency operators. In terms of online channels, the Company continues to promote the "Direct to Consumer" mode and "One-Basket Project", and it has built a complete matrix of e-commerce stores to provide differentiated product mixes for different consumer groups together with distributors and agency operators. In terms of offline channels, the Company has a huge number of sales terminals and service outlets, which are stationed in large-scale mainstream superstores in tier one and two cities, and has high coverage in O2O channels in tier three and four cities, so as to ensure that consumers can purchase the Company's products in a more convenient way.

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

Supor has built up six R&D production bases, respectively in Yuhuan City, Hangzhou City, Shaoxing City (Yuecheng and Keqiao) 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. Over the years, the Company has continued to improve its industrial efficiency, the strong R&D power and the highly professional R&D team provide a powerful guarantee for the quality and innovation capacity of Supor products.

4. Synergistic effect of integration with SEB

Since 2006, the Company has started to establish strategic cooperation relationship with SEB Group which owns a long history of more than 160 years with leading market shares of cookware and small domestic appliances worldwide. The powerful cooperation between Supor and SEB Group has brought stable export orders to the Company every year, and increased its overall business size and manufacturing capacity. Meanwhile, the Company enhanced its the cooperation in aspects of production, R&D, quality control and management with SEB Group, has continuously enhanced the product competitiveness of the Company through the continuous introduction of new categories and technologies.

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

In terms of multi-brand operations, the Company also introduced a lot of high-end brands under SEB Group in addition to Supor brand, such as WMF, LAGOSTINA, KRUPS, and TEFAL, so as to fully cover the mid-to-high end brands in kitchen field. As for category expansions, the Company actively explores new categories such as large kitchen appliances and H&PC appliances in addition to its traditional advantageous business such as open fire cookware and small domestic appliances. The Company has formed a strong competition advantages thanks to its multiple brands layouts and product categories in kitchen field.

III. Main Business Analysis

Overview

During the reporting period, the Company achieved operating income of RMB 9,982,616,440.73, a year-on-year decrease of 3.31%. The Company realized a total profit of RMB 1,098,129,774.21, representing a year-on-year decrease of 12.36%. The earnings per share was RMB 1.097 representing a year-on-year decrease of 5.02%. The Company's main business revenue was RMB 9,872,392,009.04, a year-on-year decrease of RMB 384,047,422.53, down by 3.74%. The Company's main business cost was RMB 7,352,664,336.65, a year-on-year decrease of RMB 270,049,050.54, down by 3.54%. The gross margin of the main business was 25.52%, a year-on-year decrease of 0.16%. Among them, the realized revenue from the main business of cooking utensils was RMB

2,516,239,088.69, a year-on-year decrease of 17.95%; the realized revenue from the main business of electric appliance was RMB 7,342,682,261.73, a year-on-year increase of 2.34%; the realized revenue from the main business of domestic sales was RMB 7,421,861,346.49, a year-on-year increase of 0.03%; the realized revenue from the main business of export sales was RMB 2,450,530,662.55, a year-on-year decrease of 13.61%.

Year-on-year alternation conditions of main financial data

Unit: RMB

	This reporting period	Same period of last year	Increase/decrease YoY (%)	Variation reason
Operating income	9,982,616,440.73	10,323,979,744.82	-3.31%	
Operating cost	7,444,829,256.71	7,670,449,954.61	-2.94%	
Sales expenses	1,098,400,634.74	1,078,585,004.10	1.84%	
Administrative expenses	189,032,788.40	188,658,026.76	0.20%	
Financial expenses	-42,251,541.59	-40,815,354.68	-3.52%	
Income tax expenses	218,895,998.85	319,256,554.10	-31.44%	Mainly due to the decrease of total profits and comprehensive income tax rate during the reporting period.
R&D investment	174,383,802.42	194,481,803.42	-10.33%	
Net cash flows from operating activities	555,040,511.12	1,308,844,866.33	-57.59%	Mainly due to the decrease in cash received from selling goods and rendering of services in the cash inflow from operating activities during the reporting period.
Net cash flows from investing activities	1,087,172,418.94	883,025,051.67	23.12%	
Net cash flows from financing activities	-2,702,496,787.61	-1,639,170,531.90	-64.87%	Mainly due to the increase in dividend payments for 2022 Fiscal Year during the reporting period.
Net increase in cash and cash equivalents	-1,051,713,681.08	564,870,879.41	-286.19%	Mainly due to the increase in cash outflow from financing activities.

The profit structure or profit source within the reporting period has been significantly changed.

☐ Applicable ☒ Not-applicable

The profit structure or profit source within the reporting period has no change.

Operating income constitution

Unit: RMB

	This reporting period		Same period of last year		Increase/decrease YoY (%)
	Amount	Percentage to total operating income	Amount	Percentage to total operating income	
Total operating income	9,982,616,440.73	100%	10,323,979,744.82	100%	-3.31%
By industry					
Cookware	2,516,239,088.69	25.21%	3,066,665,527.99	29.70%	-17.95%

Electric appliance	7,342,682,261.73	73.55%	7,174,700,594.40	69.50%	2.34%
Others	123,695,090.31	1.24%	82,613,622.43	0.80%	49.73%
By products					
Cookware and utensil	2,516,239,088.69	25.21%	3,066,665,527.99	29.70%	-17.95%
Electrical cooking	4,495,040,148.58	45.03%	4,588,882,638.90	44.45%	-2.04%
Food processor appliance	1,691,379,401.26	16.94%	1,568,135,937.20	15.19%	7.86%
Other household electric appliances	1,279,957,802.20	12.82%	1,100,295,640.73	10.66%	16.33%
By areas					
Domestic sales	7,501,764,475.40	75.15%	7,457,451,182.53	72.23%	0.59%
Export sales	2,480,851,965.33	24.85%	2,866,528,562.29	27.77%	-13.45%

Remarks: "Others" by industry, "Other household electric appliances" by product, and region-based mode exceptionally include other business incomes, the same below.

The industry, product, or region accounts for more than 10% of the Company's operating incomes or operating profits.

☒ Applicable ☐ Not-applicable

Unit: RMB

	Operating income	Operating cost	Gross margin	Increase/decrease YoY (%) for operating income	Increase/decrease YoY (%) for operating cost	Increase/decrease YoY (%) for gross margin
By industry						
Cookware	2,516,239,088.69	1,823,288,506.30	27.54%	-17.95%	-18.49%	0.48%
Electric appliance	7,342,682,261.73	5,518,600,260.43	24.84%	2.34%	2.67%	-0.24%
By products						
Cookware and utensil	2,516,239,088.69	1,823,288,506.30	27.54%	-17.95%	-18.49%	0.48%
Electrical cooking	4,495,040,148.58	3,382,134,133.22	24.76%	-2.04%	-0.94%	-0.84%
Food processor appliance	1,691,379,401.26	1,336,989,391.45	20.95%	7.86%	7.43%	0.32%
Other household electric appliances	1,279,957,802.20	902,417,225.74	29.50%	16.33%	16.48%	-0.09%
By areas						
Domestic sales	7,501,764,475.40	5,371,477,113.45	28.40%	0.59%	1.95%	-0.95%
Export sales	2,480,851,965.33	2,073,352,143.26	16.43%	-13.45%	-13.67%	0.21%

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

☐ 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

	End of this reporting period		End of previous year		Increase/ decrease in proportion	Descriptions of major changes
	Amount	Percentage to total assets	Amount	Percentage to total assets		
Monetary capital	1,859,681,088.15	17.66%	3,563,140,907.75	27.51%	-9.85%	Mainly due to the increase in dividend expenditure in cash outflow of the Company's financing activities during the reporting period.
Accounts receivable	2,253,001,396.06	21.39%	1,926,518,118.38	14.87%	6.52%	Mainly due to the increase in accounts receivable of export business at the end of the reporting period.
Inventories	1,937,374,529.58	18.39%	2,494,922,856.42	19.26%	-0.87%	No significant change during the reporting period.
Long-term equity investment	61,763,872.57	0.59%	62,196,139.53	0.48%	0.11%	No significant change during the reporting period.
Fixed assets	1,252,394,688.18	11.89%	1,303,075,391.03	10.06%	1.83%	Mainly due to the increase in depreciation of fixed assets during the reporting period.
Construction in progress	16,386,809.27	0.16%	12,005,654.73	0.09%	0.07%	No significant change during the reporting period.
Right-of-use assets	189,573,789.61	1.80%	190,718,962.82	1.47%	0.33%	No significant change during the reporting period.
Contract liabilities	480,254,227.80	4.56%	1,153,932,879.53	8.91%	-4.35%	Mainly due to the decrease in advance payments from some distributors by subsidiaries during the reporting period.
Lease obligation	142,355,428.33	1.35%	150,779,916.58	1.16%	0.19%	No significant change during the reporting period.
Non-current assets due within one year	303,175,671.23	2.88%	32,157,534.25	0.25%	2.63%	Mainly due to the increase in negotiable certificates of deposit due within one year at the end of the reporting period.

2. Major foreign assets conditions

☐ 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 current period	Accumulated fair value changes included into equity	Impairment loss of the current period	Amount of purchasing of the current period	Amount of selling of the current period	Other changes	Closing balance
Financial assets								
1. Transactional financial assets (excluding derivative financial assets)	431,382,527.79	7,299,684.69			250,000,000.00	438,553,109.35		250,129,103.13
2. Receivables financing	235,957,044.34						2,216,303.31	238,173,347.65
3. Other debt investments	1,056,952,424.68				195,610,561.63	167,788,701.68	18,450,770.17	1,103,225,054.80
Total	1,724,291,996.81	7,299,684.69			445,610,561.63	606,341,811.03	20,667,073.48	1,591,527,505.58
Financial liabilities	0.00							0.00

Content of other changes

Receivables financing: As the demand of daily fund management, Supor will discount or transfer an endorsed bill, the business mode of related bank acceptance bill including not only collect contractual cash flow but sales as the target, so reclass the bank acceptance bill as financial assets measured at the fair value with their changes included into other comprehensive incomes.

Debt investment: The business mode of negotiable certificates of deposit including collecting contractual cash flow and selling the negotiable certificates of deposit as the target, so reclass the negotiable certificates of deposit as financial assets measured at the fair value with their changes included into other comprehensive incomes. Interest revenue is accrued according to the actual interest rate during the expected duration.

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

☐ Yes ☒ No

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

Please see No. 53. "Assets with title or use right restrictions" of Part VII "Notes to Items of Consolidated Financial Statements" of SECTION X "FINANCIAL REPORT" for details.

VI. Investment Situation Analysis

1. General condition

☐ Applicable ☒ Not-applicable

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

☐ Applicable ☒ Not-applicable

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

☐ Applicable ☒ Not-applicable

4. Investments in financial assets**(1) Conditions of the securities investment**

☐ Applicable ☒ Not-applicable

The Company involves no securities investment during the reporting period.

(2) Derivative investment

☒ Applicable ☐ Not-applicable

1) Hedging derivative investment during the reporting period

☒ Applicable ☐ Not applicable

Unit: RMB 10,000

Derivative investment type	Initial investment amount	Profit and loss from fair value changes in the current period	Accumulated fair value changes included into equity	Purchase amount during the reporting period	Sales amount during the reporting period	Closing balance	Proportion of investment amount at the end of the period in the Company's net assets at the end of the reporting period
Bank - foreign exchange derivative instruments	4,744.22	-98.00	0	25,098.58	19,454.76	10,388.04	1.96%
Total	4,744.22	-98.00	0	25,098.58	19,454.76	10,388.04	1.96%
Explanation on detailed accounting policies and specific accounting principles of hedging business and whether they have been significantly changed during the reporting period compared with the previous reporting period	The Company recognizes, measures, and presents in accordance with <i>Accounting Standards for Business Enterprises No. 22 -- Recognition and Measurement of Financial Instruments</i> , <i>Accounting Standards for Business Enterprises No. 24 - Hedging</i> , and <i>Accounting Standards for Business Enterprises No. 37 - Presentation of Financial Instruments</i> . There are no significant change compared to the previous reporting period.						
Explanation on realized profit and loss during the reporting period	During the reporting period, the Company conducted derivative transactions and fair value hedging in accordance with the variety and duration determined by the Board of Directors. During the reporting period, the amount included in the current profit and loss was RMB-980,000 yuan, and the amount included in equity was 0 yuan. The amount of profit or loss is entirely derived from the net fair value change formed by the forward settlement of foreign exchange and the hedged item. During the reporting period, the Company did not engage in foreign exchange swap business, with no profit or loss or equity impact.						
Explanation on hedging effect	The value of hedging tools of the Company changed inversely to that of hedged foreign exchange accounts receivable and payable, effectively achieving the risk management objectives. During the reporting period, the Company conducted assessment on the fluctuation of the value of foreign exchange accounts receivable and payable, and signed forward exchange contracts with banks in the same currency. Such hedging tool was one of those approved by the Board of Directors. The execution complied with the internal control requirements and operated within the approved quota to ensure that the hedging tools match the hedged items in the scale, term, and currency.						

Capital source of derivative investment	Self-owned capital
Risk analysis and control measure explanation for derivative holding during the reporting period (including but not limited to market risk, liquidity risk, credit risk, operation risk and law risk)	<p>In order to hedge the foreign exchange risk in operating activities, reduce the impact of exchange rate fluctuations, and give full play to the hedging function of foreign exchange derivative transaction, the Company implemented foreign exchange derivative transaction business consistent with its business scale, term, and currency.</p> <p>(I) Risks of conducting foreign exchange derivative transactions</p> <ol style="list-style-type: none"> 1. Market risks: market risks, such as losses resulted from changes in the price of foreign exchange derivatives due to the fluctuated underlying interest rate, exchange rate or other market price, may arise. 2. Internal control risks: considering the specialty and complexity of foreign exchange derivative transaction business, inadequate internal control mechanisms may lead to risks. 3. Liquidity risks: risk of failure to complete transactions due to lack of market liquidity. 4. Performance risks: foreign exchange derivatives business faces the risk of default due to failed contract fulfillment when the contract expires. 5. Legal risks: changes in relevant laws or violations of the relevant legal system by counterparty, resulting the contract cannot be executed properly, may cause losses to the Company. <p>(II) Risk response measures</p> <ol style="list-style-type: none"> 1. Clarify the principles of foreign exchange derivative transaction: foreign exchange derivative transaction is based on the hedging principle to avoid risks from exchange rate fluctuations to the greatest extent, and based on market conditions, operation strategies shall be adjusted in time to improve hedging effects. 2. System construction: the Company has established the <i>Management Measures for Foreign Exchange Derivative Transactions</i>, in which the scope of authorization, approval procedures, key operation points, risk management and information disclosure concerning foreign exchange derivative transactions are well defined, so that the conduct and risks of foreign exchange derivative transactions can be effectively regulated. 3. Product selection: prior to any foreign exchange derivative transaction, it's necessary to select an FX derivative that suits the company's business context best, and is highly liquid and risk through a comparative analysis of various counterparties and products, before conducting business. The Company used forward instruments for general hedge and swap contracts for rolling hedge. 4. Counterparty management: be prudent when selecting counterparties for foreign exchange derivatives business. The company only conducts foreign exchange derivative transaction business with large commercial banks and other foreign exchange organization with legal qualifications, thus avoiding potential default and legal risks. 5. Management by specially-assigned persons: a special working group, set up by the Company's management representatives, Fund Department, Financial Sharing Center, Audit Department, Securities Department and other departments concerned, is responsible for the risk assessment, operation, recording and supervision of foreign exchange derivative transactions. The working group is supposed to decide on emergency mitigations in case of any significant changes in the market.
Changes in market prices or fair values of invested derivatives during the reporting period, specific methods used for analysis of the fair value of derivatives and the setting of related assumptions and parameters	The delivered foreign exchange derivatives were recorded as the profit and loss with instruments by the Company. Changes in the fair value of undelivered foreign exchange derivatives were evaluated by the comparison between the exchange rate of the derivative contract and the corresponding forward foreign exchange quotation provided by the contracting bank at the end of the period.
Litigation-related situation (if applicable)	Not applicable
The disclosure date of approval announcement by the Board of Directors of derivative investment (if any)	March 31, 2023
The disclosure date of approval announcement	Not applicable

by the General Meeting of Shareholders of derivative investment (if any)	
Special opinions on situations of the Company's derivative investment and risk control issued by independent directors	The independent directors have released the independent opinions about the <i>Proposal for Implementation of the Foreign Exchange Derivative Transaction Business</i> of the Company, the details of which are shown in the <i>Independent Opinion of Independent Directors on Relevant Matters</i> disclosed in http://www.cninfo.com.cn on March 31, 2023.

2) Speculation derivative investment during the reporting period

☐ Applicable ☒ Not applicable

During the reporting period, there was no speculative investment on derivatives.

5. Application of capital raised

☐ Applicable ☒ Not-applicable

No capital raised was used in 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	Revenue from main business	Registered capital	Total assets	Net assets	Operating income	Operating profit	Net profit
Wuhan Supor Cookware Co., Ltd.	Subsidiary	Cookware	RMB 91.16 million	1,147,135,495.74	325,799,928.23	1,452,022,706.38	-2,742,722.02	-1,173,534.01
Zhejiang Supor Electrical Appliances Manufacturing Co., Ltd.	Subsidiary	Electrical products	RMB 133.6971 million	1,240,090,483.07	416,842,000.93	1,853,742,874.95	46,996,102.71	39,695,390.58

Zhejiang Shaoxing Supor Domestic Electrical Appliances Co., Ltd.	Subsidiary	Small domestic appliance, kitchen appliance	RMB 610 million	2,973,785,711.72	2,322,451,716.80	3,013,987,403.33	494,013,449.81	420,424,459.45
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Subsidiary obtaining and disposal details during the reporting period

☐ Applicable ☒ Not-applicable

IX. Structural Subject under the Company's Control

☐ Applicable ☒ Not-applicable

X. Risks Faced by the Company and Countermeasures

1. Risk from macroeconomic fluctuation

In the first quarter of 2023, the consumer services sector enjoyed resilient growth, while retail demand for cookware and kitchen appliances was relatively subdued. With the promulgation of a series of policies and measures in China to promote the growth of consumption, the sales of home appliances improved sequentially in the second quarter, and demand for home appliances in the second half of the year is expected to be gradually boosted. Faced with the possible macroeconomic fluctuation risks, Supor will continuously adhere to established strategies, actively develop new categories and new businesses, expand market segments and foster new growth points.

In terms of exports, with the rebound in demand generated by the European and American markets after the de-stocking, it is expected that the export business will continue to improve in the second half of the year, and the Company will cooperate with its export customers to promote R&D of new product, efficiency improvements, cost reductions, and to enhance the competitiveness of the Company's export business.

2. Risk from raw material price fluctuations

In the first half of 2023, the prices of main raw materials for cookware and small domestic appliances such as aluminum, copper, stainless steel, and plastics declined and stabilized, which is beneficial for reducing production costs for industry enterprises. Supor will continue to implement lean cost projects and improve internal productivity as to enhance the cost competitiveness of the Company's domestic and export business. Meanwhile, the Company is actively boosting the reasonable automation of production line, improving the per capita labor output, and to reduce the impact caused by rise in labor cost.

3. Risk of intensifying market competitiveness

With the hierarchization of consumption in terms of cookware and home appliance market, high-end brands continue to engage in channel penetration and adjust their product and pricing strategies in order to seize more market share, while an increasing number of supply chain brands are reaching out to consumers through various e-commerce platforms and gaining a certain amount of sales volume by relying on their relatively low prices, which has led to intensified market competition in the cookware and small domestic appliance industry.

The Company will continue to adhere to its strategy centered on product innovation and launch higher value-added and high-margin products to gain leading sales and market share in the mid-to-high price segments by continuously enhancing its innovation capabilities. Meanwhile, the Company is also increasing the distribution of hot-selling products appropriately, giving full play to the Company's comprehensive competitive advantages of multi-brand and multi-category, and continuously investing in marketing resources in order to increase its market share.

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

Recent exchange rate fluctuations may adversely affect export.

The Company's export business with its major export customer, SEB Group, has been settled in RMB, with low exchange rate risk.

SECTION IV CORPORATION GOVERNANCE

I. General Meetings of Shareholders and Interim General Meeting of Shareholders Held during the Reporting Period

1. General meetings of shareholders during the reporting period

Session	Meeting type	Investors Participati on ratio	Convening date	Date of disclosure	Meeting resolution
First Interim General Meeting of Shareholders 2023	Interim General Meeting of Shareholders	8.55%	January 19, 2023	January 20, 2023	See <i>Announcement on Resolutions of the First Interim General Meeting of Shareholders 2023</i> (Announcement No.: 2023-007) disclosed on http://www.cninfo.com.cn for details
Annual General Meeting of Shareholders for 2022 Fiscal Year	Annual General Meeting of Shareholders	8.04%	April 25, 2023	April 26, 2023	See <i>Announcement on Resolutions of the Annual General Meeting of Shareholders for 2022 Fiscal Year</i> (Announcement No.: 2023-041) disclosed on http://www.cninfo.com.cn for details

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

☐ Applicable ☒ Not-applicable

II. Change of Directors, Supervisors and Senior Executives

During the reporting period, the Company elected the Eighth Board of Directors and the Eighth Board of Supervisors. The 1st Session of the Eighth Board of Directors and the 1st Session of the Eighth Board of Supervisors were held on April 26, 2023 to select Board Chairman and Chairman of the Board of Supervisors respectively. The General Manager, Chief Financial Officer, Board Secretary were also appointed during the meeting. The Company directors, supervisors and senior executives did not change within the reporting period. As for details, please see 2022 Annual Report.

III. Profit Distribution and Conversion from Capital Reserves to Share Capital during the Reporting Period

☐ Applicable ☒ Not-applicable

The Company planned not to distribute cash dividend, issue bonus shares, or convert capital reserves to share capital in the semi-annual period.

IV. Implementation of Company's Equity Incentive Plan, Employee Stock Holding Plan or Other Employee Incentive Measures

☒Applicable ☐ Not-applicable

1. Equity incentive

(I) About the 2021 Equity Incentive Plan

On August 30, 2022, the *Proposal on Repurchasing and Canceling a Part of Restricted Stock* was reviewed and adopted at 14th Session of the Seventh Board of Directors and the 13th Session of the Seventh Board of Supervisors. For disqualification of 13 incentive objects due to their resignation, the Company decided to repurchase and cancel 53,000 shares of restricted stock. In addition, on March 29, 2023, the *Proposal on Repurchasing and Canceling a Part of Restricted Stock* was reviewed and adopted at 19th Session of the Seventh Board of Directors and the 18th Session of the Seventh Board of Supervisors. For the disqualification of 4 incentive objects due to their resignation, the Company decided to repurchase and cancel 21,000 shares of restricted stock. The *Proposal on Repurchasing and Canceling a Part of Restricted Stock* was reviewed and adopted at the Annual General Meeting of Shareholders for 2022 Fiscal Year held on April 25, 2023. The Company repurchased and canceled 74,000 shares of restricted stock of 2021 Equity Incentive Plan at the price of RMB 1 per share and paid totally RMB 74,000 to above resigned incentive objects. After confirmed by Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, the Company completed repurchase and cancellation on June 29, 2023.

For detailed contents, see *Announcement of Repurchasing and Canceling a Part of Restricted Stock* and *Announcement of Completion of Repurchase and Cancellation of Restricted Stock* disclosed on *Securities Times*, *China Securities Journal*, *Securities Daily*, and <http://www.cninfo.com.cn> on August 31, 2022, March 31, 2023 and June 30, 2023 (Announcement No.: 2022-050, 2023-026 and 2023-052).

(II) About the 2022 Equity Incentive Plan

1. On January 31, 2023, the *Proposal on Grant of Postponed Portion of Restricted Stock to Incentive Objects* was reviewed and adopted at the 18th Session of the Seventh Board of Directors and the 17th Session of the Seventh Board of Supervisors. The Company planned to grant a total of 79,000 shares of postponed portion of restricted stock to 2 incentive objects. The Company completed the registration of restricted stock grants on February 24, 2023.

For detailed contents, see *Announcement of Grant of Postponed Portion of Restricted Stock to Incentive Objects* and the *Announcement of Completion of Registration for Grant of Postponed Portion of Restricted Stock of 2022* disclosed on *Securities Times*, *China Securities Journal*, *Securities Daily*, and <http://www.cninfo.com.cn> on February 2, 2023 and February 27, 2023 (Announcement No.: 2023-011 and 2023-015).

2. On March 29, 2023, the *Proposal on Repurchasing and Canceling a Part of Restricted Stock* was reviewed and adopted at the 19th Session of the Seventh Board of Directors and the 18th Session of the Seventh Board of Supervisors. For the disqualification of 2 incentive objects due to their resignation, the Company decided to repurchase and cancel 1,750 shares of restricted stock. The *Proposal on Repurchasing and Canceling a Part of Restricted Stock* was reviewed and adopted at the Annual General Meeting of Shareholders for 2022 Fiscal Year held on April 25, 2023. The Company repurchased and canceled 1,750 shares of restricted stock of 2022 Equity Incentive Plan at the price of RMB 1 per share and paid totally RMB 1,750 to above resigned incentive objects. After confirmed by

Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, the Company completed repurchase and cancellation on June 29, 2023.

For detailed contents, see *Announcement of Repurchasing and Canceling a Part of Restricted Stock* and *Announcement of Completion of Repurchase and Cancellation of Restricted Stock* disclosed on *Securities Times*, *China Securities Journal*, *Securities Daily*, and <http://www.cninfo.com.cn> on March 31, 2023 and June 30, 2023 (Announcement No.: 2023-026 and 2023-052).

2. Implementation of the employee stock holding plan

☐ Applicable ☒ Not-applicable

3. Other employee incentive measures

☐ Applicable ☒ Not-applicable

SECTION V SOCIAL AND ENVIRONMENTAL RESPONSIBILITIES

I. Major Environmental Issues

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

☒ Yes ☐ No

Policies and industrial standards related to environmental protection

According to the *Technical Specification for Application and Issuance of Pollutant Permit General Programme* (HJ942-2018), the *Self-monitoring Technology Guidelines for Pollution Sources - General Rule* (HJ819-2017) and the national standards for pollutants discharge, the environmental impact assessment documents of construction projects and their administrative licenses, and the requirements in national environment monitoring technical specifications, the Company has improved its self-monitoring scheme, which needs to be put on record by the competent department for ecological environment under its jurisdiction.

Administrative permissions for environmental protection

According to the relevant system records, the Company and its subsidiaries have obtained pollution discharge permits as follows:

Name of the Company or subsidiary	Completion date	Valid period
The Company	July 4, 2023	From June 30, 2023 to June 29, 2028
Zhejiang Supor Electrical	June 25, 2023	From August 25, 2020 to August 24, 2025
Shaoxing Supor	July 10, 2023	From July 10, 2023 to July 9, 2028
Wuhan Supor Cookware	April 12, 2022	From September 11, 2020 to September 10, 2023

Name of the Company or subsidiary	Type of main pollutant or specific pollutant	Name of main pollutant or specific pollutant	Discharge mode	Number of discharge ports	Distribution of discharge ports	Discharge concentration/intensity	Executive pollutant discharge standard	Total discharge amount	Total discharge amount checked	Excessive discharge
The Company	Water pollutants	COD	Indirect discharge	1	Wastewater discharge port of the wastewater station in plant area	30mg/L	<i>Integrated Wastewater Discharge Standard</i> (GB8978-1996)	2.21t	8.662t/a	/
		Ammoniacal nitrogen				1.5mg/L	<i>Indirect Discharge for Emission Limitation of Nitrogen and Phosphorus for Industrial Wastewater</i> (DB33/887-2013)	0.11t	0.433t/a	/
	Air pollutants	Sulfur Dioxide	Organized emission	39	Workshops 1#, 2# and 6#	<200 mg/m ³	<i>Emission Standard of Air Pollutants for Industrial Surface Coating</i>	0.38t	3.06t/a	/

						(DB33/2146-2018); <i>Integrated Emission Standard of Air Pollutants</i> (GB16297-1996); <i>Emission Standards of Air Pollutants for Industrial Kiln and Furnace</i> (GB9078-1996)			
		Nitrogen Oxide				<300 mg/m ³ Emission Standard of Air Pollutants for Industrial Surface Coating (DB33/2146-2018); <i>Integrated Emission Standard of Air Pollutants</i> (GB16297-1996); <i>Emission Standards of Air Pollutants for Industrial Kiln and Furnace</i> (GB9078-1996)	3.56t	14.66t/a	/
Zhejiang Supor Electrical	Water pollutants	COD	Indirect discharge	1	General outlets of wastewater (DW001)	10 mg/l <i>Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant</i> (DB33/2169-2018)	0.492 t	14.6 t/a	/
		Ammoniacal nitrogen				0.08 mg/l <i>Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant</i> (DB33/2169-2018)	0.004 t	0.73 t/a	/
		Total nitrogen (calculated in N)				5.185mg/l <i>Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant</i> (DB33/2169-2018)	0.2252 t	2.667 t/a	/
Shaoxing Supor	Water pollutants	COD	Indirect discharge	1	Wastewater discharge port of the wastewater station in plant area	120.65mg/L <i>Integrated Wastewater Discharge Standard</i> (GB8978-1996)	40.229492 t	224.657t/a	/
		Ammoniacal nitrogen				6.73mg/L <i>Indirect Discharge for Emission Limitation of Nitrogen and Phosphorus for Industrial Wastewater</i> (DB33/887-2013)	2.24299t	9.363t/a	/
		Total nitrogen (calculated				19.03mg/L <i>Wastewater Quality Standards for Discharge to</i>	6.345136t	33.447t/a	/

		in N)					Municipal Sewers (GB/T 31962-2015)			
Wuhan Supor Cookware	Water pollutants	COD	Intermittent discharge, whose flow	1	Wastewater discharge port of the wastewater station in plant area	16.52mg/L	Integrated Wastewater Discharge Standard (GB8978-1996)	3.685t	19.38t/a	/
		Ammoniacal nitrogen	rate is neither stable nor regular, but it's not an impulsive discharge			0.67mg/L	Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T 31962-2015)	0.146t	1.94t/a	/
	Air pollutants	VoCs	Organized emission	1	Spray waste gas treatment discharge port	2.39mg/m ³	Integrated Emission Standard of Air Pollutants (GB16297-1996)	1.369t	12.16t/a	/

Treatment of pollutants

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 urban wastewater pipes. At the same time, the Company has reclaimed water reuse facilities that can arrange water treatment plan according to water quality. The production wastewater is first treated at the sewage treatment station and then disposed through the reclaimed water system for production. After that, part of the sanitary sewage after combined treatment enters municipal sewage network.

The Company collects different waste gases and uses different treatment modes, and then discharges after reaching the standard. The treatment processes involved are as follows: water curtain, spray tower, dry filter, low-temperature plasma, cyclone and filter dust collector, activated carbon adsorption, UV photolysis purification, desorption and catalytic combustion and other combined treatments.

The Company has established a reliable wastewater and waste gas treatment system, and ensures that the discharge and disposal of three wastes generated in the process of production and operation comply with relevant laws and regulations through regular inspection, supervision and inspection mechanism and third-party inspection organizations. During the reporting period, the Company did not exceed the standard discharge, and met the relevant requirements of the competent department for ecological environment.

