Zhejiang Supor Co., Ltd.

2026 Semiannual Report

August 2026

SECTION I IMPORTANT NOTES, TABLE OF CONTENTS AND DEFINITIONS

The Board of Directors of Zhejiang Supor Co., Ltd. (hereinafter referred to as the "Company") and all its directors 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 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. 2026 Semiannual Report of the Company and Abstract with signature of legal representative;

II. Financial 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
Groupe SEB	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 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.
Gourmet Excellence (HK) Company	Means	Gourmet Excellence (HK) Limited
2022 Equity Incentive Plan	Means	*2022 Restricted Stock Incentive Plan (Draft)*
2023 Equity Incentive Plan	Means	*2023 Stock Option Incentive Plan (Draft)*
2024 Equity Incentive Plan	Means	*2024 Stock Option Incentive Plan (Draft)*
2025 Equity Incentive Plan	Means	*2025 Stock Option Incentive Plan (Draft)*
Second Performance Incentive Fund	Means	*Administration Measures for the Second Performance Incentive Fund*
Third Performance Incentive Fund	Means	*Administration Measures for the Third Performance Incentive Fund*

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	Zhejiang Supor Co., Ltd.		
Short Form of Chinese Name of the Company (if any)	Supor		
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 2025 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 2025 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)	11,409,770,133.56	11,477,500,800.41	-0.59%
Net profit attributable to shareholders of listed company (RMB)	867,545,978.33	939,913,794.13	-7.70%
Net profit attributable to shareholders of listed company with non-recurring profit or loss deducted (RMB)	840,053,056.73	907,401,664.89	-7.42%
Net cash flows from operating activities (RMB)	484,244,174.72	512,444,707.87	-5.50%
Basic earnings per share (RMB/share)	1.090	1.180	-7.63%
Diluted earnings per share (RMB/share)	1.089	1.180	-7.71%
Weighted average return on net assets	14.42%	15.30%	Decreased by 0.88 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)	12,854,981,333.48	13,416,975,798.59	-4.19%
Net asset attributable to shareholders of listed company (RMB)	5,049,889,443.30	6,284,859,730.95	-19.65%

V. Financial Data Difference on Principle of Domestic and Overseas 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)	-97,896.08	
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, available according to determined standards, and have a continuous impact on the profit and loss of the Company)	11,760,617.91	
Except the effective hedging business related to the normal operation of the Company, profits and losses from fair value changes of held-for-trading financial assets and financial liabilities by non-financial enterprises and profits and losses obtained from disposal of financial assets and financial liabilities	34,018,033.25	
Nonrecurring expenses incurred by the enterprise due to the discontinuation of related operating activities, such as expenses for employee placement.	-9,013,000.00	
Other non-operating incomes or expenditures except for the foregoing items	-581,419.49	
Minus: influenced amount of income tax	8,428,062.18	
Influenced amount of minority shareholders' equities (after tax)	165,351.81	
Total	27,492,921.60	

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. Major Businesses of the Company during the Reporting Period

(I) Main businesses of the Company

As a leading brand in China's cookware and small domestic appliance industry, the Company integrates R&D, design, manufacturing, marketing and brand operation, and is the first listed company in China's cookware industry. Established in 1994, the headquarters of the Company locates in Hangzhou and it owns seven R&D and manufacture bases located in Yuhuan City, Hangzhou City, Shaoxing City (Binhai New Area and Keqiao District) in Zhejiang Province, Wuhan City in Hubei Province and Ho Chi Minh City, Vietnam.

Supor's main businesses cover open fire cookware, small domestic appliances, large kitchen appliances, tableware and drinkware, H&PC appliances, mother and baby appliances and products, etc. The Company continuously provides consumers with innovative, high-quality and aesthetically appealing products, inspiring their passion for home living through innovation, so that every family can enjoy a quality life.

Domestic sales constitute the Company's most important market, while its cookware and electrical products are exported to more than 80 countries and regions such as Japan, Euro, America and South East Asia countries, mainly through Groupe SEB.

(II) Development of industries involved and market position of the Company

In the first half of 2026, China's macroeconomy operated steadily, with GDP growing by 4.7% year-on-year and total retail sales of consumer goods increasing by 1.3% year-on-year. Affected by the high base in the same period of the previous year and more rational consumer spending, the home appliance market underwent structural changes. According to the AVC semiannual report for 2026, the omni-channel retail sales of kitchen small domestic appliances in the first half of 2026 amounted to RMB 30.26 billion, a decrease of 4.8% year-on-year. Facing the complex and changing domestic and international market environment, the Company closely followed diversified consumption trends, met consumers' demand for health, taste, ease of use and aesthetics, continued product and scenario innovation, created high-quality differentiated products, consolidated the leading market position of core categories, and outperformed the industry.

In the open fire cookware field, according to AVC monitoring data, Supor maintained its No. 1 position in market share in open fire cookware both online and offline during the reporting period. Representative products including the 2nd generation pure titanium series woks, the Easy-Open pressure cookers, frying pans and other innovative products, featuring health, ease of use and aesthetics, were favored by more consumers.

In the small domestic appliance field, according to AVC monitoring data, driven by core categories such as electric rice cookers and high-speed blenders, Supor's online market share increased slightly compared with the same period of last year. During the reporting period, the Company launched a patented hot-air zero-coating electric rice cooker, further consolidating its market leadership in the electric rice cooker category. Other categories such as high-speed blenders, electric steamers, health kettles and garment steamers also achieved good growth.

(III) Operating condition during the reporting period

1. Domestic sales during the reporting period

During the reporting period, domestic operating income increased slightly compared with the same period of last year.

(1) Product strategy

In the business of open fire cookware, as a leading brand in the industry, Supor actively captured changes in consumer trends, focusing on core categories, breakthroughs in non-stick technology and new materials application, leading industry development. During the reporting period, following its pioneering launch of the healthy and user-friendly pure titanium wok in 2025, the Company successfully launched the 2nd generation pure titanium series woks. With more outstanding non-stick and antibacterial performance, they helped Supor become the leading brand in market share in the pure titanium wok segment. Meanwhile, the Company actively explored segmented consumption scenarios. For example, the Yuexuan Easy-Open pressure cooker, based on its simple one-hand open-and-close design, has been upgraded with innovative functions such as timer reminders and real-time pressure monitoring, and its attractive appearance makes it suitable for serving at the table, gaining increasing consumer favor. The TEFAL stackable cookware set, a high-end brand of the Company, combines the dual advantages of high aesthetic value and space-saving, and was highly sought after by consumers. In the business of drinkware, Supor continues to refine its hero product strategy to drive category growth. The "anytime sharing" series thermos bottles have still maintained one of the best-sellers more than two years after launch through shape and design expansion.

In the business of small domestic appliance, Supor continuously launched new differentiated products to reinforce its leading position in core categories. The hot-air pure titanium zero-coating electric rice cooker launched in the first half of this year utilized the innovative technology of hot-air hybrid firepower heating, solving the industry pain point where traditional zero-coating inner pots are prone to sticking and worsening after repeated use, achieving lasting non-stick performance for zero-coating inner pots; the product also offers better rice taste and shorter cooking time, and rapidly became a top-selling item after its launch. In addition, the Company also launched differentiated innovative products such as the energy-surge electric steamer delivering steam in ten seconds, the ultra-high-pressure 120kPa electric pressure cooker for quick and tender steaming, and the multifunctional mini-cube high-speed blender, which helped consolidate its market leadership. During the reporting period, the Company continuously enhanced its product design capability. Multiple products including the steam hot-air titanium inner pot electric rice cooker, ultra-high pressure quick-release electric pressure cooker, and high-fire IH electric steamer won the AWE Award for Design.

In the business of H&PC appliance, Supor focused on creating premium products. During the reporting period, AVC monitoring data showed that Supor continued to expand its market leading position in handheld garment steamers, with its online market share approaching nearly twice that of the second-place competitor. After successfully creating a hero product of handheld high-speed suction garment steamer in 2025, the Company extended the suction and steaming function to base-station models this year, driving this product to rank first in online market share for desktop and hanging garment steamers.

(2) Channel strategy

With the accelerating integration of online and offline markets, Supor keeps optimizing its channel layout based on evolving consumer behavior, and used multiple channels and models to better meet consumer needs.

During the reporting period, Supor's online sales achieved healthy growth. The Company continuously optimized its store matrix and product mix, strengthened cooperation with major e-commerce platforms and achieved good results, and further expanded its market leadership.

Offline channels further integrated with online channels, and Supor actively sought new growth drivers. In first and second-tier cities, the Company deepened cooperation with platforms such as Meituan Flash Sale, JD.com Home Delivery, and Taobao Flash Sale, penetrating into over 10,000 offline terminals, and actively expanded automated warehouses to accelerate the development of instant retail business. In third and fourth-tier cities, the Company vigorously promoted the refined operation of O2O channels to improve output per store. In terms of special B2B business, the Company actively developed different types of corporate clients, such as banks, airlines, and telecommunication operators.

(3) Brand building

During the reporting period, the Supor brand was selected for the fifth consecutive year (2022-2026) into the Brand Finance Global Electronics & Appliances Global Top 50.

In terms of member operations, the Company effectively acquired and retained members, bringing total members to over 43 million, and combined with WeChat official mini-programs and other tools to enhance member stickiness, continuously enhancing brand awareness and reputation.

During the reporting period, the Company held key new product launch events, such as the Floating Titanium Technology launch event, to grandly launch the Supor 2nd generation pure titanium series woks, announcing the arrival of the "pure titanium non-stick era" certified by the Guinness World Record; in conjunction with the launch of the hot-air zero-coating pure titanium electric rice cooker, the Company conducted advertising campaigns across multiple online and offline channels including outdoor and elevator media, achieving an exposure volume of over 100 million.

2. Export sales during the reporting period

During the reporting period, affected by weak demand in overseas markets, orders from major export customers decreased slightly, leading to a decline in export business.

II. Core Competitiveness Analysis

(I) Superior product innovation capacity

Supor has continuously advanced a "consumer-centric" innovation strategy and new product development strategy over the years, with the adherence to the principles of technology leadership, green design and internal-external synergy. The Company continuously introduces more healthy, safe, intelligent, user-friendly, aesthetically appealing and miniaturized products to better meet the needs of different consumer groups.

By fully leveraging internal and external innovation resources and actively listening to consumer feedback, Supor has built an open innovation eco-system to stay ahead of technologies and categories development both inside and outside the industry. The Company continuously integrates new processes and materials to drive business growth. Additionally, Supor has strengthened its innovation synergy with the Groupe SEB to enrich innovation resources.

In terms of product design, Supor integrates industrial design, user experience, and consumer insights into innovation to further enhance the visual aesthetic feeling and usage experience of products, and bring consumers a better product experience, with multiple products winning design award honors across different industries.

Guided by its distinctive innovation system, Supor refines its innovation tools and methodologies. By originating from consumer needs, the Company maps out technological development roadmap across different categories and defines innovation directions, ensuring a solid technical foundation to meet intense market competition.

(II) Strong and stable channel advantages

Supor has a stable and well-established distributor system, organically combining its direct sales and distribution models to achieve win-win cooperation and improve coverage, providing a rich variety of consumption channels for all types of consumers. In offline channels, the Company has a great number of point-of-sale terminals and service outlets, offering consumers faster and better service and shopping experience.

(III) Leading supply chain network

The Company has a strong self-developed and self-manufactured system. In recent years, it has further introduced and strengthened cooperation with external supply resources, building a comprehensive R&D and supply chain network, strengthening supply-sales synergy, shortening delivery cycles, and quickly responding to market demand. By optimizing product structure and industrial structure, improving manufacturing and distribution efficiency, as well as carrying out reasonable automation upgrades, the Company continuously enhances cost competitiveness while ensuring product quality.

(IV) Synergistic effect with Groupe SEB

Groupe SEB, a global leader in cookware and small domestic appliances with over 160 years of history, has been a strategic partner of Supor since 2006. The powerful cooperation between Supor and Groupe SEB has brought stable export orders to the

Company and increased its overall business size and manufacturing capacity. Meanwhile, Supor strengthens cooperation with the Groupe SEB in varied fields such as production, R&D, IT and management, providing comprehensive support for the Company's sustainable development.

(V) Multi-brand advantages

In terms of multi-brand operation, in addition to the SUPOR brand, the Company has also introduced high-end brands such as WMF and TEFAL, thereby strengthening its coverage of mid-to-high-end consumers in the small domestic appliance and kitchen cookware fields, and offering Chinese consumers a richer selection.

III. Main Business Analysis

Overview

During the reporting period, the Company achieved an operating income of RMB11,409,770,133.56, a year-on-year decrease of 0.59%. The net profit attributable to shareholders of listed company was RMB867,545,978.33, a year-on-year decrease of 7.70%; and the earnings per share were RMB 1.090, a year-on-year decrease of 7.63%. Among them, the realized revenue from the main business of cookware was RMB3,329,482,318.21, a year-on-year increase of 5.26%; the realized revenue from the main business of electric appliances was RMB7,925,391,824.80, a year-on-year decrease of 2.90%; the realized revenue from the main business of domestic sales was RMB7,779,370,523.87, a year-on-year increase of 1.27%; and the realized revenue from the main business of export business was RMB3,497,620,764.04, a year-on-year decrease of 4.64%.

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	11,409,770,133.56	11,477,500,800.41	-0.59%	
Operating cost	8,644,174,338.38	8,768,097,687.83	-1.41%	
Sales expenses	1,245,183,572.76	1,152,072,774.05	8.08%	
Administrative expenses	180,624,860.13	198,795,000.32	-9.14%	
Financial expenses	18,699,969.04	-14,185,238.46	231.83%	Mainly due to a decrease in interest revenue compared to the same period last year, coupled with exchange rate fluctuation of RMB during the reporting period, which led to a reduction in exchange gains.
Income tax expenses	234,962,536.32	234,006,082.99	0.41%	
R&D investment	213,847,892.30	210,369,305.81	1.65%	
Net cash flows from operating activities	484,244,174.72	512,444,707.87	-5.50%	
Net cash flows from investing activities	-89,147,681.88	1,377,059,584.61	-106.47%	Mainly due to the decrease in cash inflow from the maturity and settlement of negotiable large-denomination certificates of deposit during the reporting period.
Net cash flows from financing activities	-938,105,153.99	-1,733,386,573.87	45.88%	Mainly due to the cash inflow from discounting bank acceptance bills increased during the reporting period.

Net increase in cash and cash equivalents	-556,479,469.39	154,738,138.38	-459.63%	Mainly due to the decrease in cash inflow from investing activities in the current period.

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	11,409,770,133.56	100.00%	11,477,500,800.41	100.00%	-0.59%
By industry					
Cookware	3,329,482,318.21	29.18%	3,162,954,841.12	27.56%	5.26%
Electric appliance	7,925,391,824.80	69.46%	8,162,103,106.80	71.11%	-2.90%
Others	154,895,990.55	1.36%	152,442,852.49	1.33%	1.61%
By products					
Electrical cooking	4,474,626,154.57	39.22%	4,696,864,915.02	40.92%	-4.73%
Food processor appliance	1,911,092,456.32	16.75%	1,946,794,376.03	16.96%	-1.83%
Cookware and utensil	3,329,482,318.21	29.18%	3,162,954,841.12	27.56%	5.26%
Other household electric appliances	1,694,569,204.46	14.85%	1,670,886,668.24	14.56%	1.42%
By areas					
Domestic sales	7,868,884,679.38	68.97%	7,761,261,756.01	67.62%	1.39%
Export sales	3,540,885,454.18	31.03%	3,716,239,044.40	32.38%	-4.72%

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	3,329,482,318.21	2,469,426,378.11	25.83%	5.26%	4.80%	0.33%
Electric appliance	7,925,391,824.80	6,045,813,709.47	23.72%	-2.90%	-3.80%	0.72%
By products						
Electrical cooking	4,474,626,154.57	3,304,605,056.12	26.15%	-4.73%	-8.02%	2.64%

Food processor appliance	1,911,092,456.32	1,580,421,073.59	17.30%	-1.83%	1.92%	-3.04%
Cookware and utensil	3,329,482,318.21	2,469,970,919.95	25.82%	5.26%	4.83%	0.32%
Other household electric appliances	1,694,569,204.46	1,289,177,288.71	23.92%	1.42%	1.64%	-0.17%
By areas						
Domestic sales	7,868,884,679.38	5,591,328,551.33	28.94%	1.39%	-0.33%	1.22%
Export sales	3,540,885,454.18	3,052,845,787.05	13.78%	-4.72%	-3.33%	-1.24%

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	1,444,756,240.78	11.24%	1,983,145,355.81	14.78%	-3.54%	Mainly due to the dividend expenditure in cash outflow of the Company's financing activities during the reporting period.
Accounts receivable	3,194,938,477.33	24.85%	2,759,420,479.68	20.57%	4.28%	Mainly due to the increase in accounts receivable of export business at the end of the reporting period.
Inventories	2,068,048,544.85	16.09%	2,408,140,056.30	17.95%	-1.86%	Mainly due to the improvement in inventory turnover.
Long-term equity investment	59,841,714.93	0.47%	60,731,939.93	0.45%	0.02%	No significant change during the reporting period.
Fixed assets	1,230,059,690.05	9.57%	1,262,098,881.91	9.41%	0.16%	No significant change during the reporting period.
Construction in progress	50,469,537.60	0.39%	34,984,880.67	0.26%	0.13%	No significant change during the reporting period.
Right-of-use assets	247,464,898.90	1.93%	187,538,791.34	1.40%	0.53%	No significant change during the reporting period.
Short-term borrowings	1,186,762,343.50	9.23%			9.23%	Mainly due to the discount of bank acceptance bills of subsidiaries at the reporting period.
Contract liabilities	588,646,279.46	4.58%	966,693,982.29	7.21%	-2.63%	Mainly due to the decrease in advance payments from some

						distributors of the subsidiaries during the end of the reporting period.
Lease obligation	216,762,637.57	1.69%	160,127,971.91	1.19%	0.50%	No significant change during the reporting period.
Non-current assets due within one year	1,823,720,958.90	14.19%	2,643,476,534.24	19.70%	-5.51%	Mainly due to the decrease in negotiable certificates of deposit due within one year at the end of the reporting period.
Other debt investment	967,473,301.38	7.53%			7.53%	Mainly due to the increase in negotiable certificates of deposit due over 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)	344,226,787.28	6,622,481.44			1,340,000,000.00	1,540,829,883.87		150,019,384.85
2. Other debt investments	2,643,476,534.24				465,535,448.68	342,015,753.41	24,198,030.77	2,791,194,260.28
3. Receivables financing	273,842,313.46						-26,257,226.59	247,585,086.87
Total	3,261,545,634.98	6,622,481.44			1,805,535,448.68	1,882,845,637.28	-2,059,195.82	3,188,798,732.00
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.

Other 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. The above amount of "Other debt investments" includes "Other debt investments due within one year".

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

See No.18. "Assets with title or use right restrictions" of Part VII "Notes to Items of Consolidated Financial Statements" of SECTION VIII "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	Opening 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 amount	Proportion of investment amount in the Company's net assets at the end of the reporting period

Foreign exchange derivatives	16,405.35	16,405.35	-617.44		73,813.83	63,683.73	26,535.45	5.25%
Total	16,405.35	16,405.35	-617.44		73,813.83	63,683.73	26,535.45	5.25%

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 *Accounting Standards for Business Enterprises No. 22 -- Recognition and Measurement of Financial Instruments*, *Accounting Standards for Business Enterprises No. 24 - Hedging*, and *Accounting Standards for Business Enterprises No. 37 - Presentation of Financial Instruments*. There are no significant changes compared to the previous reporting period.
Explanation on realized gains and losses 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 -6,174,400, and the amount included in equity was RMB0. 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)	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. (I) Risks of conducting foreign exchange derivatives transactions 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 in the contract cannot be executed properly, may cause losses to the Company. (II) Risk response measures 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 *Management Measures for Foreign Exchange Derivative Transactions*, 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 FX derivative transactions, it's necessary to select an FX derivative that suits the Company's business context best, and is highly liquid and risk-controlled 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 derivatives 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)	April 3, 2026

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	Main business	Registered capital	Total assets	Net assets	Operating income	Operating profit	Net profit
Wuhan Supor Cookware Co., Ltd.	Subsidiary	Cookware	RMB 91,160,000	1,329,771,314.26	329,037,884.18	1,703,510,962.49	18,400,805.86	14,047,334.81
Zhejiang Supor Electrical Appliances Manufacturing Co., Ltd.	Subsidiary	Electrical products	RMB 133,697,100	1,406,692,804.79	751,583,484.90	1,762,389,309.60	58,399,972.48	43,057,117.46

Zhejiang Shaoxing Supor Domestic Electrical Appliances Co., Ltd.	Subsidiary	Small domestic appliance, kitchen appliance	RMB 610,000,000	3,349,478,191.69	2,346,809,414.50	3,235,286,704.92	413,416,097.94	350,859,215.73

Subsidiary obtaining and disposal details during the reporting period

□ Applicable ☑ Not-applicable

Main controlling and shareholding companies

None

IX. Structural Subject under the Company's Control

□ Applicable ☑ Not-applicable

X. Risks Faced by the Company and Counter Measures

(I) Risk from market fluctuation

The domestic cookware and small domestic appliance industries face both challenges and opportunities. The domestic home appliance market has shifted from an incremental growth era to a stock competition era, showing an obvious polarization trend. Fluctuations in future consumer market growth and intensified competition may affect the Company's operating performance. Supor will continuously adhere to its established strategy. On one hand, it will stimulate demand for renewing traditional products via product structure upgrades; on the other hand, it will seek new growth points through exploration of new categories and new scenarios.

In terms of export, tariff fluctuations and geopolitical conflicts have both caused certain short-term disruptions to the Company's export business. In the future, the Company will allocate production capacity through its overseas production bases and actively collaborate with export clients to promote new product development, improve efficiency, and reduce costs, continuously enhancing the competitiveness of its export business.

(II) Risk of intensifying market competition

With polarizing consumption in the cookware and domestic appliance market, on the one hand, high-end brands continue to expand their channels and adjust their product and pricing strategies in order to take up market share, on the other hand, price competition has negative impacts on sales and the cost-performance-driven competition is expected to become fierce in coming years.

The Company will continue to adhere to product innovation as its core strategy, continuously enhance innovation capabilities to reduce homogenized competition, optimize product structure to gain market share. In addition, the Company will actively expand into low-tier markets and instant retail to reach more consumer groups. In the future, the Company will continue to invest resources to consolidate its advantageous position in core categories and accelerate product layout in niche segments to drive sustained business growth.

(III) Risk from price fluctuation of production elements

The main raw materials for cookware and small domestic appliances include aluminum, copper, stainless steel, plastics and electronic components. Their prices recorded significant cumulative increase in the first half of the year due to the external environment, and cost pressures on raw materials are expected to persist in the second half of the year. Supor continues to actively cooperate with suppliers to take effective measures to stabilize raw material prices, and vigorously promotes cost lean projects to reduce the adverse impact of raw material price fluctuations, thereby enhancing the cost competitiveness of its domestic and export businesses. On the manufacturing side, the Company actively promotes reasonable automation of production lines to improve labor output per capita, mitigating the impact of rising labor costs.

XI. Implementation of the Formulation of the Market Value Management System and the Valuation Improvement Plan

Has the Company formulated a market value management system?

□ Yes ☑ No

Has the Company disclosed a plan for improving its valuation?

□ Yes ☑ No

XII. Implementation of the Action Plan for "Double Improvement of Quality and Return"

Whether the Company has disclosed an action plan for "double improvement of quality and return" or not.

□ Yes ☑ No

SECTION IV CORPORATION GOVERNANCE, ENVIRONMENT AND SOCIETY

I. Change of Directors and Senior Executives

☑ Applicable □ Not-applicable

Name	Position	Type	Date	Reason
Chen Jun	Independent director	Expiration of the term of office	April 23, 2026	Expiration of the six-year's term of office
Wang Baoqing	Independent director	Elected	April 23, 2026	Personal reasons

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

□ Applicable ☑ Not-applicable
The Company plans not to distribute semiannual cash dividend, issue bonus shares, or transfer reserve to common shares.

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

☑ Applicable □ Not-applicable

1. Equity incentive

(I) 2022 Equity Incentive Plan

1. On October 23, 2025, the 18th Session of the Eighth Board of Directors and the 18th Session of the Eighth Board of Supervisors reviewed and adopted *Proposal on Repurchasing and Canceling a Part of Restricted Stock*. Since the performance assessment of business units where incentive employees serve did not achieve the 100% unlocking target under the second unlock period, in accordance with relevant provisions of the 2022 Restricted Stock Incentive Plan, the Company decided to repurchase and cancel a total of 173,787 shares of granted Restricted Stock that failed to meet the unlocking conditions at the price of RMB 1 per share. The *Proposal on Repurchasing and Canceling a Part of Restricted Stock* has been adopted by the Second Interim Shareholders' Meeting 2025 held on November 10, 2025. The Company repurchased and canceled 173,787 shares of Restricted Stock of 2022 Equity Incentive Plan at the price of RMB1 per share and paid totally RMB173,787 to the above incentive employees. After confirmed by Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, the Company completed repurchase and cancellation on April 14, 2026.

For detailed contents, see *Announcement of Repurchasing and Canceling a Part of Restricted Stock* and the *Announcement of Completion of Repurchase and Cancellation of Restricted Stock* on *Securities Times*, *China Securities Journal*, *Securities Daily*, and http://www.cninfo.com.cn on October 24, 2025 and April 15, 2026 (Announcement No.: 2025-058, 2026-025).

2. On February 26, 2026, the 20th Session of the Eighth Board of Directors reviewed and adopted *Proposal on Unlocking of Postponed Portion of Restricted Stock within the Second Unlock Period of 2022 Restricted Stock Incentive Plan*, agreeing to unlock the postponed portion of Restricted Stock for 2 qualified Incentive Employees in the second unlock period. The number of Restricted Stock unlocked is 29,625 shares. The date of unlocking of the postponed portion of Restricted Stock unlockable during the second

unlock period is March 6, 2026 (since the incentive employees in the postponed portion are top management of the Company, those unlocked shares have been locked as locked stocks of top management).

For detailed contents, see *Announcement of Unlocking of Postponed Portion of Restricted Stock within the Second Unlock Period of 2022 Restricted Stock Incentive Plan* and *Suggestive Announcement on Listing of Postponed Portion of Restricted Stock Unlockable during the Second Unlock Period of 2022 Restricted Stock Incentive Plan* disclosed on *Securities Times*, *China Securities Journal*, *Securities Daily*, and http://www.cninfo.com.cn on February 27, 2026 and March 4, 2026 (Announcement No.: 2026-004, 2026-005).

(II) 2023 Equity Incentive Plan

1. On October 23, 2025, the 18th Session of the Eighth Board of Directors and the 18th Session of the Eighth Board of Supervisors reviewed and adopted *Proposal on Exercise of Stock Option within the First Exercise Period of 2023 Stock Option Incentive Plan*, agreeing that 53 eligible Incentive Employees participate in independent exercise within the first exercise period. The number of exercisable stock options in the first exercise period is 480,780 shares, and the actual exercisable period of the above stock options is from November 14, 2025 to October 23, 2026. During the reporting period, a total of 63,513 shares of the above stock options have been exercised; the cumulative exercised number of stock options in the first exercise period was 364,433 shares.

For detailed contents, see *Announcement of Exercise of Stock Option within the First Exercise Period of 2023 Stock Option Incentive Plan* and *Suggestive Announcement on the Adoption of Autonomous Exercise Mode for the First Exercise Period of 2023 Stock Option Incentive Plan* disclosed on *Securities Times*, *China Securities Journal*, *Securities Daily*, and http://www.cninfo.com.cn on October 24, 2025 and November 13, 2025 (Announcement No.: 2025-059, 2025-066).

(III) 2024 Equity Incentive Plan

During the reporting period, there were no updates on the implementation of the 2024 Equity Incentive Plan of the Company.

(IV) 2025 Equity Incentive Plan

During the reporting period, there were no updates on the implementation of the 2025 Equity Incentive Plan of the Company.

2. Implementation of the employee stock holding plan

□ Applicable ☑ Not-applicable

3. Other employee incentive measures

☑ Applicable □ Not-applicable

(I) Administration Measures for the Second Performance Incentive Fund

On April 2, 2026, the 21st Session of the Eighth Board of Directors reviewed and adopted the *Proposal on Accrual and Allocation Scheme of Performance Incentive Fund in 2025*. According to the *Administration Measures for the Second Performance Incentive Fund*, the accrual condition of the Performance Incentive Fund in 2025 is satisfied, the Company plans to accrue RMB 24,139,795 incentive funds.

For detailed contents, see *Announcement of the Resolution of the 21st Session of the Eighth Board of Directors* disclosed on Securities Times, China Securities Journal, Securities Daily, and http://www.cninfo.com.cn on April 3, 2026 (Announcement No.: 2026-006).

(II) Administration Measures for the Third Performance Incentive Fund

On April 2, 2026, the 21st Session of the Eighth Board of Directors reviewed and adopted the *Proposal on Accrual and Allocation Scheme of Performance Incentive Fund in 2025*. According to the *Administration Measures for the Third Performance Incentive Fund*, the accrual condition of the Performance Incentive Fund in 2025 is satisfied, the Company plans to accrue RMB 26,063,022 incentive funds.

For detailed contents, see *Announcement of the Resolution of the 21st Session of the Eighth Board of Directors* disclosed on Securities Times, China Securities Journal, Securities Daily, and http://www.cninfo.com.cn on April 3, 2026 (Announcement No.: 2026-006).

IV. Environmental Information Disclosure

Do the listed company and its subsidiary belong to the list of environmental information disclosure entities?
☑ Yes □ No

Number of enterprises that belong to the list of environmental information disclosure entities (units)		4
SN	Enterprise Name	Query index for environmental information disclosure reports in accordance with the law
1	The Company	https://mlzj.sthjt.zj.gov.cn/eps/index/enterprise-search
2	Zhejiang Supor Electrical	https://mlzj.sthjt.zj.gov.cn/eps/index/enterprise-search
3	Shaoxing Supor	https://mlzj.sthjt.zj.gov.cn/eps/index/enterprise-search
4	Wuhan Supor Cookware	http://219.140.164.18:8007/hbyfpl/frontal/index.html#/home/index

V. Social Responsibilities

During the reporting period, the Company actively supported the national policy of rural revitalization and common prosperity, adhered to the vision and mission of the enterprise, supporting community services around enterprises and rural revitalization work in remote areas in central and western China, and donating funds to improve the conditions of basic education in the mountainous areas of central and western China, to support the urban and rural schools to promote the education of life literacy and to cultivate future-oriented, life-loving and healthy children and teenagers of the new era.

By the end of the reporting period, the Company has donated for the construction of 31 Supor Primary Schools in remote mountainous areas of central and western China as well as in the Company's birthplace, with cumulative donations over RMB 40 million. Following the completion of poverty alleviation and the development of urban and rural societies, the Company adjusted its project strategy to focus on enhancing the living and educational functions of town boarding schools, while continuing to deepen its support for rural education.

In 2026, in collaboration with its public welfare partners, Supor continued to provide online livestreaming courses in art, foreign languages, and science to 16 Supor Primary Schools. It also supplied volunteer teachers to 2 rural schools facing faculty shortages, ensuring that children in remote villages have access to quality educational resources. The Company has long been committed to broadening the educational horizons of teachers in mountainous areas through training and incentive programs. In the summer of 2026, the Company organized the 12th Supor Primary School Rural Teachers Study Tour program. With Supor's support, a total of 26 rural teachers from remote central and western regions participated in educational training in Zhejiang to enhance their teaching methodologies.

In the first half of 2026, Supor continued to advance the "Hope Project - Little Artists of Life" implemented jointly with Zhejiang Youth Development Foundation, supporting urban and rural schools in building living and educational spaces, conducting life skill classes, and enhancing life literacy education, enabling children to grow through practical experiences. In the first half of the year, a total of 13 urban and rural schools across Zhejiang built fully-equipped life and labor classrooms with the support of Supor.

While fulfilling its social responsibilities, Supor employees enthusiastically participated in the Company's public welfare projects through volunteer services. During the Children's Day period (June 1), Supor employee volunteers visited Supor primary schools in Congjiang, Guizhou and Rongshui, Guangxi to bring companionship and warm wishes 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	——	——
Coverage of rural students	Person	30,000
Investment amount for improving the educational resources (material value) in rural areas	RMB 10,000	89
Awards received (content, grade)	——	——

SECTION V 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 of the Board of Directors 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

There was no punishment and rectification during the reporting period.

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

□ Applicable ☑ Not-applicable

XI. Major Connected Transactions

1. Connected transaction related to daily business

☑ Applicable □ Not-applicable

Connected party	Connected relation	Type of connected transaction	Contents of connected transaction	Pricing principle of connected transaction	Price of connected transaction	Amount of connected 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 connected transaction	Market price of available same transaction	Date of disclosure	Reference for disclosure
Wuhan Anzai Cookware Co., Ltd.	Associated enterprise	Purchase of commodity	Finished products	Contract price	-	8,107.97	1.13%		No	Bank transfer or notes	-		
Wuhan Anzai Cookware Co., Ltd.	Associated enterprise	Purchase of commodity	Accessories	Market price	-	702.37	0.10%		No	Bank transfer or notes	-		
TEFAL S.A.S.	Same controlling shareholder with the controlling shareholder	Purchase of commodity	Accessories	Market price	-	318.91	0.04%		No	Bank transfer or notes	-		
LAGOSTINA S.P.A.	Same controlling shareholder	Purchase of commodity	Finished products	Contract price	-	71.41	0.01%		No	Bank transfer or notes	-		
SEB INTERNATIONAL SERVICE S.A.S.	Same controlling shareholder with the controlling shareholder	Purchase of commodity	Accessories	Market price	-	1.67	0.00%		No	Bank transfer or notes	-		
SEB INTERNATIONAL SERVICE S.A.S.	Same controlling shareholder with the controlling shareholder	Purchase of commodity	Finished products	Contract price	-	3.95	0.00%		No	Bank transfer or notes	-		
SEB ASIA LTD.	Same controlling shareholder	Purchase of commodity	Finished products	Contract price	-	128.72	0.02%		No	Bank transfer or notes	-		
GROUPE SEB MOULINEX	Same controlling shareholder with the controlling shareholder	Purchase of commodity	Accessories	Market price	-	2,568.10	0.36%		No	Bank transfer or notes	-		

WMF BUSINESS UNIT CONSUMER GMBH	Same controlling shareholder	Purchase of commodity	Finished products	Contract price	-	1,612.33	0.22%		No	Bank transfer or notes	-		
EMSA GMBH	Same controlling shareholder	Purchase of commodity	Finished products	Contract price	-	1.24	0.00%		No	Bank transfer or notes	-		
Silit-Werke GmbH & Co. KG	Same controlling shareholder	Purchase of commodity	Finished products	Contract price	-	5.68	0.00%		No	Bank transfer or notes	-		
SEB ASIA LTD.	Same controlling shareholder	Sale of commodities	Finished products	Contract price	-	321,778.7	28.20%		No	Bank transfer or notes	-		
SEB ASIA LTD.	Same controlling shareholder	Sale of commodities	Accessories	Market price	-	215.12	0.02%		No	Bank transfer or notes	-		
S.A.S. SEB	Same controlling shareholder with the controlling shareholder	Sale of commodities	Finished products	Contract price	-	133.19	0.01%		No	Bank transfer or notes	-		
S.A.S. SEB	Same controlling shareholder with the controlling shareholder	Sale of commodities	Accessories	Market price	-	48.41	0.00%		No	Bank transfer or notes	-		
TEFAL S.A.S.	Same controlling shareholder with the controlling shareholder	Sale of commodities	Finished products	Contract price	-	99.87	0.01%		No	Bank transfer or notes	-		
TEFAL S.A.S.	Same controlling shareholder with the controlling shareholder	Sale of commodities	Accessories	Market price	-	1,277.14	0.11%		No	Bank transfer or notes	-		
GROUPE SEB MOULINEX	Same controlling shareholder with the controlling shareholder	Sale of commodities	Finished products	Contract price	-	940.39	0.08%		No	Bank transfer or notes	-		
SEB INTERNATIONAL SERVICE S.A.S.	Same controlling shareholder with the controlling shareholder	Sale of commodities	Accessories	Market price	-	2,063.15	0.18%		No	Bank transfer or notes	-		
LAGOSTINA S.P.A.	Same controlling shareholder	Sale of commodities	Accessories	Market price	-	85.85	0.01%		No	Bank transfer or notes	-		
IMUSA USA LLC	Same controlling shareholder	Sale of commodities	Accessories	Market price	-	0.83	0.00%		No	Bank transfer or notes	-		
WMF Consumer Goods (Shanghai) Co, Ltd.	Same controlling shareholder	Sale of commodities	Finished products	Contract price	-	3.22	0.00%		No	Bank transfer or notes	-		
GROUPE SEB CANADA	Same controlling shareholder	Sale of commodities	Finished products	Contract price	-	276.99	0.02%		No	Bank transfer or notes	-		
GROUPE SEB VIETNAM JOINT STOCK COMPANY	Same controlling shareholder	Sale of commodities	Finished products	Contract price	-	271.31	0.02%		No	Bank transfer or notes	-		
GROUPE SEB VIETNAM JOINT STOCK COMPANY	Same controlling shareholder	Sale of commodities	Accessories	Market price	-	78.45	0.01%		No	Bank transfer or notes	-		