Environmental emergency plan

The Company has completed the emergency plan for environmental emergencies and conducted regular emergency drills.

Environmental governance and protection input and payment of environmental protection tax

During the reporting period, the Company's total investment in environmental governance and protection was RMB 17.82 million, including RMB 0.025 million of environmental protection tax.

Environmental monitoring scheme

The Company has formulated an annual environmental monitoring scheme in accordance with relevant national laws and regulations, and entrusted a qualified third party to carry out environmental monitoring.

Administrative penalties for environmental problems during the reporting period

None

Other environmental information that shall be made public

None

Measures and effects taken to reduce carbon emissions during the reporting period

☐ Applicable ☒ Not-applicable

Other environmental protection related information

None

II. Social Responsibilities

During the reporting period, the Company actively supported the national rural revitalization and common prosperity policies. Adhering to its vision and mission, the Company embraced the philanthropic principle of "sharing a better life with each child". While actively providing funds to improve basic education conditions in the central and western mountainous areas, the Company also leveraged its industrial and resource advantages to support life education in urban and rural schools. The Company, families, and schools have worked together to cultivate a new generation of youth who are forward-looking, love life, and care for their families.

In 2023, the Company continued to operate the "Supor Primary School" project and invested more in the life function of the rural school. Currently, Supor has donated 28 rural schools in the central and western regions and plans to expand with a focus on improving the living conditions of boarding schools in towns and villages. At present, 14 Supor primary schools have introduced online live-streaming art and foreign language courses of U-light, so that rural students can also enjoy top-quality education.

The Company's new public welfare project "Supor – Little Artist of Life" is also supporting the improvement of urban and rural school literacy education. At present, the Company has established cooperative relations with more than 10 urban and rural schools in Hangzhou City, Shaoxing City, Lishui City, Xingyi City and other places to support these schools in building life education space, carrying out labor classes, and building schools featuring life literacy education.

Supor employees also took an active part in public welfare. They sent letters and gifts to the children in the disaster areas in Henan Province to give them warmth and encouragement. Employee volunteers of the Company made a special trip to Henan on Children's Day, bringing companionship and joy to the children.

In the future, the Company will actively support the national policies of rural revitalization and common prosperity, give full play to the advantages of Supor's business capabilities and resources, promote various charity programs and activities in terms of literacy education for children in rural villages and broadening their horizons, and work with more like-minded charity partners to contribute to a better life and better society in rural areas.

Indicator	Measurement unit	Quantity/fulfillment
Rural revitalization and common prosperity	—	—
Including: Investment amounts for funding poor students	RMB 10,000	
Coverage of rural students	Person	6,000
Investment amounts for improving the education resources in rural areas	RMB 10,000	60
Awards received (content, grade)	—	—
One of 100 Companies of CCTV ESG Pioneers		
Zhejiang Province Corporate Social Responsibility Outstanding Report Award		

SECTION VI SIGNIFICANT EVENTS

I. Commitments Fulfilled during the Reporting Period and Unfulfilled till the End of Reporting Period by Actual Controllers, Shareholders, Related Parties, Acquirers and Other Commitment Parties of the Company

☐ Applicable ☒ Not-applicable

There were no commitments fulfilled during the reporting period and unfulfilled till the end of reporting period by actual controllers, shareholders, related parties, acquirers and other commitment parties of the Company.

II. Occupied Non-business Capital of Listed Company for Controlling Shareholders and Related Parties

☐ Applicable ☒ Not-applicable

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

III. Illegal External Guarantee

☐ Applicable ☒ Not-applicable

There was no illegal external guarantee of the Company during the reporting period.

IV. Employment and Disengagement of Certified Public Accountants

Whether the semiannual financial report has been audited

☐ Yes ☒ No

The Company's semiannual report has not been audited.

V. Explanation on the Board of Directors and the Board of Supervisors on the "Non-standard Audit Report" provided by the accounting firm during the reporting period

☐ Applicable ☒ Not-applicable

VI. Explanation of the Board of Directors on Last Year's "Non-standard Audit Report"

☐ Applicable ☒ Not-applicable

VII. Bankruptcy or Reorganization

☐ Applicable ☒ Not-applicable

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

VIII. Litigation Matters

Significant litigations and arbitrations

☐ Applicable ☒ Not-applicable

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

Other litigation matters

☐ Applicable ☒ Not-applicable

IX. Punishment and Rectification

☐ Applicable ☒ Not-applicable

X. Integrity of the Company, Its Controlling Shareholders and Actual Controllers

☐ Applicable ☒ Not-applicable

XI. Major Related Transactions

1. Related transaction related to daily business

☒ Applicable ☐ Not-applicable

Related party	Correlated relation	Type of related transaction	Contents of related transaction	Pricing principle of related transaction	Price of related transaction	Amount of related transaction (RMB 10,000)	Percentage to amount of same transaction	Approved transaction limit (RMB 10,000)	Exceeding approved limit or not	Means of payments of related 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	-	6,362.51	1.02%		No	Bank transfer or notes	-		
Wuhan Anzai Cookware Co., Ltd.	Associated enterprise	Purchase of commodity	Accessories	Market price	-	2,562.67	0.41%		No	Bank transfer or notes	-		
GROUPE SEB EXPORT	Same controlling shareholder with the controlling shareholder	Purchase of commodity	Finished products	Contract price	-	115.20	0.02%		No	Bank transfer or notes	-		
TEFAL S.A.S.	Same controlling shareholder with the controlling shareholder	Purchase of commodity	Accessories	Market price	-	473.73	0.08%		No	Bank transfer or notes	-		
LAGOSTINA S.P.A.	Same controlling shareholder	Purchase of commodity	Finished products	Contract price	-	39.36	0.01%		No	Bank transfer or notes	-		
SEB INTERNATIONAL	Same controlling shareholder	Purchase of commodity	Accessories	Market price	-	8.41	0.00%		No	Bank transfer or notes	-		

SERVICE S.A.S.	with the controlling shareholder												
SEB INTERNATIONAL SERVICE S.A.S.	Same controlling shareholder with the controlling shareholder	Purchase of commodity	Finished products	Contract price	-	1.28	0.00%		No	Bank transfer or notes	-		
GROUPE SEB MOULINEX	Same controlling shareholder with the controlling shareholder	Purchase of commodity	Accessories	Market price	-	108.09	0.02%		No	Bank transfer or notes	-		
SEB ASIA LTD.	Same controlling shareholder	Purchase of commodity	Finished products	Contract price	-	4.33	0.00%		No	Bank transfer or notes	-		
WMF GROUPE GMBH	Same controlling shareholder	Purchase of commodity	Finished products	Contract price	-	3,232.80	0.52%		No	Bank transfer or notes	-		
Emsa Taicang Co., Ltd.	Same controlling shareholder	Purchase of commodity	Finished products	Contract price	-	23.50	0.00%		No	Bank transfer or notes	-		
GROUPE SEB KOREA, LTD	Same controlling shareholder	Purchase of commodity	Finished products	Contract price	-	7.29	0.00%		No	Bank transfer or notes	-		
GROUPE SEB THAILAND	Same controlling shareholder	Purchase of commodity	Finished products	Contract price	-	18.29	0.00%		No	Bank transfer or notes	-		
SEB Professional (Shanghai) Co., Ltd.	Same controlling shareholder	Purchase of commodity	Finished products	Contract price	-	0.03	0.00%		No	Bank transfer or notes	-		
Wmf (heshan) Manufacturing Company Limited	Same controlling shareholder	Purchase of commodity	Finished products	Contract price	-	11.70	0.00%		No	Bank transfer or notes	-		
SEB ASIA LTD.	Same controlling shareholder	Sale of commodities	Finished products	Contract price	-	231,796.81	23.22%		No	Bank transfer or notes	-		
SEB ASIA LTD.	Same controlling shareholder	Sale of commodities	Accessories	Contract price	-	544.43	0.05%		No	Bank transfer or notes	-		
S.A.S. SEB	Same controlling shareholder with the controlling shareholder	Sale of commodities	Finished products	Contract price	-	713.42	0.07%		No	Bank transfer or notes	-		
S.A.S. SEB	Same controlling shareholder with the controlling shareholder	Sale of commodities	Accessories	Contract price	-	23.91	0.00%		No	Bank transfer or notes	-		
TEFAL S.A.S.	Same	Sale of	Finished	Contract	-	129.59	0.01%		No	Bank	-		

	controlling shareholder with the controlling shareholder	commodities	products	price						transfer or notes			
TEFAL S.A.S.	Same controlling shareholder with the controlling shareholder	Sale of commodities	Accessories	Contract price	-	935.48	0.09%		No	Bank transfer or notes	-		
GROUPE SEB MOULINEX	Same controlling shareholder with the controlling shareholder	Sale of commodities	Finished products	Contract price	-	639.30	0.06%		No	Bank transfer or notes	-		
Supor Group Co., Ltd.	Company controlled by related natural person	Sale of commodities	Finished products	Market price	-	746.21	0.07%		No	Bank transfer or notes	-		
Zhejiang Nanyang Pharmaceutical Sales Co., Ltd.	Company controlled by related natural person	Sale of commodities	Finished products	Market price	-	77.81	0.01%		No	Bank transfer or notes	-		
SEB INTERNATIONAL SERVICE S.A.S.	Same controlling shareholder with the controlling shareholder	Sale of commodities	Accessories	Contract price	-	1,178.10	0.12%		No	Bank transfer or notes	-		
Wuhan Anzai Cookware Co., Ltd.	Associated enterprise	Sale of commodities	Accessories	Contract price	-	1.50	0.00%		No	Bank transfer or notes	-		
LAGOSTINA S.P.A.	Same controlling shareholder	Sale of commodities	Accessories	Contract price	-	12.91	0.00%		No	Bank transfer or notes	-		
IMUSA USA LLC	Same controlling shareholder	Sale of commodities	Finished products	Contract price	-	516.29	0.05%		No	Bank transfer or notes	-		
IMUSA USA LLC	Same controlling shareholder	Sale of commodities	Accessories	Contract price	-	2.14	0.00%		No	Bank transfer or notes	-		
SEB Professional (Shanghai) Co., Ltd.	Same controlling shareholder	Sale of commodities	Finished products	Contract price	-	10.82	0.00%		No	Bank transfer or notes	-		
GROUPE SEB VIETNAM JOINT STOCK COMPANY	Same controlling shareholder	Sale of commodities	Finished products	Contract price	-	482.26	0.05%		No	Bank transfer or notes	-		
GROUPE SEB	Same controlling	Sale of commodities	Finished products	Contract price	-	466.99	0.05%		No	Bank transfer or	-		

CANADA	shareholder	s								notes			
GROUPE SEB ANDEAN S.A.	Same controlling shareholder	Sale of commodities	Accessories	Contract price	-	23.55	0.00%		No	Bank transfer or notes	-		
Total				--	--	251,270.71	--		--	--	--	--	--
Details of large sales return				Not-applicable									
Actual implementation of estimated total amount of related transaction by category incurred during the period during the reporting period (if any)				From January to June, 2023, the actual amount of daily related transactions between the Company and SEB Group reached RMB 2,415.20 million.									
Reason for the big difference between transacted price and market reference price (if applicable)				Not-applicable									

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

☐ Applicable ☒ Not-applicable

There were no related transactions from purchase and sales for assets or equity during the reporting period.

3. Related transaction from external co-investment

☐ Applicable ☒ Not-applicable

There was no related transaction involving joint external investment during the reporting period.

4. Connected creditor's rights and debts

☐ Applicable ☒ Not-applicable

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

5. Dealings with associated financial companies

☐ Applicable ☒ Not-applicable

There was no deposit, loan, credit or other financial business between the Company and associated financial companies and their related parties.

6. Dealings between the financial companies controlled by the Company and their related parties

☐ Applicable ☒ Not-applicable

There was no deposit, loan, credit or other financial business between the Company and holding financial companies and their related parties.

7. Other important Related transactions

☐ Applicable ☒ Not-applicable

There were no significant related transactions during the reporting period.

XII. Significant Contracts and Performance

1. Custody, contracting, and leasing

(1) Custody

☐ Applicable ☒ Not-applicable

No custody was made during the reporting period.

(2) Contracting

☐ Applicable ☒ Not-applicable

No contracting was made during the reporting period.

(3) Leasing

☒ Applicable ☐ Not-applicable

Circumstances of leasing

Please refer to "15. Right-of-use assets" and "26. Lease obligation" of Part VII "Notes to Items of Consolidated Financial Statements" of SECTION X "FINANCIAL REPORT".

The profit and loss brought to the company reaches more than 10% of the total profit of the Company during the reporting period.

☐ Applicable ☒ Not-applicable

During the reporting period, there were no leasing items that brought profits and losses of the Company to more than 10% of the total profits of the Company during the reporting period.

2. Major guarantee

☒ Applicable ☐ Not-applicable

Unit: RMB 10,000

External guarantee of the Company and its subsidiaries (excluding the guarantee to 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 (if any)	Guarantee period	Fulfilled or not	Whether it is guaranteed by related parties
Supor's distributors who meet certain conditions	December 14, 2021	140,000	July 2022 - August 2022	12,638.78	General guarantee and pledge	Cash	Yes	July 2022 - February 2023	Yes	No
Supor's distributors who meet certain conditions	August 31, 2022	140,000	September 2022 - April 2023	58,788.94	General guarantee and pledge	Cash	Yes	September 2022 - October 2023	No	No
Supor's	March 31,	140,000	May 2023 -	6,364.54	General	Cash	Yes	May 2023	No	No

distributors who meet certain conditions	2023		June 2023		guarantee and pledge			- December 2023		
Total external guaranteed amount approved during the reporting period (A1)			140,000		Total actual amount of external guarantee during the reporting period (A2)					77,792.26
Total external guaranteed amount approved at the end of the reporting period (A3)			280,000		Total actual external guarantee balance at the end of the reporting period (A4)					27,927.36
Guarantee of the Company to 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 (if any)	Guarantee period	Fulfilled or not	Whether it is guaranteed by related parties
Zhejiang Shaoxing Supor Housewares Co., Ltd.	April 1, 2022	270,000	July 2022 - December 2022	67,550.55	General guarantee	None	None	July 2022 - June 2023	Yes	No
Wuhan Supor Cookware Co., Ltd.	April 1, 2022	20,000	September 2022 - December 2022	3,315	General guarantee	None	None	September 2022 - June 2023	Yes	No
Zhejiang Shaoxing Supor Housewares Co., Ltd.	April 1, 2022	270,000	January 2023 - April 2023	28,868.88	General guarantee	None	None	January 2023 - October 2023	No	No
Wuhan Supor Cookware Co., Ltd.	April 1, 2022	20,000	January 2023 - April 2023	1,890	General guarantee	None	None	January 2023 - October 2023	No	No
Zhejiang Shaoxing Supor Housewares Co., Ltd.	March 31, 2023	260,000	May 2023 - June 2023	51,597	General guarantee	None	None	May 2023 - December 2023	No	No
Wuhan Supor Cookware Co., Ltd.	March 31, 2023	30,000	May 2023 - June 2023	1,810	General guarantee	None	None	May 2023 - December 2023	No	No
Approved total guaranteed amount towards the subsidiaries during the reporting period (B1)			400,000		Total actual amount of guarantee to subsidiaries during the reporting period (B2)					155,031.43
Total guaranteed amounts to subsidiaries approved at the end of			700,000		Total actual guarantee balance for subsidiaries at the end					84,165.88

the reporting period (B3)				of the reporting period (B4)						
Guarantee of the subsidiaries to 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 (if any)	Guarantee period	Fulfilled or not	Whether it is guaranteed by related parties
Zhejiang Shaoxing Supor Housewares Co., Ltd.	April 1, 2022	270,000	July 2022 - December 2022	11,900	General guarantee	None	None	July 2022 - June 2023	Yes	No
Zhejiang Shaoxing Supor Housewares Co., Ltd.	April 1, 2022	270,000	January 2023 - April 2023	13,580	General guarantee	None	None	January 2023 - October 2023	No	No
Approved total guaranteed amount towards the subsidiaries during the reporting period (C1)		0		Total actual amount of guarantee to subsidiaries during the reporting period (C2)		25,480				
Total guaranteed amounts to subsidiaries approved at the end of the reporting period (C3)		0		Total actual guarantee balance for subsidiaries at the end of the reporting period (C4)		13,580				
Total guaranteed amount of the Company (namely the total of the first three items)										
Total approved guaranteed amount during the reporting period (A1+B1+C1)		540,000		Total guaranteed actual amount during the reporting period (A2+B2+C2)		258,303.69				
Total approved guaranteed amount at the end of the reporting period (A3+B3+C3)		980,000		Total actual guarantee balance at the end of the reporting period (A4+B4+C4)		125,673.24				
Proportion of the total amount of actual guarantee (i.e. A4+B4+C4) to the net assets of the Company				23.75%						
Including:										
Total guaranteed amount towards shareholders, actual controllers and related parties (D)				0						
Balance of debt guarantee directly or indirectly provided to the guaranteed object with an asset-liability ratio exceeding 70% (E)				97,745.88						
Amount of the total guarantee exceeding 50% of the net assets (F)				0						
Total amount of the above three guarantees (D+E+F)				97,745.88						
Description of the guarantee liability occurred				None						

during the reporting period or there is evidence that it is possible to bear joint and several liability for settlement for the unexpired guarantee contract (if any)	
Explanation on external guarantee provided against the established procedures (if any)	None

Note: The 19th Session of the Seventh Board of Directors and the Annual General Meeting of Shareholders for 2022 Fiscal Year of the Company reviewed and adopted the *Proposal on Guarantee for Wholly-owned Subsidiaries and Mutual Guarantee among Wholly-owned Subsidiaries*, and agreed that the Company and its wholly-owned subsidiaries would provide guarantees up to RMB 4 billion for the wholly-owned subsidiaries in the year of 2023. Among them, the guaranteed amount for companies with higher than 70% (inclusive) asset-liability ratio over was RMB 3 billion, and for companies with an asset-liability ratio below 70% was RMB 1 billion.

Specific description for using the composite guarantee situation

None

3. Entrusted financing

☒ Applicable ☐ Not-applicable

Unit: RMB 10,000

Specific type	Source of fund for entrusted financing	Amount incurred of entrusted financing	Undue balance	Overdue amount unclaimed	The amount of impairment accrued from overdue financial investment products
Bank financial products	Self-owned capital	43,000	20,000	0	0
Financial products of securities trader	Self-owned capital	5,000	5,000	0	0
Total		48,000	25,000	0	0

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

Details about the short-term financial products newly-purchased within first half year of 2023 can be found in the *Announcement of Progress of Using Excessive Cash to Purchase Financial Products* (Announcement No.: 2023-006), the *Announcement of Short-term Investment Using Excessive Cash* (Announcement No.: 2023-022) and the *Announcement of Progress of Using Excessive Cash to Purchase Financial Products* (Announcement No.: 2023-054) released on the <http://www.cninfo.com.cn>.

Specific situation of high-risk entrusted finance with significant single amount, low security and poor liquidity

☐ 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 significant contracts

☐ Applicable ☒ Not-applicable

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

XIII. Explanation on Other Important Matters

☐ Applicable ☒ Not-applicable

The Company has no other important matters to be explained during the reporting period.

XIV. Important Matters of Subsidiaries

☐ Applicable ☒ Not-applicable

SECTION VII CHANGES IN SHARE CAPITAL AND PARTICULARS ABOUT SHAREHOLDERS

I. Changes of Shares

1. Changes of shares

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	3,110,073	0.38%				-145,463	-145,463	2,964,610	0.37%
1. Shares held by the state	0	0.00%				0	0	0	0.00%
2. Stated-owned legal person shares	0	0.00%				0	0	0	0.00%
3. Other domestic shareholdings	3,110,073	0.38%				-145,463	-145,463	2,964,610	0.37%
Including: Shares held by domestic legal entities	0	0.00%				0	0	0	0.00%
Shares held by domestic natural persons	3,110,073	0.38%				-145,463	-145,463	2,964,610	0.37%
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	805,544,403	99.62%				-1,800,356	-1,800,356	803,744,047	99.63%
1. Common shares in RMB	805,544,403	99.62%				-1,800,356	-1,800,356	803,744,047	99.63%
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	808,654,476	100.00%				-1,945,819	-1,945,819	806,708,657	100.00%

Reasons for the change of shares

☒ Applicable ☐ Not-applicable

1. Top management of the Company unlocked 25% of the shares registered under their names based on holding shares at last transaction date of the last year.
2. On February 24, 2023, a total of 79,000 shares of restricted stock of postponed portion of the 2022 Restricted Stock Incentive Plan were transferred to 2 incentive objects.
3. On April 10, 2023, the Company cancelled a total of 1,870,069 repurchased public shares. Upon the cancellation, the Company's total share capital decreased from 808,654,476 to 806,784,407 shares.
4. On June 29, 2023, totally 75,750 shares of restricted stock that have been granted to resigned incentive objects but have not been unlocked from restriction in 2021 and 2022 Restricted Stock Incentive Plans were repurchased and cancelled by the Company. Upon the repurchase and cancellation, the Company's total share capital decreased from 806,784,407 shares to 806,708,657 shares.

Approval of change in shares

☒Applicable ☐ Not-applicable

1. On January 31, 2023, the *Proposal on Grant of Postponed Portion of Restricted Stock to Incentive Objects* was reviewed and adopted at the 18th Session of the Seventh Board of Directors and the 17th Session of the Seventh Board of Supervisors, the Company agreed to grant a total of 79,000 shares of postponed portion of restricted stocks to two incentive objects. The grant date was February 1, 2023. After confirmed by Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, the postponed portion of restricted stocks in the Company's 2022 Restricted Stock Incentive Plan were transferred and registered under the name of two incentive objects on February 24, 2023.
2. On March 29, 2023, the *Proposal on Terminating the Public Shares Repurchase Plan* was reviewed and adopted at the 19th Session of the Seventh Board of Directors and the 18th Session of the Seventh Board of Supervisors of the Company, the Company plans to cancel 1,870,069 shares held in the Company's special stock repurchase account to reduce registered capital as authorized by the Annual General Meeting of Shareholders for 2021 Fiscal Year. After confirmed by Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, the Company completed the cancellation of the above shares on April 10, 2023.
3. On August 30, 2022 and on March 29, 2023, the *Proposal on Repurchasing and Canceling a Part of Restricted Stock* was reviewed and adopted respectively at the 14th Session of the Seventh Board of Directors and the 13th Session of the Seventh Board of Supervisors and the 19th Session of the Seventh Board of Directors and the 18th Session of the Seventh Board of Supervisors. For the disqualification of 18 incentive objects due to their resignation, the Company has decided to repurchase and cancel 75,750 shares of restricted stock at the price of RMB 1 per share. The above matter of repurchase and cancellation of restricted stocks has been deliberated and approved at the Annual General Meeting of Shareholders for 2022 Fiscal Year held on April 25, 2023. The Company has repurchased and canceled 75,750 shares of restricted stock at the price of RMB 1 per share and paid totally RMB 75,750 to the above resigned incentive objects. After confirmed by Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, the Company completed the above matter of repurchase and cancellation of restricted stocks on June 29, 2023.

Transfer of shares changed

☒Applicable ☐ Not-applicable

After confirmed by Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, totally 79,000 shares of postponed portion of restricted stocks under the Company's 2022 Restricted Stock Incentive Plan, were transferred and registered under the name of two incentive objects on February 24, 2023.

Progress in the implementation of share repurchase

☒Applicable ☐ Not-applicable

(I) Public Shares Repurchase Plan 2022

On March 31, 2022, the *Proposal on Public Shares Repurchase Plan* was reviewed and adopted at the 12th Session of the Seventh Board of Directors and the Annual General Meeting of Shareholders for 2021 Fiscal Year held on April 25, 2022. The Company repurchased its own shares from the secondary market through concentrated bidding transactions. The maximum price was not higher than RMB 54.78/share, and the bottom limitation of shares to be repurchased was not lower than 8,086,785 (inclusive), and the top

limitation of shares was not exceeding 16,173,570 shares (inclusive). Among which, 3,000,000 shares were intended for the future implementation of equity incentive, and the remaining shares will be cancelled to reduce the registered capital. From May 6, 2022, when the share repurchase scheme was first implemented, to February 8, 2023, totally 4,870,069 shares of the Company were repurchased through centralized bidding transactions by special securities account, accounting for 0.60% of the Company's total share capital. 1,253,500 and 79,000 shares of them were respectively transferred and registered under the name of incentive objects involved in the 2022 *Restricted Stock Incentive Plan* on November 10, 2022 and February 24, 2023.

As the stock price in February and March continuously exceeded the maximum repurchase price disclosed in the share repurchase plan and the validity period of the shares repurchase plan was about to expire, the Company comprehensively considered the actual situations of the market and its own and deliberated and approved the *Proposal on Terminating the Public Shares Repurchase Plan* at the 19th Session of the Seventh Board of Directors held on March 29, 2023. It decided to terminate the implementation of the above-mentioned public shares repurchase plan. On April 10, 2023, based on the authorization of the Annual General Meeting of Shareholders for 2021 Fiscal Year, the Company cancelled 1,870,069 shares in the special securities account for repurchase and reduced its registered capital. After that, the total share capital of it decreased from 808,654,476 to 806,784,407 shares. The remaining 1,667,500 shares will be used for implementing future equity incentive plans, and if the Company fails to do so within three years after the termination of the Public Shares Repurchase Plan, those repurchased shares will be cancelled accordingly. Before completion of cancellations and implementation of equity incentive plans, the repurchased shares are deposited in the Company's special stock repurchase account. Above repurchased shares are not entitled to profit distribution, capitalization of provident fund, issuance of new shares and allotment of shares, pledge, voting rights at shareholders' meetings and other related rights.

For detailed contents, see *Announcement on Completion of Cancellation of Repurchased Shares from Public Shares Repurchase Plan* (Announcement No.: 2023-038) disclosed on *Securities Times*, *China Securities Journal*, *Securities Daily*, and <http://www.cninfo.com.cn> on April 12, 2023.

(II) Public Shares Repurchase Plan 2023

On March 29, 2023, the *Proposal on Public Shares Repurchase Plan* was reviewed and adopted at the 19th Session of the Seventh Board of Directors. The Company repurchased its own shares from the secondary market through centralized bidding transactions. The maximum price was not higher than RMB 63.95/share (which has been adjusted to RMB 60.93/share now after the implementation of Profit Distribution Plan for 2022 Fiscal Year), and the bottom limitation of shares to be repurchased was not lower than 8,067,087 (inclusive), and the top limitation of shares was not exceeding 16,134,174 shares (inclusive). The period for the repurchase of shares should not exceed twelve months from the date when the proposal was deliberated and approved by the General Meeting of Shareholders. The Company initially implemented this shares repurchase plan on June 2, 2023. At the end of this reporting period, the Company actually repurchased 3,160,000 shares, accounting for 0.39% of the Company's total share capital. The highest transaction price was RMB 51.20/share, the lowest one was RMB 44.37/share, and the total amount paid was RMB 150,244,900 (excluding transaction costs). As of the disclosure date of this report, the actual number of repurchased shares by the Company was 6,700,000, accounting for 0.83% of the Company's total share capital. The highest transaction price was RMB 52.79/share, the lowest one was RMB 44.37/share, and the total amount paid was RMB 330,224,600 (excluding transaction costs).

The above matter of share repurchase was reviewed and adopted in Annual General Meeting of Shareholders for 2022 Fiscal Year of the Company held on April 25, 2023, and the *Repurchase Report on Public Shares* was disclosed on April 26, 2023. For details, please refer to the *Repurchase Report on Public Shares* (Announcement No.: 2023-044), *Announcement on Adjusting Share Price for Public Shares Repurchase Plan* (Announcement No.: 2023-049), *Announcement of Initial Repurchase of Public Shares* (Announcement No.: 2023-051), and *Announcement of Progress of Public Shares Repurchase Plan* (Announcement No.: 2023-050, 2023-053, 2023-057 and 2023-059) 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 changes on basic earnings per share and diluted earnings per share in the latest year and period, net assets per share attributable to the Company's common shareholders and other financial indicators.

☒ Applicable ☐ Not-applicable

Since tiny influence on basic earnings per share and diluted earnings per share, 1,945,819 public shares and restricted stocks repurchased and cancelled in the current period generate no effect on other financial indicators (e.g. net assets per share attributable to the Company's common shareholders).

Other contents that the Company thinks fit to disclose or the securities regulatory authority requires to disclose

☐ Applicable ☒ Not-applicable

2. Changes of restricted outstanding shares

☒ Applicable ☐ Not-applicable

Unit: share

Name	Restricted outstanding shares at the beginning of the year	Restricted outstanding shares released in current period	Restricted outstanding shares increased in current period	Restricted outstanding shares at the end of the year	Restriction reason	Date of releasing restriction
Su Xianze	364,602	91,151	0	273,451	Locked stocks of top management	Unlocked 25% of the shares registered under their names based on holding shares at the last transaction date of the last year
Xu Bo	130,303	43,826	0	86,477	Locked stocks of top management	Unlocked 25% of the shares registered under their names based on holding shares at on the last transaction date of the last year
Ye Jide	39,143	14,786	0	24,357	Locked stocks of top management	Unlocked 25% of the shares registered under their names based on holding shares at the last transaction date of the last year
Su Ming-Jui	137,025	2,925	3,975	138,075	Locked stocks of top management (locked upon resignation)	Before November 19, 2023, 25% of the total shares can be unlocked each year, and all shares held will be completely unlocked after November 19, 2023.
Incentive objects of 2021 Equity Incentive Plan	1,185,500	74,000	0	1,111,500	For equity incentive restricted stocks, 74,000 shares of restricted stock of resigned incentive objects that have been granted but failed to meet the conditions of releasing restrictions were repurchased and cancelled by the Company in the current period.	In the Company's 2021 Restricted Stock Incentive Plan, 1,209,500 shares of restricted stock were transferred to 293 incentive objects on January 27, 2022. The above restricted stocks will be unlocked in two phases after 24 months from the grant date, with the unlocking proportion of each phase being 50%. The first phase is expected to be unlocked on January 27, 2024. The second phase is expected to be unlocked on January 27, 2025.
Incentive objects of 2022 Equity Incentive Plan	1,253,500	1,750	79,000	1,330,750	For equity incentive restricted stocks, 1,750 shares of restricted stock of resigned	In the Company's 2022 Restricted Stock Incentive Plan, 1,253,500 shares of restricted stock were transferred to 288 incentive objects on November 10,

					incentive objects that have been granted but failed to meet the conditions of releasing restrictions were repurchased and cancelled by the Company in the current period.	2022. A total of 79,000 restricted stock of the postponed portion were transferred to two incentive objects on February 24, 2023. The above restricted stocks will be unlocked in two phases after 24 months from the grant date, with the unlocking proportion of each phase being 50%. The first phase is expected to be unlocked on November 10, 2024, and the first phase of the postponed portion is expected to be unlocked on February 24, 2025. The second phase is expected to be unlocked on November 10, 2025, and the second phase of the postponed portion is expected to be unlocked on February 24, 2026.
Total	3,110,073	228,438	82,975	2,964,610	--	--

II. Security Offering and Listing Information

☐ Applicable ☒ Not-applicable

III. Number of Shareholders of the Company and Shareholding Information

Unit: share

Total number of common shareholders at the end of the reporting period			13,595		Total number of preferred shareholder whose voting right is recovered at the end of reporting period (if any) (refer to Note 8)		0	
Shareholding information on common shareholders holding more than 5% shares or top 10 common shareholders								
Name	Nature	Shareholding ratio	Number of common shares at the end of the reporting period	Increase/Decrease during the reporting period	Number of restricted common shares	Number of non-restricted common shares	Pledge, marking or freezing	
							Status of share	Share number
SEB INTERNATIONALE S.A.S	Foreign legal entity	82.64%	666,681,904	0	0	666,681,904		
Hong Kong Securities Clearing Company Ltd.	Foreign legal entity	9.18%	74,087,760	606,297	0	74,087,760		
Ningbo Bank-Zhongtai Xingyuan Value-selected Flexible Complex Securities Investment Funds	Others	1.01%	8,165,740	-1,435,819	0	8,165,740		
China Merchants Bank-Zhongtai Yuheng Value-selected Flexible Complex Securities Investment Funds	Others	0.33%	2,649,513	-320,600	0	2,649,513		
BNP Paribas-Own Funds	Foreign legal entity	0.27%	2,170,371	21,001	0	2,170,371		

China Construction Bank-Zhongtai Yuanhe Value-selected Complex Securities Investment Funds	Others	0.24%	1,911,410	1,911,410	0	1,911,410		
Industrial Bank-Xingquan Trend Investment Complex Securities Investment Funds	Others	0.22%	1,799,895	-399,961	0	1,799,895		
Industrial Bank-Zhongtai Xingwei Value-selected Complex Securities Investment Funds	Others	0.21%	1,708,227	-195,200	0	1,708,227		
ABC- CSI 500 Index Traded Securities Investment Funds	Others	0.10%	822,021	822,021	0	822,021		
China Merchants Bank-Baoying New Value Flexible Complex Securities Investment Funds	Others	0.10%	800,000	800,000	0	800,000		
Strategic investor or general corporate investor who becomes top 10 common shareholder as a result of rights issue (if any) (see Note 3)		None						
Explanation on the above-mentioned associated relationships of shareholders 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, China Construction Bank-Zhongtai Yuanhe Value-selected Complex Securities Investment Funds and Industrial Bank-Zhongtai Xingwei Value-selected Complex Securities Investment Funds belong to Zhongtai Fund. It is unknown whether other shareholders are associated with each other, and whether they are persons acting in concert as stipulated in the <i>Measures for the Administration of the Acquisition of Listed Companies</i> .						
Explanation on the above shareholders on entrusting/entrusted voting rights and abstaining from voting rights		None						
Special instructions on the existence of repurchase special accounts of the top 10 shareholders (if any) (see Note 11)		At the end of the reporting period, the Company held a total of 4,827,500 shares in the special securities account for repurchase.						
Shareholding information of top 10 common shareholders holding non-restricted shares								
Name of Shareholders				Number of non-restricted common shares held at the end of the reporting period	Type of share			
					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.				74,087,760	RMB common shares	74,087,760		
Ningbo Bank-Zhongtai Xingyuan Value-selected Flexible Complex Securities Investment Funds				8,165,740	RMB common shares	8,165,740		
China Merchants Bank-Zhongtai Yuheng Value-selected Flexible Complex Securities Investment Funds				2,649,513	RMB common shares	2,649,513		
BNP Paribas-Own Funds				2,170,371	RMB common shares	2,170,371		
China Construction Bank-Zhongtai Yuanhe Value-selected Complex Securities Investment Funds				1,911,410	RMB common shares	1,911,410		
Industrial Bank-Xingquan Trend Investment Complex Securities Investment Funds				1,799,895	RMB common shares	1,799,895		
Industrial Bank-Zhongtai Xingwei Value-selected Complex Securities Investment Funds				1,708,227	RMB common shares	1,708,227		
ABC- CSI 500 Index Traded Securities Investment Funds				822,021	RMB common shares	822,021		
China Merchants Bank-Baoying New Value Flexible Complex				800,000	RMB common	800,000		

Securities Investment Funds		shares	
Explanation on associated relationship or concerted actions among top 10 common shareholders holding non-restricted shares, and between top 10 common shareholders holding non-restricted shares and top 10 common 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 shares conduct the agreed repurchase transaction during the reporting period?

☐ Yes ☒ No

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

IV. Shareholding Change of the Directors, Supervisors and Senior Executives

☒ Applicable ☐ Not-applicable

Name	Position	Position status	Number of shares held at the beginning of the period (share)	Number of increased shares in the current period (share)	Number of decreased shares in the current period (share)	Number of shares held at the end of the period (share)	Number of restricted stocks granted at the beginning of the period (share)	Number of restricted stocks granted in the current period (share)	Number of restricted stocks granted at the end of the period (share)
Su Xianze	Director	On-service	364,602	0	0	364,602	0	0	0
Cheung Kwok Wah	General Manager	On-service	142,000	0	0	142,000	142,000	0	142,000
Xu Bo	Chief Financial Officer	On-service	175,303	58,000	0	233,303	45,000	58,000	103,000
Ye Jide	Vice General Manager, Board Secretary	On-service	59,143	21,000	0	80,143	20,000	21,000	41,000
Total	--	--	741,048	79,000	0	820,048	207,000	79,000	286,000

V. Change Condition of Controlling Shareholders and Actual Controllers

Change of controlling shareholders during the reporting period

☐ Applicable ☒ Not-applicable

No change of controlling shareholders during the reporting period.

Change of actual controllers during the reporting period

☐ Applicable ☒ Not-applicable

No change of actual controllers during the reporting period.

SECTION VIII INFORMATION ON PREFERRED SHARE

☐ Applicable ☒ Not-applicable

No preferred share existed during the reporting period.

SECTION IX BONDS

☐ Applicable ☒ Not-applicable

SECTION X FINANCIAL REPORT

I. Audit Report

Whether the semiannual report has been audited.

☐ Yes ☒ No

The Company's semiannual financial report has not been audited.

II. Financial Statements

Unit of statement in notes to financial statement: RMB

1. Consolidated balance sheet

Compiled by: Zhejiang Supor Co., Ltd.

Unit: RMB

Item	June 30, 2023	January 1, 2023
Current assets:		
Monetary capital	1,859,681,088.15	3,563,140,907.75
Settlement reserve		
Loans to other banks		
Transactional financial assets	250,129,103.13	431,382,527.79
Derivative financial assets		
Notes receivable	20,847,819.64	27,325,952.95
Accounts receivable	2,253,001,396.06	1,926,518,118.38
Receivables financing	238,173,347.65	235,957,044.34
Advance payment	204,590,177.08	339,609,547.02
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserve receivable		
Other receivables	17,444,244.73	16,373,697.26
Including: Interest receivable		
Dividend receivable		
Reverse-REPO financial assets		
Inventories	1,937,374,529.58	2,494,922,856.42
Contract assets		

Held-for-sale assets		
Non-current assets due within one year	303,175,671.23	32,157,534.25
Other current assets	302,738,405.12	450,986,016.76
Total current assets	7,387,155,782.37	9,518,374,202.92
Non-current assets:		
Loans and advances granted		
Debt investment		
Other debt investment	800,049,383.57	1,024,794,890.43
Long-term receivables		
Long-term equity investment	61,763,872.57	62,196,139.53
Other equity instrument investment		
Other non-current financial assets		
Investment properties		
Fixed assets	1,252,394,688.18	1,303,075,391.03
Construction in progress	16,386,809.27	12,005,654.73
Productive biological assets		
Oil and gas assets		
Right-of-use assets	189,573,789.61	190,718,962.82
Intangible assets	439,304,174.11	440,017,733.16
Development expenditures		
Goodwill		
Long-term unamortized expenses		
Deferred income tax assets	386,446,826.89	401,472,928.85
Other non-current assets		
Total non-current assets	3,145,919,544.20	3,434,281,700.55
Total assets	10,533,075,326.57	12,952,655,903.47
Current liabilities:		
Short-term borrowings		
Central bank loan		
Loans from other banks		
Transactional financial liabilities		
Derivative financial liabilities		
Notes payable	1,395,862,500.00	1,057,611,900.00
Accounts payable	2,496,406,000.99	2,635,521,548.19

Advance receipt		
Contract liabilities	480,254,227.80	1,153,932,879.53
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	229,513,760.42	289,075,428.50
Taxes payable	168,868,980.67	204,608,713.27
Other payables	139,535,730.90	137,729,222.63
Including: Interest payable		
Dividend payable		
Handling fee and commission payable		
Reinsurance accounts payable		
Held-for-sale liabilities		
Non-current liabilities due within one year	45,009,692.66	41,924,940.24
Other current liabilities	94,784,755.79	194,699,612.98
Total current liabilities	5,050,235,649.23	5,715,104,245.34
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings		
Bonds payable		
Including: Preferred share		
Perpetual bond		
Lease obligation	142,355,428.33	150,779,916.58
Long-term payables		
Long-term employee remuneration payable	1,255,162.03	1,441,111.55
Estimated liabilities	12,085,095.50	12,640,441.72
Deferred incomes		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	155,695,685.86	164,861,469.85
Total liabilities	5,205,931,335.09	5,879,965,715.19
Owners' equities:		
Share capital	806,708,657.00	808,654,476.00

Other equity instruments		
Including: Preferred share		
Perpetual bond		
Capital reserve	152,329,663.57	125,368,989.44
Minus: Treasury share	238,197,429.87	99,724,823.49
Other comprehensive incomes	-3,403,285.43	-20,454,823.26
Special reserve		
Surplus reserve	282,083,639.52	356,924,811.32
General risk reserve		
Undistributed profit	4,291,484,131.78	5,865,316,233.53
Total owners' equities belonging to parent company	5,291,005,376.57	7,036,084,863.54
Minority shareholders' equities	36,138,614.91	36,605,324.74
Total owners' equities	5,327,143,991.48	7,072,690,188.28
Total liabilities and owners' equities	10,533,075,326.57	12,952,655,903.47

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, 2023	January 1, 2023
Current assets:		
Monetary capital	629,993,593.11	1,484,137,518.26
Transactional financial assets	250,129,103.13	200,131,817.00
Derivative financial assets		
Notes receivable	2,800,000.00	1,342,003.33
Accounts receivable	439,220,534.56	374,598,742.75
Receivables financing	175,500.00	4,800,000.00
Advance payment	4,622,546.12	46,224,404.38
Other receivables	757,789,870.82	1,174,381,191.82
Including: Interest receivable		
Dividend receivable		
Inventories	158,583,828.45	164,679,339.53
Contract assets		
Held-for-sale assets		
Non-current assets due within one year	237,631,671.23	32,157,534.25

Other current assets	232,289,624.40	388,309,086.23
Total current assets	2,713,236,271.82	3,870,761,637.55
Non-current assets:		
Debt investment		
Other debt investment		201,645,863.02
Long-term receivables		
Long-term equity investment	2,838,869,242.08	2,826,017,955.55
Other equity instrument investment		
Other non-current financial assets		
Investment properties		
Fixed assets	146,643,360.60	155,241,036.13
Construction in progress	605,070.15	
Productive biological assets		
Oil and gas assets		
Right-of-use assets	3,242,932.45	3,752,480.47
Intangible assets	76,178,275.77	80,034,692.59
Development expenditures		
Goodwill		
Long-term unamortized expenses		
Deferred income tax assets	20,051,720.66	15,974,025.22
Other non-current assets		
Total non-current assets	3,085,590,601.71	3,282,666,052.98
Total assets	5,798,826,873.53	7,153,427,690.53
Current liabilities:		
Short-term borrowings		
Transactional financial liabilities		
Derivative financial liabilities		
Notes payable	22,500,000.00	15,650,000.00
Accounts payable	166,697,216.29	193,807,274.54
Advance receipt		
Contract liabilities	4,864,529.55	2,796,093.48
Employee remuneration payable	31,911,435.60	41,689,539.05
Taxes payable	38,951,827.44	23,453,381.53
Other payables	2,411,113,607.34	1,224,151,285.03

Including: Interest payable		
Dividend payable		
Held-for-sale liabilities		
Non-current liabilities due within one year	1,093,595.70	227,345.02
Other current liabilities	2,869,411.10	1,447,611.99
Total current liabilities	2,680,001,623.02	1,503,222,530.64
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Including: Preferred share		
Perpetual bond		
Lease obligation	2,144,732.68	2,859,701.28
Long-term payables		
Long-term employee remuneration payable	147,968.40	166,125.04
Estimated liabilities		
Deferred incomes		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	2,292,701.08	3,025,826.32
Total liabilities	2,682,294,324.10	1,506,248,356.96
Owners' equities:		
Share capital	806,708,657.00	808,654,476.00
Other equity instruments		
Including: Preferred share		
Perpetual bond		
Capital reserve	229,314,861.54	202,697,741.40
Minus: Treasury share	238,197,429.87	99,724,823.49
Other comprehensive incomes		
Special reserve		
Surplus reserve	329,498,066.20	404,339,238.00
Undistributed profit	1,989,208,394.56	4,331,212,701.66
Total owners' equities	3,116,532,549.43	5,647,179,333.57
Total liabilities and owners' equities	5,798,826,873.53	7,153,427,690.53

3. Consolidated profit statement

Unit: RMB

Item	Semiannual period in 2023	Semiannual period in 2022
I. Total Operating Incomes	9,982,616,440.73	10,323,979,744.82
Including: Operating income	9,982,616,440.73	10,323,979,744.82
Interest revenues		
Premium earned		
Revenue from handling fees and commissions		
II. Total Operating Costs	8,925,480,649.92	9,158,859,522.93
Including: Operating cost	7,444,829,256.71	7,670,449,954.61
Interest expense		
Expense of handling fees and commissions		
Surrender value		
Net payment for insurance claims		
Net amount of withdrawn reserve fund for insured liability		
Policy dividend expenditures		
Reinsurance expenses		
Taxes and surcharges	61,085,709.24	67,500,088.72
Sales expenses	1,098,400,634.74	1,078,585,004.10
Administrative expenses	189,032,788.40	188,658,026.76
R&D expenses	174,383,802.42	194,481,803.42
Financial expenses	-42,251,541.59	-40,815,354.68
Including: Interest expenses	7,200,648.89	4,810,441.61
Interest revenues	49,382,432.80	32,112,351.33
Plus: Other incomes	30,211,321.84	40,687,848.15
Investment income ("-" for loss)	31,013,219.53	38,216,844.32
Including: Investment income on associated enterprise and joint venture	-460,529.47	-457,219.85
Income from derecognition of financial assets measured at amortized cost		
Exchange gain ("-" for loss)		
Net exposure hedging gains ("-" for loss)		
Gains from changes in fair value ("-" for loss)	129,103.13	550,529.85
Credit impairment loss ("-" for loss)	-13,035,606.89	25,222,441.21
Asset impairment loss ("-" for loss)	-5,771,681.15	-16,045,044.53

Assets disposal income ("-" for loss)	-997,982.47	-193,453.10
III. Operating Profit ("-" for Loss)	1,098,684,164.80	1,253,559,387.79
Plus: Non-operating income	1,689,086.57	2,288,254.03
Minus: Non-operating expense	2,243,477.16	2,896,308.83
IV. Total Profit ("-" for Total Loss)	1,098,129,774.21	1,252,951,332.99
Minus: Income tax expenses	218,895,998.85	319,256,554.10
V. Net Profit ("-" for Net Loss)	879,233,775.36	933,694,778.89
(I) By business continuity		
1. Net profit under continuing operation ("-" for net loss)	879,233,775.36	933,694,778.89
2. Net profit under discontinuing operation ("-" for net loss)		
(II) By ownership		
1. Net profit attributable to the shareholders of the parent company ("-" for net loss)	880,618,279.78	932,849,164.03
2. Minority shareholders' profit and loss ("-" for net loss)	-1,384,504.42	845,614.86
VI. After-tax Net Amount of Other Comprehensive Incomes	17,969,332.42	11,179,909.75
After-tax net amount of other comprehensive income attributable to the owners of parent company	17,051,537.83	11,100,770.29
(I) Other comprehensive incomes that cannot be reclassified into profit and loss		
1. Remeasured amount of changes in defined benefit plan		
2. Other comprehensive incomes 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 that can be reclassified into profit and loss	17,051,537.83	11,100,770.29
1. Other comprehensive incomes 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 incomes		
4. Credit impairment provision for other debt investments		
5. Cash flow hedging reserve		
6. Conversion difference in foreign currency financial statement	17,051,537.83	11,100,770.29
7. Others		
After-tax net amount of other comprehensive incomes attributable to minority shareholders	917,794.59	79,139.46
VII. Total Comprehensive Incomes	897,203,107.78	944,874,688.64
Total comprehensive incomes attributable to owners of parent company	897,669,817.61	943,949,934.32
Total comprehensive incomes attributable to minority shareholders	-466,709.83	924,754.32

VIII. Earnings Per Share:		
(I) Basic earnings per share	1.097	1.155
(II) Diluted earnings per share	1.095	1.155

For the enterprise merger under the same control in the current period, the net profit realized by the merged party before merger was RMB 0, and the net profit realized by the merged party during the prior period was RMB 0.

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	Semiannual period in 2023	Semiannual period in 2022
I. Operating Income	1,194,339,510.40	1,118,472,456.99
Minus: Operating cost	1,005,374,520.95	1,025,029,076.41
Taxes and surcharges	6,391,944.74	7,884,054.34
Sales expenses	15,107,839.17	14,001,016.71
Administrative expenses	64,044,074.29	64,126,174.81
R&D expenses	2,004,150.57	2,352,554.61
Financial expenses	-32,823,697.01	-27,520,636.18
Including: Interest expenses	74,956.71	6,883,884.15
Interest revenues	25,712,716.21	28,750,182.79
Plus: Other incomes	3,527,610.88	6,194,324.12
Investment income ("- " for loss)	11,840,400.25	33,451,552.55
Including: Investment income on associated enterprise and joint venture	-460,529.47	-457,219.85
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)	129,103.13	
Credit impairment loss ("- " for loss)	-2,598,181.78	8,948,497.00
Asset impairment loss ("- " for loss)	-299,930.56	-162,535.03
Assets disposal income ("- " for loss)	95,194.01	-2,477.95
II. Operating Profit ("- " for Loss)	146,934,873.62	81,029,576.98
Plus: Non-operating income	45,121.42	294,087.79
Minus: Non-operating expense	1,312,764.27	1,642,475.77
III. Total Profit ("- " for Total Loss)	145,667,230.77	79,681,189.00
Minus: Income tax expenses	33,221,156.34	16,072,382.51
IV. Net Profit ("- " for Net Loss)	112,446,074.43	63,608,806.49

(I) Net profit under discontinuing operation ("- " for net loss)	112,446,074.43	63,608,806.49
(II) Net profit under discontinuing operation ("- " for net loss)		
V. After-tax Net Amount of Other Comprehensive Incomes		
(I) Other comprehensive incomes that cannot be reclassified into profit and loss		
1. Remeasured amount of changes in defined benefit plan		
2. Other comprehensive incomes 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 that can be reclassified into profit and loss		
1. Other comprehensive incomes 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 incomes		
4. Credit impairment provision for other debt investments		
5. Cash flow hedging reserve		
6. Conversion difference in foreign currency financial statement		
7. Others		
VI. Total Comprehensive Incomes	112,446,074.43	63,608,806.49
VII. Earnings Per Share:		
(I) Basic earnings per share		
(II) Diluted earnings per share		

5. Consolidated cash flow statement

Unit: RMB

Item	Semiannual period in 2023	Semiannual period in 2022
I. Cash Flows from Operating Activities:		
Cash received from sales of commodities or rendering of services	7,924,920,392.30	9,104,543,317.02
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 interests, handling fees and commissions		
Net increase of loans from other banks		
Net increase of repurchase capital		
Net cash from security transaction agency		
Tax refund received	131,101,803.34	288,937,060.38
Other cash receipts related to operating activities	57,545,486.47	66,261,772.81
Subtotal of cash inflows from operating activities	8,113,567,682.11	9,459,742,150.21
Cash payment for purchasing commodities and receiving services	4,978,905,125.78	5,387,151,906.60
Net increase 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 other banks		
Cash payment for interests, handling fees and commissions		
Cash payment of policy dividend		
Cash paid to and for employees	871,059,709.61	973,247,343.65
Taxes paid	576,347,884.12	714,021,716.57
Other cash expenses related to operating activities	1,132,214,451.48	1,076,476,317.06
Subtotal of cash outflows from operating activities	7,558,527,170.99	8,150,897,283.88
Net cash flows from operating activities	555,040,511.12	1,308,844,866.33
II. Net Cash Flows from Investing Activities:		
Cash received from return of investments		
Cash received from investment incomes	53,860,834.80	151,894,174.39
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	1,900.00	541,981.84
Net cash receipts from disposal of subsidiaries and other business units		
Other cash receipts related to investing activities	2,647,094,578.70	1,380,000,000.00
Subtotal of cash inflows from investing activities	2,700,957,313.50	1,532,436,156.23
Net cash paid for the construction of fixed assets, intangible assets and other long-term assets	73,784,894.56	99,411,104.56
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	1,540,000,000.00	550,000,000.00
Subtotal of cash outflows from investing activities	1,613,784,894.56	649,411,104.56
Net cash flows from investing activities	1,087,172,418.94	883,025,051.67
III. Net Cash Flows from Financing Activities:		

Cash from absorbing investments		
Including: Cash received by subsidiaries from minority shareholder investment		
Cash received from obtaining borrowings		
Other cash receipts related to financing activities	79,000.00	
Subtotal of cash inflows from financing activities	79,000.00	
Cash paid for debt repayment		
Cash paid for distribution of dividends or profits or for payment of interests	2,439,504,228.21	1,559,494,958.68
Including: Dividends or profits paid by subsidiaries to minority shareholders		
Other cash payments related to financing activities	263,071,559.40	79,675,573.22
Subtotal of cash outflows from financing activities	2,702,575,787.61	1,639,170,531.90
Net cash flows from financing activities	-2,702,496,787.61	-1,639,170,531.90
IV. Impact of Change in Exchange Rate on Cash and Cash Equivalents	8,570,176.47	12,171,493.31
V. Net Increase in Cash and Cash Equivalents	-1,051,713,681.08	564,870,879.41
Plus: Balance of cash and cash equivalents at the beginning of the period	2,395,932,752.38	2,443,731,679.06
VI. Balance of Cash and Cash Equivalents at the End of the Period	1,344,219,071.30	3,008,602,558.47

6. Cash flow statement of parent company

Unit: RMB

Item	Semiannual period in 2023	Semiannual period in 2022
I. Cash Flows from Operating Activities:		
Cash received from sales of commodities or rendering of services	968,764,013.06	1,324,182,549.43
Tax refund received	52,436,667.54	114,517,829.38
Other cash receipts related to operating activities	18,459,582.37	19,758,321.08
Subtotal of cash inflows from operating activities	1,039,660,262.97	1,458,458,699.89
Cash payment for purchasing commodities and receiving services	783,891,523.17	1,012,862,505.92
Cash paid to and for employees	89,142,331.41	106,996,783.81
Taxes paid	28,289,765.89	50,991,057.87
Other cash expenses related to operating activities	50,106,557.48	57,637,041.82
Subtotal of cash outflows from operating activities	951,430,177.95	1,228,487,389.42
Net cash flows from operating activities	88,230,085.02	229,971,310.47
II. Net Cash Flows from Investing Activities:		
Cash received from return of investments		
Cash received from investment incomes	31,219,971.79	150,204,703.19
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		14,000.00

Net cash receipts from disposal of subsidiaries and other business units		
Other cash receipts related to investing activities	1,350,000,000.00	1,300,000,000.00
Subtotal of cash inflows from investing activities	1,381,219,971.79	1,450,218,703.19
Net cash paid for the construction of fixed assets, intangible assets and other long-term assets	10,814,471.93	29,041,702.26
Cash paid for investment		
Net cash paid for acquiring subsidiaries and other business units		
Other cash payments related to investing activities	892,817,724.85	1,042,829,946.14
Subtotal of cash outflows from investing activities	903,632,196.78	1,071,871,648.40
Net cash flows from investing activities	477,587,775.01	378,347,054.79
III. Net Cash Flows from Financing Activities:		
Cash from absorbing investments		
Cash received from obtaining borrowings		
Other cash receipts related to financing activities	1,650,034,224.45	1,255,053,202.49
Subtotal of cash inflows from financing activities	1,650,034,224.45	1,255,053,202.49
Cash paid for debt repayment		
Cash paid for distribution of dividends or profits or for payment of interests	2,439,504,228.21	1,559,494,958.68
Other cash payments related to financing activities	230,282,075.87	58,185,415.23
Subtotal of cash outflows from financing activities	2,669,786,304.08	1,617,680,373.91
Net cash flows from financing activities	-1,019,752,079.63	-362,627,171.42
IV. Impact of Change in Exchange Rate on Cash and Cash Equivalents	-26,143.91	4,142,335.13
V. Net Increase in Cash and Cash Equivalents	-453,960,363.51	249,833,528.97
Plus: Balance of cash and cash equivalents at the beginning of the period	1,083,953,956.62	800,923,960.55
VI. Balance of Cash and Cash Equivalents at the End of the Period	629,993,593.11	1,050,757,489.52

7. Statement of Changes in Consolidated Owners' Equities

Amount in the current period

Unit: RMB

Item	Semiannual period in 2023														
	Owners' equities belonging to parent company													Minorit y shareho lders' equities	Total owners' equities
	Share capital	Other equity instruments			Capital reserve	Minus: Treasur y share	Other compre hensive income s	Special reserve	Surplus reserve	General risk reserve	Undistr ibuted profit	Others	Subtota l		
		Preferr ed share	Perpetu al bond	Others											
I. Closing Balance of Last Year	808,65 4,476.0 0				125,36 8,989.4 4	99,724, 823.49	- 20,454, 823.26		356,92 4,811.3 2		5,865,3 16,233. 53		7,036,0 84,863. 54	36,605, 324.74	7,072,6 90,188. 28

Plus: Changes of accounting policies															
Error correction of prior period															
Enterpr ise merger under the same control															
Others															
II. Opening Balance of Current Year	808,65 4,476.0 0				125,36 8,989.4 4	99,724, 823.49	- 20,454, 823.26		356,92 4,811.3 2		5,865,3 16,233. 53		7,036,0 84,863. 54	36,605, 324.74	7,072,6 90,188. 28
III. Current Period Increase ("-" for Decrease)	- 1,945,8 19.00				26,960, 674.13	138,47 2,606.3 8	17,051, 537.83		- 74,841, 171.80		- 1,573,8 32,101. 75		- 1,745,0 79,486. 97	- 466,70 9.83	- 1,745,5 46,196. 80
(I) Total of comprehensive incomes							17,051, 537.83				880,61 8,279.7 8		897,66 9,817.6 1	- 466,70 9.83	897,20 3,107.7 8
(II) Capital invested and reduced by owners	- 1,945,8 19.00				26,960, 674.13	- 91,733, 144.12			- 86,136, 735.12		- 3,650,5 90.00		26,960, 674.13		26,960, 674.13
1. Common shares invested by owners															
2. Capital invested by other equity instrument holders															
3. Amount of share-based payment included into owners' equities	- 75,750. 00				26,960, 674.13	- 3,726,3 40.00					- 3,650,5 90.00		26,960, 674.13		26,960, 674.13
4. Others	- 1,870,0 69.00					- 88,006, 804.12			- 86,136, 735.12						
(III) Profit distribution									11,295, 563.32		- 2,450,7 99,791. 53		- 2,439,5 04,228. 21		- 2,439,5 04,228. 21
1. Appropriation of surplus reserve									11,295, 563.32		- 11,295, 563.32				
2. Appropriation of general risk reserve															
3. Distribution to owners (or shareholders)											- 2,439,5 04,228.		- 2,439,5 04,228.		- 2,439,5 04,228.

											21		21		21
4. 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. Retained earnings after carrying over amount of changes in defined benefit plan															
5. Retained earnings after carrying over other comprehensive incomes															
6. Others															
(V) Special reserve															
1. Appropriation of current period															
2. Application of current period															
(VI) Others						230,205,750.50							-230,205,750.50		-230,205,750.50
IV. Closing Balance of Current Period	806,708,657.00				152,329,663.57	238,197,429.87	-3,403,285.43		282,083,639.52		4,291,484,131.78		5,291,005,376.57	36,138,614.91	5,327,143,991.48

Amount of last year

Unit: RMB

Item	Semiannual period in 2022														
	Owners' equities belonging to parent company														Minority shareholders' equities
	Share capital	Other equity instruments			Capital reserve	Minus: Treasury share	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Others	Subtotal		
		Preferred share	Perpetual bond	Others											Total owners' equities

							s								
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: 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 owners	-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 owners															
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. Appropriation of surplus reserve															
2. Appropriation of general risk reserve															
3. Distribution to											-		-		

owners (or shareholders)											1,559,494,958.68		1,559,494,958.68		1,559,494,958.68
4. 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. Retained earnings after carrying over amount of changes in defined benefit plan															
5. Retained earnings after carrying over other comprehensive incomes															
6. Others															
(V) Special reserve															
1. Appropriation of current period															
2. Application of current period															
(VI) Others						58,185,415.23							-58,185,415.23		-58,185,415.23
IV. Closing Balance of Current Period	808,654,476.00				145,575,590.16	59,370,915.23	-30,421,771.31	356,924,811.32		5,748,952,012.23		6,970,314,203.17	36,592,848.38		7,006,907,051.55

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

Amount in the current period

Unit: RMB

Item	Semiannual period in 2023									
	Share	Other equity instruments	Capital	Minus:	Other	Special	Surplus	Undistri	Others	Total

	capital	Preferred share	Perpetual bond	Others	reserve	Treasury share	comprehensive incomes	reserve	reserve	buted profit		owners' equities
I. Closing Balance of Last Year	808,654,476.00				202,697,741.40	99,724,823.49			404,339,238.00	4,331,212,701.66		5,647,179,333.57
Plus: Changes of accounting policies												
Error correction of prior period												
Others												
II. Opening Balance of Current Year	808,654,476.00				202,697,741.40	99,724,823.49			404,339,238.00	4,331,212,701.66		5,647,179,333.57
III. Current Period Increase ("-" for Decrease)	-1,945,819.00				26,617,120.14	138,472,606.38			-74,841,171.80	-2,342,004,307.10		-2,530,646,784.14
(I) Total of comprehensive incomes										112,446,074.43		112,446,074.43
(II) Capital invested and reduced by owners	-1,945,819.00				26,617,120.14	-91,733,144.12			-86,136,735.12	-3,650,590.00		26,617,120.14
1. Common shares invested by owners												
2. Capital invested by other equity instrument holders												
3. Amount of share-based payment included into owners' equities	-75,750.00				26,617,120.14	-3,726,340.00				-3,650,590.00		26,617,120.14
4. Others	-1,870,069.00					-88,006,804.12			-86,136,735.12			
(III) Profit distribution									11,295,563.32	-2,450,799,791.53		-2,439,504,228.21
1. Appropriation of surplus reserve									11,295,563.32	-11,295,563.32		

2. Distribution to owners (or shareholders)										-		-
										2,439,504,228.21		2,439,504,228.21
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. Retained earnings after carrying over amount of changes in defined benefit plan												
5. Retained earnings after carrying over other comprehensive incomes												
6. Others												
(V) Special reserve												
1. Appropriation of current period												
2. Application of current period												
(VI) Others						230,205,750.50						-
IV. Closing Balance of Current Period	806,708,657.00				229,314,861.54	238,197,429.87			329,498,066.20	1,989,208,394.56		3,116,532,549.43

Amount of last year

Unit: RMB

Item	Semiannual period in 2022
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	Share capital	Other equity instruments			Capital reserve	Minus: Treasury share	Other comprehensive incomes	Special reserve	Surplus reserve	Undistributed profit	Others	Total owners' equities
		Preferred share	Perpetual bond	Others								
I. Closing Balance of Last 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
Plus: Changes of 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 owners	-24,000.00				22,605,249.89	-74,974,397.25				-76,150,757.24		21,404,889.90
1. Common shares invested by owners												
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. Distribution 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. Retained earnings after carrying over amount of changes in defined benefit plan												
5. Retained earnings after carrying over other comprehensive incomes												
6. Others												
(V) Special reserve												
1. Appropriation of current period												
2. Application of current period												
(VI) Others						58,185,415.23						58,185,415.23
IV. Closing Balance of Current Period	808,654,476.00				259,506,303.70	59,370,915.23			404,339,238.00	3,569,271,072.96		4,982,400,175.43

III. Company Profile

Zhejiang Supor Co., Ltd. (hereinafter referred to as "the Company") is a limited liability company (by shares) 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 ZSS [2000] No. 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 engaged in the R&D, production and distribution of kitchen utensils, stainless steel products, daily hardware, small domestic appliances and cookware; products are cookware and small domestic appliances.