GROUPE SEB ANDEAN S.A.	Same controlling shareholder	Sale of commodities	Accessories	Market price	-	411.93	0.04%		No	Bank transfer or notes	-		
Saichuang Commercial Electric Appliance (Shaoxing) Co., Ltd.	Same controlling shareholder	Sale of commodities	Finished products	Contract price	-	4.05	0.00%		No	Bank transfer or notes	-		
Total				--	--	341,210.95	--		--	--	--	--	--
Details of large sales return				Not-applicable									
Actual implementation of estimated total amount of related transaction by category incurred during the period in the reporting period (if any)				From January to June 2026, the actual amount of daily related transactions between the Company and Groupe SEB reached RMB3,324.0061 million.									
Reason for the big difference between transaction price and market reference price (if applicable)				Not-applicable									

2. Connected 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. Connected transaction from external co-investment

□ Applicable ☑ Not-applicable

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

4. Connected creditor's rights and debts

□ Applicable ☑ Not-applicable

There were no connected 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 connected parties

□ Applicable ☑ Not-applicable

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

7. Other important connected transactions

□ Applicable ☑ Not-applicable

There were no significant connected 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 "28. Lease obligation" of Part VIII "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 are no leasing items that bring 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	March 28, 2025	140,000.00	July 2025 - December 2025	48,722.63	General guarantee and pledge	Cash	Yes	July 2025 - June 2026	Yes	No
Supor's distributors who meet certain conditions	March 28, 2025	140,000.00	January 2026 - March 2026	28,710.85	General guarantee and pledge	Cash	Yes	January 2026 - September 2026	No	No
Supor's distributors who meet certain conditions	April 3, 2026	140,000.00	April 2026 - June 2026	18,500.27	General guarantee and pledge	Cash	Yes	April 2026 - December 2026	No	No
Total external guaranteed amount approved during the reporting period (A1)		140,000.00		Total actual amount of external guarantee during the reporting period (A2)		95,933.74				

<table>
<tr><td colspan="2">Total external guaranteed amount approved at the end of the reporting period (A3)</td><td colspan="2">280,000.00</td><td colspan="2">Total external guarantee balance at the end of the reporting period (A4)</td><td colspan="5">28,241.12</td></tr>
<tr><td colspan="11">Guarantee of the Company to subsidiaries</td></tr>
<tr><td>Name of guaranteed object</td><td>Disclosure date of announcement related to the guaranteed amount</td><td>Guaranteed amount</td><td>Actual occurring date</td><td>Actual guaranteed amount</td><td>Guarantee type</td><td>Collateral (if any)</td><td>Counter-guarantee (if any)</td><td>Guarantee period</td><td>Fulfilled or not</td><td>Whether it is guaranteed by related parties</td></tr>
<tr><td>Zhejiang Shaoxing Supor Housewares Co., Ltd.</td><td>March 28, 2025</td><td>460,000.00</td><td>July 2025 - December 2025</td><td>87,577.40</td><td>Joint liability guarantee, general guarantee</td><td>None</td><td>None</td><td>July 2025 - June 2026</td><td>Yes</td><td>No</td></tr>
<tr><td>Zhejiang Shaoxing Supor Housewares Co., Ltd.</td><td>March 28, 2025</td><td>460,000.00</td><td>January 2026 - March 2026</td><td>38,941.70</td><td>Joint liability guarantee, general guarantee</td><td>None</td><td>None</td><td>January 2026 - September 2026</td><td>No</td><td>No</td></tr>
<tr><td>Zhejiang Shaoxing Supor Housewares Co., Ltd.</td><td>April 3, 2026</td><td>460,000.00</td><td>April 2026 - June 2026</td><td>51,879.00</td><td>Joint liability guarantee, general guarantee</td><td>None</td><td>None</td><td>April 2026 - December 2026</td><td>No</td><td>No</td></tr>
<tr><td colspan="2">Approved total guaranteed amount towards the subsidiaries during the reporting period (B1)</td><td colspan="2">600,000.00</td><td colspan="2">Total actual amount of guarantee to subsidiaries during the reporting period (B2)</td><td colspan="5">178,398.10</td></tr>
<tr><td colspan="2">Total guaranteed amounts to subsidiaries approved at the end of the reporting period (B3)</td><td colspan="2">1,200,000.00</td><td colspan="2">Total guarantee balance for subsidiaries at the end of the reporting period (B4)</td><td colspan="5">90,820.70</td></tr>
<tr><td colspan="11">Guarantee of the subsidiaries to subsidiaries</td></tr>
<tr><td>Name of guaranteed object</td><td>Disclosure date of announcement related to the guaranteed amount</td><td>Guaranteed amount</td><td>Actual occurring date</td><td>Actual guaranteed amount</td><td>Guarantee type</td><td>Collateral (if any)</td><td>Counter-guarantee (if any)</td><td>Guarantee period</td><td>Fulfilled or not</td><td>Whether it is guaranteed by related parties</td></tr>
<tr><td colspan="11">Total guaranteed amount of the Company (namely the total of the first three items)</td></tr>
<tr><td colspan="2">Total approved guaranteed amount during the reporting period (A1+B1+C1)</td><td colspan="2">740,000.00</td><td colspan="2">Total guaranteed actual amount during the reporting period (A2+B2+C2)</td><td colspan="5">274,331.84</td></tr>
<tr><td colspan="2">Total approved guaranteed amount at the end of the reporting period (A3+B3+C3)</td><td colspan="2">1,480,000.00</td><td colspan="2">Total guarantee balance at the end of the reporting period (A4+B4+C4)</td><td colspan="5">119,061.82</td></tr>
<tr><td colspan="4">Proportion of the total guarantee balance (i.e. A4+B4+C4) to the net assets of the Company</td><td colspan="7">23.58%</td></tr>
<tr><td colspan="11">Including:</td></tr>
<tr><td colspan="4">Total guaranteed amount towards shareholders, actual controllers and related parties (D)</td><td colspan="7">0</td></tr>
<tr><td colspan="4">Balance of debt guarantee directly or indirectly provided to the guaranteed object with an asset-liability ratio exceeding 70% (E)</td><td colspan="7">90,820.70</td></tr>
<tr><td colspan="4">Amount of the total guarantee exceeding 50% of the net assets (F)</td><td colspan="7">0</td></tr>
</table>

Total amount of the above three guarantees (D+E+F)	90,820.70
Description of the guarantee liability occurred 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)	Not-applicable
Explanation on external guarantee provided against the established procedures (if any)	Not-applicable

Specific description for using the composite guarantee situation

3. Entrusted financing

☑ Applicable □ Not-applicable

Unit: RMB 10,000

Product category	Risk characteristics	The balance of entrusted financing during the reporting period	Overdue amount unclaimed
Bank financial products	Self-owned capital	15,000.00	0

Specific circumstances of entrusted financing where the Company acts as a sole principal to entrust financial institutions with asset management, or invests in high-risk entrusted financing products with low safety and poor liquidity

□ Applicable ☑ Not-applicable

4. Entrusted financing - Note

Note: Details on the Company's purchase of short-term financial products in 2026 can be seen in the *Announcement of Short-term Investment Using Excessive Cash* (Announcement No.: 2026-010) disclosed on http://www.cninfo.com.cn.

5. Other significant contracts

□ Applicable ☑ Not-applicable

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

XIII. Investigation & Research, Communication and Interview Activities During the Reporting Period

☑ Applicable □ Not-applicable

Reception time	Reception place	Reception manner	Type of reception object	Reception object	Main content talked about and materials provided	Index for basic condition of investigation and survey
April 3, 2026	Company	Conference call	Institutions	Analysts and institutional investors	Annual performance and operating conditions in 2025 fiscal year	See the *Information for Investor Relations Activity of Supor on April 7, 2026* disclosed by the Company in http://www.cninfo.com.cn on April 7, 2026 for details.
April 9, 2026	Company	Online communication on network platforms	Individuals, Institutions	Investors of the Company	Annual performance seminar	See the *Information for Investor Relations Activity of Supor on April 9, 2026* disclosed by the Company in http://www.cninfo.com.cn on April 9, 2026 for details.
April 24, 2026	Company	Conference call	Institutions	Analysts and institutional investors	Performance and operating conditions in the first	See the *Information for Investor Relations Activity of Supor on April*

					quarter of 2026	*27, 2026* disclosed by the Company in http://www.cninfo.com.cn on April 27, 2026 for details.

XIV. Explanation on Other Important Matters

□ Applicable ☑ Not-applicable

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

XV. Important Matters of Subsidiaries

□ Applicable ☑ Not-applicable

SECTION VI CHANGES IN SHARE CAPITAL AND PARTICULARS ABOUT SHAREHOLDERS

I. Changes in Share Capital

1. Changes in Share Capital

Unit: Share

	Before change		Increase/decrease in the period (+, -)					After change	
	Share number	Proportion	New shares	Shares bonus	Converted capital	Others	Subtotal	Share number	Proportion
I. Restricted Outstanding Shares	571,223	0.07%				-245,627	-245,627	325,596	0.04%
1. Shares held by the state									
2. State-owned legal person shares									
3. Other domestic shareholdings	571,223	0.07%				-245,627	-245,627	325,596	0.04%
Including: Shares held by domestic legal entities									
Shares held by domestic natural persons	571,223	0.07%				-245,627	-245,627	325,596	0.04%
4. Shares held by foreign capitals									
Including: Shares held by foreign legal entities									
Shares held by foreign natural persons									
II. Non-restricted Outstanding Shares	801,089,430	99.93%				-1,532,147	-1,532,147	799,557,283	99.96%
1. Common shares in RMB	801,089,430	99.93%				-1,532,147	-1,532,147	799,557,283	99.96%
2. Domestically listed foreign shares									
3. Overseas listed foreign shares									
4. Others									
III. Sum of Shares	801,660,653	100.00%				-1,777,774	-1,777,774	799,882,879	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 March 3, 2026, totally 29,625 shares of Restricted Stock in the second unlock period of the postponed portion under the 2022 Restricted Stock Incentive Plan were unlocked. Since the incentive employees in the postponed portion are top management of the Company, those unlocked shares have been locked as locked stocks of top management.
3. On April 14, 2026, since the performance assessment of business units that incentive employees of 2022 Restricted Stock Incentive Plan serve did not achieve the 100% unlocking target under the second unlock period, the Company repurchased and canceled a total of 173,787 shares of Restricted Stock. Following the completion of repurchase and cancellation, the Company's total capital stock of 801,689,443 shares (in the first quarter of 2026, the Company's total capital stock has increased from 801,660,653 shares to 801,689,443 shares because incentive employees exercised 28,790 shares of stock options) was reduced to 801,515,656 shares.
4. On May 6, 2026, the Company canceled the remaining 1,667,500 repurchased shares originally intended for the implementation of equity incentive under the 2022 Public Shares Repurchase Plan, and reduced its registered capital. Following the completion of cancellation, the Company's total capital stock was reduced from 801,515,656 shares to 799,848,156 shares.
5. During the reporting period, 63,513 shares of stock options were independently exercised by Incentive Employees under 2023 Stock Option Incentive Plan. The total share capital of the Company accordingly increased by 63,513 shares due to the exercise of stock options: an increase of 28,790 shares in the first quarter of 2026, and an increase of 34,723 shares in June 2026. At the end of the reporting period, the total capital stock of the Company increased from 799,848,156 shares to 799,882,879 shares.

Approval of change in shares

☑ Applicable □ Not-applicable

1. On February 26, 2026, the 20th Session of the Eighth Board of Directors reviewed and adopted *Proposal on Unlocking of Postponed Portion of Restricted Stock within the Second Unlock Period of 2022 Restricted Stock Incentive Plan*, agreeing to unlock the postponed portion of Restricted Stock for 2 qualified Incentive Employees in the second unlock period. The number of Restricted Stock unlocked is 29,625 shares. The date of unlocking of the postponed portion of Restricted Stock unlockable during the second unlock period is March 6, 2026 (since the incentive employees in the postponed portion are top management of the Company, those unlocked shares have been locked as locked stocks of top management).
2. On October 23, 2025, the 18th Session of the Eighth Board of Directors and the 18th Session of the Eighth Board of Supervisors reviewed and adopted *Proposal on Unlocking of Restricted Stock within the Second Unlock Period of 2022 Restricted Stock Incentive Plan* and *Proposal on Repurchasing and Canceling a Part of Restricted Stock*, agreeing to unlock the Restricted Stock for 279 qualified Incentive Employees in the second unlock period. The number of Restricted Stock unlocked is 450,088 shares. The date of circulation of the Restricted Stock unlockable during the second unlock period is November 18, 2025. Since the performance assessment of business units that incentive employees serve did not achieve the 100% unlocking target under the second unlock period, the Company decided to repurchase and cancel Restricted Stock amounting to 173,787 shares in accordance with the 2022 Equity Incentive Plan at the price of RMB1 per share. The *Proposal on Repurchasing and Canceling a Part of Restricted Stock* has been adopted by the Second Interim Shareholders’ Meeting 2025 held on November 10, 2025. After confirmed by Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, the Company completed repurchase and cancellation on April 14, 2026.
3. On April 2, 2026, the 21st Session of the Eighth Board of Directors reviewed and adopted the *Proposal on Canceling a Part of Repurchased Shares*, agreeing that the Company cancel the remaining 1,667,500 repurchased shares originally intended for the implementation of equity incentive under the 2022 Public Shares Repurchase Plan, and reduce its registered capital. The above cancellation of repurchased shares was reviewed and adopted at the Annual Shareholders’ Meeting for 2025 Fiscal Year held on April 23, 2026. After confirmed by Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, the Company completed shares cancellation on May 6, 2026.
4. On October 23, 2025, the 18th Session of the Eighth Board of Directors and the 18th Session of the Eighth Board of Supervisors reviewed and adopted *Proposal on Exercise Stock Option within the First Exercise Period of the 2023 Stock Option Incentive Plan*, agreeing that 53 eligible Incentive Employees participate in independent exercise within the first exercise period. The number of exercisable stock options in the first exercise period is 480,780 shares, and the actual exercisable period of the above stock options is

from November 14, 2025 to October 23, 2026. During the reporting period, Incentive Employees exercised 63,513 shares of stock options; the cumulative exercised number of stock options in the first exercise period was 364,433 shares.

Transfer of shares changed

□ Applicable ☑ Not-applicable

Progress in the implementation of share repurchase

☑ Applicable □ Not-applicable

During the implementation period of the 2022 Public Shares Repurchase Plan, the Company repurchased a total of 4,870,069 shares, with the highest price of RMB 54.00 per share and the lowest price of RMB 44.55 per share, and the total amount paid was RMB 242.8754 million (excluding transaction fees). From November 2022 to February 2023, the Company used 1,332,500 repurchased shares for the implementation of equity incentive, and completed the cancellation of 1,870,069 repurchased shares in April 2023. The remaining 1,667,500 shares under the 2022 Public Shares Repurchase Plan were reserved for subsequent implementation of equity incentive.

On April 2, 2026, the 21st Session of the Eighth Board of Directors reviewed and adopted the *Proposal on Canceling a Part of Repurchased Shares*, agreeing that the Company cancel the remaining 1,667,500 repurchased shares originally intended for the implementation of equity incentive under the 2022 Public Shares Repurchase Plan, and reduce its registered capital. The above cancellation of repurchased shares was reviewed and adopted at the Annual Shareholders' Meeting for 2025 Fiscal Year held on April 23, 2026. After confirmed by Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, the Company completed cancellation on May 6, 2026.

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 latest year and period, net assets per share attributable to the Company's common shareholders and other financial indexes.

☑ Applicable □ Not-applicable

During the reporting period, the Company repurchased and canceled a total of 173,787 shares of Restricted Stock, canceled a total of 1,667,500 repurchased public shares, and increased a total of 63,513 shares due to independent exercise of stock options by Incentive Employees, resulting in a total reduction of 1,777,774 shares of the Company; which had minimal impact on financial indicators such as basic earnings per share and diluted earnings per share, and net assets per share attributable to common shareholders of the Company.