The financial statement was released after the approval of the Company's Board of Directors on August 30, 2023.

By June 30, 2023, there were altogether 20 subsidiaries included in the scope of consolidated financial statement. See Note IX. "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 assumption of continuing operation and actual transactions and items and in accordance with the *Accounting Standard for Business Enterprises -- Basic Standard* (Released CZBL No.33, Revised CZBL No.76) issued by the Ministry of Finance of the People's Republic of China (hereinafter referred to as the "Ministry of Finance"), and 42 specific accounting standards, guidelines for the application of Accounting Standards for Business Enterprises, interpretations to the Accounting Standards for Business Enterprises and other provisions released and revised on and after February 15, 2006 (hereinafter referred to as Accounting Standards for Business Enterprises) and the disclosure provisions of the *Regulations of Corporate Information Disclosure and Preparation by Companies Publicly Issuing Securities No. 15 -- General Provisions on Financial Reporting (Revised in 2014)* of the China Securities Regulatory Commission.

According to the relevant regulations of the Accounting Standards for Business Enterprises, 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 this reporting period, and there are no important matters affecting the ability to continue operations.

V. Important Accounting Policies and Estimates

Prompt for specific accounting policies and estimates:

Supor has made accounting policies and estimates as to method for accruing bad debt provision for receivables, method for calculating inventory value and accruing depreciation provision, depreciation of fixed assets and amortization of intangible assets, recognition time point of income and other transactions and items based on the actual production and operation features and the provisions of related Accounting Standards for Business Enterprises. For details, please refer to descriptions of Note V. "9. Financial instruments", "12. Inventories (3)", "16. Fixed assets (2)", "19. Intangible assets (1)", "26. Revenue".

1. Statement of abidance of the Accounting Standards for Business Enterprises

The financial statement conforms to the requirements of Accounting Standards for Business Enterprises and has reflected relevant information such as the financial conditions on June 30, 2023, semiannual operating results and cash flow in 2023 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 or 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 transaction or event of two or more separate enterprises combining 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 purchasing party will consider whether to choose the simplified judgment method of "concentration test" when judging whether the acquired asset portfolio constitutes a business. If the portfolio passes the concentration test, it is judged that it does not constitute a business. Otherwise, it shall still be judged in line with business conditions.

When Supor acquires a group of assets or net assets that do not constitute a business, the purchase cost shall be allocated on the basis of the relative fair value of the identifiable assets and liabilities acquired on the purchase date, and shall not be treated as per the following accounting treatment methods for 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 for a non-temporary period, then this is 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 merging party, and other participating enterprise is the merged party. The merger date refers to the day when the merging party actually obtains the control rights of the merged party.

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

The merging party'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, then this is 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 purchasing party, and

other participating enterprise is the purchased party. The purchase date refers to the day when the purchasing party obtains the control right over the purchased party.

As for enterprise merger not under the same control, the merger costs include the assets paid by the purchasing party, the liabilities accrued and assumed, as well as the fair value of equity securities issued for obtaining purchased party'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 purchasing party 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 merger goodwill shall be adjusted correspondingly. The merger costs incurred by the purchasing party and the identifiable net assets obtained in the merger shall be measured at the fair value on the purchase date. The amount of the merger cost larger than the fair value of identifiable net assets of the purchased party acquired by it on the purchase date shall be recognized as goodwill. If the merger cost is lower than the fair value of identifiable net assets of the purchased party obtained during merging, the measurement of the identifiable assets of the purchased party 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 purchased party obtained during merger, the difference shall be included into the current profits and losses.

If the deductible temporary difference of the purchased party gained by purchasing party fails to be recognized 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 purchased party from deductible temporary differences can be realized on the purchase date, relevant deferred income tax assets shall be recognized, at the same time, the goodwill shall be reduced; if the goodwill is insufficient for offset, the differential part shall be recognized as the current profits and losses; except for above conditions, in case the deferred income tax assets are recognized to be related to the enterprise merger, they shall be included into the current profits and losses.

As for the 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 V. "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 V. "15. Long-term equity investment" to conduct the accounting treatment; for those not belonging to "package deal", it shall distinguish individual financial statements and consolidated financial statements to conduct relevant accounting treatment.

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

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

6. Preparation method for consolidated financial statements

(1) Principles for defining the scope of consolidated financial statements

The scope of the consolidated financial statements is control-based. Control refers to that Supor has the right in an investee which allows it to enjoy variable returns by participating relevant activities of such investee and to use such right to influence the amount of such returns. The merger scope shall include the Company and all its subsidiaries, and "subsidiaries" refer to the bodies under the control of Supor.

Supor will re-evaluate the situation once the change in relevant facts and circumstances affects the factors involved in the above definition of control.

(2) Preparation method for consolidated financial statements

From the date of obtaining actual control right of the subsidiaries' net assets and production operation decision, Supor will begin to include them into the merger scope; subsidiaries will not be included into the merger scope from the date when Supor loses the 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 the 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 amount of the consolidated financial statement shall not be adjusted. As for the subsidiary increased due to the enterprise merger under the same control and the merged party under consolidation by 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 amount 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 for the subsidiary acquired by the enterprise merger not under the same control, it's required to adjust its financial statements 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 statement.

The shareholders' equities and current net profits or losses of subsidiaries that do not belong to the part owned by the Company, shall be separately listed in the shareholders' equities and minority shareholders' profit and loss 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 period, they shall be offset with minority shareholders' equities.

In case of losing the control right for the original subsidiary due to disposal of partial equity investment or other reasons, the residual equity shall be measured again according to the fair value at the date when the control right is lost. 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 which relate to the equity investment of the original subsidiaries, 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*. See Note V. "15. Long-term equity investment" or Note V. "9. Financial instruments" for details.

If Supor disposes the equity investment to subsidiaries 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 articles, terms and conditions and the economic impact of various transactions for the disposal of the equity investment to subsidiaries are 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 where these transactions are considered to be concluded at the same time or made in the case of considering mutual influence; ② where these transactions as a whole can reach a complete business result; ③ where the occurrence of a transaction depends on the occurrence of at least one other transaction; ④ where one transaction alone is not economical, but when being considered together with other transactions, it is economical. If it is not a package deal, every transaction will be subject to 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 V. "15. Long-term equity investment (2) (d)") and "Lose the control right for the original subsidiary due to disposal of partial equity investment or other reasons" (see previous paragraph). If the transactions for the disposal of the equity investment to subsidiary until losing the control right are a package deal, they are regarded as a transaction that disposes the subsidiary and loses the control right for the accounting treatment; however, the difference between each disposal price and the subsidiary's net asset share enjoyed corresponding to disposing investment before loss of control right shall be recognized as other comprehensive incomes in the consolidated financial statements, which will be transferred into the current investment profits and losses on investments 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, which 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 transactions

After 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 at 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 belongs to the difference of equity instrument investment measured at the fair value with their changes included into other comprehensive incomes, and is included into other comprehensive incomes; other differences are included into current profits and losses.

(3) Conversion method for foreign currency financial statement

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 at the spot rate on the date of occurrence. Items under revenues and costs in the profit statement shall be converted at the spot rate on the transaction date. The undistributed profit at the beginning of the year is the year-end undistributed profit after the conversion in the 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 incomes. For the 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 current disposal 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 influenced amount of change in exchange rate on cash is listed separately in the cash flow statement as an adjustment item.

The beginning amount and actual amount of the 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 change in exchange rate in the consolidated financial statements shall be recognized as 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 instruments

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 mode for managing financial assets and the contractual cash flow characteristics of financial assets, Supor divides the financial assets into: financial assets measured at amortized cost, financial assets measured at the fair value with their changes included into other comprehensive incomes, and financial assets measured at the fair value with their changes included into the current profits and losses.

The business mode of the management of financial assets means that how Supor manages its financial assets to generate cash flows. Through business mode, 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 fact and specific business objective of financial asset management determined by key management personnel, makes decisions on the business mode for managing financial assets.

Supor evaluates the contractual cash flow characteristics of financial assets to determine whether the contractual cash flow generated by the relevant financial assets on the specific date is only payment of principal and interests for outstanding principal amount. Wherein, the principal refers to the fair value of financial assets at initial recognition; interest includes 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 and conditions that are likely to cause changes in the distribution of time or amount of the contractual cash flow of financial assets, to determine whether they satisfy the requirements of the above contractual cash flow characteristics.

Unless Supor changes its business mode for managing financial assets, all affected related financial assets are reclassified on the first day of the first reporting period after the change of business mode, otherwise, financial assets cannot be reclassified after initial recognition.

Financial assets shall be measured at 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 the initial recognition amount. Accounts

receivable or notes receivable that are from sale of products or rendering of services, and do not include or take into account significant financing parts are taken as the initial recognition amount by Supor based on the consideration amount that Supor is entitled to receive.

(a) Financial assets measured at amortized cost

The business mode of Supor to manage financial assets measured at amortized cost is aimed at receiving contractual cash flows; the contractual cash flow characteristics 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 mode of Supor to manage such financial assets is aimed at receiving contractual cash flows as well as sales; the contractual cash flow characteristics of such financial assets are consistent with basic loan arrangements. Such financial assets are measured at the fair value with their changes included into other comprehensive incomes by Supor, but impairment losses or gains, exchange profits and losses, and interest revenue calculated based on effective interest method are included into the current profits and losses. When the financial asset is derecognized, the accumulated gains or losses previously included into other comprehensive income shall be transferred out of other comprehensive incomes and included into the current profits and losses.

In addition, for investments in non-transactional equity instruments, Supor can irrevocably designate them as financial assets measured at the fair value with their changes included into other comprehensive incomes upon initial recognition. The designation is made on a single investment basis, and the relevant investment meets the definition of equity instrument from the issuer's point of view. Supor includes the related dividend income of such financial assets into the current profits and losses with the change in fair value included into other comprehensive income. When the financial asset is derecognized, the accumulated gains or losses previously included into other comprehensive income shall be transferred out of other comprehensive income to retained earnings and 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 foregoing financial assets measured at amortized cost and that are not financial assets measured at the fair value with their changes included into other comprehensive incomes as financial assets measured at the 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 measured at the fair value with their changes included into the current profits and losses. As to such financial assets, subsequent measurement shall be carried out by Supor based on fair value, and the resulting gains or losses (including interest and dividend income) are included into current profits and losses, unless the financial asset is part of the hedging relationship.

(2) Classification, recognition and measurement of financial liabilities

Financial liabilities are classified as financial liabilities measured at the fair value with their changes included into the current profits and losses, financial guarantee liabilities and other financial liabilities upon 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 the 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 transactional financial liabilities (including derivatives belonging to financial liabilities) and financial liabilities that are designated to be measured at fair value with changes included into the current profits and losses during initial recognition.

Transactional financial liabilities (including derivatives belonging to financial liabilities) are measured subsequently at fair value and except for those related to hedge accounting, changes in fair value are included into the 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 incomes, and when such liabilities are

derecognized, accumulated changes in their fair value caused by changes in Supor's own credit risk that is included into other comprehensive income are transferred to retained earnings. Other changes in fair value 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 enterprise's own credit risk) into the current profits and losses.

(b) Financial guarantee liabilities

A financial guarantee contract refers to a 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 terms of the debt instrument at maturity.

After initial recognition, the income related to the financial guarantee contract is apportioned and included into the current profits and losses in accordance with the accounting policies mentioned in Note V. "26. Revenue". Financial guarantee liabilities are subsequently measured according to the higher of the loss provision amount determined according to the impairment principle of financial instruments and the balance of its initial recognition amount after deducting the accumulated amortization amount of income related to financial guarantee contracts.

(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 enterprise 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 enterprise 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 enterprise 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 the 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 should not be conducted if the risks and rewards related to the ownership of such financial assets are reserved; if the risks and rewards related to the ownership of such financial assets are not transferred nor reserved, it needs to determine whether the enterprise 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 terms and conditions 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 and conditions of the original financial liability (or part of it), the original financial liability is derecognized and a new financial liability is recognized in accordance with the revised terms and conditions.

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 into the current profits and losses by Supor.

(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 are 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 duration of Supor is treated as profit distribution.

10. Financial assets impairment

Supor needs to recognize the financial assets with impairment losses as financial asset measured at amortized costs and debt tools measured at the fair value with their changes included into other comprehensive incomes, including mainly notes receivable, accounts receivable, receivables financing, other receivables and other debt investments. Moreover, for contract assets and some financial guarantee contracts, the impairment provision shall be accrued and the credit impairment loss shall be recognized pursuant to the accounting policy set forth herein.

(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 entire duration; 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 entire duration refers to the expected credit loss arising from all possible events of default regarding financial instrument occurring during the entire expected duration. Expected credit loss in the next 12 months refers to expected credit loss resulting from default of financial instruments likely occurring within 12 months after the balance sheet date (expected duration if the expected duration of financial instruments is less than 12 months) which is part of expected credit loss 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 future 12 months.

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

In case that probability of default of one financial asset recognized on the balance sheet date in the expected duration is obviously higher than that recognized at the moment of initial recognition in the expected duration, 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; receivable amounts with obvious signs showing that the debtor possibly is not able to perform the repayment obligations, 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 duration. If the estimated credit loss is greater than the book value of the current impairment provision, the difference is recognized as impairment loss; if not, it is recognized as impairment profits.

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

(a) Accounts receivable and contract assets

For accounts receivable and contract asset not involving significant financing part, Supor always calculates the loss provision as the amount of expected credit loss within the entire duration.

For accounts receivable and contract asset involving significant financing part, Supor always calculates the loss provision as the amount of expected credit loss within 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 very low-risk amounts such as the payment of export third-party goods.
Portfolio 3: Merged related parties portfolio	This portfolio includes current amount between related parties within the merger scope of amounts receivable.

(b) 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 consists of dividends receivable, receivables from government departments and others with very low risk.
Portfolio 3: Merged related parties portfolio	This portfolio includes current amount between related parties within the merger scope of amounts receivable.

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; See the Note V. "9. Financial instruments" and 10 "Financial assets impairments" for relevant accounting policies.

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 holding inventory is more than the ordering amount in sales contract, the net realizable value of the excess inventory shall be measured based on general sales price. The determination of net realizable 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 net realizable value, subject to the lower one. In case the cost is higher than net realizable 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 the 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 during the period of use; packing materials shall be amortized by one-off amortization method during the requisition.

13. Contract assets

Supor lists the customer's unpaid contract consideration as contract assets in the balance sheet, under which Supor has fulfilled its performance obligations in accordance with the contract, and it does not have the right to collect payments from customers unconditionally (that is, only depending on the passage of time). Contract assets and liabilities under the same contract are listed in net amount, and those under different contracts shall not be offset.

For the determination and accounting treatment methods of expected credit losses of contract assets, please refer to Note V. "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. The 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 a 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. 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 held for sale during initial measurement or on the balance sheet date based on remeasurement of Supor, 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 recognized as the asset impairment loss and 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 recognized, then deduct in proportion the book value of each non-current asset in the disposal group conforming to the measurement provisions in *Accounting Standards for Business Enterprises No. 42 -- Held-for-sale Non-current Assets, Disposal Group and Discontinuing Operation* (hereinafter referred to as "the 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 recognized amount of asset impairment loss amount of the non-current asset as per the measurement provisions in 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 in the 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, Supor will no longer continue to classify them as held-for-sale or remove non-current assets from the held-for-sale disposal group and measure them 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 accounted for as financial assets measured at the fair value with their changes included into the current profits and losses. If such assets are not non-transactional, Supor may specify these capitals as

measured at the fair value with their changes included into other comprehensive incomes at the time of initial recognition. Relevant accounting policies can be seen in Note V. "9. Financial instruments".

Common control refers to common control on a certain arrangement according to related provisions by Supor and related activities of the arrangement 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 merged party's shareholders' equities/owners' equities in the final controlling party's consolidated financial statements 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 the case of treating issued equity securities as the merger consideration, the share of the book value of the merged party's shareholders' equities/owners' equities in the consolidated financial statement 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 face value of shares issued as share capital, and the difference between the initial investment cost of long-term equity investment and the total face 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 merged party obtained 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 a "package deal", the accounting treatment will be carried out by taking transactions as a certain one with control right. If it does not belong to a "package deal", the share of the book value of the merged party's shareholders' equities/owners' equities in the final controlling party's consolidated financial statement on the merger date will be taken as the initial investment cost of long-term equity investment, and the capital reserves 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 combination 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 temporarily not subject to the accounting treatment.

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 purchasing party, liabilities incurred or assumed, and fair value of issued equity securities. The equity of the purchased party held obtained 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 a "package deal", the accounting treatment will be carried out by taking transactions as a certain one with control right. If it does not belong to a "package deal", it shall take the sum of the book value of the original equity investment held by the original purchased party 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 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 new investment cost.

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

Long-term equity investments that have common control (except for joint operators) or significant impact on the invested unit are accounted by equity method. 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 accounting, long-term equity investment is priced at the initial investment cost, and the cost of long-term equity investment shall be adjusted when the investment is added or recovered. 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 under the equity method, in case the initial investment cost is more than the shares of fair value of identifiable net assets of the invested unit that shall be enjoyed during the investment, initial investment cost of the long-term equity investments shall not be adjusted; in case the initial investment cost is less than the shares of fair value of identifiable net assets of the invested unit that shall be enjoyed during the investment, the difference shall be included into the current profits and losses and the cost of long-term equity investments shall be adjusted simultaneously.

When the equity method is adopted for accounting, it's required to recognize the investment income and other comprehensive income respectively according to net profit or loss realized by the invested unit that shall be enjoyed or shared and other comprehensive income, and book value of the long-term equity investment shall be adjusted simultaneously. As to the part that shall be enjoyed and calculated according to the profits or cash dividends announced and distributed by the invested unit, it's required to reduce the book value of long-term equity investment correspondingly. As to other changes in owners' equities of the invested unit except for net profits and losses, other comprehensive incomes and profit distribution, the 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 enjoyed are recognized, it shall be based on fair value of each identifiable net asset 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 transactions between Supor and associated enterprise or joint venture, if the assets launched or sold do not constitute the business, the unrealized internal trading profits and losses shall be offset according to the proportion attributable to Supor, and the investment profits and losses shall be recognized on this basis. In case the part incurred between Supor and the invested unit without internal transaction loss belongs to the asset impairment loss, it shall not be offset. If the assets invested by Supor to the joint venture or associated enterprise constitute the 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 shall be included into the 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 the business, accounting treatment shall be conducted in accordance with the provisions of the *Accounting Standards for Business Enterprises No. 20 -- Enterprise Merger*, and the gains or losses related to the transaction shall be fully recognized.

When the net loss of the invested unit that shall be shared is recognized, the book value of the long-term equity investment and other long-term equity that actually constitute the net investment of the invested unit shall be written down to zero. Besides, if Supor has the obligation to bear the additional loss for the invested unit, the estimated liabilities will be recognized according to the estimated obligation that shall be assumed and included into the current investment losses. 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 revenue recognition 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 the minority shareholders' equities and the net asset shares enjoyed according to the new 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 retained earnings shall be adjusted.

(d) Disposal of the long-term equity investment

The parent company partially disposes the long-term equity investment of subsidiaries when the control right is not lost in consolidated financial statement. The difference between disposal price and subsidiaries' net assets enjoyed 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 subsidiaries due to the partial disposal of the long-term equity investment for subsidiaries, it shall be dealt with in accordance with the relevant accounting policies as specified in the Note V. "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 the current profits and losses.

For long-term equity investments under the equity method, if the residual equities after disposal shall still be accounted by the equity method, upon the disposal, the part of other comprehensive income that was originally included into shareholders' equities shall be accounted for on the same basis as the invested unit's direct disposal of relevant assets or liabilities in a corresponding proportion. However, the owners' equities that are recognized based on the changes in other owners' equities shall be carried forward to the current profits and losses in proportion, except for the 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 under the cost method, the accounting treatment of other comprehensive incomes recognized under the equity method or standards of recognition and measurement of financial instruments before obtaining control of the invested unit shall be conducted on the same basis of the invested unit's direct disposal of the relevant assets or liabilities, and it shall be carried forwarded to the current profits and losses in proportion; except for the net profits and losses, other comprehensive incomes and profit distribution, the changes in other owners' equities in the invested unit's net assets which are accounted and recognized by the equity method shall be 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 statements, the equity method will be adopted for accounting, and it will be measured by the equity method and adjusted with equity method since obtaining; 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 the current profits and losses on the date of losing control. Before Supor acquires the control of the invested unit, for other comprehensive incomes recognized under the equity method or standards of recognition and measurement of financial instruments, when the control of the invested unit is lost, the accounting treatment shall be conducted on the same basis of the invested unit's direct disposal of relevant assets or liabilities; the changes in the other owners' equities of the invested unit's net assets other than the net profits and losses, other comprehensive incomes and profit distribution calculated and recognized by the equity method shall be settled and transferred to the current profits and losses in proportion. Among them, 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 to be conducted with accounting treatment in accordance with the standards of recognition and measurement of financial instruments, other comprehensive incomes and other owners' equities shall be carried forward.

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 the standards of recognition and measurement of financial instruments. The difference between the fair value and book value shall be included into the 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 under 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 investee due to the changes in other owners' equities, except for the net profits and losses, other comprehensive incomes and profit distribution, will be reckoned in the 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 losing 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 the 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 reckoned in the current profits and losses when the control right is lost.

16. Fixed assets

(1) Recognition condition

Fixed assets refer to tangible assets held for producing commodities, rendering of services, leasing or operation management with service life of more than 1 fiscal year. The fixed assets can be recognized only when the relevant economic interests are possible to flow into Supor and its costs can be measured reliably. 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, and annual depreciation rate of all kinds of fixed assets are as follows:

Categories	Depreciation method	Depreciation life (year)	Residual rate	Annual depreciation rate
Buildings and structures	Straight-line method	20-30	3%-10%	3.00%-4.85%
General equipment	Straight-line method	3-5	3%-10%	18.00%-32.33%
Special equipment	Straight-line method	10	3%-10%	9.00%-9.70%
Transport facilities	Straight-line method	4-10	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

See more details about the impairment test method and the withdrawing method of impairment provision of fixed asset in Note V. "21. Impairment of long-term assets".

(4) Other explanations

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, except for these, shall be included into the current profits and losses once occurred.

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

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 derecognized. The difference of the amount left as the book value and relevant taxes are deducted from the disposal income obtained from the sale, transfer, discard or damage of the fixed asset 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 recognized as per actual engineering expenditures, including various project expenditures under construction, capitalized borrowing expenses 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.

See more details about the impairment test method and the withdrawing method of impairment provision of construction in progress in Note V. "21. Impairment of long-term assets".

Supor shall sell the products or by-products produced before the fixed assets reach the intended usable state, and according to the provisions of *Accounting Standards for Business Enterprises No. 14 -- Revenue*, *Accounting Standards for Business Enterprises No. 1 -- Inventory*, etc., the relevant income and cost will be accounted for and included into the current profits and losses.

18. Borrowing expenses

Borrowing expenses include interest on borrowings, 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 occurrence period.

The amount can be capitalized after the actual interest expense generated from the specific borrowing deducting the interest revenue from the unused loan funds deposited in the bank or investment income obtained from the temporary investment in the current period; 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 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 assets, investment properties, inventories, 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 are owned or controlled by Supor and have no physical form.

The initial measurement of intangible assets shall be conducted according to 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 costs can be reliably measured. Other expenditures, except for this, shall be included into the current profits and losses once occurred.

Land use right acquired is usually calculated as intangible assets. 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 buildings and structures, the related prices are distributed between land use right and the buildings. If it is difficult to distribute them reasonably, all of them shall be disposed 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, it 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 use right	10	Straight-line method
Pollution discharge right	5	Straight-line method

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

(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 at the time of occurrence.

Development expenditure that can meet the following conditions will be recognized as intangible assets, while those cannot meet will be included into the 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 have 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 attributable to 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

See more details about the impairment test method and the withdrawing method of impairment provision of intangible assets in Note V. "21. Impairment of long-term 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 with the straight-line method 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 accrued according to the difference and included into impairment losses. The recoverable amount shall be determined as the net amount obtained by the fair value of the asset less the 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 impairment provision shall be calculated and recognized on the basis of the single asset. If it is hard to estimate the recoverable amount of the single asset, the recoverable amount of the asset group shall be determined by the asset group to which the asset belongs. Asset group refers to the minimum asset portfolio that can generate cash inflow independently.

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 according to the 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, the part of which can be recovered shall not be reversed in subsequent periods.

22. Contract liabilities

Contract liabilities refer to the obligation of Supor to transfer commodities to customers for the received or receivable consideration from customers. In the event that customers have paid the contractual consideration or Supor has obtained the unconditional collection right before it transfers the commodities to customers, Supor shall present the received or receivable account as contract liabilities with regard to the actual payment by customers and the due payment, whichever happens earlier. Contract assets and liabilities under the same contract are listed in net amount, and those under different contracts shall not be offset.

23. Employee remuneration

(1) Employee remuneration

Supor's employee remuneration mainly includes short-term employee remuneration, post-employment benefits, termination benefits and other long-term employee benefits. Among them:

Short-term employee remuneration mainly includes salary, bonus, allowance and subsidy, employee benefits expense, medical premium, maternity premium, occupational injuries premium, housing accumulation fund, labor union expenditure, personnel education 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 benefits mainly include basic endowment insurance, unemployment insurance, and annuity. Plans of post-employment benefit include defined contribution plans. In case that defined contribution plans are 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 recognizes the cost related to restructuring 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. Staff salary and social insurance premium to be paid by Supor for early retired employees from the date of stopping providing services to the date of normal retirement are included into the current profits and losses (termination benefits) if the recognition conditions of estimated liabilities are met.

24. Estimated liabilities

If the obligation related to contingencies satisfies the following conditions at the same time, it shall be recognized as the estimated liabilities: ① This obligation is the current 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, uncertainty, time value of money and other factors related to contingencies, estimated liabilities are measured subject to the optimal estimate value of expenditures needed for the fulfillment of the related existing responsibilities.

There is a contiguous range for expenditures needed, and within this range, all kinds of results have the same possibility to occur. The optimal estimate is determined according to the median of this range. In other circumstances, the optimal estimate is treated as below:

-If the contingency involves with a single item, then the optimal estimate will be determined based on the amount that is most likely to occur.

-If the contingency involves with several items, then the optimal estimate will be determined based on all possible results and their probabilities.

If all or part of the expenditures needed for paying off estimated liabilities are compensated by the third party, the compensation amount shall be recognized separately as an asset when recognizing it may be recovered. Recognized compensation amount shall not exceed the book value of estimated 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 obligation can conform to the recognition conditions of aforesaid estimated liabilities, the part the estimated losses of the contract surpass the recognized impairment loss (if any) of the underlying asset in the contract will be recognized as estimated liabilities.

(2) Restructuring obligations

It shall determine the estimated liabilities amount according to the direct expenditures related to the restructuring which has detailed, formal and publicly stated restructuring plan and which is in line with the recognition 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 case of completing the service within the waiting period or meeting the required performance conditions; when the vesting right is granted immediately, the relevant cost or expense is included on the grant date according to the straight-line method, 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 instruments 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, such payment will be included into the relevant cost or

expense on the grant date, and the liabilities increase accordingly; if the service within the waiting period must be completed or the required performance conditions must be met, according to the fair value of the liabilities assumed by Supor, and 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 increase accordingly.

The fair value of the liability is re-measured at the balance sheet date and the settlement day before the settlement of the relevant liabilities, and the change shall be 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 services obtained will be 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 employees, the accounting treatment of services obtained will be continued, as if the change has never occurred, unless Supor cancels some or all of the equity instruments granted.

During the waiting period, if the equity instrument granted is cancelled, Supor will treat it 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 employees or other parties can choose to meet the non-vesting conditions but fail to meet in the waiting period, Supor will treat it as a cancellation of the equity instrument.

(3) Accounting treatment 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 controllers, if either settlement enterprise or enterprise accepting service is inside Supor or outside Supor, the accounting treatment shall be conducted in the consolidated financial statements of Supor 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 shall be handled as a cash-settled share-based payment.

- If the settlement enterprise is an investor of an enterprise accepting service, it shall be recognized as the long-term equity investment to the enterprise accepting service 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 reserves) or liabilities shall be recognized.

- If the enterprise accepting service does not have a settlement obligation or the equity instruments granted to the enterprise employees are its own equity instrument, such share-based payment transaction shall be treated as the equity-settled share-based payment. If the enterprise accepting service has a settlement obligation and the equity instruments granted to the enterprise employees are not its own equity instrument, such share-based payment transaction shall be treated as the cash-settled share-based payment.

For the share-based payment transactions between the enterprises within Supor, if the enterprise accepting service and the settlement enterprise are not the same enterprise, the recognition and measurement of the share-based payment transaction in individual financial statements of the enterprise accepting service and the settlement enterprise shall be in accordance with the above principles.

26. Revenue

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 a contract between Supor and its customers can meet the following conditions at the same time, the revenue shall be recognized when customers own the relevant control right of commodities (including labor service, the same below): all concerned parties have approved the contract and promised to fulfill their respective obligations; the contract has specified rights and obligations of each concerned party related to transferred commodities or rendering of services; the contract has clear payment terms and conditions related to transferred commodities; the contract is of the commercial essence, which means that performance of the contract will change the risk, time distribution or amount of future cash

flow of Supor; the consideration that Supor is entitled to obtain due to the transfer of commodities to customers is likely to be recovered. To obtain the control right of relevant commodities means to be able to lead the use of the commodities and obtain almost all economic benefits therefrom.