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

□ Applicable ☑ Not-applicable

2. Changes in restricted 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	153,816	38,454	0	115,362	Locked stocks of top management	Mr. Su Xianze resigned as director of the Company on December 12, 2025, and all the shares held by him were locked due to his resignation; upon the expiration of 6 months after

						his resignation, 25% of the total stock of the Company registered under his name will be unlocked.
Cheung Kwok Wah	88,562	0	0	88,562	Locked stocks of top management	Mr. Cheung Kwok Wah resigned as general manager of the Company on January 23, 2025, and all the shares held by him were locked due to his resignation; upon the expiration of 6 months after his resignation, 25% of the total stock of the Company registered under his name will be unlocked.
Xu Bo	93,358	24,852	21,750	90,256	Locked stocks of top management	Unlocked 25% of the shares registered under his name based on holding shares at the last transaction date of the last year. During the reporting period, the quota of Restricted Stock was readjusted based on the total shareholding amount.
Ye Jide	32,075	8,534	7,875	31,416	Locked stocks of top management	Unlocked 25% of the shares registered under his name based on holding shares at the last transaction date of the last year. During the reporting period, the quota of Restricted Stock was readjusted based on the total shareholding amount.
Incentive Employees of 2022 Equity Incentive Plan	203,412	203,412	0	0	Restricted shares under the equity incentive plan/ the Company repurchased and canceled 173,787 shares of Restricted Stock during the first half year, which corresponded to performance targets that failed to meet the 100% unlocking target.	Among "restricted outstanding shares released in current period", 29,625 shares are postponed portion of Restricted Stock unlockable in the second unlock period for Incentive Employees, and the remaining 173,787 shares are repurchased and canceled Restricted Stock due to failure to meet the performance assessment target for 100% unlocking conditions.
Total	571,223	275,252	29,625	325,596	--	--

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	19,266	Total number of preferred shareholders whose voting right is recovered at the end of reporting period (if any) (refer to Note 8)	0

Shareholding information on shareholders holding more than 5% shares or top 10 shareholders (excluding shares lent through refinancing and financing)

Name	Nature	Shareholding ratio	Number of common shares at the end of the reporting period	Increase/ decrease during the reporting period	Number of restricted shares	Number of non-restricted shares	Pledge, marking or freezing	
							Status of share	Share number
SEB INTERNATIONALE S.A.S	Foreign legal entity	83.35%	666,681,904	0	0	666,681,904	Not-applicable	0
ABC-Southern Asset Management S&P China A-Share Large-Cap Dividend Low Volatility 50 Traded Open-end Index Securities Investment Funds	Others	1.40%	11,186,711	3,838,935	0	11,186,711	Not-applicable	0
Hong Kong Securities Clearing Company Ltd.	Foreign legal entity	1.30%	10,437,134	-5,282,848	0	10,437,134	Not-applicable	0

Harvest Fund - China Life Insurance Co., Ltd. - Traditional Insurance - New Value Stock Type Portfolio Single Asset Management Plan	Others	0.71%	5,691,707	4,672,307	0	5,691,707	Not-applicable	0
Ningbo Bank-Zhongtai Xingyuan Value-selected Flexible Complex Securities Investment Funds	Others	0.66%	5,314,188	-305,023	0	5,314,188	Not-applicable	0
China Life Insurance Co., Ltd.-Traditional-General Insurance Products-005L- CT001 (SSEC)	Others	0.58%	4,617,240	-4,368,670	0	4,617,240	Not-applicable	0
China Merchants Securities Co., Ltd.	State-owned legal person	0.49%	3,913,030	751,100	0	3,913,030	Not-applicable	0
SDIC Securities Co., Ltd.	State-owned legal person	0.42%	3,355,216	446,984	0	3,355,216	Not-applicable	0
Bank of China Limited - Bosera CSI Dividend Low Volatility 100 Traded Open-end Index Securities Investment Funds	Others	0.37%	2,938,166	1,865,215	0	2,938,166	Not-applicable	0
Huatai Securities Co., Ltd.	State-owned legal person	0.35%	2,808,673	905,733	0	2,808,673	Not-applicable	0
Strategic investor or general corporate investor who becomes top 10 shareholder as a result of rights issue (if any) (see Note 3)	None							
Explanation on the above-mentioned shareholder relationships or concerted actions	It is unknown whether there is an association among the top ten shareholders, or whether they are persons acting in concert as stipulated in the *Measures for the Administration of the Acquisition of Listed Companies*.							
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 3,000,000 shares in the special securities account for repurchase.							

Shareholding information of top 10 shareholders holding non-restricted shares (excluding shares lent through refinancing and financing, and locked stocks of top management)			
Name	Number of non-restricted 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
ABC-Southern Asset Management S&P China A-Share Large-Cap Dividend Low Volatility 50 Traded Open-end Index Securities Investment Funds	11,186,711	RMB common shares	11,186,711
Hong Kong Securities Clearing Company Ltd.	10,437,134	RMB common shares	10,437,134
Harvest Fund - China Life Insurance Co., Ltd. - Traditional Insurance -New Value Stock Type Portfolio Single Asset Management Plan	5,691,707	RMB common shares	5,691,707
Ningbo Bank-Zhongtai Xingyuan Value-selected Flexible Complex Securities Investment Funds	5,314,188	RMB common shares	5,314,188
China Life Insurance Co., Ltd.-Traditional-General Insurance Products-005L- CT001 (SSEC)	4,617,240	RMB common shares	4,617,240
China Merchants Securities Co., Ltd.	3,913,030	RMB common shares	3,913,030
SDIC Securities Co., Ltd.	3,355,216	RMB common shares	3,355,216
Bank of China Limited - Bosera CSI Dividend Low Volatility 100 Traded Open-end Index Securities Investment Funds	2,938,166	RMB common shares	2,938,166
Huatai Securities Co., Ltd.	2,808,673	RMB common shares	2,808,673

Explanation on associated relationship or concerted actions among top 10 shareholders holding non-restricted shares, and between top 10 shareholders holding non-restricted shares and top 10 shareholders	Same as above
Information on top 10 common shareholders involved in securities margin trading business (if any) (see Note 4)	None

Shareholders holding more than 5% of shares, the top 10 shareholders and the top 10 shareholders with unrestricted shares participating in the refinancing business to lend shares

□ Applicable ☑ Not-applicable

Top 10 shareholders and the top 10 shareholders with unrestricted shares changed from the previous period due to lending/returning of refinancing

□ Applicable ☑ Not-applicable

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 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 Stock granted at the beginning of the period (share)	Number of Restricted Stock granted in the current period (share)	Number of Restricted Stock granted at the end of the period (share)
Xu Bo	Chief Financial Officer	On-service	130,008	0	32,496	90,262	29,000	0	0
Ye Jide	Vice General Manager, Board Secretary	On-service	45,388	0	11,347	31,416	10,500	0	0
Total	--	--	175,396	0	43,843	121,678	39,500	0	0

Note: During the reporting period, 21,750 shares and 7,875 shares of Restricted Stock granted to Xu Bo (Chief Financial Officer) and Ye Jide (Vice General Manager, Board Secretary), were unlocked on March 6, 2026; the remaining 7,250 shares and 2,625 shares of Restricted Stock held by the above two persons were repurchased and canceled on April 14, 2026, due to failure of business units where they serve to meet the performance assessment target for 100% unlocking conditions.

V. Change Condition of Controlling Shareholders and Actual Controllers

If the Company has previously disclosed that the actual controller is planning a change of control but has not yet completed it, please explain the progress of the change of control.

□ Applicable ☑ Not-applicable

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.

VI. Information on Preferred Share

□ Applicable ☑ Not-applicable

No preferred share existed during the reporting period.

SECTION VII BONDS

□ Applicable ☑ Not-applicable

SECTION VIII 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.

June 30, 2026

Unit: RMB

Item	Closing balance	Opening balance
Current assets:		
Monetary capital	1,444,756,240.78	1,983,145,355.81
Settlement reserve		
Loans to other banks		
Transactional financial assets	150,019,384.85	344,226,787.28
Derivative financial assets		
Notes receivable	3,560,135.01	4,723,152.44
Accounts receivable	3,194,938,477.33	2,759,420,479.68
Receivables financing	247,585,086.87	273,842,313.46
Advance payment	297,318,791.53	201,885,965.28
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserve receivable		
Other receivables	27,124,737.14	153,163,010.35
Including: interest receivable		
Dividend receivable		
Reverse-REPO financial assets		
Inventories	2,068,048,544.85	2,408,140,056.30
Including: Data resource		

Contract assets		
Held-for-sale assets		
Non-current assets due within one year	1,823,720,958.90	2,643,476,534.24
Other current assets	170,891,040.42	192,885,487.85
Total current assets	9,427,963,397.68	10,964,909,142.69
Non-current assets:		
Loans and advances granted		
Debt investment		
Other debt investment	967,473,301.38	
Long-term receivables		
Long-term equity investment	59,841,714.93	60,731,939.93
Other equity instrument investment		
Other non-current financial assets		
Investment properties		
Fixed assets	1,230,059,690.05	1,262,098,881.91
Construction in progress	50,469,537.60	34,984,880.67
Productive biological assets		
Oil and gas assets		
Right-of-use assets	247,464,898.90	187,538,791.34
Intangible assets	380,467,078.01	390,432,452.52
Including: Data resource		
Development expenditures		
Including: Data resource		
Goodwill		
Long-term unamortized expenses		
Deferred income tax assets	491,241,714.93	516,279,709.53
Other non-current assets		
Total non-current assets	3,427,017,935.80	2,452,066,655.90
Total assets	12,854,981,333.48	13,416,975,798.59
Current liabilities:		
Short-term borrowings	1,186,762,343.50	
Central bank loan		
Loans from other banks		
Transactional financial liabilities		

Derivative financial liabilities		
Notes payable	1,388,644,000.00	1,293,265,904.28
Accounts payable	3,526,117,176.04	3,508,073,774.70
Advance receipt		
Contract liabilities	588,646,279.46	966,693,982.29
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	326,189,682.35	393,640,167.78
Taxes payable	132,615,716.68	336,011,117.28
Other payables	151,095,132.29	144,707,788.29
Including: Interest payable		
Dividend payable		
Handling fee and commission payable		
Reinsurance accounts payable		
Held-for-sale liabilities		
Non-current liabilities due within one year	74,966,491.89	79,097,068.05
Other current liabilities	102,268,138.88	156,067,841.51
Total current liabilities	7,477,304,961.09	6,877,557,644.18
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings		
Bonds payable		
Including: Preferred share		
Perpetual bond		
Lease obligation	216,762,637.57	160,127,971.91
Long-term payables		
Long-term employee remuneration payable	60,333,580.29	41,662,284.09
Estimated liabilities	15,071,522.49	15,554,129.28
Deferred incomes	3,686,826.07	3,340,884.28
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	295,854,566.42	220,685,269.56

Total liabilities	7,773,159,527.51	7,098,242,913.74
Owners' equities:		
Share capital	799,882,879.00	801,660,653.00
Other equity instruments		
Including: Preferred share		
Perpetual bond		
Capital reserve	208,030,597.44	213,558,169.08
Minus: treasury share	147,938,405.88	233,469,742.25
Other comprehensive incomes	-62,457,437.30	-49,384,847.34
Special reserve		
Surplus reserve	283,375,097.62	353,415,899.82
General risk reserve		
Undistributed profit	3,968,996,712.42	5,199,079,598.64
Total owners' equities belonging to parent company	5,049,889,443.30	6,284,859,730.95
Minority shareholders' equities	31,932,362.67	33,873,153.90
Total owners' equities	5,081,821,805.97	6,318,732,884.85
Total liabilities and owners' equities	12,854,981,333.48	13,416,975,798.59

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	Closing balance	Opening balance
Current assets:		
Monetary capital	632,281,053.96	628,224,328.93
Transactional financial assets	150,019,384.85	
Derivative financial assets		
Notes receivable		540,053.00
Accounts receivable	731,305,878.06	709,773,850.25
Receivables financing		
Advance payment	29,580,212.60	15,958,161.77
Other receivables	294,834,640.56	644,528,412.72
Including: interest receivable		
Dividend receivable		21,448,200.00
Inventories	185,020,238.63	155,216,222.95

Including: data resource		
Contract assets		
Held-for-sale assets		
Non-current assets due within one year	385,481,616.44	631,474,739.73
Other current assets	29,630,560.49	20,649,552.43
Total current assets	2,438,153,585.59	2,806,365,321.78
Non-current assets:		
Debt investment		
Other debt investment	101,462,917.81	
Long-term receivables		
Long-term equity investment	2,865,367,839.21	2,864,720,235.93
Other equity instrument investment		
Other non-current financial assets		
Investment properties		
Fixed assets	94,607,600.12	96,294,730.83
Construction in progress	683,122.02	637,394.50
Productive biological assets		
Oil and gas assets		
Right-of-use assets	10,453,210.84	10,748,589.10
Intangible assets	55,023,237.06	57,538,011.32
Including: Data resource		
Development expenditures		
Including: Data resource		
Goodwill		
Long-term unamortized expenses		
Deferred income tax assets	26,742,843.89	23,918,260.34
Other non-current assets		
Total non-current assets	3,154,340,770.95	3,053,857,222.02
Total assets	5,592,494,356.54	5,860,222,543.80
Current liabilities:		
Short-term borrowings		
Transactional financial liabilities		
Derivative financial liabilities		
Notes payable	450,000,000.00	

Accounts payable	217,278,808.10	409,385,780.40
Advance receipt		
Contract liabilities	2,779,114.51	3,156,160.43
Employee remuneration payable	66,118,090.42	81,412,189.41
Taxes payable	7,329,946.95	26,738,843.12
Other payables	2,451,173,958.30	878,652,166.35
Including: Interest payable		
Dividend payable		
Held-for-sale liabilities		
Non-current liabilities due within one year	389,107.37	374,345.72
Other current liabilities	38,809.30	582,960.14
Total current liabilities	3,195,107,834.95	1,400,302,445.57
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Including: Preferred share		
Perpetual bond		
Lease obligation	10,243,531.85	10,334,407.19
Long-term payables		
Long-term employee remuneration payable	26,333,950.20	18,515,118.20
Estimated liabilities		
Deferred incomes		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	36,577,482.05	28,849,525.39
Total liabilities	3,231,685,317.00	1,429,151,970.96
Owners' equities:		
Share capital	799,882,879.00	801,660,653.00
Other equity instruments		
Including: preferred share		
Perpetual bond		
Capital reserve	284,774,287.79	290,301,859.43
Minus: treasury share	147,938,405.88	233,469,742.25
Other comprehensive incomes		

Special reserve		
Surplus reserve	330,789,524.30	400,830,326.50
Undistributed profit	1,093,300,754.33	3,171,747,476.16
Total owners' equities	2,360,809,039.54	4,431,070,572.84
Total liabilities and owners' equities	5,592,494,356.54	5,860,222,543.80

3. Consolidated profit statement

Unit: RMB

Item	Semiannual period in 2026	Semiannual period in 2025
I. Total Operating Incomes	11,409,770,133.56	11,477,500,800.41
Including: Operating income	11,409,770,133.56	11,477,500,800.41
Interest revenues		
Premium earned		
Revenue from handling fees and commissions		
II. Total Operating Costs	10,360,958,539.50	10,379,977,771.00
Including: operating cost	8,644,174,338.38	8,768,097,687.83
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	58,427,906.89	64,828,241.45
Sales expenses	1,245,183,572.76	1,152,072,774.05
Administrative expenses	180,624,860.13	198,795,000.32
R&D expenses	213,847,892.30	210,369,305.81
Financial expenses	18,699,969.04	-14,185,238.46
Including: interest expenses	7,425,180.56	8,659,753.35
Interest revenues	9,377,481.75	17,556,636.37
Plus: other incomes	44,232,571.32	65,643,615.29
Investment income ("-" for loss)	33,128,672.76	29,459,978.74
Including: investment income on associated enterprise and joint venture	-869,975.64	-592,131.91
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)	19,384.85	10,338.59
Credit impairment loss ("-" for loss)	-14,566,929.36	-20,102,225.95
Asset impairment loss ("-" for loss)	-10,120,413.27	-313,225.29
Assets disposal income ("-" for loss)	17,933.58	-423,082.72
III. Operating Profit ("-" for Loss)	1,101,522,813.94	1,171,798,428.07
Plus: non-operating income	3,044,610.79	2,292,794.06
Minus: non-operating expense	3,741,859.94	2,418,802.20
IV. Total Profit ("-" for Total Loss)	1,100,825,564.79	1,171,672,419.93
Minus: income tax expenses	234,962,536.32	234,006,082.99
V. Net Profit ("-" for Net Loss)	865,863,028.47	937,666,336.94
(I) By business continuity		
1. Net profit under continuing operation ("-" for net loss)	865,863,028.47	937,666,336.94
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)	867,545,978.33	939,913,794.13
2. Minority shareholders' profit and loss ("-" for net loss)	-1,682,949.86	-2,247,457.19
VI. After-tax Net Amount of Other Comprehensive Incomes	-13,330,431.33	-13,524,681.59
After-tax net amount of other comprehensive income belonging to the owners of parent company	-13,072,589.96	-12,907,112.56
(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	-13,072,589.96	-12,907,112.56
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	-13,072,589.96	-12,907,112.56
7. Others		
After-tax net amount of other comprehensive incomes attributable to minority shareholders	-257,841.37	-617,569.03
VII. Total Comprehensive Incomes	852,532,597.14	924,141,655.35
Total comprehensive incomes attributable to owners of parent company	854,473,388.37	927,006,681.57
Total comprehensive incomes attributable to minority shareholders	-1,940,791.23	-2,865,026.22
VIII. Earnings Per Share:		
(I) Basic earnings per share	1.090	1.180
(II) Diluted earnings per share	1.089	1.180

For the enterprise merger under the same control in the current period, the net profit realized by the merged party before merger was RMB0 , 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 2026	Semiannual period in 2025
I. Operating Incomes	1,409,035,422.15	1,515,624,140.23
Minus: operating cost	1,299,231,373.53	1,370,194,891.41
Taxes and surcharges	5,418,773.49	9,394,121.01
Sales expenses	18,939,894.20	20,579,242.83
Administrative expenses	52,067,840.55	75,353,189.64
R&D expenses	4,261,696.03	3,714,235.53
Financial expenses	4,974,374.02	-14,173,149.84
Including: interest expenses	1,329,067.90	244,636.73
Interest revenues	12,625,544.04	9,280,157.42
Plus: other incomes	1,285,200.00	1,470,286.28
Investment income ("-" for loss)	7,755,685.08	4,856,978.09
Including: investment income on associated enterprise and joint venture	-869,975.64	-592,131.91
Income from derecognition of financial assets measured at amortized cost ("-" for loss)		
Net exposure hedging gains ("-" for loss)		
Gains from changes in fair value ("-" for loss)	19,384.85	
Credit impairment loss ("-" for loss)	-1,790,231.77	-903,227.88
Asset impairment loss ("-" for loss)	159,323.68	15,756.89

Assets disposal income ("-" for loss)	196,497.19	150,689.00
II. Operating Profit ("-" for Loss)	31,767,329.36	56,152,092.03
Plus: non-operating income	1,368,417.03	792,313.79
Minus: non-operating expense	2,763,804.11	1,372,475.98
III. Total Profit ("-" for Total Loss)	30,371,942.28	55,571,929.84
Minus: income tax expenses	11,189,799.56	12,574,094.67
IV. Net Profit ("-" for Net Loss)	19,182,142.72	42,997,835.17
(I) Net profit under continuing operation ("-" for net loss)	19,182,142.72	42,997,835.17
(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	19,182,142.72	42,997,835.17
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 2026	Semiannual period in 2025
I. Cash Flows from Operating Activities:		

Cash received from sales of commodities or rendering of services	9,129,760,610.74	9,071,347,950.31
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	258,809,500.29	328,344,736.67
Other cash receipts related to operating activities	128,765,482.10	127,056,675.42
Subtotal of cash inflows from operating activities	9,517,335,593.13	9,526,749,362.40
Cash payment for purchasing commodities and receiving services	5,849,208,429.89	5,943,324,735.55
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	1,047,278,009.25	1,019,138,905.48
Taxes paid	775,991,134.82	749,986,692.00
Other cash expenses related to operating activities	1,360,613,844.45	1,301,854,321.50
Subtotal of cash outflows from operating activities	9,033,091,418.41	9,014,304,654.53
Net cash flows from operating activities	484,244,174.72	512,444,707.87
II. Net Cash Flows from Investing Activities:		
Cash received from return of investments		
Cash received from investment incomes	25,541,820.29	68,759,555.18
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		9,000.00
Net cash receipts from disposal of subsidiaries and other business units		
Other cash receipts related to investing activities	1,956,000,000.00	3,218,684,000.00
Subtotal of cash inflows from investing activities	1,981,541,820.29	3,287,452,555.18
Net cash paid for the construction of fixed assets, intangible assets and other long-term assets	76,779,502.17	74,138,179.09

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	1,993,910,000.00	1,836,254,791.48
Subtotal of cash outflows from investing activities	2,070,689,502.17	1,910,392,970.57
Net cash flows from investing activities	-89,147,681.88	1,377,059,584.61
III. Net Cash Flows from Financing Activities:		
Cash from absorbing investments	1,050,518.31	
Including: cash received by subsidiaries from minority shareholder investment		
Cash received from obtaining borrowings	1,185,783,680.53	527,277,488.88
Other cash receipts related to financing activities		
Subtotal of cash inflows from financing activities	1,186,834,198.84	527,277,488.88
Cash paid for debt repayment		
Cash paid for distribution of dividends or profits or for payment of interests	2,095,710,650.28	2,238,705,174.73
Including: dividends or profits paid by subsidiaries to minority shareholders		
Other cash payments related to financing activities	29,228,702.55	21,958,888.02
Subtotal of cash outflows from financing activities	2,124,939,352.83	2,260,664,062.75
Net cash flows from financing activities	-938,105,153.99	-1,733,386,573.87
IV. Impact of Change in Exchange Rate on Cash and Cash Equivalents	-13,470,808.24	-1,379,580.23
V. Net Increase in Cash and Cash Equivalents	-556,479,469.39	154,738,138.38
Plus: balance of cash and cash equivalents at the beginning of the period	1,585,517,366.03	1,569,118,972.78
VI. Balance of Cash and Cash Equivalents at the End of the Period	1,029,037,896.64	1,723,857,111.16

6. Cash flow statement of parent company

Unit: RMB

Item	Semiannual period in 2026	Semiannual period in 2025
I. Cash Flows from Operating Activities:		
Cash received from sales of commodities or rendering of services	1,217,600,562.52	1,480,233,214.91
Tax refund received	176,373,980.77	131,434,990.94
Other cash receipts related to operating activities	20,519,199.85	34,272,488.89
Subtotal of cash inflows from operating activities	1,414,493,743.14	1,645,940,694.74
Cash payment for purchasing commodities and receiving services	917,812,813.21	1,067,620,052.04
Cash paid to and for employees	116,373,344.95	115,248,567.60
Taxes paid	41,742,692.51	53,421,911.29

Other cash expenses related to operating activities	51,916,342.91	51,028,344.31
Subtotal of cash outflows from operating activities	1,127,845,193.58	1,287,318,875.24
Net cash flows from operating activities	286,648,549.56	358,621,819.50
II. Net Cash Flows from Investing Activities:		
Cash received from return of investments		
Cash received from investment incomes	16,696,201.62	1,186,273.97
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Net cash receipts from disposal of subsidiaries and other business units		
Other cash receipts related to investing activities	998,000,000.00	200,000,000.00
Subtotal of cash inflows from investing activities	1,014,696,201.62	201,186,273.97
Net cash paid for the construction of fixed assets, intangible assets and other long-term assets	10,207,810.21	8,111,380.56
Cash paid for investment		
Net cash paid for acquiring subsidiaries and other business units		
Other cash payments related to investing activities	1,020,204,670.90	270,810,195.49
Subtotal of cash outflows from investing activities	1,030,412,481.11	278,921,576.05
Net cash flows from investing activities	-15,716,279.49	-77,735,302.08
III. Net Cash Flows from Financing Activities:		
Cash from absorbing investments	1,050,518.31	
Cash received from obtaining borrowings		
Other cash receipts related to financing activities	1,838,835,875.30	1,979,820,198.11
Subtotal of cash inflows from financing activities	1,839,886,393.61	1,979,820,198.11
Cash paid for debt repayment		
Cash paid for distribution of dividends or profits or for payment of interests	2,095,710,650.28	2,238,705,174.73
Other cash payments related to financing activities	32,077.67	516,240.35
Subtotal of cash outflows from financing activities	2,095,742,727.95	2,239,221,415.08
Net cash flows from financing activities	-255,856,334.34	-259,401,216.97
IV. Impact of Change in Exchange Rate on Cash and Cash Equivalents	-11,019,210.70	-1,053,359.57
V. Net Increase in Cash and Cash Equivalents	4,056,725.03	20,431,940.88
Plus: balance of cash and cash equivalents at the beginning of the period	628,224,328.93	748,311,712.70
VI. Balance of Cash and Cash Equivalents at the End of the Period	632,281,053.96	768,743,653.58

7. Statement of Changes in Consolidated Owners' Equities

Amount in the current period

Unit: RMB

Item	Semiannual period in 2026														
	Owners' equities belonging to parent company													Minority shareholders' equities	Total owners' equities
	Share capital	Other equity instruments			Capital reserve	Minus: treasury share	Other comprehensive incomes	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Others	Subtotal		
		Preferred share	Perpetual bond	Others											
I. Closing Balance of Last Year	801,660,653.00				213,558,169.08	233,469,742.25	-49,384,847.34		353,415,899.82		5,199,079,598.64		6,284,859,730.95	33,873,153.90	6,318,732,884.85
Plus: changes of accounting policies															
Error correction of prior period															
Others															
II. Opening Balance of Current Year	801,660,653.00				213,558,169.08	233,469,742.25	-49,384,847.34		353,415,899.82		5,199,079,598.64		6,284,859,730.95	33,873,153.90	6,318,732,884.85
III. Current Period Increase ("-" for Decrease)	-1,777,774.00				-5,527,571.64	-85,531,336.37	-13,072,589.96		-70,040,802.20		-1,230,082,886.22		-1,234,970,287.65	-1,940,791.23	-1,236,911,078.88
(I) Total of comprehensive incomes							-13,072,589.96				867,545,978.33		854,473,388.37	-1,940,791.23	852,532,597.14
(II) Capital invested and reduced by owners	-1,777,774.00				-5,527,571.64	-85,531,336.37			-71,959,016.47				6,266,974.26		6,266,974.26
1. Common shares invested by owners															
2. Capital invested by other equity instrument holders															
3. Amount of share-based payment included into owners' equities	63,513.00				6,173,836.26								6,237,349.26		6,237,349.26
4. Others	-1,841,287.00				-11,701,407.90	-85,531,336.37			-71,959,016.47				29,625.00		29,625.00
(III) Profit distribution									1,918,214.27		-2,097,628,864.55		-2,095,710,650.28		-2,095,710,650.28
1. Appropriation of surplus reserve									1,918,214.27		-1,918,214.27				
2. Appropriation of general risk reserve															

3. Distribution to owners (or shareholders)											-2,095,710,650.28		-2,095,710,650.28		-2,095,710,650.28
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															
IV. Closing Balance of Current Period	799,882,879.00				208,030,597.44	147,938,405.88	-62,457,437.30		283,375,097.62		3,968,996,712.42		5,049,889,443.30	31,932,362.67	5,081,821,805.97

Amount of last year

Unit: RMB

Item	Semiannual period in 2025														
	Owners' equities belonging to parent company													Minority shareholders' equities	Total owners' equities
	Share capital	Other equity instruments			Capital reserve	Minus: treasury share	Other comprehensive incomes	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Others	Subtotal		
		Preferred share	Perpetual bond	Others											

I. Closing Balance of Last Year	801,359,733.00				191,294,609.67	234,497,705.25	-28,222,735.40		294,492,653.92		5,399,987,787.75		6,424,414,343.69	37,112,979.59	6,461,527,323.28
Plus: changes of accounting policies															
Error correction of prior period															
Others															
II. Opening Balance of Current Year	801,359,733.00				191,294,609.67	234,497,705.25	-28,222,735.40		294,492,653.92		5,399,987,787.75		6,424,414,343.69	37,112,979.59	6,461,527,323.28
III. Current Period Increase ("-" for Decrease)					5,226,625.51	-577,875.00	-12,907,112.56		4,299,783.52		-1,303,091,164.12		-1,305,893,992.65	-2,865,026.22	-1,308,759,018.87
(I) Total of comprehensive incomes							-12,907,112.56				939,913,794.13		927,006,681.57	-2,865,026.22	924,141,655.35
(II) Capital invested and reduced by owners					5,226,625.51	-577,875.00							5,804,500.51		5,804,500.51
1. Common shares invested by owners															
2. Capital invested by other equity instrument holders															
3. Amount of share-based payment included into owners' equities					5,226,625.51	-577,875.00							5,804,500.51		5,804,500.51
4. Others															
(III) Profit distribution									4,299,783.52		-2,243,004,958.25		-2,238,705,174.73		-2,238,705,174.73
1. Appropriation of surplus reserve									4,299,783.52		-4,299,783.52				
2. Appropriation of general risk reserve															
3. Distribution to owners (or shareholders)											-2,238,705,174.73		-2,238,705,174.73		-2,238,705,174.73

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															
IV. Closing Balance of Current Period	801,359,733.00				196,521,235.18	233,919,830.25	-41,129,847.96		298,792,437.44		4,096,896,623.63		5,118,520,351.04	34,247,953.37	5,152,768,304.41

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

Amount in the current period

Unit: RMB

Item	Semiannual period in 2026									
	Share capital	Other equity instruments	Capital	Minus: treasury	Other	Special	Surplus	Undistributed	Others	Total

		Preferred share	Perpetual bond	Others	reserve	share	comprehensive incomes	reserve	reserve	profit		owners' equities
I. Closing Balance of Last Year	801,660,653.00				290,301,859.43	233,469,742.25			400,830,326.50	3,171,747,476.16		4,431,070,572.84
Plus: changes of accounting policies												
Error correction of prior period												
Others												
II. Opening Balance of Current Year	801,660,653.00				290,301,859.43	233,469,742.25			400,830,326.50	3,171,747,476.16		4,431,070,572.84
III. Current Period Increase ("-" for Decrease)	-1,777,774.00				-5,527,571.64	-85,531,336.37			-70,040,802.20	-2,078,446,721.83		-2,070,261,533.30
(I) Total of comprehensive incomes										19,182,142.72		19,182,142.72
(II) Capital invested and reduced by owners	-1,777,774.00				-5,527,571.64	-85,531,336.37			-71,959,016.47			6,266,974.26
1. Common shares invested by owners												
2. Capital invested by other equity instrument holders												
3. Amount of share-based payment included into owners' equities	63,513.00				6,173,836.26							6,237,349.26
4. Others	-1,841,287.00				-11,701,407.90	-85,531,336.37			-71,959,016.47			29,625.00
(III) Profit distribution									1,918,214.27	-2,097,628,864.55		-2,095,710,650.28
1. Appropriation of surplus reserve									1,918,214.27	-1,918,214.27		
2. Distribution to owners (or shareholders)										-2,095,710,650.28		-2,095,710,650.28
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												
IV. Closing Balance of Current Period	799,882,879.00				284,774,287.79	147,938,405.88			330,789,524.30	1,093,300,754.33		2,360,809,039.54

Amount of last year

Unit: RMB

Item	Semiannual period in 2025											
	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	801,359,733.00				267,604,558.65	234,497,705.25			341,907,080.60	3,278,810,132.94		4,455,183,799.94
Plus: changes of accounting policies												
Error correction of prior period												
Others												
II. Opening Balance of Current Year	801,359,733.00				267,604,558.65	234,497,705.25			341,907,080.60	3,278,810,132.94		4,455,183,799.94
III. Current Period Increase ("-" for Decrease)					5,298,500.06	-577,875.00			4,299,783.52	-2,200,007,123.08		-2,189,830,964.50
(I) Total of comprehensive incomes										42,997,835.17		42,997,835.17
(II) Capital invested and reduced by owners					5,298,500.06	-577,875.00						5,876,375.06
1. Common shares invested by owners												

2. Capital invested by other equity instrument holders												
3. Amount of share-based payment included into owners' equities					5,298,500.06	-577,875.00						5,876,375.06
4. Others												
(III) Profit distribution									4,299,783.52	-2,243,004,958.25		-2,238,705,174.73
1. Appropriation of surplus reserve									4,299,783.52	-4,299,783.52		
2. Distribution to owners (or shareholders)										-2,238,705,174.73		-2,238,705,174.73
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												
IV. Closing Balance of Current Period	801,359,733.00				272,903,058.71	233,919,830.25			346,206,864.12	1,078,803,009.86		2,265,352,835.44

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 No. ZSS [2000] 24 approval document. On November 10, 2000, the Company registered at Zhejiang Administration for Industry and Commerce. Registered address: Yuhuan City, Zhejiang Province; head office address:

Hangzhou City, Zhejiang Province. The Company's parent company is SEB INTERNATIONALE S.A.S whose final parent company is SEB S.A. The Company has a corporate business license numbered 913300007046976861.

The Company and its subsidiaries (hereinafter referred to as "Supor") are mainly 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 27, 2026.

As of June 30, 2026, there were altogether 20 subsidiaries included in the scope of consolidated financial statement. See Note X. "Equity in Other Entities" for details.

IV. Preparation Basis of the Financial Statements

1. Preparation basis

The financial statements of the Group are prepared based on the assumption of continuing operation 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 2023) of the China Securities Regulatory Commission.

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

2. 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 formulated a number of specific accounting policies and estimates based on the actual characteristics of its production and operation, as well as the relevant provisions of accounting standards for business enterprises.

When preparing the financial statement, the management layer of Supor was required to use estimation and hypothesis, which would have influences on the application of the accounting policies as well as the amounts of the assets, liabilities, revenues and costs. The actual situation may differ from these estimates. The management of Supor has carried out continuous evaluation for judgment involving critical assumption and uncertainties, and alteration influence of accounting estimate shall be confirmed during the current period of alteration and future period. The major accounting estimates of Supor include depreciation and amortization of fixed assets and intangible assets (refer to Note V, 17, and 20), impairment of various assets (refer to Note VII, 4, 6, 8, 13, as well as Note XIX, 1 and 2), deferred income tax asset and deferred income tax liabilities (refer to Note VII, 17), disclosure of fair value (refer to Note XIII), and share-based payments (refer to Note XV).

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

The financial statement conforms to the requirements of Accounting Standards for Business Enterprises issued by the Ministry of Finance and has reflected relevant information such as the consolidated financial conditions and financial conditions on June 30, 2026, semiannual operating results and operating results, consolidated cash flow and cash flow in the half year of 2026 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 (hereinafter referred to as "CSRC") in 2023 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. Method for determining importance criteria and selection criteria

☑ Applicable □ Not-applicable

Item	Importance criteria
Significant accounts receivable written off	5% of total profit in the last year
Other important debt investment	
Important construction in progress	
Significant accounts payable with an age of more than one year	
Significant not wholly-owned subsidiaries	
Significant joint venture or associated enterprises	

6. 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 it belongs to an enterprise merger under the same control. The assets and liabilities obtained in enterprise merger is measured based on the book value of the merging party in the consolidated financial statements of the final controlling party on the merger date. As to the difference between the book value of net assets 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; If the share capital premium in the capital reserve is insufficient to be deducted, the surplus reserve and undistributed profits shall be deducted in turn. The direct expenses incurred from enterprise merger shall be included into the current profits and losses at the time of occurrence. The merger date refers to the day when the merging party actually obtains the control rights of the merged party.

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

As for 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. 7 "Judgment criteria for control and 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. "16. 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 new 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 income related shall be transferred to the current investment income on the purchase date.

7. Judgment criteria for control and 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. In determining whether Supor has control over an investee, Supor considers substantive rights related to the investee (including substantive rights held by Supor itself and those held by other parties). The financial condition, operating results, and cash flows of the subsidiaries are included in the consolidated financial statements from the date control commences to the date control ceases. The merger scope shall include the Company and all its subsidiaries, and "subsidiaries" refers 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 to 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. "16. Long-term equity investment" or Note V. "10. Financial instruments" for details.

If Supor disposes the equity investment of subsidiary step by step via multiple transactions until losing the control right, it is necessary to distinguish whether transactions for disposal to the equity investment of subsidiary until losing the control right belong to the package deal. When the disposal of the articles, conditions and the economic impact of various transactions for the equity investment of the subsidiary is subject to one or more of the following conditions, it generally indicates that it shall conduct accounting treatment by taking the multiple transactions as a package deal: ① These transactions are considered to be concluded at the same time or made in the case of considering mutual influence; ② These transactions as a whole can reach a complete business result; ③ The occurrence of a transaction depends on the occurrence of at least one other transaction; ④ One transaction alone is not economical, but when being considered together with other transactions, it is economical. If it is not package deal, every transaction will be conducted by the accounting treatment according to the following suitable principles, namely, "partially dispose the long-term equity investment of subsidiary when the control right is not lost" (See Note V. "16. Long-term equity investment") and "lose the control right for the original subsidiary due to disposal of partial equity investment or other reasons" (see previous paragraph) for details. If the disposal of transactions on subsidiaries' equity investments until loss of control right is a package deal, they are regarded as a transaction that disposes the subsidiary and loses the control right; 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 from losing the control right when the control right is lost.

8. Determining standards for cash and cash equivalents

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

9. 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 by historical cost, the amount in the recording currency converted at the exchange rate at the end of last month 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 income or recognized as 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 by the spot rate on the date of occurrence. Items under income and expense in the profit statement shall be translated according to the spot rate at the transaction date. The undistributed profits at the beginning of the year is the year-end undistributed profit after conversion of last year; the period-end undistributed profit is calculated and presented according to the profit distribution of each item after conversion; the balance of the total amount among the assets and liabilities as well as shareholders' equities after conversion serves as "conversion difference in foreign currency statement" and is recognized as other comprehensive income; For disposal of overseas business and the loss of control right, the conversion difference in foreign currency statement related to the overseas business and presented under the shareholders' equities in the balance sheet is transferred wholly or according to the disposal ratio of the overseas business into the 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 changes in the 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 exchange rate change in the consolidated financial statements shall be determined to other comprehensive incomes as "conversion difference in foreign currency statements"; when disposing overseas business, it shall be included into the current disposal profits and losses.