On the contract commencement date, Supor identifies the individual performance obligation specified in the contract and amortizes the transaction price to each individual performance obligation based on the relative proportion of the individual sales price of the commodity guaranteed in individual performance obligation. Variable consideration, significant financing part in the contract, non-cash consideration, customer consideration payable, etc. have been taken into account the transaction price.

For contracts with quality assurance terms and conditions, Supor analyzes the nature of the quality assurance provided by them. If the quality assurance provides a separate service in addition to assuring customers that the commodities sold meet the established standards, Supor regards it as a single performance obligation.

Transaction price is the consideration amount Supor is expected to be entitled to receive for the transfer of commodities or services to customers, excluding payments received on behalf of third parties. The transaction price recognized by Supor does not exceed the amount for which it is highly probable that the accumulated recognized revenue will not be reversed significantly when the relevant uncertainty is eliminated.

As for each individual performance obligation in the contract, if one of the following conditions is met, Supor shall recognize the transaction price which is amortized into the individual performance obligation based on the performance progress within a relevant performance period as the revenue: the customer obtains and consumes the economic benefits while Supor fulfills the performance obligation; the customer manages to control the commodities in process while Supor fulfills the performance obligation; commodities produced during the performance period have irreplaceable purposes and Supor has the right to receive payment for the performance part which has been completed so far during the entire contract period. The performance progress shall be confirmed based on the nature of commodities transferred by virtue of the input method or the output method. When the performance progress cannot be confirmed reasonably, if it is predicted that the incurred cost of Supor can be compensated, the revenue shall be recognized based on the incurred cost amount until the performance progress can be confirmed reasonably.

If one of the above conditions cannot be met, Supor recognizes the transaction price amortized to the individual performance obligation at the time when the customer obtains the control right of relevant commodities as the revenue. When judging whether the customer has obtained the control right of the commodity, Supor can consider the following signs: the enterprise has the current collection right of the commodity, namely the customer is responsible for current payment obligation of the commodity; the enterprise has transferred the legal ownership of the commodity to the customer, namely the customer has possessed the legal ownership of the commodity; the enterprise has transferred the real commodity to the customer, namely the customer has possessed the real commodity; the enterprise has transferred main risks and rewards of the commodity to the customer, namely the customer has obtained the main risks and rewards related to the ownership of the commodity; the customer has accepted the commodity; other signs indicating that the customer has obtained the control right of the commodity.

For sales with sales return terms and conditions, when customers obtain control rights of related commodities, Supor recognizes revenue according to the consideration amount expected to be received due to the transfer of commodities to customers (i.e., excluding the amount expected to be refunded due to sales return), and recognizes liabilities as per the amount expected to be refunded due to sales return. Simultaneously, according to the expected book value of the returned commodities at the time of transfer, the balance after deducting the expected cost of recovering the commodities (including the impairment of the value of the returned commodities) is recognized as an asset, and the net cost of the above assets is carried forward according to the book value of the transferred commodities at the time of transfer. On each balance sheet date, Supor re-estimates the future sales returns, and if there is any change, it will be treated as a change in accounting estimates.

Supor's selling of commodities such as cookware and small domestic appliance is a type of performance obligation at a certain time point, of which the revenue is recognized when the control right the commodities has been transferred to the customer. According to the agreement in the sales contract, Supor mainly recognizes the control right of commodities as having been transferred to the customer and recognizes relevant commodity revenue when such commodity has left Supor's warehouses or its specified warehouses,

delivered to the customer with acceptance receipt issued, or such commodity has been delivered on board to the sea transport carrier with the customs declaration for export and bill of lading obtained.

Different business modes of similar businesses result in differences in revenue recognition accounting policies.

27. Contract cost

The incremental cost incurred by Supor to obtain the contract and expected to be recovered shall be 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 into the current profits and losses at the time of occurrence.

In the event that 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 expected contract, including direct labor, direct materials, manufacturing expenses (or similar expenses), costs borne by the customer and other costs only incurred by the contract; ② The cost increases Supor's resources to fulfill its performance obligations in the future; ③ The cost is expected to be recovered.

Assets recognized for contract acquisition cost and assets recognized for contract performance cost (hereinafter referred to as "assets related to contract cost") shall be amortized on the same basis as the revenue recognition of commodities or services related to such assets and included into 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 provisions of the excess part and recognize it as the asset impairment loss:

- Residual consideration expected to be obtained arising from the transfer of commodities or services related to the assets by Supor;
- 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. The government subsidies obtained by Supor for construction, or forming long-term assets by other ways are defined as government subsidies concerning assets; other government subsidies shall be defined as 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 at 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 period, 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 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 It is based on

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 enterprises; ③ The relevant subsidy 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 subsidy.

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 income, and included into the current profits and losses during the period when the related costs or losses are recognized; 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, government subsidies including those related to assets and incomes will be subject to the accounting treatment in different parts; for those hard to be differentiated, they shall be taken as government subsidies concerning benefits as a whole.

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 not concerning daily activities will be included into the non-operating income and expenditure.

If the government subsidies recognized need to be returned and there is the deferred income balance concerned, the book balance of relevant deferred incomes shall be offset against, but the excessive part shall be included into the current profits and losses. In other circumstances, they shall be included into the 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) formed in the current period and previous periods shall be measured by the expected amount of income tax payable (or returnable) calculated in accordance with the provisions of 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 recognition of goodwill and the initial recognition of assets or liabilities arising from transactions that are neither enterprise merger nor affect accounting profit and taxable income (or deductible loss) at the time of occurrence, the relevant deferred income tax liabilities shall not be recognized. In addition, for taxable temporary differences related to the investments of subsidiaries, associated enterprises and joint ventures, 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 taxable temporary differences and deductible temporary differences related to the initial recognition of assets or liabilities arising from individual transactions that are neither enterprise merger nor affect accounting profit and taxable income (or deductible loss) at the time of occurrence, the relevant deferred income tax liabilities and deferred income tax assets shall be recognized separately. In addition, for the deductible temporary differences related to the investment of subsidiaries, associated enterprises and joint ventures, 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 down in subsequent years, the corresponding deferred income tax assets shall be recognized with the limit of the future taxable income which is likely to be obtained for deducting the deductible losses and tax deduction.

Deferred income tax assets and deferred income tax liabilities shall be measured 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 very likely to obtain enough taxable income, the write-down amount shall be reversed.

(3) Income tax expenses

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) Offset of income tax

When it has the legal rights of settlement based on the net amount and it intends to make settlement based on net amount, obtain assets or offset liabilities simultaneously, the current income tax assets and current income tax liabilities of Supor shall be presented based on the net amount after offsetting.

When it has the legal rights of settling the current tax assets and current income tax liabilities based on the net amount, and the deferred income tax assets and deferred income tax liabilities are related to income tax levied to the same subject of tax payment by the same tax collection and administration department or are related to different taxpayer, but in each important period of deferred income tax assets and liabilities reverse in the future, the involved taxpayer intends to settle the current income tax assets and liabilities based on the net amount or obtain assets and pay off the liabilities at the same time, Supor's deferred income tax assets and deferred income tax liabilities shall be presented after offsetting.

30. Lease

(1) Lease

Lease refers to a contract in which it is agreed that the lessor transfers the use right of assets to the lessee to get corresponding consideration within a certain period.

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

In order to determine whether the contract transfers the right of controlling the use of an identified asset for a certain period of time, Supor conducts the following assessment:

-Whether the contract involves the use of the identified asset. The identified asset may be explicitly specified by the contract, or implicitly specified when the asset is available for use by the customer, and the asset is physically distinguishable, or in the event that any production capacity of the asset or other part of the asset is physically indistinguishable, but it substantially represents the full capacity of the asset, and thus enables the customer to have access to almost all the economic benefits arising from the use of the asset. If the supplier of the asset has the substantial right of replacing the asset throughout the period of use, then the asset is not attributed to an identified asset;

-Whether the lessee has the right to acquire almost all the economic benefits arising from the use of the identified asset 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 have each separate lease separately subject to accounting treatment. If the contract includes lease and non-lease parts at the same time, the lessee and the lessor will split them separately.

(1) Supor as the lessee

At the beginning date of the lease term, Supor recognizes the right-of-use asset and lease obligation of the lease. The right-of-use asset is initially measured at cost, including the initial measurement amount of the lease obligation, the lease payment paid at or before the beginning date of the lease term (less the amount of lease incentives already granted), the initial direct expenses incurred, and the costs expected to be incurred to demolish and remove the leased asset, restore the site where the leased asset is located or restore the leased asset to the state agreed upon in the provisions of the lease.

Supor employs the straight-line method to depreciate 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 leased assets shall be withdrawn by Supor during the remaining service life thereof; otherwise, the leased asset is depreciated during the shorter of the lease term and the remaining service life of the leased asset. Impairment provisions for right-of-use assets shall be made in accordance with the accounting policies described in Note V. "21. Impairment of long-term assets".

The lease obligation is initially measured at the present value of the lease payment that has not been paid at the beginning date 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, the incremental borrowing rate of Supor shall be adopted as the discount rate.

Supor calculates the interest expense of the lease obligation for each period of the lease term at a fixed periodic interest rate, which is included into the current profits and losses or relevant asset costs. The variable lease payment not included into the measurement of lease obligations will be included into the current profits and losses or relevant asset costs when it actually occurs.

In case of any of following circumstances after the beginning date of the lease term, Supor will remeasure lease obligations at the present value of the lease payment after any change:

- Where the amount payable anticipated changes according to the guaranteed residual value;
- Where the index or ratio used for recognizing the lease payment changes;
- Where there is a change in Supor's assessment results of the option of purchase, renewal option or option of termination of lease or the actual exercising of the termination of the renewal option or option of termination of lease is inconsistent with the original assessment result.

When the lease obligation is remeasured, 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 in the current profits and losses.

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

(2) Supor as the lessor

At the beginning date of the lease term, Supor divides leases into financing and operating leases. Financing lease refers to a lease in which almost all the risks and rewards related to the ownership of the leased asset are essentially transferred, regardless of whether the ownership is finally transferred or not. 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 chooses 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 financing leases, at the beginning date of the lease term, Supor recognizes financing lease receivables for financing lease and derecognizes the financial leasing assets. Supor regards the net investment in a lease as the entry value of financing lease receivables at the time of initial measurement of financing lease receivables. The net investment in a lease is the sum of the present value of unguaranteed residual value and lease receipt not received yet on the beginning date of the lease term which is subject to discounting at the implicit rate in the lease term.

Supor calculates and recognizes the interest revenue in each period within the lease term according to a fixed periodic rate. The derecognition and impairment of financing lease receivables shall be treated in accordance with the accounting policies described in Note V. "9. Financial instruments" and 10. "Financial assets impairment". The variable lease payment which is not included into the net lease investment shall be included into current profits and losses when it actually occurs.

The lease receipts of operating lease are recognized as rent revenue in each period during the lease term in light of straight-line method. Supor capitalizes the initial direct expenses incurred in connection with operating leases, apportioned them over the lease term on the same basis as the rent revenue recognition, and included into the current profits and losses by stages. The variable lease payment which is not included into the lease receipt shall be included into current profits and losses when it actually occurs.

31. Related parties

If one party controls or jointly controls the other party or imposes significant impact on the other party, and two or more parties are controlled or jointly controlled by one party, these parties are related parties. Related parties can be an individual or an enterprise. Enterprises that are only controlled by the state but do not have other related party relationships do not constitute related parties.

In addition, the Company also determines related parties of Supor or the Company in accordance with the *Administrative Measures for the Disclosure of Information of Listed Companies* promulgated by the CSRC.

32. Segment reporting

See Note XVI. "1. Segment information" for details of accounting policies related to segment reporting.

33. Other important accounting policies and estimates

(1) Repurchased shares

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

If Supor repurchases 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 gains and losses from non-transactional equity instruments (or their components) measured at the fair value with their changes included into other comprehensive incomes are included into other comprehensive incomes. The gains or losses formed from the hedging risks of the hedged item shall be included into the current profits and losses and the book value of the recognized hedged items not measured at fair value shall be adjusted simultaneously. The gains or losses of the hedged items that are measured at fair value from hedging risks are included into the current profits and losses and other comprehensive incomes without book value adjusting.

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) Fair value measurement

Fair value refers to the price that a 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 selling of assets or transfer of liabilities by a market participant is an orderly transaction under current market conditions; supposes the orderly selling of assets or transfer of liabilities is 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 that market participants use 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 method. 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. First-level input values are the quotations of same assets or liabilities that can be obtained on the measurement date and are not adjusted in the active market; second-level input values are the direct or indirect observable input values of relevant assets or liabilities other than the first-level input values; third-level input values are the unobservable input values of relevant assets or liabilities.

Supor measures non-financial assets with fair value, considers market participant's ability to use them in the best way to generate economic benefits, or the ability to sell assets to other market participants who can use them in the best way to generate economic benefits. To measure a liability with fair value, it is supposed that 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, it is supposed that this equity instrument is transferred to other market participants on the measurement date, and further exists 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

(a) *Accounting Standards for Business Enterprises No. 25- Insurance Contracts (CK[2020] No. 20)* (the "New Insurance Standards") and related implementation Q&A

The "New Insurance Standards" replaced the *Accounting Standards for Business Enterprises No. 25- Original Insurance Contracts* and *Accounting Standards for Business Enterprises No. 26- Reinsurance Contracts* issued in 2006, as well as the *Accounting Treatment Regulations for Insurance Contracts* issued in 2009 (CK[2009] No. 15).

There is no insurance related transactions in Supor, and the adoption of the above regulations has not had a significant impact on Supor's financial condition and operating results.

(b) According to the *Accounting Standards for Business Enterprises Interpretation No. 16 (CK [2022] 31)* ("Interpretation No. 16"), "the accounting treatment for deferred income tax related to assets and liabilities arising from individual transactions are not applicable to initial recognition exemption."

According to this regulation, for taxable temporary differences and deductible temporary differences related to the initial recognition of assets or liabilities arising from individual transactions that are neither enterprise merger nor affect accounting profit and taxable income (or deductible loss) at the time of occurrence, according to *Accounting Standards for Business Enterprises No. 18- Income Tax*, the relevant deferred income tax liabilities and deferred income tax assets shall be recognized separately. Instead, deferred income tax liabilities or deferred income tax assets will no longer be recognized based on the net amount of taxable temporary differences and deductible temporary differences generated.

The adoption of the above regulations did not have a significant impact on Supor's financial condition and operating results.

(2) Change of important accounting estimates

☐ Applicable ☒ Not-applicable

(3) Adjustment of related items in the financial statements at the beginning of the year from 2023 following the first implementation of the New Accounting Standards

☐ Applicable ☒ Not-applicable

VI. Taxes

1. Main taxes and tax rates

Tax	Tax base	Tax rate
VAT	Sales of commodities or rendering of taxable 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	VAT payable	7%
Enterprise income tax	Taxable income	The corporate income tax rate is 25%. Shaoxing Supor, Zhejiang WMF and Hainan Supor E-Commerce Company are taxed at a preferential tax rate of 15%; Wuhan Recycling and Shanghai Marketing are taxed at a preferential tax rate of 20%; for overseas subsidiaries, Indonesia Company is taxed at a 22% rate, Vietnam

		Supor Company and AFS are taxed at 20%, and SEADA is taxed at 17%.
Education surcharge	VAT payable	3%
Local education surcharge	VAT payable	2%
Housing property tax	1.2% of the residual value after deducting 30% of the original value of the property is calculated and paid in case of ad valorem; for housing property levied on the basis of rent, housing property tax is levied at the rate of 12% of rent revenue.	1.2%、12%

2. Tax preferences

Pursuant to GKH Zi [2020] No. 32 document, Shaoxing Supor and Zhejiang WMF passed the hi-tech enterprise qualification in 2022 and is entitled to enjoy the preferential tax rate of 15% for the three-year period starting from January 1, 2022.

According to the *Enterprise Income Tax Law of the People's Republic of China* and its implementation regulations, the *Notice on Preferential Policies for Enterprise Income Tax in Hainan Free Trade Port* (CS [2020] No. 31) and other provisions, business income tax will be levied at a rate of 15% for encouraged industrial enterprises registered and substantially operating in the Hainan Free Trade Port from January 1, 2020 to December 31, 2024. Meeting the e-commerce in the encouraged industries catalogue, Hainan Supor E-commerce Company applies the preferential tax rate of 15% in 2023.

According to the *Announcement on Preferential Policies on Income Tax for Small and Micro Enterprises and Individual Industrial and Commercial Households* issued by the Ministry of Finance and the State Administration of Taxation on March 26, 2023 (CS [2023] No. 6), from January 1, 2023 to December 31, 2024, the part of the annual taxable income of small and micro enterprises that not exceed RMB 1 million will be included into the taxable income at a reduced rate of 25%, and the enterprise income tax will be paid at a tax rate of 20%. At the same time, according to the *Announcement of the Ministry of Finance and the State Taxation Administration on Further Implementing the Preferential Income Tax Policies for Micro and Small Enterprises* (CS [2022] No. 13), from January 1, 2022 to December 31, 2024, the part of the annual taxable income of small and micro enterprises that exceeds RMB 1 million, but does not exceed RMB 3 million will be included into the taxable income at a reduced rate of 25%, and the enterprise income tax will be paid at a tax rate of 20%. Wuhan Recycling and Shanghai Marketing meet the criteria for small low-profit enterprises in 2023, so the preferential tax rate of 20% is applicable in 2023.

VII. Notes to Items of Consolidated Financial Statements

1. Monetary capital

Unit: RMB

Item	Closing balance	Opening balance
Cash on hand	61,638.32	56,591.47
Cash in bank	1,370,537,068.31	3,215,677,104.23
Other monetary capitals	489,082,381.52	347,407,212.05
Total	1,859,681,088.15	3,563,140,907.75
Including: Deposits overseas	246,445,549.98	207,979,588.92

Other remarks

1) On June 30, 2023, the bank deposits with restricted use were frozen for the cancellation of the branch bank account at RMB 0 (December 31, 2022: RMB 8,541.04), the amount frozen in the bank account for changes in industrial and commercial legal persons is RMB 0 (December 31, 2022: RMB82,189.64), term deposits pledged for the opening of bankers' acceptances at RMB 0 (December 31, 2022: 12,546,000.00), and the remaining bank deposits of RMB 1,370,537,068.31 were not restricted, including term deposit for more than three months of RMB 50,789,657.53.

2) As at June 30, 2023, other monetary capitals at the end of the period included RMB 405,723,750.00 (December 31, 2022: RMB 254,129,233.86) of the security for restricted acceptance bills, RMB 948,609.32 (December 31, 2022: RMB 975,570.02) of the security deposits for e-commerce platforms, RMB 58,000,000.00 (December 31, 2022: RMB 58,000,000.00) of the security for the deposits of the advance payment financing business, and RMB 24,410,022.20 (December 31, 2022: RMB 34,302,408.17) of the non-restricted currency funds of the Alipay wallet, JD wallet, TikTok wallet, securities settlement accounts, futures settlement accounts and Youzan account, etc.

3) As at June 30, 2023, the monetary capital deposited by Supor in Vietnam amounted to RMB 229,422,652.39 (December 31, 2022: equivalent to RMB 193,083,117.24); the monetary capital deposited in Singapore amounted to RMB 4,129,980.76 (December 31, 2022: amounted to RMB 3,754,734.88); the monetary capital deposited in Indonesia amounted to RMB 12,892,916.83 (December 31, 2022: equivalent to RMB 11,141,736.80).

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.	250,129,103.13	431,382,527.79
Including:		
- Short-term financial products	250,129,103.13	431,382,527.79
Total	250,129,103.13	431,382,527.79

Other remarks

As at June 30, 2023, the financial assets measured at the fair value with their changes included into the current profits and losses were the financial products purchased by Supor, amounting to RMB 250,000,000.00 (December 31, 2022: RMB 430,000,000.00). These financial products with floating income, and linked to interest rates and exchange rates, etc., and the corresponding gains from changes in fair value, i.e., RMB 129,103.13 (December 31, 2022: RMB 1,382,527.79), were recognized at the end of the current period.

3. Notes receivable

(1) Details on categories

Unit: RMB

Item	Closing balance	Opening balance
Bank acceptance bill	20,847,819.64	27,325,952.95
Total	20,847,819.64	27,325,952.95

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 made on the basis of portfolio	20,847,819.64	100.00%			20,847,819.64	27,325,952.95	100.00%			27,325,952.95
Including:										
Portfolio: bank acceptance bill	20,847,819.64	100.00%			20,847,819.64	27,325,952.95	100.00%			27,325,952.95
Total	20,847,819.64	100.00%			20,847,819.64	27,325,952.95	100.00%			27,325,952.95

(2) Notes receivables that the Company pledged at the end of the period

As of June 30, 2023, Supor had no notes receivable pledged (December 31, 2022: None).

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

Unit: RMB

Item	Closing balance derecognized	Closing balance not derecognized
Bank acceptance bill		16,967,274.33
Total		16,967,274.33

Other remarks

On June 30, 2023, the outstanding notes receivable of Supor was RMB16,967,274.33 (December 31, 2022: RMB22,383,800.87) endorsed to suppliers for settlement of accounts payable were not derecognized mainly because management believes that substantially all the risks and rewards of ownership of the notes have not been transferred. The face value of the above outstanding notes receivable is approximately equal to their fair value. These outstanding notes receivable are due within one year.

(4) Notes the Company transferred to accounts receivable due to the drawer's failure to perform the contract at the end of the period

As at June 30, 2023, Supor had no notes transferred to accounts receivable due to non-performance of drawers. (December 31, 2022: None).

4. Accounts receivable

(1) Details on categories

Unit: RMB

Categories	Closing balance			Opening balance		
	Book balance	Provision for bad	Book	Book balance	Provision for bad debts	Book

			debts		value					value
	Amount	Proportion	Amount	Provision proportion		Amount	Proportion	Amount	Provision proportion	
Accounts receivable for provision for bad debts made on an individual basis	2,176,088.73	0.09%	393,937.22	18.10%	1,782,151.51	41,463.78	0.00%	41,463.78	100.00%	
Including:										
Accounts receivable for provision for bad debts made on the basis of portfolio	2,345,361.96	99.91%	94,142,725.31	4.01%	2,251,219,244.55	2,008,279,020.67	100.00%	81,760,902.29	4.07%	1,926,518,118.38
Including:										
Portfolio 1: age portfolio	2,302,492.98	98.08%	94,099,856.34	4.09%	2,208,393,142.12	1,929,487,537.03	96.07%	81,682,110.81	4.23%	1,847,805,426.22
Portfolio 2: low-risk portfolio	42,868,971.40	1.83%	42,868.97	0.10%	42,826,102.43	78,791,483.64	3.93%	78,791.48	0.10%	78,712,692.16
Total	2,347,538,058.59	100.00%	94,536,662.53	4.03%	2,253,001,396.06	2,008,320,484.45	100.00%	81,802,366.07	4.07%	1,926,518,118.38

Provision for bad debts made on an individual basis:

Unit: RMB

Name	Closing balance			
	Book balance	Provision for bad debts	Provision proportion	Reasons
Customers A	1,665,526.67	166,552.67	10.00%	It was expected that the recovery was at risk.
Customer B	314,641.68	31,464.17	10.00%	It was expected that the recovery was at risk.
Customer C	75,662.72	75,662.72	100.00%	It was not expected to be recovered, so the provision for bad debts was fully accrued.
Customer D	41,463.78	41,463.78	100.00%	It was not expected to be recovered, so the provision for bad debts was fully accrued.
Customer E	78,793.88	78,793.88	100.00%	It was not expected to be recovered, so the provision for bad debts was fully accrued.
Total	2,176,088.73	393,937.22		

Provision for bad debts made on the basis of portfolio: portfolio 1: the age portfolio

Unit: RMB

Name	Closing balance		
	Book balance	Provision for bad debts	Provision proportion

Within 1 year (including 1 year)	2,296,860,007.40	93,015,062.92	4.05%
1-2 years (including 2 years)	4,392,264.97	351,381.20	8.00%
2-3 years (including 3 years)	588,566.02	88,284.90	15.00%
3-4 years (including 4 years)	10,147.91	5,073.96	50.00%
4-5 years (including 5 years)	9,794.00	7,835.20	80.00%
Over 5 years	632,218.16	632,218.16	100.00%
Total	2,302,492,998.46	94,099,856.34	

Explanation on the basis for determining such portfolio:

The expected credit loss rate was calculated upon the experience in 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 was 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)	2,341,709,147.15
1-2 years	4,392,264.97
2-3 years	623,484.74
Over 3 years	813,161.73
3-4 years	158,349.42
4-5 years	10,136.00
Over 5 years	644,676.31
Total	2,347,538,058.59

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

Provision for bad debts made in current period:

Unit: RMB

Categories	Opening balance	Amount of changes in current period				Closing balance
		Accrued	Collected or reversed	Written off	Others	
Provision for bad debts for accounts receivable	81,802,366.07	12,624,888.07		-63,775.08	173,183.47	94,536,662.53
Total	81,802,366.07	12,624,888.07		-63,775.08	173,183.47	94,536,662.53

Increased provision for bad debts of RMB 173,183.47 for conversion difference in foreign currency statement caused by the change in exchange rate.

(3) Accounts receivable actually written off in current period

Unit: RMB

Item	Amount
Accounts receivable actually written off	63,775.08

Including significant accounts receivable written off:

Unit: RMB

Entity name	Type of accounts receivable	Amount	Reason	Write-off procedures performed	Whether the amount was from related transactions
Customer F	Goods payment	63,775.08	Goods payment cannot be recovered because of the Company's capital chain rupture	Approval by the management	No
Total		63,775.08			

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

Unit: RMB

Entity name	Closing balance of accounts receivable	Proportion in the total closing balance of accounts receivable	Closing balance of provision for bad debts
SEB S.A. and its affiliates	1,451,773,497.70	61.84%	50,813,861.31
Customer G	374,079,997.03	15.93%	18,723,088.06
Customer H	58,410,537.53	2.49%	2,964,843.10
Customer I	44,785,773.38	1.91%	2,239,288.67
Customer J	27,888,983.90	1.19%	1,396,494.07
Total	1,956,938,789.54	83.36%	

5. Receivables financing

Unit: RMB

Item	Closing balance	Opening balance
Notes receivable	238,173,347.65	235,957,044.34
Total	238,173,347.65	235,957,044.34

Other remarks

Supor endorses or discounts a portion of its bankers' acceptances depending on its daily fund management needs. Considering the amount and frequency of endorsement or discounting of bankers' acceptances, Supor determines that the objective of this business model is to collect the contractual cash flows and sell the notes receivable at the same time, therefore, such notes receivable are classified as financial assets at fair value through other comprehensive income and presented as receivables financing.

On June 30, 2023, Supor had no pledged receivables financing (December 31, 2022: none).

Changes in receivables financing and its fair value during the period

☐ Applicable ☒ Not-applicable

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

☐ Applicable ☒ Not-applicable

Other remarks:

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

Item	Closing balance derecognized	Closing balance not derecognized
Bank acceptance bill	3,210,953,970.98	
Total	3,210,953,970.98	

Other remarks:

In order to settle part of the payables, Supor endorses the equal amount of undue notes receivable to the suppliers, and the management of Supor considered that certain undue notes meet the conditions, that is, almost all risks and remuneration pertaining to ownership had been transferred and meanwhile the current obligations of the relevant payables had been fully discharged, thus the relevant notes and payables were derecognized. The possible greatest loss undertaken by Supor for the continued involvement therein was the amount of the undue notes receivable endorsed by Supor to suppliers. The said undue notes receivable would 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	200,723,367.83	98.11%	335,655,809.04	98.83%
1-2 years	3,699,381.80	1.81%	3,123,427.28	0.92%
2-3 years	197.55	0.00%	665,000.00	0.20%
Over 3 years	167,229.90	0.08%	165,310.70	0.05%
Total	204,590,177.08		339,609,547.02	

Explanation on reasons of failure in timely settlement of advance payment with over 1 year of account age and important amounts:

Other remarks:

Aging was calculated from the date of confirmation of advance payment.

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

Entity name	Book balance	Proportion in the balance of advance payment (%)
Supplier A	26,836,352.82	13.12%
Supplier B	19,412,625.93	9.49%
Supplier C	18,501,358.00	9.04%

Supplier D	15,315,007.87	7.49%
Supplier E	10,715,306.00	5.24%
Subtotal	90,780,650.62	44.37%

7. Other receivables

Unit: RMB

Item	Closing balance	Opening balance
Other receivables	17,444,244.73	16,373,697.26
Total	17,444,244.73	16,373,697.26

(1) Other receivables

1) Other receivables categorized by nature

Unit: RMB

Nature of receivables	Ending book balance	Beginning book balance
Deposit as security	11,817,653.93	10,692,374.84
Temporary payment receivable	6,705,826.23	6,434,897.15
Personal deposit	3,061,056.78	2,382,649.26
Tax refund receivable	744,280.34	1,237,388.33
Total	22,328,817.28	20,747,309.58

2) Provision for bad debts

Unit: RMB

Provision for bad debts	Phase I	Phase II	Phase III	Total
	Expected credit loss in future 12 months	Expected credit loss in the entire duration (without credit impairment)	Expected credit loss in the entire duration (credit impairment)	
Balance on January 1, 2023	4,373,612.32			
Balance on January 1, 2023 in the current period				
Withdrawal in the current period	504,792.54			
Other changes	6,167.69			
Balance on June 30, 2023	4,884,572.55			

Other remarks

Other changes were due to the increase in bad debt provision of RMB6,167.69 for translation differences in foreign currency statements as a result of exchange rate changes.

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)	15,329,820.73
1-2 years	2,287,510.49
2-3 years	1,157,119.45
Over 3 years	3,554,366.61
3-4 years	1,069,250.62
4-5 years	587,355.32
Over 5 years	1,897,760.67
Total	22,328,817.28

3) Provisions made, collected or reversed in current period

Provision for bad debts made in current period:

Unit: RMB

Categories	Opening balance	Amount of changes in current period				Closing balance
		Accrued	Collected or reversed	Written off	Others	
Provision for bad debts of other receivables	4,373,612.32	504,792.54			6,167.69	4,884,572.55
Total	4,373,612.32	504,792.54			6,167.69	4,884,572.55

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

Unit: RMB

Entity name	Nature of receivables	Closing balance	Ages	Proportion in the total closing balance of other receivables	Closing balance of provision for bad debts
Customer K	Temporary payment receivable	1,626,035.36	Within 1 year	7.28%	81,301.77
Customer L	Temporary paragraph receivable/deposit as security	1,503,988.38	Within 1 year-4 years	6.74%	238,199.42
Customer M	Deposit as security	1,356,870.27	Within 1 year	6.08%	67,843.51
Customer N	Temporary payment receivable	1,312,040.00	Within 1 year	5.88%	65,602.00
Customer O	Temporary payment receivable	1,305,031.93	Within 1 year	5.84%	65,251.60
Total		7,103,965.94		31.82%	518,198.30

8. Inventories

Whether the Company needs to comply with the disclosure requirements of the real estate industry

No

(1) Inventory classification

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Inventory depreciation reserves or impairment provision for contract performance cost	Book value	Book balance	Inventory depreciation reserves or impairment provision for contract performance cost	Book value
Raw materials	384,132,757.00	15,281,685.54	368,851,071.46	446,471,515.87	14,369,922.27	432,101,593.60
Unfinished products	84,031,630.27		84,031,630.27	84,088,800.88		84,088,800.88
Finished products	1,409,794,085.57	22,071,918.90	1,387,722,166.67	1,885,938,291.03	19,558,744.71	1,866,379,546.32
Low value consumables	87,444,342.45	136,408.25	87,307,934.20	101,274,579.44	379,610.26	100,894,969.18
Packing materials	9,461,726.98		9,461,726.98	11,457,946.44		11,457,946.44
Total	1,974,864,542.27	37,490,012.69	1,937,374,529.58	2,529,231,133.66	34,308,277.24	2,494,922,856.42

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

Unit: RMB

Item	Opening balance	Increase		Decrease		Closing balance
		Accrued	Others	Reversal or write-off	Others	
Raw materials	14,369,922.27	5,466,497.29	260,065.17	4,814,799.19		15,281,685.54
Finished products	19,558,744.71	11,616,206.15	131,428.69	9,234,460.65		22,071,918.90
Low value consumables	379,610.26			243,202.01		136,408.25
Total	34,308,277.24	17,082,703.44	391,493.86	14,292,461.85		37,490,012.69

Other remarks:

There was an increased inventory depreciation reserves of RMB 391,493.86 for conversion difference in foreign currency statement caused by the change in exchange rate.