10. 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 by amortized cost, financial assets measured at the fair value with their changes included into other comprehensive incomes, financial assets measured at the fair value with their changes included into the current profits and losses.

The business mode of the Company's management of financial assets means that how Supor manages its financial assets so as 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 characteristic 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 that are likely to cause changes in the distribution of time or amount of the contractual cash flow of financial assets, to determine whether the terms satisfy the requirements of the above contractual cash flow characteristics.

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

(a) Financial assets measured by amortized cost

The business mode of Supor to manage financial assets measured by 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. Supor measures such financial assets at the fair value with their changes included into other comprehensive incomes, 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 income 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 by 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 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 income, and when such liabilities are stopped to be recognized, 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 Company'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. "27. 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 Group has neither transferred nor retained almost all risks and rewards in the ownership of the financial assets, it has waived its control over the financial assets.

If Supor 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 Supor due to changes in value of such financial assets.

In case whole transfer of financial assets satisfies the derecognition condition, the difference between the sum of the book value of financial assets transferred and consideration received due to the transfer and the sum of changes in fair value originally included 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 Company keeps its control over such assets and make accounting treatment based on principles as described in the foregoing paragraphs.

(4) Derecognition of financial liabilities

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

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

(5) Offset of financial assets and financial liabilities

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

(6) Equity instruments

An equity instrument refers to a contract that can prove the ownership of residual interest in assets after Supor deducts all liabilities. Supor's issuing (including refinancing), repurchase, sale or cancellation of equity instruments are treated as changes in equity, and transaction costs related to equity transactions are deducted from equity. In case the capital reserve is insufficient for the offset, it's required to adjust the retained earnings. 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.

11. 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.

Expected credit loss refers to the weighted average of credit losses of financial instruments weighed by the risk of default. 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 confirmed on the balance sheet date in the expected duration is obviously higher than that confirmed 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: from the related parties; receivables disputed with the opposite side or involving litigation or arbitration; there have been obvious signs showing that the debtor possibly is not able to perform the repayment obligations of receivable amounts, etc.

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

(4) Accounting treatment method of financial assets impairment

The expected credit losses of all kinds of financial assets are calculated by Supor at the end of the 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 assets not involving significant financing component, 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 component, 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.

(c) Notes receivable and receivables financing

Item	Basis for determination of portfolio
Notes receivable	All the notes receivable of Supor are bank acceptance bills, and Supor treats all the notes receivable as a single portfolio.
Receivables financing	The receivables financing of Supor refers to bank acceptance bills with dual holding purposes. Since the accepting banks are all highly credit-rated banks, Supor treats all receivables financing as a single portfolio.

12. 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. "10. Financial instruments" and "11. Financial assets impairments" for relevant accounting policies.

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. "11. Financial assets impairment".

14. 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) Inventory system is perpetual inventory system

(4) Amortization method for low value consumables and packing materials

The low value consumables are amortized using the one-time write-off method or the half amortization method; packing materials are amortized using the one-time write-off method.

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

At the balance sheet date, the inventory shall be measured according to the cost or net realizable value, subject to the lower one.

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. As regards the raw material held for production, its net realizable value shall be confirmed based on the realizable value of the finished product. 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 difference between the cost calculated by the individual inventory item and the net realizable value of the inventory is included into the current profits and losses.

Inventory category	Recognition basis of the net realizable value
Finished products	Estimated selling price minus estimated sales expense and related taxes
Raw materials	Estimated selling price minus estimated costs to complete, estimated sales expense, and related taxes
Low value consumables	

15. Held-for-sale assets and disposal groups

(1) Held-for-sale non-current assets or non-current assets in the disposal group

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

If there are non-current assets or disposal groups purchased to resell 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 confirmed 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 confirmed, then deduct in proportion the book value of each non-current asset in the disposal group conforming to the measurement provisions on *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 confirmed amount of asset impairment loss amount of the non-current asset as per the measurement provisions on the Standard for Held-for-sale Non-current Assets after the assets are classified as held-for-sale category. The reverse amount shall be included into the current profits and losses, and the book value shall be added in proportion of the book value of each non-current asset in the disposal group applicable to the measurement provisions on the Standard for Held-for-sale Non-current Assets, except for the goodwill; Book value of the goodwill that has been offset and asset impairment loss recognized before the non-current assets applying to the measurement provisions on 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, the Group 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.

(2) Discontinuing operation

Supor defines discontinuing operation as separately identifiable components that meet one of the following conditions and have been disposed of or classified as held for sale by Supor.

- The component represents an independent main business or a single main business place;
- The component is part of an associated plan for the disposal of an independent main business or a single main business place;
- The component is the subsidiary obtained specially for resale.

For discontinuing operation presented in current period, Supor lists profit and loss of continuous operation as well as discontinuing operation in the current profit statement and presents the information on previous profit and loss of continuous operation in the profit statement in the comparison period as profit and loss of discontinuing operation in the comparable accounting period anew.

16. 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. "10. 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.

17. Fixed assets

(1) Recognition conditions

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

Categories	Depreciation method	Depreciation life (years)	Residual rate	Annual depreciation rate
Buildings and structures	Straight-line method	20-30	0%-10%	3.00%-5.00%
General equipment	Straight-line method	3-7	0%-10%	12.86%-33.33%
Special equipment	Straight-line method	3-10	3%-10%	9.00%-32.33%
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.

18. 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.

Disclosure of criteria and timing for the transfer of construction in progress to fixed assets by category:

Categories	Criteria and timing for the transfer of construction in progress to fixed assets
Buildings and structures	Achieve the completion standards stipulated in the contract or project plan
General/special equipment	Meets the design and contractual qualified standards of installation and commissioning

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.

19. 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.

When determining the effective interest rate for borrowings, the Group uses the rate that discounts the future cash flows of the borrowing over its expected life or a shorter applicable period to the amount initially recognized for the 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.

20. Intangible assets

(1) Useful life, its determination basis, estimation, amortization method, or review procedure

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 these, 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.

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.

The service life of each intangible asset, the basis for its determination, and the amortization method are as follows:

Item	Amortization period (year)	Determination basis	Amortization method
Land use right	43-50	Allowed period	Straight-line method
Software	2-10	The term that can bring economic benefits to the Company	Straight-line method
Trademark use right	10	Allowed period	Straight-line method
Pollutant discharge right	5	Contract duration	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) Scope of R&D expenditure aggregation and related accounting treatment

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 within the development stage of this intangible asset can be measured reliably.

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

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

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".

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. 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.

23. 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.

24. Employee remuneration

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

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.

25. 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.

The estimated liabilities are initially measured based on the optimal estimate of the expenditure required to perform the relevant current obligations. In case of having a great effect on time value of currency, estimated liabilities shall be confirmed based on the amount after discounting of estimated future cash flow of assets. When confirming the optimal estimate, Supor gave comprehensive considerations to risks related to contingencies, uncertainty, time value of money and other factors. The necessary expenditure has a contiguous range, and within this range, all kinds of results have the same possibility to occur. The optimal estimate is determined according to the median of this range. In other circumstances, the optimal estimate is treated as below:

- If the contingency involves 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.

Supor rechecked the book value of the estimated liabilities on the balance sheet date and adjusted the book value based on the current optimal estimate.

(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 enforceable contract becomes a loss contract, for which the liability can conform to the aforesaid estimated liabilities confirmation conditions, confirm the part the estimated losses of the contract surpass the confirmed impairment loss (if any) of the underlying asset in the contract as estimated liability.

(2) Restructuring obligation

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).

(3) Product quality assurance

In accordance with the terms of the contract, existing knowledge, and historical experience, the Group makes appropriate provisions for product quality assurance. When the contingent event has given rise to a present obligation and it is probable that the fulfillment of this obligation will result in an outflow of economic benefits, the contingent event is recognized as a provision, measured at the best estimate of the expenditure required to settle the present obligation.

26. 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 instrument on the acquisition date, and is included into the relevant cost or expense, and increases the shareholders' equities accordingly.

(b) Cash-settled share-based payment

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

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

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

(3) Accounting 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 controller, 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 a service enterprise, it shall be recognized as the long-term equity investment of the service enterprise according to the fair value of the equity instrument at the grant date or the fair value of the liability to be assumed, and the capital reserves (other capital 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.

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

27. Revenue

Disclosure of the accounting policies adopted for revenue recognition and measurement by business type

Revenue is the total inflow of economic benefits that Supor has formed in its daily activities that will result in an increase in shareholders' equities and has nothing to do with the capital invested by shareholders. Where the contract between Supor and its customers can meet the following conditions at the same time, the revenue shall be confirmed when the customer owns the relevant control right of the commodity (including labor service, the same below): 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 commodity transfer or labor provision; the contract has clear payment terms related to the 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 beginning date of the contract, 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 the consideration payable to customers, the consideration payable will be offset by the transaction price, and the current revenue will be offset at the later point of recognition of the relevant revenue and payment (or promised) of the customer's consideration, except for obtaining other products that can be clearly distinguished.

For contracts with quality assurance clauses, 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 confirm 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 confirmed based on the incurred cost amount until the performance progress can be confirmed reasonably.

If one of the above conditions cannot be met, Supor confirms 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 clauses, when customers obtain control over 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 over the commodities has been transferred to the customer. According to the agreement in the sales contract, Supor mainly recognizes the control over commodity 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.

28. 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 occur for the transfer of the relevant commodities or services.

29. 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 subsidy that is obtained by Supor used for purchasing or acquisition and construction, or forming the long-term assets by other ways, is recognized as the government subsidies concerning assets; Other government subsidies shall be defined as the government subsidies concerning benefits. If the government document does not clearly specify the subsidy object, the subsidies will be divided based on the following modes into government subsidies concerning benefits and government subsidies concerning assets: ① If the particular item of the subsidies is clear in the government document, it shall make a division according to the relative proportion of expense amount of the formed assets in the budget of the particular item and the expense amount included into the cost, review the division ratio at each balance sheet date and make changes if necessary; ② In the government document, for general terms only for the purpose without specifying the particular item, it will be used as the government subsidies concerning benefits. If government subsidies are monetary assets, they shall be measured according to the amount received or receivable. If not, they shall be measured according to their fair value; if their fair value cannot be reliably obtained, they shall be measured according to their nominal amount. The government subsidies measured by 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 companies; 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 grant.

If the government subsidies concerning assets are recognized as deferred incomes and are included into the current profits and losses by installments in a reasonable and systematic way within the service life of underlying assets. Government subsidies concerning benefits used to compensate future relevant costs or losses will be recognized as deferred 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, it includes the government subsidies related to assets and incomes, and separates different parts for accounting treatment; for those hard to be differentiated, it shall be taken as government subsidies concerning benefits as a whole.

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

If the government subsidies confirmed 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.

30. Deferred income tax assets/deferred income tax liabilities

(1) Current income taxes

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 profits and taxable income (or deductible losses) 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.

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.

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 taxpayers, but in each important period of deferred income tax assets and liabilities reverse in the future, and when the involved taxpayers intend 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.

31. 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 recognized 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 measured anew, Supor will adjust the book value of right-of-use assets accordingly. If the book value of the right-of-use asset 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 chooses not to confirm 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 (individual leased assets have a lower value when they are brand new) as well as includes related lease payment into the current profits and losses or relevant asset costs in each period within the lease term pursuant to the straight-line method.

(2) Supor as the lessor

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. The operating lease refers to the other leases except for the financing lease.

Supor, as the lessor, provides classification of subleases based on the right-of-use assets created by the original lease rather than the underlying assets of the original lease. If the original lease is a short-term lease and Supor 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 confirms 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 interest rate implicit 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. "10. Financial Instruments" and "11. 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 confirmed as rent revenue in each period within 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 recorded 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.

32. Dividend distribution

After the balance sheet date, the proposed dividends or profits to be distributed in the profit distribution plan approved upon review are not recognized as a liability on the balance sheet date and are disclosed separately in the notes.

33. 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 party can be individual or enterprise. An enterprise that is only controlled by the state but does not have other related party relationships does not constitute a related party.

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

34. Segment reporting

Please refer to Note XVIII. "1. Segment information" for details of accounting policies related to segment reporting.

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

(2) 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.

(3) Main accounting estimates

Supor has formulated a number of specific accounting policies and estimates based on the actual characteristics of its production and operation, as well as the relevant provisions of accounting standards for business enterprises.

When preparing the financial statement, the management layer of Supor was required to use estimation and hypothesis, which would have influences on the application of the accounting policies as well as the amounts of the assets, liabilities, revenues and costs. The actual situation may differ from these estimates. The management of Supor has carried out continuous evaluation for judgment involving critical assumption and uncertainties, and alteration influence of accounting estimate shall be confirmed during the current period of alteration and future period. The major accounting estimates of Supor include depreciation and amortization of fixed assets and intangible assets (refer to Note V, 17, and 20), impairment of various assets (refer to Note VII, 4, 6, 8, 13, as well as Note XIX, 1 and 2), deferred income tax asset and deferred income tax liabilities (refer to Note VII, 17), disclosure of fair value (refer to Note XIII), and share-based payments (refer to Note XV).

36. Change of important accounting policies and estimates

(1) Change of important accounting policies

□ Applicable ☑ Not-applicable

(2) Change of important accounting estimates

□ Applicable ☑ Not-applicable

(3) Adjustment of related items in the financial statements at the beginning of the year from 2026 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	The taxable revenue from sales of commodities or rendering of services	Taxable income is calculated at output tax rates of 0, 6%, 9%, and 13%, and VAT is calculated based on the difference after deducting the input tax allowable for the current period
Urban maintenance and construction tax	VAT payable	7%、5%
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%; Shanghai Marketing is taxed at a preferential tax rate of 20%; for

		overseas subsidiaries, Indonesian Company is taxed at a 22% rate, Supor Vietnam and AFS are taxed at 20%, and SEADA is taxed at 17%. Gourmet Excellence Company is taxed at 8.25% Hong Kong profits tax.
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 relevant provisions of GKFH [2016] No. 32 and GKFH [2016] No. 195 documents, Shaoxing Supor and Zhejiang WMF passed the qualification of High-Tech Enterprise in 2022, and passed the High-Tech Enterprise re-certification on December 19, 2025, with a validity period of 3 years. They are entitled to enjoy the preferential enterprise income tax rate of 15% for High-Tech Enterprises from 2025 to 2027.

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) as well as 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, 2027. Meeting the e-commerce in the encouraged industries catalogue, Hainan Supor E-commerce Company applies the preferential tax rate of 15% in 2026.

According to the *Announcement of the Ministry of Finance and the State Taxation Administration on the Preferential Income Tax Policies for Micro and Small Enterprises and Individual Industrial and Commercial Households* (CS [2023] No. 6) issued on March 26, 2023, the portion of the annual taxable income of small and micro profit enterprises that does not exceed RMB 1 million shall be reduced by 25% and included in the taxable income, and enterprise income tax shall be paid at a tax rate of 20% from January 1, 2023 to December 31, 2024. 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%. The *Announcement of the Ministry of Finance and the State Taxation Administration on the Relevant Tax and Fee Policies for Further Supporting the Development of Micro and Small Enterprises and Individual Industrial and Commercial Households* (CS [2023] No.12), issued on August 2, 2023, extends the policy of calculating taxable income at 25% and applying a 20% tax rate for small and low-profit enterprises until December 31, 2027. Shanghai Marketing meets the criteria for small low-profit enterprises in 2026, so the preferential tax rate of 20% is applicable in 2026.

According to *Hong Kong's Inland Revenue Ordinance*, the two-tier profits tax system has been in effect since the 2018/19 tax year (from April 1, 2018). For Gourmet Excellence Company, the first HKD 2 million of taxable profits are taxed at 8.25%, while profits exceeding HKD 2 million are taxed at 16.5%. Gourmet Excellence Company is a Hong Kong-registered company and pays Hong Kong profits tax according to these statutory tax rates.

VII. Notes to Items of Consolidated Financial Statements

1. Monetary capital

Unit: RMB

Item	Closing balance	Opening balance
Cash on hand	87,205.61	93,312.26
Cash in bank	1,077,853,486.84	1,503,299,115.71
Other monetary capitals	366,815,548.33	479,752,927.84
Total	1,444,756,240.78	1,983,145,355.81
Including: deposits overseas	24,176,056.38	71,143,869.26

Other remarks

1) As of June 30, 2026, Time deposits which cannot be withdrawn at any time amounted to RMB 98,910,000.00 (December 31, 2025: RMB 0), among which, time deposits over three months amounted to RMB 98,910,000.00 (December 31, 2025: 0.00).

2) As at June 30, 2026, other monetary capitals at the end of the period included RMB 256,443,000.00 (December 31, 2025: RMB 338,501,000.00) of the security for restricted acceptance bills, RMB 2,365,344.14 (December 31, 2025: RMB 1,126,989.78) of the security for e-commerce platforms, RMB 58,000,000.00 (December 31, 2025: RMB 58,000,000.00) of the security for the deposits of the advance payment financing business, and RMB 50,007,204.19 (December 31, 2025: RMB 82,124,938.06) 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 of June 30, 2026, the monetary capital held by Supor in Vietnam totaled RMB 19,494,366.44 (December 31, 2025: equivalent to RMB 65,383,122.63); the monetary capital deposited in Singapore amounted to RMB 1,032,167.28 (December 31, 2025: amounted to RMB 4,406,834.06); the monetary capital held in Indonesia totaled RMB 3,649,522.66 (December 31, 2025: equivalent to RMB 1,353,912.57).

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.	150,019,384.85	344,226,787.28
Including:		
- Short-term financial products	150,019,384.85	344,226,787.28
Including:		
Total	150,019,384.85	344,226,787.28

Other remarks

As at June 30, 2026, the financial assets measured at the fair value with their changes included into the current profits and losses are the financial products purchased by the Company, amounting to RMB 150,000,000.00 (December 31, 2025: RMB 343,000,000.00). 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 19,384.85 (December 31, 2025: RMB 1,226,787.28), 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	3,560,135.01	4,723,152.44
Total	3,560,135.01	4,723,152.44

(2) Classified disclosure by the bad debt provision method

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	
Including:										
Notes receivable for provision for bad debts made on the basis of portfolio	3,560,135.01	100.00%			3,560,135.01	4,723,152.44	100.00%			4,723,152.44
Including:										
Portfolio: bank acceptance bill	3,560,135.01	100.00%			3,560,135.01	4,723,152.44	100.00%			4,723,152.44
Total	3,560,135.01	100.00%			3,560,135.01	4,723,152.44	100.00%			4,723,152.44

If provision for bad debts for notes receivable is made based on the general model of expected credit losses:

□ Applicable ☑ Not-applicable

(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	
bank acceptance bill						

Wherein, important amounts of provision for bad debts collected or reversed in the current period:

□ Applicable ☑ Not-applicable

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

As at June 30, 2026, Supor had no pledged notes receivable (December 31, 2025: None)

(5) 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		2,530,820.01
Total		2,530,820.01

(6) Other explanations

As at June 30, 2026, notes receivable of Supor which were undue and had been endorsed to suppliers to settle accounts payable amounted to RMB 2,530,820.01 (December 31, 2025: RMB 2,802,337.13) were not derecognized, mainly because the management considered that almost all the risks and rewards related to the ownership of the notes had not been substantially transferred. The face value of the above undue notes receivable was approximately equal to their fair value. These undue notes receivable will get mature within 1 year.

(7) Notes transferred to accounts receivable by the Company at the end of the period due to default of the drawer

As at June 30, 2026, Supor had no notes transferred to accounts receivable due to default of drawers (December 31, 2025: None).

4. Accounts receivable

(1) Disclosure by aging

Unit: RMB

Ages	Ending book balance	Beginning book balance
Within 1 year (including 1 year)	3,277,973,506.64	2,832,158,072.78
1-2 years	9,235,728.77	10,033,943.65
2-3 years	7,233,979.82	2,168,217.47
Over 3 years	2,793,194.52	2,756,038.40
3-4 years	1,480,095.70	1,344,178.82
4-5 years	151,354.42	575,994.41
Over 5 years	1,161,744.40	835,865.17
Total	3,297,236,409.75	2,847,116,272.30

(2) Classified disclosure by the bad debt provision method

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 made on an individual basis	195,920.38	0.01%	195,920.38	100.00%		195,920.38	0.01%	195,920.38	100.00%	
Including:										
Accounts receivable for provision for bad debts made on the basis of portfolio	3,297,040,489.37	99.99%	102,102,012.04	3.10%	3,194,938,477.33	2,846,920,351.92	99.99%	87,499,872.24	3.07%	2,759,420,479.68
Including:										
Portfolio 1: age portfolio	3,151,518,399.90	95.58%	101,956,489.95	3.24%	3,049,561,909.95	2,614,363,768.73	91.82%	87,267,315.65	3.34%	2,527,096,453.08
Portfolio 2: low-risk portfolio	145,522,089.47	4.41%	145,522.09	0.10%	145,376,567.38	232,556,583.19	8.17%	232,556.59	0.10%	232,324,026.60
Total	3,297,236,409.75	100.00%	102,297,932.42	3.10%	3,194,938,477.33	2,847,116,272.30	100.00%	87,695,792.62	3.08%	2,759,420,479.68

Category name for provision for bad debts made on an individual basis

Unit: RMB

Name	Opening balance		Closing balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Provision proportion	Reasons
Customer A	75,662.72	75,662.72	75,662.72	75,662.72	100.00%	It is not expected to be recovered, so the provision for bad debts is fully accrued.
Customer B	41,463.78	41,463.78	41,463.78	41,463.78	100.00%	It is not expected to be recovered, so the provision for bad debts is fully accrued.
Customer C	78,793.88	78,793.88	78,793.88	78,793.88	100.00%	It is not expected to be recovered, so the provision for bad debts is fully accrued.

Total	195,920.38	195,920.38	195,920.38	195,920.38		

Category name for provision for bad debts by portfolio: portfolio 1

Unit: RMB

Name	Closing balance		
	Book balance	Provision for bad debts	Provision proportion
Within 1 year (including 1 year)	3,132,451,417.17	98,305,579.27	3.14%
1-2 years (including 2 years)	9,235,728.77	738,858.30	8.00%
2-3 years (including 3 years)	7,233,979.82	1,085,096.97	15.00%
3-4 years (including 4 years)	1,480,095.70	740,047.85	50.00%
4-5 years (including 5 years)	151,354.42	121,083.54	80.00%
Over 5 years	965,824.02	965,824.02	100.00%
Total	3,151,518,399.90	101,956,489.95	

Explanation on the basis for determining such portfolio:

The expected credit loss rate is 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 is made based on the general model of expected credit losses:

□ Applicable ☑ Not-applicable

(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 for accounts receivable	87,695,792.62	14,735,918.22			-133,778.42	102,297,932.42
Total	87,695,792.62	14,735,918.22			-133,778.42	102,297,932.42

Other changes refer to the decrease of RMB 133,778.42 in provision for bad debts caused by translation differences in foreign currency statements due to exchange rate fluctuations.

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

Unit: RMB

Entity name	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Proportion to the total closing balance of accounts receivable and contract assets	Provision for bad debts for accounts receivable and closing balance of contract asset impairment provision

SEB S.A. and its affiliates	1,939,019,086.79		1,939,019,086.79	58.81%	38,782,094.13
Customer D	468,105,784.43		468,105,784.43	14.20%	23,405,311.83
Customer E	117,866,109.07		117,866,109.07	3.57%	5,893,305.45
Customer F	111,564,156.09		111,564,156.09	3.38%	5,578,215.33
Customer G	103,445,669.40		103,445,669.40	3.14%	5,190,747.99
Total	2,740,000,805.78		2,740,000,805.78	83.10%	78,849,674.73

5. Receivables financing

(1) Presentation of receivables financing in classification

Unit: RMB

Item	Closing balance	Opening balance
Notes receivable	247,585,086.87	273,842,313.46
Total	247,585,086.87	273,842,313.46

(2) Other explanations

Supor endorses or discounts certain bank acceptance bills by the needs of day-to-day fund management. Taking into account the amount and frequency of endorsement or discount of bank acceptance bills, Supor determines that the objective of such business model is to receive contractual cash flows and sell the notes receivable simultaneously, and therefore, such notes receivable are classified into financial assets measured at the fair value with their changes included into other comprehensive incomes, and presented as receivables financing.

As of June 30, 2026, Supor had no receivables financing pledged. (December 31, 2025: None)

(3) Endorsed or discounted receivables financing undue at the balance sheet date at the end of the year of the Company

Unit: RMB

Item	Closing balance derecognized	Closing balance not derecognized
Bank acceptance bill	3,215,105,444.36	
Total	3,215,105,444.36	

(4) Other explanations

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 considers that certain undue notes meet the conditions, that is, almost all risks and remuneration pertaining to ownership have been transferred and meanwhile the current obligations of the relevant payables have been fully discharged, thus the relevant notes and payables are derecognized. The possible greatest loss undertaken by Supor for the continued involvement therein is the amount of the undue notes receivable endorsed by Supor to suppliers. The said undue notes receivable will get mature within 1 year.

6. Other receivables

Unit: RMB

Item	Closing balance	Opening balance
Other receivables	27,124,737.14	153,163,010.35
Total	27,124,737.14	153,163,010.35

(1) Other receivables

1) Other receivables categorized by nature

Unit: RMB

Nature of receivables	Ending book balance	Beginning book balance
Deposit as security	17,032,842.76	17,237,103.16
Temporary payment receivable	5,540,418.64	9,489,410.26
Personal deposit	587,069.16	686,926.19
Tax refund receivable		84,808,369.28
Government subsidy receivable	9,022,800.00	45,873,700.00
Total	32,183,130.56	158,095,508.89

2) Disclosure by aging

Unit: RMB

Ages	Ending book balance	Beginning book balance
Within 1 year (including 1 year)	21,975,645.34	149,677,182.04
1-2 years	3,794,396.18	2,123,588.42
2-3 years	1,289,759.56	1,493,511.53
Over 3 years	5,123,329.48	4,801,226.90
3-4 years	2,244,843.20	2,022,906.38
4-5 years	435,862.15	287,197.05
Over 5 years	2,442,624.13	2,491,123.47
Total	32,183,130.56	158,095,508.89

3) Classified disclosure by the bad debt provision method

☑ Applicable □ Not-applicable

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	
Provision for bad debts made on an individual basis	33,000.00	0.10%	33,000.00	100.00%		33,000.00	0.02%	33,000.00	100.00%	
Including:										
Provision for bad debts made on the basis of portfolio:	32,150,130.56	99.90%	5,025,393.42	15.63%	27,124,737.14	158,062,508.89	99.98%	4,899,498.54	3.10%	153,163,010.35
Including:										
Portfolio 1: age portfolio	23,127,330.56	71.86%	5,025,393.42	21.73%	18,101,937.14	24,510,335.54	15.50%	4,899,498.54	19.99%	19,610,837.00
Portfolio 2: low-risk portfolio	9,022,800.00	28.04%			9,022,800.00	133,552,173.35	84.48%			133,552,173.35
Total	32,183,130.56	100.00%	5,058,393.42	15.72%	27,124,737.14	158,095,508.89	100.00%	4,932,498.54	3.12%	153,163,010.35

Category name for provision for bad debts made on an individual basis:

Unit: RMB

Name	Opening balance		Closing balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Provision proportion	Reasons
Customer H	30,000.00	30,000.00	30,000.00	30,000.00	100.00%	Cooperation ceased, customer in liquidation, full provision for bad debts accrued.
Customer I	3,000.00	3,000.00	3,000.00	3,000.00	100.00%	Cooperation ceased, customer in liquidation, full provision for bad debts accrued.
Total	33,000.00	33,000.00	33,000.00	33,000.00		

Category name for provision for bad debts by portfolio: Portfolio 1

Unit: RMB

Name	Closing balance		
	Book balance	Provision for bad debts	Provision proportion
Within 1 year (including 1 year)	12,952,845.34	647,642.35	5.00%
1-2 years (including 2 years)	3,794,396.18	303,551.69	8.00%
2-3 years (including 3 years)	1,289,759.56	193,463.93	15.00%
3-4 years (including 4 years)	2,244,843.20	1,122,421.60	50.00%
4-5 years (including 5 years)	435,862.15	348,689.72	80.00%
Over 5 years	2,409,624.13	2,409,624.13	100.00%

Total	23,127,330.56	5,025,393.42	

Explanation on the basis for determining such portfolio:

None

Provision for bad debts based on the general model of expected credit losses

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, 2026	4,899,498.54		33,000.00	4,932,498.54
Balance on January 1, 2026 in the current period				
Withdrawal in the current period	129,165.14			129,165.14
Other changes	-3,270.26			-3,270.26
Balance on June 30, 2026	5,025,393.42		33,000.00	5,058,393.42

Division basis in each stage and provision proportion for bad debts

Other changes refer to the decrease of RMB 3,270.26 in provision for bad debts caused by translation differences in foreign currency statements due to exchange rate fluctuations.

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

□ Applicable ☑ Not-applicable

(4) 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	Write-off or charge-off	Others	
Provision for bad debts of other receivables	4,932,498.54	129,165.14			-3,270.26	5,058,393.42
Total	4,932,498.54	129,165.14			-3,270.26	5,058,393.42

5) 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
Entity A	Government subsidy receivable	9,022,800.00	Within 1 year	28.04%	
Customer J	Deposit as security	2,556,986.00	Within 1 year, over 5	7.95%	667,699.30

			years		
Customer K	Deposit as security	2,190,500.00	Within 1 year, 2-3 years	6.81%	125,675.00
Customer L	Deposit as security	1,547,310.30	Within 1 year	4.81%	104,275.52
Customer M	Deposit as security	1,100,000.00	Within 1 year, over 5 years	3.42%	140,000.00
Total		16,417,596.30		51.03%	1,037,649.82

7. Advance payment

(1) Listing by ages

Unit: RMB

Ages	Closing balance		Opening balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	277,376,774.89	93.29%	192,473,486.53	95.34%
1-2 years	17,527,371.27	5.90%	7,393,521.80	3.66%
2-3 years	499,814.58	0.17%	1,686,387.63	0.84%
Over 3 years	1,914,830.79	0.64%	332,569.32	0.16%
Total	297,318,791.53		201,885,965.28	

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

Unit: RMB

Entity name	Book balance	Proportion in the balance of advance payment
Supplier A	35,251,871.35	11.86%
Supplier B	26,201,081.81	8.81%
Supplier C	18,833,882.44	6.33%
Supplier D	18,750,072.09	6.31%
Supplier E	17,808,685.00	5.99%
Subtotal	116,845,592.69	39.30%

Other remarks:

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

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	372,844,421.84	9,139,218.60	363,705,203.24	367,021,065.90	8,205,563.62	358,815,502.28
Unfinished products	103,003,962.45		103,003,962.45	97,652,034.23		97,652,034.23
Finished products	1,510,249,064.71	26,633,682.89	1,483,615,381.82	1,844,776,804.22	19,217,973.28	1,825,558,830.94
Low value consumables	109,127,348.51	338,915.52	108,788,432.99	119,026,779.42	186,410.87	118,840,368.55
Packing materials	8,935,564.35		8,935,564.35	7,273,320.30		7,273,320.30
Total	2,104,160,361.86	36,111,817.01	2,068,048,544.85	2,435,750,004.07	27,609,947.77	2,408,140,056.30

(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	8,205,563.62	2,922,568.94		1,883,120.29	105,793.67	9,139,218.60
Finished products	19,217,973.28	10,088,148.58		2,612,373.65	60,065.32	26,633,682.89
Low value consumables	186,410.87	152,504.65				338,915.52
Total	27,609,947.77	13,163,222.17		4,495,493.94	165,858.99	36,111,817.01

Decreased inventory depreciation reserves of RMB 165,858.99 for conversion difference in foreign currency statement caused by the change in exchange rate.

Inventory falling price reserve on a portfolio basis

Unit: RMB

Portfolio name	End of this reporting period			Beginning of this reporting period		
	Closing balance	Falling price reserve	Falling price provision ratio	Opening balance	Falling price reserve	Falling price provision ratio
Raw materials	372,844,421.84	9,139,218.60	2.45%	367,021,065.90	8,205,563.62	2.24%
Finished products	1,510,249,064.71	26,633,682.89	1.76%	1,844,776,804.22	19,217,973.28	1.04%

Low value consumables	109,127,348.51	338,915.52	0.31%	119,026,779.42	186,410.87	0.16%
Total	1,992,220,835.06	36,111,817.01		2,330,824,649.54	27,609,947.77	

Criteria for making inventory falling price reserve on a portfolio basis

9. Non-current assets due within one year

Unit: RMB

Item	Closing balance	Opening balance
Other debt investments due within one year	1,823,720,958.90	2,643,476,534.24
Total	1,823,720,958.90	2,643,476,534.24

Other Notes:

As of June 30, 2026, the other debt investments maturing within one year with usage restrictions amounted to RMB 750,000,000.00, which were large-denomination certificates of deposit pledged with bank acceptance bills (amount as of December 31, 2025: RMB 10,000,000.00).

(1) Debt investment due within one year

□ Applicable ☑ Not-applicable

(2) Other debt investment due within one year

☑ Applicable □ Not-applicable

1) Other debt investment due within one year

Unit: RMB

Item	Opening balance	Accrued interest	Interest adjustment	Fair value changes in the current period	Closing balance	Cost	Accumulated fair value changes	Impairment provisions that are cumulatively determined in other comprehensive incomes	Remarks
Negotiable certificates of deposit	2,643,476,534.24	43,888,777.88	-167,818.98		1,823,720,958.90	1,780,000,000.00			
Total	2,643,476,534.24	43,888,777.88	-167,818.98		1,823,720,958.90	1,780,000,000.00			

(2) Other important debt investment due within one year at the end of the period

Unit: RMB

Item	Face value	Coupon rate	Expiry date	Actual interest rate		Overdue principal	
				Closing balance	Opening balance	Closing balance	Opening balance
Supor - ICBC Negotiable Certificates of Deposit	150,000,000.00	1.55%	June 4, 2027	1.53%	1.53%		
Total	150,000,000.00						

(3) Other explanations

The contractual cash flows generated by the negotiable certificates of deposit held by Supor on specified dates are solely payments of principal and interest on the principal amount outstanding. Furthermore, the business model for managing such negotiable certificates of deposit aims at both collecting contractual cash flows and selling the financial assets. Accordingly, Supor classifies these negotiable certificates of deposit as financial assets measured at the fair value with their changes included into other comprehensive incomes.

10. Other current assets

Unit: RMB

Item	Closing balance	Opening balance
Return cost receivable	13,033,684.08	15,773,974.35
Creditable VAT	141,806,290.18	171,673,630.67
Others	16,051,066.16	5,437,882.83
Total	170,891,040.42	192,885,487.85

11. Other debt investments

(1) Other debt investment

Unit: RMB

Item	Opening balance	Accrued interest	Interest adjustment	Fair value changes in the current period	Closing balance	Cost	Accumulated fair value changes	Impairment provisions that are cumulatively determined in other comprehensive incomes	Remarks
Negotiable certificates of deposit	2,643,476,534.24	66,583,441.66	-389,181.38		2,791,194,260.28	2,725,000,000.00			
Minus: Part due within one year	-2,643,476,534.24	-43,888,777.88	167,818.98		-1,823,720,958.90	-1,780,000,000.00			
Total		22,694,663.78	-221,362.40		967,473,301.38	945,000,000.00			

Other Notes:

As of June 30, 2026, Other restricted debt investments amounted to RMB 20,000,000.00, which were large-denomination certificates of deposit pledged with bank acceptance bills (amount as of December 31, 2025: RMB 0.00).

(2) Other important debt investment at the end of the period

The other important debt investments this period are RMB 0.00.