9. Non-current assets due within one year

Unit: RMB

Item	Closing balance	Opening balance
Other debt investments due within one year	303,175,671.23	32,157,534.25
Total	303,175,671.23	32,157,534.25

Important debt investments/other debt investments

Unit: RMB

Creditor's items	Closing balance				Opening balance			
	Face value	Coupon rate	Effective interest rate	Expiry date	Face value	Coupon rate	Effective interest rate	Expiry date
The Company - Bank of China negotiable certificates of deposit	30,000,000.00	3.50%	3.34%	December 11, 2023	30,000,000.00	3.50%	3.34%	December 11, 2023
The Company - Bank of China negotiable certificates of deposit	40,000,000.00	3.85%	3.71%	March 24, 2024				
The Company - Bank of China negotiable certificates of deposit	60,000,000.00	3.85%	3.73%	April 16, 2024				
The Company - Bank of China negotiable certificates of deposit	10,000,000.00	3.85%	3.80%	April 2, 2024				
The Company - Bank of China negotiable certificates of deposit	60,000,000.00	3.85%	3.78%	March 25, 2024				
The Company - Bank of China negotiable certificates of deposit	20,000,000.00	3.85%	3.78%	April 9, 2024				
Shaoxing Supor - Bank of China negotiable certificates of deposit	30,000,000.00	3.85%	3.57%	February 4, 2024				
Shaoxing Supor - Bank of China negotiable certificates of deposit	30,000,000.00	3.85%	3.57%	February 4, 2024				
Total	280,000,000.00				30,000,000.00			

10. Other current assets

Unit: RMB

Item	Closing balance	Opening balance
Return cost receivable	9,998,719.65	14,266,301.12
Creditable VAT	57,221,356.01	49,236,636.79
Term deposit	220,760,000.00	381,101,095.89
Others	14,758,329.46	6,381,982.96
Total	302,738,405.12	450,986,016.76

Other remarks:

Term deposits were for the purpose of earning interest, on June 30, 2023, of which: the principal of term deposits for more than three months was RMB 200,000,000.00 (December 31, 2022: RMB 350,000,000.00) and the interest receivable was RMB 20,760,000.00 (December 31, 2022: RMB 31,101,095.89).

11. Other debt investments

Unit: RMB

Item	Opening balance	Accrued interest	Fair value changes in the current period	Closing balance	Cost	Accumulated fair value changes	Loss provisions that were cumulatively determined in other comprehensive incomes	Remarks
Negotiable certificates of deposit	1,056,952,424.68	54,670,493.15		1,103,225,054.80	1,048,554,561.65			
Minus: Part due within one year	-32,157,534.25	-24,621,109.58		-303,175,671.23	-278,554,561.65			
Total	1,024,794,890.43	30,049,383.57		800,049,383.57	770,000,000.00			

Other important debt investment

Unit: RMB

Other creditors' rights items	Closing balance				Opening balance			
	Face value	Coupon rate	Effective interest rate	Expiry date	Face value	Coupon rate	Effective interest rate	Expiry date
Shaoxing Supor Housewares - China Guangfa Bank negotiable certificates of deposit	200,000,000.00	3.55%	3.43%	April 21, 2025	200,000,000.00	3.55%	3.43%	April 21, 2025
Shaoxing Supor Housewares - China Guangfa Bank negotiable certificates of deposit	50,000,000.00	3.55%	3.36%	March 11, 2025	50,000,000.00	3.55%	3.36%	March 11, 2025
Shaoxing Supor Housewares - China Guangfa Bank negotiable certificates of deposit	100,000,000.00	3.45%	3.34%	July 25, 2025	100,000,000.00	3.45%	3.34%	July 25, 2025
Shaoxing Supor Housewares - Bank of Ningbo negotiable certificates of deposit	20,000,000.00	3.40%	3.29%	October 17, 2025	20,000,000.00	3.40%	3.29%	October 17, 2025
Shaoxing Supor Housewares - China Guangfa Bank negotiable certificates of deposit	100,000,000.00	3.45%	3.30%	July 28, 2025	100,000,000.00	3.45%	3.30%	July 28, 2025
Shaoxing Supor Housewares - China Guangfa Bank negotiable certificates of deposit	100,000,000.00	3.45%	3.22%	August 4, 2025	100,000,000.00	3.45%	3.22%	August 4, 2025

Shaoxing Supor - Bank of Ningbo negotiable certificates of deposit	10,000,000.00	3.55%	3.30%	November 10, 2024	10,000,000.00	3.55%	3.30%	November 10, 2024
Shaoxing Supor - Bank of China negotiable certificates of deposit	50,000,000.00	3.35%	3.20%	January 6, 2025				
Shaoxing Supor - Bank of China negotiable certificates of deposit	140,000,000.00	3.35%	3.32%	March 3, 2025				
The Company - Bank of China negotiable certificates of deposit					40,000,000.00	3.85%	3.71%	March 24, 2024
The Company - Bank of China negotiable certificates of deposit					60,000,000.00	3.85%	3.73%	April 16, 2024
The Company - Bank of China negotiable certificates of deposit					10,000,000.00	3.85%	3.80%	April 2, 2024
The Company - Bank of China negotiable certificates of deposit					60,000,000.00	3.85%	3.78%	March 25, 2024
The Company - Bank of China negotiable certificates of deposit					20,000,000.00	3.85%	3.78%	April 9, 2024
Shaoxing Supor- Bank of China negotiable certificates of deposit					30,000,000.00	3.85%	3.57%	February 4, 2024
Shaoxing Supor - Bank of China negotiable certificates of deposit					30,000,000.00	3.85%	3.57%	February 4, 2024
Shaoxing Supor Housewares - China Guangfa Bank negotiable certificates of deposit					150,000,000.00	3.35%	3.21%	August 4, 2025
Shaoxing Supor Housewares - ICBC negotiable certificates of deposit					15,000,000.00	3.35%	3.23%	March 30, 2025
Total	770,000,000.00				995,000,000.00			

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

☐ Applicable ☒ Not-applicable

12. Long-term equity investment

Unit: RMB

Invested unit	Opening balance (Book value)	Increase/decrease								Closing balance (Book value)	Closing balance of impairment provision
		Add Investment	Investment decrease	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.	62,196,139.53			-432,266.96						61,763,872.57	
Subtotal	62,196,139.53			-432,266.96						61,763,872.57	
Total	62,196,139.53			-432,266.96						61,763,872.57	

13. Fixed assets

Unit: RMB

Item	Closing balance	Opening balance
Fixed assets	1,252,394,688.18	1,303,075,391.03
Total	1,252,394,688.18	1,303,075,391.03

(1) Fixed assets

Unit: RMB

Item	Buildings and structures	General equipment	Special equipment	Transport facilities	Total
I. Original Book Value:					
1. Opening balance	1,223,555,061.57	296,185,619.01	970,045,460.97	32,943,632.66	2,522,729,774.21
2. Increase	1,550,178.51	8,815,816.01	4,067,879.31	3,438,389.51	17,872,263.34
(1) Acquisition	372,898.97	8,787,365.93	3,299,085.68	3,438,389.51	15,897,740.09
(2) Transferred in from construction in progress	1,177,279.54	28,450.08	768,793.63		1,974,523.25
(3) Increase from enterprise merger					
3. Decrease	3,614,180.06	3,635,004.22	11,075,804.71	2,662,973.91	20,987,962.90
(1) Disposal or scrapping	3,614,180.06	3,561,037.09	11,075,804.71	2,662,973.91	20,913,995.77
(2) Transfer into construction in progress		73,967.13			73,967.13
4. Impact of change in exchange rate	1,262,771.33	353,818.22	2,540,159.29	135,860.72	4,292,609.56
5. Closing balance	1,222,753,831.35	301,720,249.02	965,577,694.86	33,854,908.98	2,523,906,684.21
II. Accumulated Depreciation					
1. Opening balance	374,701,516.70	215,850,570.93	602,573,724.20	26,528,571.35	1,219,654,383.18
2. Increase	22,106,976.50	13,713,752.77	29,351,870.90	1,428,489.61	66,601,089.78
(1) Provision	22,106,976.50	13,713,752.77	29,351,870.90	1,428,489.61	66,601,089.78
3. Decrease	1,543,896.00	3,268,346.66	10,267,263.15	1,640,901.09	16,720,406.90
(1) Disposal or	1,543,896.00	3,268,346.66	10,267,263.15	1,640,901.09	16,720,406.90

scrapping					
4. Impact of change in exchange rate	447,980.64	248,278.08	1,167,939.95	112,731.30	1,976,929.97
5. Closing balance	395,712,577.84	226,544,255.12	622,826,271.90	26,428,891.17	1,271,511,996.03
III. Impairment Provision					
IV. Book Value					
1. Closing book value	827,041,253.51	75,175,993.90	342,751,422.96	7,426,017.81	1,252,394,688.18
2. Opening book value	848,853,544.87	80,335,048.08	367,471,736.77	6,415,061.31	1,303,075,391.03

(2) Fixed assets with certificate of titles unsettled

Unit: RMB

Item	Book value	Reasons for unsettlement
Multi-purpose Dormitory Hall of Shaoxing Supor	35,402,162.21	After all projects were completed, and the completion and settlement procedures were fulfilled, the property ownership certificate shall be processed uniformly
No.3 plant of Shaoxing Supor	25,974,307.78	After all projects were completed, and the completion and settlement procedures were fulfilled, the property ownership certificate shall be processed uniformly
No.1 plant of Shaoxing Supor	23,846,757.31	After all projects were completed, and the completion and settlement procedures were fulfilled, the property ownership certificate shall be processed uniformly
No.8 plant of Shaoxing Supor	28,479,045.29	After all projects were completed, and the completion and settlement procedures were fulfilled, the property ownership certificate shall be processed uniformly
Multi-purpose Canteen Hall of Shaoxing Supor	11,794,005.15	After all projects were completed, and the completion and settlement procedures were fulfilled, the property ownership certificate shall be processed uniformly
No.12 plant of Shaoxing Supor	12,065,584.66	After all projects were completed, and the completion and settlement procedures were fulfilled, the property ownership certificate shall be processed uniformly
Transformer substation (35 kV) of Shaoxing Supor	1,138,627.81	After all projects were completed, and the completion and settlement procedures were fulfilled, the property ownership certificate shall be processed uniformly
No.13 plant of Shaoxing Supor	15,681,254.01	After all projects were completed, and the completion and settlement procedures were fulfilled, the property ownership certificate shall be processed uniformly
No.14 plant of Shaoxing Supor	23,927,041.58	After all projects were completed, and the completion and settlement procedures were fulfilled, the property ownership certificate shall be processed uniformly
No.15 plant of Shaoxing Supor	41,578,209.23	After all projects were completed, and the completion and settlement procedures were fulfilled, the property ownership certificate shall be processed uniformly
Forklift charging room of Shaoxing Supor	870,216.27	After all projects were completed, and the completion and settlement procedures were fulfilled, the property ownership certificate shall be processed uniformly
Generator room of P&R Products	1,427.89	Transfer procedures of land use right certificate were not settled due to land ownership issue
Water pump building and structures of P&R Products	84,161.20	Transfer procedures of land use right certificate were not settled due to land ownership issue
Extended plant for bakelite workshop of P&R Products	185,765.51	Transfer procedures of land use right certificate were not settled due to land ownership issue

Polishing workshop of P&R Products	89,280.00	Transfer procedures of land use right certificate were not settled due to land ownership issue
Total	221,117,845.90	

14. Construction in progress

Unit: RMB

Item	Closing balance	Opening balance
Construction in progress	16,386,809.27	12,005,654.73
Total	16,386,809.27	12,005,654.73

(1) Details of construction in progress

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Piecemeal projects	4,211,093.30		4,211,093.30	82,038.73		82,038.73
Equipment payment	1,161,148.97		1,161,148.97	909,049.00		909,049.00
Warehouse project of Shaoxing Supor	11,014,567.00		11,014,567.00	11,014,567.00		11,014,567.00
Total	16,386,809.27		16,386,809.27	12,005,654.73		12,005,654.73

(2) Changes in significant projects

Unit: RMB

Items	Budgets	Opening balance	Increase	Transferred to fixed assets	Other decrease	Closing balance	Accumulated investment to budget	Completion percentage (%)	Accumulated amount of borrowing cost capitalization	Including: Amount of interest capitalization in current period	Interest capitalization rate in current period	Capital source
Piecemeal projects		82,038.73	5,353,327.92	1,224,273.25		4,211,093.30						Self-owned capital
Equipment payment		909,049.00	1,002,350.00	750,250.00		1,161,148.97						Self-owned capital
Warehouse project of Shaoxing Supor	13,578,353.00	11,014,567.00				11,014,567.00	81.12%	81.12%				Self-owned capital
Total	13,578,353.00	12,005,654.73	6,355,677.92	1,974,523.25		16,386,809.27						

15. Right-of-use assets

Unit: RMB

Item	Buildings and structures	Land	Total
I. Original Book Value			
1. Opening balance	263,207,787.03	3,228,879.08	266,436,666.11
2. Increase	33,274,002.52		33,274,002.52
3. Decrease	20,794,628.41		20,794,628.41
4. Exchange rate effect	86,943.40	103,606.63	190,550.03
5. Closing balance	275,774,104.54	3,332,485.71	279,106,590.25
II. Accumulated Depreciation			
1. Opening balance	75,512,489.83	205,213.46	75,717,703.29
2. Increase	17,956,059.41	45,652.22	18,001,711.63
(1) Provision	17,956,059.41	45,652.22	18,001,711.63
3. Decrease	4,209,908.96		4,209,908.96
(1) Disposal	4,209,908.96		4,209,908.96
4. Exchange rate effect	17,491.67	5,803.01	23,294.68
5. Closing balance	89,276,131.95	256,668.69	89,532,800.64
III. Impairment Provision			
IV. Book Value			
1. Closing book value	186,497,972.59	3,075,817.02	189,573,789.61
2. Opening book value	187,695,297.20	3,023,665.62	190,718,962.82

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

Unit: RMB

Item	Land use right	Trademark use right	Software	Pollution discharge right	Total
I. Original Book Value					
1. Opening balance	475,027,652.21	47,328,811.32	98,175,198.47		620,531,662.00
2. Increase			2,451,105.34	9,894,760.97	12,345,866.31
(1) Acquisition			2,451,105.34	9,894,760.97	12,345,866.31
(2) In-house R&D					
(3) Increase from enterprise merger					
3. Decrease			175,230.74		175,230.74

(1) Disposal			175,230.74		175,230.74
4. Impact of change in exchange rate	195,140.48		46,845.06		241,985.54
5. Closing balance	475,222,792.69	47,328,811.32	100,497,918.13	9,894,760.97	632,944,283.11
II. Accumulated Amortization					
1. Opening balance	98,466,631.62	33,085,117.90	48,962,179.32		180,513,928.84
2. Increase	4,988,679.50	2,366,440.57	4,852,728.24	989,476.10	13,197,324.41
(1) Provision	4,988,679.50	2,366,440.57	4,852,728.24	989,476.10	13,197,324.41
3. Decrease			175,230.74		175,230.74
(1) Disposal			175,230.74		175,230.74
4. Impact of change in exchange rate	70,194.98		33,891.51		104,086.49
5. Closing balance	103,525,506.10	35,451,558.47	53,673,568.33	989,476.10	193,640,109.00
III. Impairment Provision					
IV. Book Value					
1. Closing book value	371,697,286.59	11,877,252.85	46,824,349.80	8,905,284.87	439,304,174.11
2. Opening book value	376,561,020.59	14,243,693.42	49,213,019.15		440,017,733.16

At the end of the current period, the proportion of intangible assets formed through internal R&D in the balance of intangible assets was 0.00%.

17. 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	115,125,700.89	24,560,522.85	104,854,363.88	23,059,580.50
Profits not realized by internal transaction	70,134,220.01	16,985,534.50	80,178,943.70	19,496,741.80
Deductible losses	47,486,329.98	11,609,800.16	16,402,564.88	3,626,289.50
Accrued expenses	1,245,872,901.05	300,889,298.42	1,349,115,519.54	326,749,720.17
Accrued salary	33,580,670.58	8,395,167.65	42,347,931.51	10,586,982.88
Estimated liabilities	12,085,095.50	1,812,764.33	12,640,441.72	1,896,066.26
Share-based payment	82,035,458.08	18,887,300.93	51,889,706.92	12,000,187.47
Expected returns	6,212,408.79	1,483,959.74	8,355,059.11	2,052,992.64
Lease obligation	196,948,156.82	48,823,611.46	198,844,124.74	48,991,135.15
Total	1,809,480,941.70	433,447,960.04	1,864,628,656.00	448,459,696.37

(2) Un-offset deferred income tax liabilities

Item	Closing balance		Opening balance	
	Taxable temporary difference	Deferred income tax liabilities	Taxable temporary difference	Deferred income tax liabilities
Right-of-use assets	189,573,789.61	47,001,133.15	190,718,962.82	46,986,767.52
合计	189,573,789.61	47,001,133.15	190,718,962.82	46,986,767.52

(3) Deferred income tax assets or liabilities presented with net amount after offsetting

Unit: RMB

Item	Offsetting amount between deferred income tax assets and liabilities at the beginning of the period	Closing balance of deferred income tax assets or liabilities after offsetting	Offsetting amount between deferred income tax assets and liabilities at the beginning of the period	Opening balance of deferred income tax assets or liabilities after offsetting
Deferred income tax assets	47,001,133.15	386,446,826.89	46,986,767.52	401,472,928.85
Deferred income tax liabilities	47,001,133.15		46,986,767.52	

(4) Detail about unrecognized deferred income tax assets

Unit: RMB

Item	Closing balance	Opening balance
Deductible temporary difference	21,785,546.88	15,629,891.75
Deductible losses	31,090,395.45	28,216,721.82
Total	52,875,942.33	43,846,613.57

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

Unit: RMB

Year	Closing amount	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	5,232,792.23	5,232,792.23	
2028	2,873,673.63		
Total	31,090,395.45	28,216,721.82	

18. Notes payable

Unit: RMB

Type	Closing balance	Opening balance
Bank acceptance bill	1,395,862,500.00	1,057,611,900.00
Total	1,395,862,500.00	1,057,611,900.00

Other remarks

All of the above amounts represent notes payable due within one year, the amount of due unpaid notes payable was RMB 0.00 at the end of the current period.

19. Accounts payable

(1) Details

Unit: RMB

Item	Closing balance	Opening balance
Goods payment	1,230,849,669.91	1,274,889,065.48
Equipment and engineering funds	32,782,753.65	67,104,579.12
Expenses payment	1,232,773,577.43	1,293,527,903.59
Total	2,496,406,000.99	2,635,521,548.19

Other remarks:

As at June 30, 2023, Supor had no significant accounts payable with an age of more than one year (December 31, 2022: None).

20. Contract liabilities

Unit: RMB

Item	Closing balance	Opening balance
Advances on sales	480,254,227.80	1,153,932,879.53
Total	480,254,227.80	1,153,932,879.53

Unit: RMB

Item	Variation amount	Variation reason
Advances on sales	-1,153,932,879.53	Including the revenue recognized by the amount of book value of contract liabilities at the beginning of the year
Advances on sales	480,254,227.80	The amount increased due to receipt of cash (excluding the amount recognized as revenue in the current year)
Total	-673,678,651.73	

21. Employee remunerations payable

(1) Details

Unit: RMB

Item	Opening balance	Increase	Decrease	Closing balance
I. Short-term Employee Remuneration	282,609,935.60	803,028,890.22	862,803,206.31	222,835,619.51
II. Post-employment Benefits - Defined	5,885,187.48	49,626,892.19	49,245,042.83	6,267,036.84

Contribution Plan				
III. Termination Benefit	580,305.42	185,949.52	355,150.87	411,104.07
Total	289,075,428.50	852,841,731.93	912,403,400.01	229,513,760.42

(2) Details of short-term employee remuneration

Unit: RMB

Item	Opening balance	Increase	Decrease	Closing balance
1. Salary, bonus, allowance and subsidy	238,523,830.57	712,337,196.96	770,116,251.42	180,744,776.11
2. Employee services and benefits	3,768,543.21	35,310,155.44	36,265,432.01	2,813,266.64
3. Social insurance charges	4,059,152.74	26,285,014.77	26,326,563.33	4,017,604.18
Including: Occupational injuries insurance premium	316,180.86	1,884,881.88	1,921,554.57	279,508.17
Medical and Maternity insurance premium	3,742,971.88	24,400,132.89	24,405,008.76	3,738,096.01
4. Housing accumulation fund	163,804.08	21,364,095.85	21,341,685.55	186,214.38
5. Trade union fund and employee education fund	36,094,605.00	7,732,427.20	8,753,274.00	35,073,758.20
Total	282,609,935.60	803,028,890.22	862,803,206.31	222,835,619.51

Other remarks:

On March 25, 2019, the General Office of the State Council published the Opinions on Comprehensively Promoting the Merger and Implementation of Maternity Insurance and Employee Basic Medical Insurance to promote the merger and implementation of the two types of insurance.

(3) Details of defined contribution plan

Unit: RMB

Item	Opening balance	Increase	Decrease	Closing balance
1. Basic endowment insurance	5,684,246.20	48,053,674.41	47,683,344.82	6,054,575.79
2. Unemployment insurance premium	200,941.28	1,573,217.78	1,561,698.01	212,461.05
Total	5,885,187.48	49,626,892.19	49,245,042.83	6,267,036.84

(4) Termination benefit

Supor's termination benefits due to rescinding labor relations during the reporting period were RMB 355,150.87 (the same period in 2022: RMB 9,216,701.11), and the outstanding amount payable at the end of the period was RMB 411,104.07 (December 31, 2022: RMB 580,305.42).

22. Taxes payable

Unit: RMB

Item	Closing balance	Opening balance
VAT	20,167,342.75	29,951,962.61

Enterprise income tax	123,671,132.75	141,680,509.34
Individual income tax	2,700,726.31	3,309,618.70
Urban maintenance and construction tax	4,786,540.13	5,065,611.60
Housing property tax	5,629,315.21	10,036,243.48
Land use tax	4,479,469.56	6,702,356.53
Stamp tax	3,991,774.24	4,127,604.37
Education surcharge	2,053,509.20	2,201,227.48
Local education surcharge	1,389,170.52	1,533,579.16
Total	168,868,980.67	204,608,713.27

23. Other payables

Unit: RMB

Item	Closing balance	Opening balance
Other payables	139,535,730.90	137,729,222.63
Total	139,535,730.90	137,729,222.63

(1) Other payables

1) Listing by nature

Unit: RMB

Item	Closing balance	Opening balance
Deposit as security	107,553,491.57	99,096,157.97
Temporary receipts payable	12,103,726.46	21,538,362.25
Others	19,878,512.87	17,094,702.41
Total	139,535,730.90	137,729,222.63

24. Non-current liabilities due within one year

Unit: RMB

Item	Closing balance	Opening balance
Lease obligations due within one year	45,009,692.66	41,924,940.24
Total	45,009,692.66	41,924,940.24

25. Other current liabilities

Unit: RMB

Item	Closing balance	Opening balance
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Refund payable	16,211,128.43	22,621,360.23
Endorsed bank acceptance bill unrecognized	16,967,274.33	22,383,800.87
Output tax to be written-off	61,606,353.03	149,694,451.88
Total	94,784,755.79	194,699,612.98

26. Lease obligation

Unit: RMB

Item	Closing balance	Opening balance
Long-term lease obligations	187,365,120.99	192,704,856.82
Minus: Lease obligations due within one year	-45,009,692.66	-41,924,940.24
Total	142,355,428.33	150,779,916.58

Other remarks:

Supor also rented employee dormitories, temporary warehouses, etc. for a lease term up to one year, representing short-term leases. Supor had chosen not to recognize the right-of-use assets and lease obligations for these leases.

27. Long-term employee remunerations payable

(1) Details

Unit: RMB

Item	Closing balance	Opening balance
II. Termination Benefit	1,255,162.03	1,441,111.55
Total	1,255,162.03	1,441,111.55

28. Estimated liabilities

Unit: RMB

Item	Closing balance	Opening balance	Reasons for the balance
Pending lawsuit	10,688,727.50	11,150,000.00	For details, please refer to Note XIV. "Commitments and Contingencies"
Financial guarantee contract	1,396,368.00	1,490,441.72	For details, please refer to Note XIV. "Commitments and Contingencies"
Total	12,085,095.50	12,640,441.72	

29. Share capital

Unit: RMB

	Opening balance	Increase/decrease in the period (+, -)					Closing balance
		New shares	Shares bonus	Convert ed capital	Others	Subtotal	

Total shares	808,654,476.00				-1,945,819.00	-1,945,819.00	806,708,657.00
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Other remarks:

The decrease in share capital in this year was RMB 1,945,819.00, including the repurchase and deregistration of 75,750 restricted shares from the separated equity incentive objects at the price of RMB 1 per share, resulting in the corresponding decrease of share capital in the amount of RMB 75,750.00. The 19th Session of the Seventh Board of Directors of the Company reviewed and adopted the *Proposal on Terminating the Public Shares Repurchase Plan*. It decided to terminate the implementation of the *Proposal on Public Shares Repurchase Plan* adopted by the Annual General Meeting of Shareholders for 2021 Fiscal Year. A total of 1,870,069 repurchased shares was cancelled, resulting in the corresponding decrease of share capital by RMB 1,870,069.00.

30. Capital reserve

Unit: RMB

Item	Opening balance	Increase	Decrease	Closing balance
Other capital reserve	125,368,989.44	26,960,674.13		152,329,663.57
Total	125,368,989.44	26,960,674.13		152,329,663.57

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

1) The increase of RMB 26,960,674.13 in other capital reserves in the current period refers to ① The equity-settled share-based payment amount of RMB 26,177,298.00 in the current period included in the capital reserve (other capital reserves), as detailed in Note XIII. "Description of Share-based Payment" to these financial statements. ② The estimated deductible amount of the share-based payment in the future of this year exceeded the cost recognized in the waiting period. The deferred income tax assets formed by the excess of RMB 783,376.13 were directly included into the capital reserve - other capital reserves.

31. Treasury shares

Unit: RMB

Item	Opening balance	Increase	Decrease	Closing balance
treasury share	99,724,823.49	230,205,750.50	91,733,144.12	238,197,429.87
Total	99,724,823.49	230,205,750.50	91,733,144.12	238,197,429.87

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

1) The 12th Session of the Seventh Board of Directors of the Company and the Annual General Meeting of Shareholders for 2021 Fiscal Year reviewed and adopted the *Proposal on Public Shares Repurchase Plan*. The Company planned to use its own funds to buy back its shares for the write-off and decrease of the registered capital and the implementation of equity incentives. The increase in this year was that the Company repurchased 1,545,000 shares of the Company from the secondary market in the form of centralized competitive trading during the reporting period, totaling RMB 79,937,608.83, and the repurchase handling fee was RMB 8,073.73.

2) The 19th Session of the Seventh Board of Directors and the Annual General Meeting of Shareholders for 2022 Fiscal Year of the Company reviewed and adopted the *Proposal on Public Shares Repurchase Plan*. The Company planned to use self-owned capital to buy back its shares for the write-off and decrease of the registered capital and the implementation of equity incentives. The increase in the current period was that, during the reporting period, the Company repurchased 3,160,000 shares of the Company from the secondary market by way of centralized competitive bidding transactions, amounting to RMB 150,244,885.00, plus a repurchase handling fee of RMB 15,182.94.

3) The annual decrease of the treasury share capital was RMB 91,733,144.12. ① The 19th Session of the Seventh Board of Directors of the Company reviewed and adopted the *Proposal on Terminating the Public Shares Repurchase Plan*. It decided to terminate the

implementation of the *Proposal on Public Shares Repurchase Plan* adopted by the Annual General Meeting of Shareholders for 2021 Fiscal Year. A total of 1,870,069 shares was repurchased and cancelled during the reporting period, resulting in the corresponding decrease of share capital by RMB 88,006,804.12.

② According to the *Proposal on Grant of Postponed Portion of Restricted Stock to Incentive Objects* reviewed and adopted at the 18th Session of the Seventh Board of Directors and the 17th Session of the Seventh Board of Supervisors held on January 31, 2023, 79,000 restricted shares were granted to incentive objects this year, with the grant amount of RMB 3,729,590. At the same time, the treasury shares and the liabilities for repurchase obligations were recognized at RMB 79,000 based on the number of restricted stocks issued and the corresponding repurchase price of RMB 1 per share.

③ At the 14th Session of the Seventh Board of Directors of the Company, for disqualification of thirteen incentive objects due to their resignation, the Company decided to repurchase and cancel 53,000 shares of Restricted Stock at the price of RMB 1 per share, with the decrease of the repurchase obligation by RMB 53,000 accordingly. At the 19th Session of the Seventh Board of Directors of the Company, for disqualification of six incentive objects due to their resignation, the Company decided to repurchase and cancel 22,750 shares of Restricted Stock at the price of RMB 1 per share, with the decrease of the repurchase obligation by RMB 22,750 accordingly.

32. Other comprehensive incomes

Unit: RMB

Item	Opening balance	Amount incurred during this period						Closing balance
		Current period cumulative before income tax	Minus: Other comprehensive incomes carried forward transferred to profits and losses	Minus: Other comprehensive incomes carried forward transferred to retained earnings	Minus: Income tax expenses	Attributable to parent company	Attributable to minority shareholder	
II. Other Comprehensive Incomes to Be Reclassified into the Profit and Loss	-20,454,823.26	17,969,332.42				17,051,537.83	917,794.59	-3,403,285.43
Conversion difference in foreign currency financial statement	-20,454,823.26	17,969,332.42				17,051,537.83	917,794.59	-3,403,285.43
Total other comprehensive income	-20,454,823.26	17,969,332.42				17,051,537.83	917,794.59	-3,403,285.43

33. Surplus reserves

Unit: RMB

Item	Opening balance	Increase	Decrease	Closing balance
Statutory surplus reserve	356,924,811.32	11,295,563.32	86,136,735.12	282,083,639.52

Total	356,924,811.32	11,295,563.32	86,136,735.12	282,083,639.52
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Remarks on surplus reserve (including increase and decrease in current period and variation reason):

The decrease of surplus reserve in the current period was because of the Company's deregistration of 1,870,069 repurchased shares, where the amount of difference between the price paid for the repurchased shares and the face value of the shares was adjusted to offset the capital reserve-share capital premium, and the insufficient part shall be used to offset the surplus reserve by RMB 86,136,735.12. The increase in the current period was due to the surplus reserve balance after cancellation of repurchased shares was less than 50% of the registered capital of the Company, so the surplus reserve was increased by RMB 11,295,563.32.

34. Undistributed profits

Unit: RMB

Item	Current period	Preceding period
Undistributed profits at the end of last period before adjustment	5,865,316,233.53	6,451,748,564.12
Undistributed profits at period beginning after adjustment	5,865,316,233.53	6,451,748,564.12
Plus: Net profit attributable to owners of the parent company	880,618,279.78	932,849,164.03
Minus: withdrawal of statutory surplus reserve	11,295,563.32	
Common share dividends payable	2,439,504,228.21	1,559,494,958.68
Grant restricted stock	3,650,590.00	76,150,757.24
Undistributed profits at the end of the period	4,291,484,131.78	5,748,952,012.23

Adjustment of undistributed profits at period beginning:

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

35. Operating incomes and costs

Unit: RMB

Item	Amount incurred during this period		Amount incurred during prior period	
	Revenue	Cost	Revenue	Cost
Revenue from main business	9,872,392,009.04	7,352,664,336.65	10,256,439,431.57	7,622,713,387.19
Revenue from other operations	110,224,431.69	92,164,920.06	67,540,313.25	47,736,567.42
Total	9,982,616,440.73	7,444,829,256.71	10,323,979,744.82	7,670,449,954.61

Information related to revenue:

Unit: RMB

Contract classification	Total
Commodity type	
Including:	
Cookware and utensil	2,516,239,088.69
Electrical cooking	4,495,040,148.58
Food cooking appliance	1,691,379,401.26
Other domestic appliances	1,279,957,802.20
Classified by business area	
Wherein:	
Domestic sales	7,501,764,475.40
Export sales	2,480,851,965.33

Information related to performance obligations:

None

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

At the end of this reporting period, the amount of revenue corresponding to the performance obligations that had been signed but had not been performed or not yet completed was RMB 480,254,227.80, of which RMB 480,254,227.80 was expected to be recognized as income in 2023 Fiscal Year.

36. Taxes and surcharges

Unit: RMB

Item	Amount incurred during this period	Amount incurred during prior period
Urban maintenance and construction tax	28,302,388.21	34,278,449.74
Education surcharge	12,198,871.58	14,678,925.15
Housing property tax	6,001,349.28	6,514,302.51
Land use tax	-1,095,848.57	-1,684,552.99
Vehicle and vessel use tax	24,666.40	27,176.40
Stamp tax	7,496,718.40	3,852,928.84
Local education surcharge	8,132,580.98	9,785,950.09
Environmental protection tax	24,982.96	46,908.98
Total	61,085,709.24	67,500,088.72

Other remarks

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

37. Sales expenses

Unit: RMB

Item	Amount incurred during	Amount incurred during
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	this period	prior period
Advertising, sales promotion, and special gift expenses	804,802,932.70	793,740,249.03
Employee remuneration	186,421,466.63	200,599,623.31
Office and business traveling expenses	69,697,274.57	58,158,944.19
Others	37,478,960.84	26,086,187.57
Total	1,098,400,634.74	1,078,585,004.10

38. Administrative expenses

Unit: RMB

Item	Amount incurred during this period	Amount incurred during prior period
Employee remuneration	116,970,686.38	109,519,189.69
Office, business traveling and depreciation and amortization expenses	38,412,018.68	38,758,513.91
Equity incentive expenses	16,286,046.00	21,404,889.90
Others	17,364,037.34	18,975,433.26
Total	189,032,788.40	188,658,026.76

39. R&D expenses

Unit: RMB

Item	Amount incurred during this period	Amount incurred during prior period
Employee remuneration	98,660,270.10	97,605,516.41
Trial production experiment cost and consumption expenditure	16,372,788.48	45,231,026.76
New product design cost	21,374,954.51	21,083,513.80
Patent and external institutional fees	22,692,517.92	20,485,620.53
Others	15,283,271.41	10,076,125.92
Total	174,383,802.42	194,481,803.42

40. Financial expenses

Unit: RMB

Item	Amount incurred during this period	Amount incurred during prior period
Interest expense of loans and accounts payable	1,741,376.23	80,604.70
Interest revenue of deposits and receivables	-49,382,432.80	-32,112,351.33
Interest expense of lease obligations	5,459,272.66	4,729,836.91
Gain or loss on net foreign exchange	-2,424,046.37	-16,222,180.30

Handling fee and other financial expenses	2,354,288.69	2,708,735.34
Total	-42,251,541.59	-40,815,354.68

41. Other incomes

(1) Classification of other income

Unit: RMB

Source of other revenues	Amount incurred during this period	Amount incurred during prior period
Government subsidies concerning daily activities	29,022,563.56	39,595,641.01
Refund of handling fee for withholding individual income tax	1,188,758.28	1,092,207.14
Total	30,211,321.84	40,687,848.15

(2) Government subsidies concerning daily activities

Unit: RMB

Subsidy item	Amount incurred during this period	Amount incurred during prior period	Related to assets/income
Project subsidy	1,729,084.60	11,916,692.79	Related to benefits
Government reward	2,894,000.00	9,700,000.00	Related to benefits
Tax returns	24,399,478.96	17,978,948.22	Related to benefits
Total	29,022,563.56	39,595,641.01	

42. Investment income

Unit: RMB

Item	Amount incurred during this period	Amount incurred during prior period
Income from long-term equity investments under the equity method	-460,529.47	-457,219.85
Investment income from disposal of transactional financial assets	7,170,581.56	2,801,323.05
Interest from term deposit	5,852,397.27	29,159,105.64
Investment income of debt investment during the holding period	18,450,770.17	6,713,635.48
Total	31,013,219.53	38,216,844.32

43. Gains from changes in fair value

Unit: RMB

Resource for gains from changes in fair value	Amount incurred during this period	Amount incurred during prior period
Transactional financial assets	129,103.13	550,529.85
Total	129,103.13	550,529.85

44. Credit impairment loss

Unit: RMB

Item	Amount incurred during this period	Amount incurred during prior period
Loss for bad debts of other receivables	-504,792.54	-473,075.27
Accounts receivable	-12,624,888.07	25,130,551.51
Financial guarantee contract	94,073.72	564,964.97
Total	-13,035,606.89	25,222,441.21

45. Asset impairment loss

Unit: RMB

Item	Amount incurred during this period	Amount incurred during prior period
II. Loss on Inventory Depreciation and Impairment Loss of Contract Performance Cost	-5,771,681.15	-16,045,044.53
Total	-5,771,681.15	-16,045,044.53

46. Assets disposal income

Unit: RMB

Source of assets disposal income	Amount incurred during this period	Amount incurred during prior period
Profits from disposal of non-current assets (loss is filled by "-")	-1,528,389.30	-498,368.94
Proceeds from the disposal of the right-of-use assets	530,406.83	304,915.84
Total	-997,982.47	-193,453.10

47. Non-operating incomes

Unit: RMB

Item	Amount incurred during this period	Amount incurred during prior period	Amount included into non-recurring profit or loss of the current period
Damage and scrapping gains of non-current assets	157,741.35	125,962.34	157,741.35
Including: Gains from scrap of fixed assets	157,741.35	125,962.34	157,741.35
Default fine revenue	939,310.46	937,976.52	939,310.46
Others	592,034.76	1,224,315.17	592,034.76
Total	1,689,086.57	2,288,254.03	1,689,086.57

48. Non-operating expenses

Unit: RMB

Item	Amount incurred during this period	Amount incurred during prior period	Amount included into non-recurring profit or loss of the current period
Donation expenditures	1,162,779.05	1,120,000.02	1,162,779.05
Damage and scrapping losses of non-current assets	765,667.84	245,051.52	765,667.84
Including: Losses from scrapping of fixed assets	765,667.84	245,051.52	765,667.84
Others	315,030.27	1,531,257.29	315,030.27
Total	2,243,477.16	2,896,308.83	2,243,477.16

49. Income tax expenses

(1) Details

Unit: RMB

Item	Amount incurred during this period	Amount incurred during prior period
Current period income tax expenses	203,086,520.76	316,759,106.44
Deferred income tax expenses	15,809,478.09	2,497,447.66
Total	218,895,998.85	319,256,554.10

(2) Reconciliation of accounting profit to income tax expenses

Unit: RMB

Item	Amount incurred during this period
Total profit	1,098,129,774.21
Income tax expenses based on statutory/applicable tax rate	274,532,443.55
Effect of different tax rate applicable to subsidiaries	-55,240,108.52
Effect of prior income tax reconciliation	-3,407,872.49
Effect of deductible temporary differences or deductible losses of unrecognized deferred income tax assets in the current period	3,019,072.51
Effect of tax rate variation on deferred income taxes balance at the beginning of the period	-7,536.20
Income tax expenses	218,895,998.85

50. Other comprehensive incomes

Refer to Notes 32 for details.

51. Cash flow statement items**(1) Other cash receipts related to operating activities**

Unit: RMB

Item	Amount incurred during this period	Amount incurred during prior period
Receipt of government subsidies	4,623,084.60	22,708,899.93
Receipt of deposit, security and staff reserve fund loan	9,037,333.60	10,386,022.99
Interest revenues	21,191,658.08	22,572,015.53
Others	22,693,410.19	10,594,834.36
Total	57,545,486.47	66,261,772.81

(2) Other cash payments related to operating activities

Unit: RMB

Item	Amount incurred during this period	Amount incurred during prior period
Cash payment for sales expense	984,966,555.13	899,665,674.62
Cash payment for administrative expenses	70,192,567.60	60,907,658.14
Cash payment for R&D expenses	74,575,724.73	109,717,018.05
Donations payment	694,727.20	673,091.00
Other payments	1,784,876.82	5,512,875.25
Total	1,132,214,451.48	1,076,476,317.06

(3) Other cash receipts related to investing activities

Unit: RMB

Item	Amount incurred during this period	Amount incurred during prior period
Recovery of principal of financial products and term deposits	2,647,094,578.70	1,380,000,000.00
Total	2,647,094,578.70	1,380,000,000.00

(4) Other cash payments related to investing activities

Unit: RMB

Item	Amount incurred during this period	Amount incurred during prior period
Cash payment for financial products and term deposit	1,540,000,000.00	550,000,000.00
Total	1,540,000,000.00	550,000,000.00

(5) Other cash receipts related to financing activities

Unit: RMB

Item	Amount incurred during this period	Amount incurred during prior period
Receipt of equity incentive payments	79,000.00	
Total	79,000.00	

(6) Other cash payments related to financing activities

Unit: RMB

Item	Amount incurred during this period	Amount incurred during prior period
Repurchase of shares and handling fees	230,205,750.50	58,185,415.23
Cash paid for repayment of lease obligation principal and interest	32,865,808.90	21,490,157.99
Total	263,071,559.40	79,675,573.22

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

Unit: RMB

Supplement information	Amount in the current period	Amount of last period
1. Reconciliation of net profit to cash flow from operating activities:		
Net profit	879,233,775.36	933,694,778.89
Plus: Impairment provision of assets	5,771,681.15	16,045,044.53
Credit impairment loss	13,035,606.89	-25,222,441.21
Depreciation of fixed assets, oil and gas assets, productive biological assets	66,601,089.78	62,262,292.80
Depreciation of right-of-use assets	18,001,711.63	22,473,391.88
Amortization of intangible assets	13,197,324.41	11,583,100.10
Amortization of long-term unamortized expenses		
Loss on disposal of fixed assets, intangible assets and other long-term assets ("-" for gains)	997,982.47	193,453.10
Fixed assets retirement loss ("-" for gains)	607,926.49	119,089.18
Losses from changes in fair value ("-" for revenue)	-129,103.13	-550,529.85
Financial expenses ("-" for gains)	-2,424,046.38	-16,222,180.30
Investments losses ("-" for gains)	-31,013,219.53	-38,216,844.32
Decrease of deferred income tax assets ("-" for increase)	15,026,101.96	2,497,447.66
Increase of deferred income tax liabilities ("-" for decrease)		

Decrease in inventories ("-" for increase)	554,366,591.39	799,978,326.78
Decrease in operating receivables ("-" for increase)	-214,465,453.45	510,296,788.15
Increase in operating payables ("-" for decrease)	-789,944,755.92	-933,306,325.73
Others	26,177,298.00	-36,780,525.33
Net cash flows from operating activities	555,040,511.12	1,308,844,866.33
2. Significant investing and financing activities not related to cash receipts and payments:		
Conversion of debt into capital		
Convertible bonds to be matured within one year		
Fixed assets under financing lease		
3. Net changes in cash and cash equivalents:		
Closing balance of cash	1,344,219,071.30	3,008,602,558.47
Minus: Opening balance of cash	2,395,932,752.38	2,443,731,679.06
Plus: Closing balance of cash equivalents		
Minus: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	-1,051,713,681.08	564,870,879.41

(2) Cash and cash equivalents

Unit: RMB

Item	Closing balance	Opening balance
I. Cash	1,344,219,071.30	2,395,932,752.38
Including: Cash on hand	61,638.32	56,591.47
Cash in bank on demand for payment	1,319,747,410.78	2,361,573,752.74
Other monetary capitals on demand for payment	24,410,022.20	34,302,408.17
III. Balance of Cash and Cash Equivalents at the End of the Period	1,344,219,071.30	2,395,932,752.38

53. Assets with title or use right restrictions

Unit: RMB

Item	Closing book value	Reasons for restrictions
Monetary capital	58,000,000.00	Receipt of Deposit security for advance payment financing
Monetary capital	405,723,750.00	Bank acceptance bill security
Monetary capital	948,609.32	Security and frozen funds of e-commerce platforms
Total	464,672,359.32	

54. Foreign currency monetary items**(1) Foreign currency monetary items**

Unit: RMB

Item	Closing balance in foreign currencies	Conversion rate	RMB equivalent
Monetary capital			
Including: USD	35,123,484.51	7.2258	253,795,274.37
EUR	29,790.45	7.8771	234,662.35
GBP	18,829.55	9.1432	172,162.34
VND	15,517,007,067.80	0.000306438	4,755,000.61
SGD	93,543.07	5.3442	499,912.87
IDR	26,638,257,912.92	0.000484	12,892,916.83
Accounts receivable			
Including: USD	24,350,640.75	7.2258	175,952,859.93
VND	9,307,668,834.50	0.000306438	2,852,223.42
IDR	5,957,592,898.00	0.000484	2,883,474.96
Accounts payable			
Including: USD	2,148,315.58	7.2258	15,523,298.72
EUR	232.00	7.8771	1,827.49
VND	72,558,811,220.86	0.000306438	22,234,776.99
SGD	30,230.00	5.3442	161,555.17
IDR	2,870,399,839.45	0.000484	1,389,273.52

(2) Description of overseas business entities, including important overseas business entities, shall disclose their principal overseas place of business, the recording currency and the basis for selection, and shall also disclose the reasons for changes in the recording currency.

☐ Applicable ☒ Not-applicable

VIII. Change on Merger Scope**1. Others**

During the current period, the Company has not changed the merger scope.

IX. Equity in Other Entities

1. Equity in subsidiaries

(1) Structure of enterprise group

Subsidiary name	Main operating place	Place of registration	Business nature	Shareholding ratio		Acquisition method
				Direct	Indirect	
Zhejiang Supor Electrical Appliances 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
Shanghai WMF Enterprise Development 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 Products Co., Ltd. [Note 1]	Shaoxing	Shaoxing	Manufacturing industry	100.00%		Establishment

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

Explanation on shareholding ratio in subsidiary different from voting ratio:

Note 1: The following are abbreviations: Zhejiang Supor Electrical, Shaoxing Supor, Supor Vietnam, Wuhan Recycling, Wuhan Supor Cookware, Omegna, Shanghai Marketing, Wuhan Supor Pressure Cooker, P&R Products, Wuhan Supor, Yuhuan Sales, SEADA, AFS, Shanghai WMF Enterprise Development, Zhejiang WMF Housewares, Shaoxing Supor Housewares, Supor Large Kitchen Appliance, Supor Water Heater, Hainan Supor E-commerce Company and Hainan Tefal Trade Company.

Note 2: This is a 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% equity of SEADA, and SEB INTERNATIONALE S.A.S holds 49% equity of the Company; AFS is a subsidiary totally held by SEADA.

Note 4: PT GROUPE SEB INDONESIA MSD was established jointly by SEADA, a subsidiary of the Company and PT MULTIFORTUNA in Indonesia. 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% of the shares, and Supor Group Co., Ltd. holds 48% of the shares.

Note 6: Hainan Supor E-commerce Company and Hainan Tefal Trade Company are wholly owned subsidiaries of Zhejiang Supor Electrical.

(2) Significant not wholly-owned subsidiaries

Unit: RMB

Subsidiary name	Holding proportion of minority shareholder	Profit or loss attributable to minority shareholder	Dividend declared to minority shareholder	Balance of minority shareholders' equities at the end of the period
SEADA	49.00%	-222,946.74		7,452,890.87
AFS	49.00%	70,730.19		-11,325.01
Indonesian Company	33.33%	-1,451,131.79		651,539.62
Supor Water Heater	48.00%	218,843.92		28,045,509.43

(3) Main financial information of significant not wholly-owned subsidiaries

Unit: RMB

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	4,138,635.37	14,300,619.92	18,439,255.29	15,226,589.63		15,226,589.63	3,763,157.10	13,869,963.20	17,633,120.30	14,241,765.93		14,241,765.93
AFS	3,303,781.58	511,819.52	3,815,601.10	925,211.54	386,931.12	1,312,142.66	3,389,845.91	568,960.44	3,958,806.35	1,070,523.05	439,200.49	1,509,723.54
Indonesian Company	20,533,333.35	3,175,723.11	23,709,056.46	4,681,488.30	429,674.78	5,111,163.08	19,265,234.13	4,387,418.29	23,652,652.42	3,939,053.83	487,307.49	4,426,361.32
Supor Water Heater	78,082,085.88	3,522,858.45	81,604,944.33	23,061,316.75		23,061,316.75	81,886,479.37	4,198,450.08	86,084,929.45	27,883,742.19		27,883,742.19

Unit: RMB

Subsidiary name	Amount incurred during this period				Amount incurred during prior 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	301,678.75	-276,008.93	-178,688.71	72,408.63	487,263.80	880,735.29	946,504.87	202,599.96
AFS		144,347.33	233,715.07	1,656,447.93		159,433.94	238,911.66	913,081.75
Indonesian Company	8,025,028.37	-2,198,684.55	-628,397.72	736,297.67	7,834,711.92	699,115.39	811,416.04	699,146.18
Supor Water Heater	24,936,793.54	342,440.32	342,440.32	651,978.54	32,635,218.27	845,088.15	845,088.15	-1,246,208.23

2. Equity in joint venture or associated enterprises

(1) Significant joint venture or associated enterprises

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 enterprises
				Direct	Indirect	
Wuhan Anzai Cookware Co., Ltd.	Wuhan	Wuhan	Manufacturing industry	30.00%		Equity method

(2) Main financial information of significant associated enterprise

Unit: RMB

	Closing balance/amount incurred during this period	Opening balance/Amount incurred during prior period
Current assets	119,924,534.32	127,719,328.09
Non-current assets	39,161,059.60	41,540,448.40
Total assets	159,085,593.92	169,259,776.49
Current liabilities	28,018,332.45	36,684,125.15
Non-current liabilities	472,500.00	540,000.00

Total liabilities	28,490,832.45	37,224,125.15
Shareholders' equities attributable to the parent company	130,594,761.47	132,035,651.34
Proportionate share in net assets	39,178,428.44	39,610,695.40
Adjusting events		
--Goodwill	22,585,444.13	22,585,444.13
Book value of investments in associated enterprises	61,763,872.57	62,196,139.53
Operating income	89,427,598.31	107,194,897.86
Net profit	-1,440,889.88	-1,936,776.60
Total comprehensive income	-1,440,889.88	-1,936,776.60

X. Risks Related To Financial Instruments

(I) Risk management objectives and policies

Supor aims to seek the appropriate balance between the risks and benefits from its use of financial instruments and to minimize the adverse effects of risks on Supor's financial performance. 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 is the risk that the Company may encounter fluctuation in fair value of financial instruments or future cash flows due to changes in exchange rate. Supor's foreign currency risk relates mainly to foreign currency monetary assets and liabilities of Supor. 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 of Supor.

Sensitivity analysis:

Assuming that other risk variables other than the exchange rate remain unchanged, the increase in shareholders' equities and net profits due to the 1% appreciation of RMB due to the change in exchange rate of RMB against all foreign currencies as at June 30 of Supor will be as follows. This influence is translated into RMB at the spot rate on the balance sheet date.

	Shareholders' equities	Net profit
June 30, 2023		
USD	820,940.81	820,940.81
EUR	1,860.65	1,860.65
GBP	1,463.38	1,463.38
VND	-117,020.42	-117,020.42
SGD	2,807.59	2,807.59
IDR	112,219.52	112,219.52
Total	822,271.53	822,271.53

December 31, 2022		
USD	3,877,846.10	3,877,846.10
EUR	1,792.50	1,792.50
GBP	2.15	2.15
VND	358,356.14	358,356.14
SGD	1,893.94	1,893.94
IDR	74,978.65	74,978.65
Total	4,314,869.48	4,314,869.48

(2) Interest risk - risk for cash flow changes

Interest risk is the risk that the Company may encounter fluctuation in fair value of financial instruments or future cash flows due to market rate. As of June 30, 2023, Supor had no balance of borrowings. Supor's gross profits and shareholders' equities will not be 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 is mainly deposited in creditworthy financial institutions, and the entrusted financial products are issued by creditworthy financial institutions. The management considers that there is not any significant credit risk and it is not expected to create losses to Supor as a result of default by the counterparty.

The exposure of the maximum credit risk assumed by Supor is the book value of each financial asset in the balance sheet (including derivative financial instruments). Except for the financial guarantee provided by Supor in Note XIV, Supor has not provided any other guarantee that may expose Supor to credit risk. 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 Supor is mainly bank acceptance bill 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 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, 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.

Supor's accounts receivable from related party SEB S.A. and its affiliates accounted for 61.84% of closing balance (December 31, 2022: 50.14%), and the Company's account receivables were expected to have less credit risk. As the Company's credit risks fall into several business partners and customers, as of June 30, 2023, 21.52% (December 31, 2022: 26.43%) of the total accounts receivable was due from the five largest customers of the Company after deducting receivables from related party SEB S.A. and its affiliates. The Company has 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 amount of accounts receivable that is not past due and not impaired, the amount that is past due but not impaired, and the overdue aging of Supor is as follows:

Unit: RMB

Item	Closing balance				
	Neither past due nor impaired	Past due but not impaired			Total
		Within 1 year	1-2 years	Over 2 years	
Notes receivable	20,847,819.64				20,847,819.64
Receivables financing	238,173,347.65				238,173,347.65
Other receivables	744,280.34				744,280.34
Subtotal	259,765,447.63				259,765,447.63

(Continued)

Item	Beginning balance				
	Neither past due nor impaired	Past due but not impaired			Total
		Within 1 year	1-2 years	Over 2 years	
Notes receivable	27,325,952.95				27,325,952.95
Receivables financing	235,957,044.34				235,957,044.34
Other receivables	1,237,388.33				1,237,388.33
Subtotal	264,520,385.62				264,520,385.62

(b) For individually accrued impairment receivables, please refer to related description on Note VII. "4. Accounts receivable" in the notes to the financial statements.

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 the structure of assets and 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	1,859,681,088.15	1,859,681,088.15			1,859,681,088.15
Transactional financial assets	250,129,103.13	250,129,103.13			250,129,103.13
Notes receivable	20,847,819.64	20,847,819.64			20,847,819.64
Accounts receivable	2,253,001,396.06	2,253,001,396.06			2,253,001,396.06

Receivables financing	238,173,347.65	238,173,347.65			238,173,347.65
Other receivables	17,444,244.73	17,444,244.73			17,444,244.73
Other debt investment	1,103,225,054.80	312,025,000.00	849,875,000.00		1,161,900,000.00
Other current assets [Note]	220,760,000.00	220,760,000.00			220,760,000.00
Subtotal	5,963,262,054.16	5,172,061,999.36	849,875,000.00		6,021,936,999.36
Financial liabilities					
Notes payable	1,395,862,500.00	1,395,862,500.00			1,395,862,500.00
Accounts payable	2,496,406,000.99	2,496,406,000.99			2,496,406,000.99
Other payables	139,535,730.90	139,535,730.90			139,535,730.90
Other current liabilities	16,967,274.33	16,967,274.33			16,967,274.33
Lease obligation	187,365,120.99	51,912,604.58	136,825,291.71	23,603,643.02	212,341,539.31
Subtotal	4,236,136,627.21	4,100,684,110.80	136,825,291.71	23,603,643.02	4,261,113,045.53

Note: Other current assets are term deposits for the purpose of obtaining benefits.

(Continued)

Item	Beginning balance				
	Book value	Within 1 year	1-3 years	Over 3 years	Total
Financial assets					
Monetary capital	3,563,140,907.75	3,563,140,907.75			3,563,140,907.75
Transactional financial assets	431,382,527.79	431,382,527.79			431,382,527.79
Notes receivable	27,325,952.95	27,325,952.95			27,325,952.95
Accounts receivable	1,926,518,118.38	1,926,518,118.38			1,926,518,118.38
Receivables financing	235,957,044.34	235,957,044.34			235,957,044.34
Other receivables	16,373,697.26	16,373,697.26			16,373,697.26
Other debt investment	1,056,952,424.68	33,150,000.00	1,101,237,500.00		1,134,387,500.00
Other current assets [Note]	381,101,095.89	381,101,095.89			381,101,095.89
Subtotal	7,638,751,769.04	6,614,949,344.36	1,101,237,500.00		7,716,186,844.36
Financial liabilities					
Notes payable	1,057,611,900.00	1,057,611,900.00			1,057,611,900.00
Accounts payable	2,635,521,548.19	2,635,521,548.19			2,635,521,548.19
Other payables	137,729,222.63	137,729,222.63			137,729,222.63
Other current liabilities	22,383,800.87	22,383,800.87			22,383,800.87
Lease obligation	192,704,856.82	48,581,182.84	108,232,041.03	45,611,911.42	202,425,135.29
Subtotal	4,045,951,328.51	3,901,827,654.53	108,232,041.03	45,611,911.42	4,055,671,606.98

Note: Other current assets are term deposits for the purpose of obtaining benefits.

(II) Transfer of financial assets

Transferred but not wholly derecognized financial assets

For details, please refer to Note VII. "3. Notes receivable" and "25. Other current liabilities".

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	Level 2	Level 3	Total
I. Recurring Fair Value Measurement	--	--	--	--
(I) Transactional financial assets			250,129,103.13	250,129,103.13
(II) Other debt investments		1,103,225,054.80		1,103,225,054.80
(III) Receivables financing				
(1) Notes receivable		238,173,347.65		238,173,347.65
II. Non-continued Measurement of Fair Value	--	--	--	--

2. Basis for determining the market value of continuous and non-continuous Level 1 fair value measurement items

None

3. Qualitative and quantitative information of continuous and non-continuous Level 2 fair value measurement items, valuation techniques adopted and important parameters

The fair value of other debt investments and receivables financing is calculated and determined by the method of discounted future cash flows.

4. Qualitative and quantitative information of continuous and non-continuous Level 2 fair value measurement items, valuation techniques adopted and important parameters

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

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

As at June 30, there was not a significant difference between the book value and fair value of Supor's various financial assets and financial liabilities.

XII. Related Parties and Related Transactions

1. Parent company

Parent company name	Place of registration	Business nature	Registered capital	Holding proportion over the Company (%)	Voting right proportion over the Company (%)
SEB INTERNATIONALE S.A.S	France	Investment company	EUR 830 million	82.64%	82.64%

Explanation on the parent company of Supor

Business scope of the parent company: equity participation in all kinds of French and overseas enterprises (regardless operation purpose), namely, purchase and subscription of shares, bonds, company shares and interest, various securities and marketable securities, and transfer of such securities or notes, all financial operations related to equity participation, purchase, manufacturing and selling of home appliances 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.

Supor'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 ventures or associated enterprises" for details on the Company's significant joint ventures and associates.

Details of other joint ventures or associated enterprises carrying out related party transactions with the Company in current period or in preceding 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	Relationship between other related parties and the Company
SEB S.A.	Final controlling shareholder
SEB ASIA LTD.	Same controlling shareholder
TEFAL S.A.S.	Same controlling shareholder with the 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
Supor Group Co., Ltd.	Company controlled by related natural person
ETHERA	Same controlling shareholder with the controlling shareholder
SEB Professional (Shanghai) Co., Ltd.	Same controlling shareholder
WMF GROUPE GMBH	Same controlling shareholder
GROUPE SEB VIETNAM JOINT STOCK COMPANY	Same controlling shareholder
GROUPE SEB THAILAND	Same controlling shareholder
Emsa Taicang Co., Ltd.	Same controlling shareholder
Wmf (heshan) Manufacturing Company Limited	Same 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 KOREA, LTD	Same controlling shareholder
ROWENTA FRANCE	Same controlling shareholder with the controlling shareholder
Saichuang (Zhejiang) Technology Co., Ltd.	Same controlling shareholder
Zhejiang Nanyang Pharmaceutical Sales Co., Ltd.	Company controlled by related natural person

5. Related transactions

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

Purchase of commodities and receiving of services

Unit: RMB

Related parties	Contents of related transaction	Amount incurred during this period	Transaction quota granted	Exceeding transaction limit or not	Amount incurred during prior period
Wuhan Anzai Cookware Co., Ltd.	Finished products	63,625,052.86		No	64,451,093.92
Wuhan Anzai Cookware Co., Ltd.	Accessories	25,626,690.95		No	42,746,852.61
GROUPE SEB EXPORT	Finished products	1,151,986.78		No	4,569,624.34
TEFAL S.A.S.	Accessories	4,737,263.35		No	5,564,791.38
LAGOSTINA S.P.A.	Finished products	393,590.48		No	2,194,942.00
SEB INTERNATIONAL SERVICE S.A.S.	Accessories	84,055.57		No	234,206.73
SEB INTERNATIONAL SERVICE S.A.S.	Finished products	12,778.10		No	

SEB ASIA LTD.	Finished products	43,294.99		No	
GROUPE SEB MOULINEX	Accessories	1,080,900.02		No	1,839,097.62
Wmf (heshan) Manufacturing Company Limited	Finished products	116,955.76		No	214,089.78
GROUPE SEB THAILAND	Finished products	182,892.82		No	
ETHERA	Accessories			No	319,583.04
WMF GROUPE GMBH	Finished products	32,327,980.44		No	12,387,300.16
SEB Professional (Shanghai) Co., Ltd.	Finished products	271.41		No	
Supor Group Co., Ltd.	Finished products			No	7,471.00
Emsa Taicang Co., Ltd.	Finished products	234,955.76		No	
GROUPE SEB KOREA, LTD	Finished products	72,887.77		No	

Sale of commodities and rendering of services

Unit: RMB

Related parties	Contents of related transaction	Amount incurred during this period	Amount incurred during prior period
SEB ASIA LTD.	Finished products	2,317,968,141.55	2,599,590,781.21
SEB ASIA LTD.	Accessories	5,444,308.05	2,648,083.19
S.A.S. SEB	Finished products	7,134,221.91	10,143,181.26
S.A.S. SEB	Accessories	239,073.76	495,400.35
TEFAL S.A.S.	Finished products	1,295,914.74	5,771,600.06
TEFAL S.A.S.	Accessories	9,354,844.69	7,810,501.26
GROUPE SEB MOULINEX	Finished products	6,392,956.57	11,729,902.13
Supor Group Co., Ltd.	Finished products	7,462,121.06	2,459,900.56
SEB INTERNATIONAL SERVICE S.A.S.	Accessories	11,780,996.71	10,678,771.92
LAGOSTINA S.P.A.	Finished products	0.00	49,269.52
LAGOSTINA S.P.A.	Accessories	129,069.03	781,661.90
IMUSA USA LLC	Finished products	5,162,890.46	9,872,683.87
IMUSA USA LLC	Accessories	21,408.79	17,306.67
SEB Professional (Shanghai) Co., Ltd.	Finished products	108,194.90	219,109.25
GROUPE SEB CANADA	Finished products	4,669,945.78	8,281,052.82
GROUPE SEB VIETNAM JOINT STOCK COMPANY	Finished products	4,822,561.94	12,712,078.20
GROUPE SEB VIETNAM JOINT STOCK COMPANY	Accessories	0.00	11,067.77
GROUPE SEB ANDEAN S.A.	Accessories	235,484.20	2,785,092.32

Wuhan Anzai Cookware Co., Ltd.	Accessories	15,018.14	11,947.34
Zhejiang Nanyang Pharmaceutical Sales Co., Ltd.	Finished products	778,100.88	216,700.00

(2) Related leases

The Company acts as the lessee:

Unit: RMB

Leaser	Lessee	Types of leased assets	Rent costs of short-term leases and low-value asset leases with simplified treatment (if applicable)		Variable lease payments not included in the measurement of lease obligation (if applicable)		Rentals		Interest expense of lease obligation undertaken		Increased right-of-use asset	
			Amount incurred during this period	Amount incurred during prior period	Amount incurred during this period	Amount incurred during prior period	Amount incurred during this period	Amount incurred during prior period	Amount incurred during this period	Amount incurred during prior period	Amount incurred during this period	Amount incurred during prior period
Supor Group Co., Ltd.	Shaoxing Supor	Real Estate					0.00	435,031.66	0.00	69,393.51		
	Zhejiang Supor Electrical						4,381,230.87	3,674,784.85	1,031,095.77	749,408.06	9,692,601.95	
	Wuhan Cookware						1,431,172.80	1,307,753.94	383,573.43	232,535.11	9,702,266.81	
	Shaoxing Supor Housewares						702,836.19		119,188.97		125,387.39	
	P&R Products			68,114.29			42,000.00		2,280.84		4,387.84	

(3) Capital inter-bank lending of related parties

Unit: RMB

Related parties	Borrowed/lent amount	Start date	Expiry date	Notes
Borrowing				
SEB S.A.	596,942.01	January 1, 2023	No fixed term	Loans
Lending				

(4) Key management's emoluments

Unit: RMB 10000

Item	Amount incurred during this period	Amount incurred during prior period
Key management's emoluments	870.22	848.39

Key management's share-based payment expense	221.21	308.89
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(5) Other related transactions

① Water and electricity fee

Unit: RMB

Selling parties	Purchasing parties	Amount incurred during this period	Amount incurred during prior period
Supor Group Co., Ltd.	Zhejiang Supor Electrical		106,169.13

② Property management, maintenance and berth fees

Unit: RMB

Service renderer	Purchasing parties	Amount incurred during this period	Amount incurred during prior period
Supor Group Co., Ltd.	Zhejiang Supor Electrical	120,000.00	

③ Consulting fee

Unit: RMB

Service renderer	Purchasing parties	Amount incurred during this period	Amount incurred during prior period
SEB ASIA LTD.	The Company	448,824.00	448,824.00
	Wuhan Supor Cookware	227,046.00	227,046.00
	Shaoxing Supor	318,516.00	318,516.00
	Zhejiang Supor Electrical	205,614.00	205,614.00

④ Cost of international shopping center

Unit: RMB

Service renderer	Purchasing parties	Amount incurred during this period	Amount incurred during prior period
SEB DEVELOPMENT SAS	Shaoxing Supor		1,680,000.00
	Zhejiang Supor Electrical		1,320,000.00
	Wuhan Supor Cookware		834,070.74

⑤ Test service, etc.

Unit: RMB

Service renderer	Purchasing parties	Amount incurred during this period	Amount incurred during prior period
The Company	Saichuang (Zhejiang) Technology Co., Ltd.		62,842.64
Zhejiang Supor Electrical		258,617.18	236,616.00
AFS	GROUPE SEB VIETNAM JOINT STOCK COMPANY	1,587,735.40	1,586,131.90
Saichuang (Zhejiang) Technology Co., Ltd.	Shaoxing Supor	1,607,272.00	1,256,325.00

⑥ Warehousing service

Unit: RMB

Service renderer	Purchasing parties	Amount incurred during this period	Amount incurred during prior period
The Company	SEB ASIA LTD.		2,519,895.82
Wuhan Supor 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 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. compensated use of its patent of "Household Appliance for Food Cooking under Pressure with Elastomer Safety Valve" and other four utility patents. According to related terms in the contract signed by both parties, use charges are accrued at 3% of revenue from sales of products licensed. In the current period, Wuhan Supor Cookware Co., Ltd. should pay S.A.S SEB technology use charges of RMB 359,408.34 (2022: RMB 526,305.07), and as of June 30, 2023, a balance of RMB 53,716.58 had not been paid (December 31, 2022: RMB 94,651.13).

⑧ Pursuant to the Trademark License entered into between Wuhan Supor Cookware Co., Ltd. and LAGOSTINA SPA. on December 15, 2014, LAGOSTINA SPA licensed Wuhan Supor Cookware Co., Ltd. for compensated use of its trademark "LAGOSTINA". According to related terms in the contract signed by both parties, use charges are accrued at 4% of revenue from sales of products licensed. In the current period, Wuhan SUPOR should pay LAGOSTINA SPA. trademark use charges of RMB 1,592.95 (2022: RMB 43,093.45), and as of June 30, 2023, a balance of RMB 1,394,066.16 had not been paid (December 31, 2022: RMB 1,395,659.11).

⑨ Pursuant to the *Trademark License* entered into between Omegna and LAGOSTINA SPA. on December 5, 2016, LAGOSTINA SPA licensed Omegna for compensated use of its trademark "LAGOSTINA". According to related terms in the contract signed by both parties, use charges are accrued at 4% of revenue from sales of products licensed. In the current period, Omegna should pay LAGOSTINA SPA. trademark use charges of RMB 13,475.46 (2022: RMB 66,105.73), and as of June 30, 2023, a balance of RMB 4,003,322.26 had not been paid (December 31, 2022: RMB 3,989,846.80).

⑩ Shaoxing Supor 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 on April 25, 2016 with ETHERA. According to relevant terms in the contract signed by both parties, Shaoxing Supor should pay technology transfer fee RMB 4,954.33 (2022: RMB 22,268.70) to ETHERA in current period, which was calculated as per corresponding unit price of actual total sales. Until June 30, 2023, the remaining RMB 1,827.49 had not been paid yet (December 31, 2022: RMB 4,424.04).

6. Receivables and payables by related parties

(1) Items receivable

Unit: RMB

Items	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable:	SEB ASIA LTD.	1,417,903,520.86	49,626,623.23	977,231,667.49	34,203,108.36
	S.A.S. SEB	3,107,344.98	108,757.07	838,044.35	29,331.55
	TEFAL S.A.S.	7,767,766.93	271,871.84	3,220,589.96	112,720.65

	SEB INTERNATIONAL SERVICE S.A.S.	8,241,163.49	288,440.72	3,296,335.17	115,371.73
	GROUPE SEB MOULINEX	2,619,060.12	93,456.00	1,423,208.22	51,536.52
	IMUSA USA LLC	3,617,079.47	126,597.78	3,605,881.82	126,205.86
	Supor Group Co., Ltd.	13,250.00	662.50	11,010.00	550.50
	SEB Professional (Shanghai) Co., Ltd.	343,090.37	12,008.16	152,845.67	5,349.60
	GROUPE SEB CANADA	2,584,201.13	90,447.04	1,896,331.22	66,371.59
	GROUPE SEB VIETNAM JOINT STOCK COMPANY	4,986,981.49	174,544.35	14,774,836.65	517,119.28
	GROUPE SEB ANDEAN S.A.	240,060.44	8,402.12	112,622.53	3,941.79
	Wuhan Anzai Cookware Co., Ltd.	16,500.00	825.00	16,500.00	825.00
	LAGOSTINA S.P.A.	89,322.21	3,126.28	173,612.18	6,076.43
	Saichuang (Zhejiang) Technology Co., Ltd.	273,906.21	9,586.72	261,025.21	9,135.88
	Total	1,451,803,247.70	50,815,348.81	1,007,014,510.47	35,247,644.74
Advance payment:	Supor Group Co., Ltd.			171,428.57	
	EMSA GMBH	197.55			
	Total	197.55		171,428.57	
Other receivables:	Supor Group Co., Ltd.	145,000.00	82,500.00	145,000.00	56,250.00
	Total	145,000.00	82,500.00	145,000.00	56,250.00

(2) Payables

Unit: RMB

Items	Related parties	Ending book balance	Beginning book balance
Accounts payable:	Wuhan Anzai Cookware Co., Ltd.	12,667,291.52	17,508,276.00
	WMF GROUPE GMBH	13,731,050.03	6,861,332.34
	GROUPE SEB EXPORT	1,156,718.79	1,836,117.60
	TEFAL S.A.S.	3,751,584.73	2,376,975.15
	S.A.S. SEB	56,359.76	94,651.13
	LAGOSTINA S.P.A.	5,397,988.42	5,386,105.91
	GROUPE SEB MOULINEX	827,599.27	131,149.87
	GROUPE SEB THAILAND	61,695.15	43,382.55
	SEB INTERNATIONAL SERVICE S.A.S.	4,038.28	114,692.08
	ETHERA	1,827.49	4,424.04
	Saichuang (Zhejiang) Technology Co., Ltd.	265,000.00	578,673.08

	Supor Group Co., Ltd.	1,816,305.91	
	Wmf (heshan) Manufacturing Company Limited		53,230.00
	SEB Professional (Shanghai) Co., Ltd.		42,630.61
	ROWENTA FRANCE	827,920.73	
	SEB ASIA LTD.	336,996.83	
	GROUPE SEB KOREA, LTD	46,641.34	
	Total	40,949,018.25	35,031,640.36
Contract liabilities:	Supor Group Co., Ltd.	61,574.37	6,208,467.16
	Zhejiang Nanyang Pharmaceutical Sales Co., Ltd.	304.42	
	Total	61,878.80	6,208,467.16
Other payables:	SEB S.A.	14,932,152.80	13,886,668.74
	Wuhan Anzai Cookware Co., Ltd.	50,000.00	50,000.00
	Total	14,982,152.80	13,936,668.74
Lease obligation:	Supor Group Co., Ltd.	52,952,054.09	36,660,807.71
	Total	52,952,054.09	36,660,807.71

XIII. Share-based Payment

1. Overall information

☒ Applicable ☐ Not-applicable

Unit: RMB

Total equity instruments granted in current period	79,000.00
Total equity instruments exercised in current period	0.00
Total equity instruments expired in current period	75,750.00
The range of exercise price of stock options issued by the Company at the end of the period and the remaining period of the contract	2021 Equity Incentive Plan: RMB 1/share, 2.58 years 2022 Equity Incentive Plan: RMB 1/share, 3.37 years

Other remarks

Pursuant to the *Proposal on 2021 Restricted Stock Incentive Plan (Draft) and its Abstract* (hereinafter referred to as "2021 Equity Incentive Plan") deliberated and approved in the Third Interim General Meeting of Shareholders 2021 via deliberation held on December 30, 2021, the Company was to grant 1,209,500 restricted shares to incentive objects, and repurchased 1,209,500 share capital successfully from December 15, 2021 to December 21, 2021. The Company granted 1,209,500 shares at a price of RMB 1 per share on January 6, 2022.

Pursuant to the *Proposal on 2022 Restricted Stock Incentive Plan (Draft) and its Abstract* (hereinafter referred to as "2022 Equity Incentive Plan") deliberated and approved in the First Interim General Meeting of Shareholders 2022 via deliberation held on September 21, 2022, the Company was to grant 1,332,500 restricted shares to incentive objects, and repurchased 1,332,500 share capital successfully from May 31, 2022 to July 31, 2022. The Company granted 1,253,500 shares at a price of RMB 1 per share on October 12, 2022.

According to the 18th Session of the Seventh Board of Directors held on January 31, 2023, the Company deliberated and approved the *Proposal on Grant of Postponed Portion of Restricted Stock to Incentive Objects*, and the Company granted 79,000 shares at a price of 1 per share on February 1, 2023.

The 2021 Equity Incentive Plan is valid for 4 years from the first grant date, of which: the sales restriction periods shall be 24 months and 36 months respectively from the date of completion for the grant registration. If the conditions for lifting the restriction are met, the restricted shares shall be lifted in two phases, that is, upon expiry of 24 months and 36 months from the date of completion for the grant registration, for 50% and 50% of the total restricted shares applied for restriction lifting, respectively. As of June 30, 2023, the remaining period of the above incentive plan is 2.58 years.

The 2022 Equity Incentive Plan is valid for 4 years from the first grant date, of which: the sales restriction periods shall be 24 months and 36 months respectively from the date of completion for the grant registration. If the conditions for lifting the restriction are met, the restricted shares shall be lifted in two phases, that is, upon expiry of 24 months and 36 months from the date of completion for the grant registration, for 50% and 50% of the total restricted shares applied for restriction lifting, respectively. As of June 30, 2023, the remaining period of the above incentive plan is 3.37 years.

The 12th Session of the Seventh Board of Directors adopted the *Proposal on Repurchasing and Canceling a Part of Restricted Stock*. For disqualification of several Incentive Objects due to their resignation, the Company repurchased and canceled 24,000 shares of Restricted Stock at the price of RMB 1 per share.

The 14th Session of the Seventh Board of Directors adopted the *Proposal on Repurchasing and Canceling a Part of Restricted Stock*. For disqualification of several Incentive Objects due to their resignation, the Company repurchased and canceled 53,000 shares of Restricted Stock at the price of RMB 1 per share.

The 19th Session of the Seventh Board of Directors adopted the *Proposal on Repurchasing and Canceling a Part of Restricted Stock*. For disqualification of several Incentive Objects due to their resignation, the Company repurchased and canceled 22,750 shares of Restricted Stock at the price of RMB 1 per share.

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
Determination method for the optimal estimate of the number of equity instruments expected to vest	Based on the corresponding equity instruments of incentive targets, the performance of the Company and the forecast of future performance of the Company
The significant difference between this period estimate and last period	None
Capital reserve accumulated due to equity-settled share-based payment	81,024,533.98
Total expenses incurred due to equity-settled share-based payment transactions	26,177,298.00

Other remarks

1. According to the 2021 Equity Incentive Plan deliberated and approved by the Company at the Third Interim General Meeting of Shareholders 2021 held on December 30, 2021, the Company granted 1,209,500 shares repurchased in 2021 to incentive objects at a grant price of RMB 1.00 per share on January 6, 2022. The above grant reduced treasury shares by RMB 76,159,897.25, the offset was included into capital reserve-share capital premium of RMB 52,997,061.77, and the underwrite-down part was charged to the undistributed profit at the beginning of the year by RMB 21,953,335.48. At the same time, the Company confirmed its stock repurchase obligation and increased treasury shares by RMB 1,209,500.00.

According to the 2022 Equity Incentive Plan deliberated and approved by the First Interim General Meeting of Shareholders 2022 held on September 21, 2022, the Company used its self-owned capital to repurchase 1,332,500 shares of the Company's shares in the form of centralized competitive price transaction for the incentive plan, and increased treasury shares by RMB 69,398,019.65. On October 12, 2022, the Company granted 1,253,500 shares to incentive objects at a grant price of RMB 1.00 per share. The above grant reduced the treasury shares by RMB 65,668,429.65 and offset the undistributed profit at the beginning of the year by RMB 64,414,929.65. At the same time, the Company confirmed its stock repurchase obligation and increased treasury shares by RMB 1,253,500.00. On February 1, 2023, the Company granted 79,000 shares to incentive objects at a grant price of RMB 1.00 per share. The above grant reduced treasury shares by RMB 3,729,590.00 and offset the undistributed profit at the beginning of the year by RMB 3,650,590.00. At the same time, the Company confirmed its stock repurchase obligation and increased treasury shares by RMB 79,000.00.

2. The impact of 2021 Equity Incentive Plan on the capital reserve was RMB 40,084,396.00 at the beginning of the period, and with an accrual of RMB 9,438,540.00 in the year, amounting to an accrued amount of RMB 49,522,936.00.

The impact of 2022 Equity Incentive Plan on the capital reserve was RMB 14,762,839.98 at the beginning of the period, and with an accrual of RMB 16,738,758.00 in the year, amounting to an accrued amount of RMB 31,501,597.98.

XIV. Commitments and Contingencies

1. Contingencies

(1) Significant contingencies at the balance sheet date

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

In 2016, a non-governmental patent holder filed a lawsuit to the subsidiary Shaoxing Supor in the name of infringing its patent. In 2020, the relevant patents were declared invalid by the Patent Reexamination Board of the State Intellectual Property Office, so the litigation risk decreased. This case was settled yet. Based on the principle of conservatism, the Company still retained an estimated liability of RMB 5.15 million (December 31, 2022: RMB 5.15 million) on June 30, 2023. In 2020, export customers filed legal proceedings against Shaoxing Household Electric Appliances Co., Ltd., a subsidiary, on the grounds of user disputes. This case was settled yet. Based on the principle of conservatism, the Company still retained an estimated liability of RMB 4 million (December 31, 2022: RMB 4 million) on June 30, 2023. In 2021, export customers filed claims for product quality problems against Shaoxing Supor, a subsidiary, on the grounds of user disputes, and one of the cases was settled in the current period, with the company bearing a cost of RMB 461,272.50; due to the pending conclusion of another case, based on the principle of conservatism, the Company still retained an estimated liability of RMB 1,538,727.50 (December 31, 2022: RMB 2 million) on June 30, 2023.

Contingent liabilities formed by financial guarantee and their financial impact

Supor signs tripartite acceptance agreements with distributors and banks, and Supor provides financing guarantee for the banks to issue bank acceptance bills to the distributors. In the event that Supor endorses and assigns an acceptance bill obtained by Supor, and 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, Supor will bear part of the loss of the difference that the bank has not recovered from the distributor. As at June 30, 2023, the risk exposure undertaken by Supor was RMB 279,273,600.00 and the estimated liabilities accrued by the Company under the financial guarantee contracts for the risk exposure amounted to RMB 1,396,368.00.

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

The Company had no significant contingencies to disclose.

XV. Events after the Balance Sheet Date

1. Profit distribution situation

None

XVI. Other Important Matters

1. Segment information

(1) Determination basis and accounting policy of report segment

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

Operating Segment refers to Supor's organization meeting following conditions: (1) The organization can yield income and cost in daily activity; (2) 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 condition, operating result, cash flow and other relevant accounting information of the organization. Two or more operating segments, which have similar economic characteristics and meet a certain condition, can be combined into an operating segment.

The preparation of branch reports is conducted with the revenue of trans-branch transaction measured at the actual transaction price. The accounting policy for branch report preparation is consistent with that used in Supor's financial statement.

Supor, with main product focused on cookware and SDA (small domestic appliances) in kitchen, establishes report segment based on product and geographic segments and assets and liabilities shared by product segments is unable to be clearly distinguished.

(2) Financial information of reportable segments

Unit: RMB

Item	Cookware	Electrical products	Others	Inter-segment offsetting	Total
Revenue from main business	2,553,334,108.13	7,349,084,483.24	76,640,996.85	106,667,579.18	9,872,392,009.04
Cost of main business	1,834,035,853.45	5,556,209,625.41	68,784,128.32	106,365,270.53	7,352,664,336.65

(3) Other explanations

② Geographic segment

Information on Supor's income from external transactions and non-current assets (excluding financial assets and deferred income tax assets, the same below) by region is shown in the following table. Income from external transactions is divided according to the location of customers who receive services or purchase products. Non-current assets are classified as per the physical location of the assets (for fixed assets and construction in progress) or the location where they are allocated to related business (for intangible assets) or the location of joint ventures and associated enterprises.

Item	Domestic	Foreign	Inter-segment offsetting	Total
Revenue from main business	7,421,861,346.49	2,459,767,996.29	9,237,333.74	9,872,392,009.04
Cost of main business	5,271,431,798.95	2,090,780,249.09	9,547,711.39	7,352,664,336.65

Non-current assets	2,002,030,680.63	74,426,441.20	117,033,788.09	1,959,423,333.74
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③ Major customers

Among Supor's customers, one customer (2022: 1) whose revenue from a single customer accounted for 10% or more of Supor's total revenue was related party SEB S.A. and its affiliates, accounting for approximately 23.79% (2022: 25.21%) of Supor's total revenue.

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 made on the basis of portfolio	452,696,564.86	100.00%	13,476,030.30	2.98%	439,220,534.56	385,536,357.78	100.00%	10,937,615.03	2.84%	374,598,742.75
Including:										
Portfolio 1: age portfolio	384,443,063.90	84.92%	13,440,953.14	3.50%	371,002,110.76	312,435,311.86	81.04%	10,880,503.86	3.48%	301,554,808.00
Portfolio 2: low-risk portfolio	35,077,151.43	7.75%	35,077.16	0.10%	35,042,074.27	57,111,169.92	14.81%	57,111.17	0.10%	57,054,058.75
Portfolio 3: merged related parties portfolio	33,176,349.53	7.33%		0.00%	33,176,349.53	15,989,876.00	4.15%			15,989,876.00
Total	452,696,564.86	100.00%	13,476,030.30	2.98%	439,220,534.56	385,536,357.78	100.00%	10,937,615.03	2.84%	374,598,742.75

Provision for bad debts made on the basis of portfolio: 13,440,953.14

Unit: RMB

Name	Closing balance		
	Book balance	Provision for bad debts	Provision proportion
Within 1 year	384,443,063.90	13,440,953.14	3.50%
Total	384,443,063.90	13,440,953.14	

Explanation on the basis for determining such portfolio:

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)	452,696,564.86
Total	452,696,564.86

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

Provision for bad debts made in current period:

Unit: RMB

Categories	Opening balance	Amount of changes in current period				Closing balance
		Accrued	Collected or reversed	Written off	Others	
Provision for bad debts for accounts receivable	10,937,615.03	2,538,415.27				13,476,030.30
Total	10,937,615.03	2,538,415.27				13,476,030.30

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

Unit: RMB

Entity name	Closing balance of accounts receivable	Proportion in the total closing balance of accounts receivable	Closing balance of provision for bad debts
SEB S.A. and its affiliates	383,074,859.53	84.62%	13,407,620.08
Customer P	22,780,709.43	5.03%	22,780.71
Wuhan Supor Cookware	19,047,459.66	4.21%	
Supor Vietnam	12,080,685.90	2.67%	
Customer Q	5,236,164.12	1.16%	5,236.16
Total	442,219,878.64	97.69%	

2. Other receivables

Unit: RMB

Item	Closing balance	Opening balance
Other receivables	757,789,870.82	1,174,381,191.82
Total	757,789,870.82	1,174,381,191.82

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

Unit: RMB

Nature of receivables	Ending book balance	Beginning book balance
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Deposit as security	305,528.00	111,458.00
Fund pool	754,217,064.88	1,172,087,133.42
Temporary payment receivable	2,640,531.24	2,860,673.12
Personal deposit	1,703,986.84	339,400.93
Total	758,867,110.96	1,175,398,665.47

2) Provision for bad debts

Unit: RMB

Provision for bad debts	Phase I	Phase II	Phase III	Total
	Expected credit loss in future 12 months	Expected credit loss in the entire duration (without credit impairment)	Expected credit loss in the entire duration (credit impairment)	
Balance on January 1, 2023	1,017,473.65			1,017,473.65
Balance on January 1, 2023 in the current period				
Withdrawal in the current period	59,766.49			59,766.49
Balance on June 30, 2023	1,077,240.14			1,077,240.14

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)	757,950,861.78
1-2 years	20,000.00
Over 3 years	896,249.18
Over 5 years	896,249.18
Total	758,867,110.96

3) Provisions made, collected or reversed in current period

Provision for bad debts made in current period:

Unit: RMB

Categories	Opening balance	Amount of changes in current period				Closing balance
		Accrued	Collected or reversed	Written off	Others	
Provision for bad debts of other receivables	1,017,473.65	59,766.49				1,077,240.14
Total	1,017,473.65	59,766.49				1,077,240.14

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

Unit: RMB

Entity name	Nature of receivables	Closing balance	Ages	Proportion in the total closing balance of other receivables	Closing balance of provision for bad debts
Wuhan Supor Cookware	Fund pool	330,672,603.95	Within 1 year	43.57%	
Hainan Supor E-commerce Company	Fund pool	140,262,116.13	Within 1 year	18.48%	
Zhejiang Supor Electrical	Fund pool	129,882,027.34	Within 1 year	17.12%	
Omegna	Fund pool	72,163,574.02	Within 1 year	9.51%	
Shanghai WMF	Fund pool	61,000,000.00	Within 1 year	8.04%	
Total		733,980,321.44		96.72%	

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	2,777,173,562.90		2,777,173,562.90	2,763,861,746.90		2,763,861,746.90
Investments in associates and joint ventures	61,695,679.18		61,695,679.18	62,156,208.65		62,156,208.65
Total	2,838,869,242.08		2,838,869,242.08	2,826,017,955.55		2,826,017,955.55

(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 Supor Pressure Cooker	240,428,244.41					240,428,244.41	
P&R Products	20,804,297.92					20,804,297.92	
Yuhuan Sales Company	2,990,149.81					2,990,149.81	
Zhejiang Supor Electrical	777,383,633.79	4,242,660.00				781,626,293.79	
Shaoxing Supor	646,842,558.49	2,798,562.00				649,641,120.49	
Supor Vietnam	105,143,165.64					105,143,165.64	
Wuhan Recycling	1,000,000.00					1,000,000.00	

Omegna	10,000,000.00					10,000,000.00	
Shanghai Marketing	5,000,000.00					5,000,000.00	
Wuhan Supor Cookware	603,055,043.39	2,649,282.00				605,704,325.39	
SEADA	11,890,622.45					11,890,622.45	
Shanghai WMF	50,206,659.00	8,622.00				50,215,281.00	
Zhejiang WMF	102,179,399.00	1,326,468.00				103,505,867.00	
Supor Large Kitchen Appliance	100,648,199.00	350,190.00				100,998,389.00	
Shaoxing Supor Housewares	54,519,526.00	455,088.00				54,974,614.00	
Supor Water Heater	31,200,000.00					31,200,000.00	
Hainan Supor E-commerce Company	570,248.00	1,480,944.00				2,051,192.00	
Total	2,763,861,746.90	13,311,816.00				2,777,173,562.90	

(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.	62,156,208.65			-460,529.47						61,695,679.18	
Subtotal	62,156,208.65			-460,529.47						61,695,679.18	
Total	62,156,208.65			-460,529.47						61,695,679.18	

4. Operating incomes and costs

Unit: RMB

Item	Amount incurred during this period		Amount incurred during prior period	
	Revenue	Cost	Revenue	Cost
Revenue from main business	1,168,704,643.55	981,805,496.52	1,100,175,925.03	1,008,919,142.74

Revenue from other operations	25,634,866.85	23,569,024.43	18,296,531.96	16,109,933.67
Total	1,194,339,510.40	1,005,374,520.95	1,118,472,456.99	1,025,029,076.41

Information related to revenue:

Unit: RMB

Contract classification	Total
Commodity type	
Including:	
Cookware and utensil	1,168,553,304.46
Other domestic appliances	25,786,205.94
Classified by business area	
Including:	
Domestic	492,079,377.45
Export	702,260,132.95

Information related to performance obligations:

None

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

At the end of this reporting period, the amount of revenue corresponding to the performance obligations that had been signed but had not been performed or not yet completed is RMB 4,864,529.55, of which RMB 4,864,529.55 was expected to be recognized as income in 2023 year.

5. Investment income

Unit: RMB

Item	Amount incurred during this period	Amount incurred during prior period
Income from long-term equity investments under the equity method	-460,529.47	-457,219.85
Investment income from disposal of transactional financial assets	2,620,258.47	1,534,044.99
Interest from term deposit	5,852,397.27	28,822,530.29
Investment income of debt investment during the holding period	3,828,273.98	3,552,197.12
Total	11,840,400.25	33,451,552.55

XVIII. Supplementary Information

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

☒ Applicable ☐ Not-applicable

Unit: RMB

Item	Amount	Notes
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Profit and loss on disposal of non-current assets (including the write-off of provision for asset impairment)	-1,605,908.96	
Government subsidies included into the current profits and losses (except those that were closely related to the Company's normal business operations, complied with national policies and regulations and continuously available according to certain standard quota or quantity)	5,811,842.88	
Except the effective hedging business related to the normal operation of the Company, profits and losses from fair value changes caused by the held transactional finance assets and transactional financial liabilities, and investment income acquired from disposal of transactional financial assets, transactional financial liabilities and available-for-sale financial assets	25,750,454.86	
Other non-operating incomes or expenditures except for the foregoing items	53,535.90	
Minus: influenced amount of income tax	6,778,516.96	
Influenced amount of minority shareholders' equities	34,077.09	
Total	23,197,330.63	--

Other specific circumstances of other items of profits and losses complying with the definition of non-recurring profits or losses:

☐ Applicable ☒ Not-applicable

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

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	Weighted average return on net assets	Earnings per share:	
		Basic earnings per share (RMB/share)	Diluted earnings per share (RMB/share)
Net profit attributable to shareholders of common shares	13.29%	1.097	1.095
Net profit attributable to shareholders of common shares after deducting non-recurring profit or loss	12.94%	1.068	1.066

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

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

☐ Applicable ☒ Not-applicable

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

☐ Applicable ☒ Not-applicable

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

None

Zhejiang Supor Co., Ltd.

Chairman: Thierry de LA TOUR D' ARTAISE

August 31, 2023