12. Long-term equity investment

Unit: RMB

Invested	Opening	Opening	Increase/decrease	Closing	Closing

unit	balance (book value)	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	balance (book value)	balance of impairment provision
I. Joint Venture												
II. Associated Enterprise												
Wuhan Anzai Cookware Co., Ltd.	60,731,939.93				-890,225.00						59,841,714.93	
Subtotal	60,731,939.93				-890,225.00						59,841,714.93	
Total	60,731,939.93				-890,225.00						59,841,714.93	

The recoverable amount is determined based on the net amount after deducting disposal expenses from fair value

□ Applicable ☑ Not-applicable

The recoverable amount is determined based on the present value of estimated future cash flow of assets

□ Applicable ☑ Not-applicable

Reasons for significant inconsistencies between the aforementioned information and the information used in prior years' impairment tests or external information

Reasons for significant inconsistencies between information used in the company's previous years' impairment tests and actual conditions in the current year

Other remarks

13. Fixed assets

Unit: RMB

Item	Closing balance	Opening balance
Fixed assets	1,230,059,690.05	1,262,098,881.91
Total	1,230,059,690.05	1,262,098,881.91

(1) Fixed assets

Unit: RMB

Item	Buildings and structures	General equipment	Special equipment	Transport facilities	Total
I. Original Book Value:					
1. Opening balance	1,293,394,048.71	311,165,288.70	1,105,320,930.78	36,902,592.51	2,746,782,860.70
2. Increase	5,730,977.38	4,581,663.62	30,409,900.21	1,164,997.94	41,887,539.15
(1) Acquisition	909,206.46	3,065,168.35	24,762,768.43	802,607.43	29,539,750.67
(2) Transferred in from construction in progress	4,821,770.92	1,516,495.27	5,647,131.78	362,390.51	12,347,788.48
(3) Increase from					

enterprise merger					
3. Decrease	245,865.88	5,687,174.34	21,884,603.57	1,129,403.16	28,947,046.95
(1) Disposal or scrapping	245,865.88	5,687,174.34	21,884,603.57	1,129,403.16	28,947,046.95
4. Impact of change in exchange rate	-1,125,171.85	-287,453.40	-3,052,930.11	-193,792.54	-4,659,347.90
5. Closing balance	1,297,753,988.36	309,772,324.58	1,110,793,297.31	36,744,394.75	2,755,064,005.00
II. Accumulated Depreciation					
1. Opening balance	508,186,856.52	254,358,410.18	686,880,172.99	25,046,451.21	1,474,471,890.90
2. Increase	23,237,224.14	8,756,415.38	32,929,243.81	2,306,761.60	67,229,644.93
(1) Provision	23,237,224.14	8,756,415.38	32,929,243.81	2,306,761.60	67,229,644.93
3. Decrease	120,857.73	5,568,842.87	17,967,594.12	1,075,895.69	24,733,190.41
(1) Disposal or scrapping	120,857.73	5,568,842.87	17,967,594.12	1,075,895.69	24,733,190.41
4. Impact of change in exchange rate	-459,256.39	-232,152.39	-1,396,327.52	-88,382.06	-2,176,118.36
5. Closing balance	530,843,966.54	257,313,830.30	700,445,495.16	26,188,935.06	1,514,792,227.06
III. Impairment Provision					
1. Opening balance			10,212,087.89		10,212,087.89
2. Increase					
(1) Provision					
3. Decrease					
(1) Disposal or scrapping					
4. Impact of change in exchange rate					
5. Closing balance			10,212,087.89		10,212,087.89
IV. Book Value					
1. Closing book value	766,910,021.82	52,458,494.28	400,135,714.26	10,555,459.69	1,230,059,690.05
2. Opening book value	785,207,192.19	56,806,878.52	408,228,669.90	11,856,141.30	1,262,098,881.91

(2) Fixed assets with certificate of titles unsettled

Unit: RMB

Item	Book value	Reasons for unsettlement
No. 13-B warehouse project of Shaoxing Supor	12,173,132.14	After all projects were completed, and the completion and settlement procedures were fulfilled, the property ownership certificate shall be processed uniformly
Function dormitory of Shaoxing Supor	29,417,977.38	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	21,609,057.25	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	20,139,604.75	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	24,479,810.93	After all projects were completed, and the completion and settlement procedures were fulfilled, the property ownership certificate shall be processed uniformly
Function cafeteria of Shaoxing Supor	7,811,490.83	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	10,665,025.48	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	948,049.21	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	12,611,577.26	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	19,576,207.05	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	35,502,952.36	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	722,053.29	After all projects were completed, and the completion and settlement procedures were fulfilled, the property ownership certificate shall be processed uniformly
Water pump building and structures of P&R Products	25,872.16	Transfer procedures of land use right certificate were not settled due to land ownership issue
Extended plant for bakelite workshop of P&R Products	57,107.27	Transfer procedures of land use right certificate were not settled due to land ownership issue
Polishing workshop of P&R Products	37,440.00	Transfer procedures of land use right certificate were not settled due to land ownership issue
Total	195,777,357.36	

14. Construction in progress

Unit: RMB

Item	Closing balance	Opening balance
Construction in progress	50,469,537.60	34,984,880.67
Total	50,469,537.60	34,984,880.67

(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	4,199,398.25		4,199,398.25	6,118,039.95		6,118,039.95
Equipment payment	2,332,560.40		2,332,560.40	744,354.33		744,354.33
Vietnam Stainless Steel Restriking Line				290,763.50		290,763.50
No. 2 Inspection Building and supporting projects of Shaoxing Supor	43,937,578.95		43,937,578.95	27,831,722.89		27,831,722.89
Total	50,469,537.60		50,469,537.60	34,984,880.67		34,984,880.67

(2) Impairment test of construction in progress

□ Applicable ☑ Not-applicable

15 Right-of-use assets

(1) Right-of-use assets

Unit: RMB

Item	Buildings and structures	Land	General equipment	Total
I. Original Book Value				
1. Opening balance	291,649,984.69	3,258,643.03	49,754,820.29	344,663,448.01
2. Increase	26,399,001.57		60,839,644.91	87,238,646.48
3. Decrease	30,517,313.82		4,955,647.70	35,472,961.52
4. Exchange rate impact	-235,058.01	-92,729.53	-388,775.07	-716,562.61
5. Closing balance	287,296,614.43	3,165,913.50	105,250,042.43	395,712,570.36
II. Accumulated Depreciation				
1. Opening balance	153,437,487.55	518,046.51	3,169,122.61	157,124,656.67
2. Increase	18,243,137.77	45,660.86	1,364,036.05	19,652,834.68
(1) Provision	18,243,137.77	45,660.86	1,364,036.05	19,652,834.68
3. Decrease	28,444,576.81			28,444,576.81
(1) Disposal	28,444,576.81			28,444,576.81
4. Exchange rate impact	-56,440.23	-11,856.54	-16,946.31	-85,243.08
5. Closing balance	143,179,608.28	551,850.83	4,516,212.35	148,247,671.46
III. Impairment Provision				
1. Opening balance				
2. Increase				
(1) Provision				

3. Decrease				
(1) Disposal				
4. Closing balance				
IV. Book Value				
1. Closing book value	144,117,006.15	2,614,062.67	100,733,830.08	247,464,898.90
2. Opening book value	138,212,497.14	2,740,596.52	46,585,697.68	187,538,791.34

16. Intangible assets

(1) Intangible assets

Unit: RMB

Item	Land use right	Trademark use right	Software	Pollutant discharge right	Total
I. Original Book Value					
1. Opening balance	474,537,885.91	47,328,811.32	116,761,357.80	9,980,411.45	648,608,466.48
2. Increase			2,446,808.44		2,446,808.44
(1) Acquisition			2,446,808.44		2,446,808.44
(2) In-house R&D					
(3) Increase from enterprise merger					
3. Decrease					
(1) Disposal					
4. Impact of change in exchange rate	-158,421.97		-48,989.73		-207,411.70
5. Closing balance	474,379,463.94	47,328,811.32	119,159,176.51	9,980,411.45	650,847,863.22
II. Accumulated Amortization					
1. Opening balance	128,196,110.79	47,283,761.29	76,682,199.87	6,013,942.01	258,176,013.96
2. Increase	4,990,924.67	7,950.02	6,323,939.18	989,476.10	12,312,289.97
(1) Provision	4,990,924.67	7,950.02	6,323,939.18	989,476.10	12,312,289.97
3. Decrease					
(1) Disposal					
4. Impact of change in exchange rate	-66,769.77		-40,748.95		-107,518.72
5. Closing balance	133,120,265.69	47,291,711.31	82,965,390.10	7,003,418.11	270,380,785.21
III. Impairment Provision					
1. Opening balance					

2. Increase					
(1) Provision					
3. Decrease					
(1) Disposal					
4. Closing balance					
IV. Book Value					
1. Closing book value	341,259,198.25	37,100.01	36,193,786.41	2,976,993.34	380,467,078.01
2. Opening book value	346,341,775.12	45,050.03	40,079,157.93	3,966,469.44	390,432,452.52

At the end of the current period, the proportion of intangible assets formed through internal R&D in the balance of intangible assets is 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	137,095,572.84	31,014,330.74	118,120,486.59	26,669,914.38
Profits not realized by internal transaction	113,053,184.09	27,303,436.59	118,483,902.67	29,125,079.00
Deductible losses	9,760,422.66	2,260,671.03	7,391,538.63	1,626,138.51
Accrued expenses	1,648,371,287.20	391,570,114.86	1,746,193,941.21	419,488,688.47
Accrued salary	143,859,745.44	33,517,631.45	130,780,154.09	30,705,609.15
Estimated liabilities	3,549,866.96	565,311.18	4,793,187.50	718,978.13
Share-based payment	4,245,713.58	979,498.25	11,320,372.32	2,617,078.89
Expected returns	10,626,024.91	2,454,369.83	12,433,468.77	2,883,451.20
Lease obligation	254,095,368.28	56,124,706.97	197,868,642.00	46,172,989.24
Deferred incomes	3,686,826.07	921,706.52	3,340,884.28	835,221.07
Total	2,328,344,012.03	546,711,777.42	2,350,726,578.06	560,843,148.04

(2) Un-offset deferred income tax liabilities

Unit: RMB

Item	Closing balance		Opening balance	
	Taxable temporary difference	Deferred income tax liabilities	Taxable temporary difference	Deferred income tax liabilities

Depreciation of fixed assets	-6,617,683.28	-992,652.49	-6,346,202.82	-951,930.42
Right-of-use assets	-247,464,898.90	-54,477,410.00	-187,538,791.34	-43,611,508.09
Total	-254,082,582.18	-55,470,062.49	-193,884,994.16	-44,563,438.51

(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 end 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	55,470,062.49	491,241,714.93	44,563,438.51	516,279,709.53
Deferred income tax liabilities	55,470,062.49		44,563,438.51	

(4) Detail about unrecognized deferred income tax assets

Unit: RMB

Item	Closing balance	Opening balance
Deductible temporary difference	19,645,966.93	12,329,840.22
Deductible losses	91,421,090.64	89,921,787.63
Total	111,067,057.57	102,251,627.85

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

Unit: RMB

Year	Closing amount	Opening amount	Remarks
2026	7,751,051.17	7,751,051.17	
2027	5,232,792.23	5,232,792.23	
2028	25,331,190.39	25,331,190.39	
2029	45,549,602.24	45,549,602.24	
2030	6,057,151.60	6,057,151.60	
2031	1,499,303.01		
Total	91,421,090.64	89,921,787.63	

18. Assets with title or use right restrictions

Unit: RMB

Item	End of this reporting period				Beginning of this reporting period			
	Book balance	Book value	Restricted type	Restricted situation	Book balance	Book value	Restricted type	Restricted situation

Monetary capital	256,443,000.00	256,443,000.00	Freezing	Bank acceptance bill security	338,501,000.00	338,501,000.00	Freezing	Bank acceptance bill security
Monetary capital	58,000,000.00	58,000,000.00	Freezing	Deposit security for advance payment financing	58,000,000.00	58,000,000.00	Freezing	Deposit security for advance payment financing
Monetary capital	2,365,344.14	2,365,344.14	Freezing	Security and frozen funds of e-commerce platforms	1,126,989.78	1,126,989.78	Freezing	Security and frozen funds of e-commerce platforms
Monetary capital	98,910,000.00	98,910,000.00	Pledge	Time deposits pledged for bank acceptance bills				
Other debt investments due within one year	770,000,000.00	770,000,000.00	Pledge	Negotiable certificates of deposit pledged for bank acceptance bills	10,000,000.00	10,000,000.00	Pledge	Large-denomination certificates of deposit pledged for bank acceptance bills
Total	1,185,718,344.14	1,185,718,344.14			407,627,989.78	407,627,989.78		

19. Short-term borrowings

(1) Classification of short-term borrowings

Unit: RMB

Item	Closing balance	Opening balance
Bank acceptance draft discount	1,186,762,343.50	
Total	1,186,762,343.50	

Description for classification of short-term borrowings:

There are no overdue and unpaid loans at the end of the year.

20. Notes payable

Unit: RMB

Type	Closing balance	Opening balance
bank acceptance bill	1,388,644,000.00	1,293,265,904.28
Total	1,388,644,000.00	1,293,265,904.28

The total amount of notes payable that have expired but remain unpaid at the end of the period is RMB 0.00.

The above amounts are all notes payable due within one year.

21. Accounts payable

(1) Details

Unit: RMB

Item	Closing balance	Opening balance

Goods payment	1,917,471,979.64	1,857,463,351.08
Equipment and engineering funds	35,743,534.55	46,527,615.55
Expenses payment	1,572,901,661.85	1,604,082,808.07
Total	3,526,117,176.04	3,508,073,774.70

(2) Significant accounts payable aged over 1 year or overdue

As at June 30, 2026, Supor had no significant accounts payable aged over one year (December 31, 2025: None).

22. Other payables

Unit: RMB

Item	Closing balance	Opening balance
Other payables	151,095,132.29	144,707,788.29
Total	151,095,132.29	144,707,788.29

(1) Other payables

1) Listing by nature

Unit: RMB

Item	Closing balance	Opening balance
Deposit as security	112,652,567.85	108,292,685.56
Temporary receipts payable	18,922,894.44	14,803,303.98
Others	19,519,670.00	21,611,798.75
Total	151,095,132.29	144,707,788.29

23. Contract liabilities

Unit: RMB

Item	Closing balance	Opening balance
Advances on sales	588,646,279.46	966,693,982.29
Total	588,646,279.46	966,693,982.29

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

Unit: RMB

Item	Variation amount	Variation reason
Advances on sales	-966,693,982.29	Including the revenue recognized by the amount of book value of contract liabilities at the beginning of the year
Advances on sales	588,646,279.46	The amount increased due to receipt of cash (excluding the amount recognized as revenue in the current year)
Total	-378,047,702.83	

24. Employee remuneration payable

(1) Details

Unit: RMB

Item	Opening balance	Increase	Decrease	Closing balance
I. Short-term employee remuneration	383,671,805.89	923,424,030.44	998,746,980.47	308,348,855.86
II. Post-employment benefits - defined contribution plan	8,434,305.26	74,502,018.60	71,197,530.56	11,738,793.30
III. Termination benefit	1,534,056.63	6,851,101.86	2,283,125.30	6,102,033.19
Total	393,640,167.78	1,004,777,150.90	1,072,227,636.33	326,189,682.35

(2) Details of short-term employee remuneration

Unit: RMB

Item	Opening balance	Increase	Decrease	Closing balance
1. Salary, bonus, allowance and subsidy	339,478,259.57	808,596,273.11	892,276,163.02	255,798,369.66
2. Employee services and benefits	4,486,260.75	31,867,679.41	32,239,630.54	4,114,309.62
3. Social insurance charges	4,740,344.45	39,640,462.57	37,844,883.38	6,535,923.64
Including: Medical and maternity insurance premiums	4,322,892.27	35,882,604.37	34,265,664.99	5,939,831.65
Occupational injuries premium	417,452.18	3,757,858.20	3,579,218.39	596,091.99
4. Housing accumulation fund	139,495.80	29,962,768.38	29,968,355.05	133,909.13
5. Trade union fund and employee education fund	34,827,445.32	13,356,846.97	6,417,948.48	41,766,343.81
Total	383,671,805.89	923,424,030.44	998,746,980.47	308,348,855.86

(3) Details of defined contribution plan

Unit: RMB

Item	Opening balance	Increase	Decrease	Closing balance
1. Basic endowment insurance	8,177,239.11	72,288,196.63	69,080,719.90	11,384,715.84
2. Unemployment insurance premium	257,066.15	2,213,821.97	2,116,810.66	354,077.46
Total	8,434,305.26	74,502,018.60	71,197,530.56	11,738,793.30

(4) Termination benefit

During the reporting period, Supor paid termination benefits of RMB 2,283,125.30 (2025: RMB 10,601,646.09) due to the termination of employment relationships. The unpaid balance as at the end of the period was RMB 6,102,033.19 (December 31, 2025: RMB 1,534,056.63).

25. Taxes payable

Unit: RMB

Item	Closing balance	Opening balance
VAT	13,639,113.76	27,723,150.36
Enterprise income tax	96,759,809.86	260,294,545.43
Individual income tax	1,883,705.09	4,887,008.26
Urban maintenance and construction tax	3,875,648.52	11,704,578.38
Housing property tax	5,984,381.58	11,587,017.57
Land use tax	3,477,015.84	6,702,356.51
Stamp tax	4,203,196.18	4,747,909.68
Education surcharge	1,660,682.70	4,998,774.85
Local education surcharge	1,132,163.15	3,365,776.24
Total	132,615,716.68	336,011,117.28

26. Non-current liabilities due within one year

Unit: RMB

Item	Closing balance	Opening balance
Lease obligations due within one year	37,332,730.71	37,740,670.09
Pending lawsuits due within one year	130,067.26	1,544,250.00
Product quality assurance due within one year	37,503,693.92	39,812,147.96
Total	74,966,491.89	79,097,068.05

27. Other current liabilities

Unit: RMB

Item	Closing balance	Opening balance
Refund payable	23,675,842.78	28,207,443.12
Endorsed bank acceptance bill unrecognized	2,530,820.01	2,802,337.13
Output tax to be written-off	76,061,476.09	125,058,061.26
Total	102,268,138.88	156,067,841.51

28. Lease obligation

Unit: RMB

Item	Closing balance	Opening balance
Long-term lease obligations	254,095,368.28	197,868,642.00
Minus: Lease obligations due within one year	-37,332,730.71	-37,740,670.09
Total	216,762,637.57	160,127,971.91

Other remarks:

Supor also rents 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.

29. Long-term employee remuneration payable

(1) Details

Unit: RMB

Item	Closing balance	Opening balance
II. Termination benefit	438,508.34	489,573.41
III. Other Long-term Welfare	59,895,071.95	41,172,710.68
Total	60,333,580.29	41,662,284.09

30. Estimated liabilities

Unit: RMB

Item	Closing balance	Opening balance	Reasons for the balance
Pending lawsuit	1,538,727.50	1,538,727.50	For details, please refer to Note XVI. "Commitments and Contingencies"
Product quality assurance	12,120,738.99	12,305,191.78	For details, please refer to Note XVI. "Commitments and Contingencies"
Financial guarantee contract	1,412,056.00	1,710,210.00	For details, please refer to Note XVI. "Commitments and Contingencies"
Total	15,071,522.49	15,554,129.28	

31. Deferred incomes

Unit: RMB

Item	Opening balance	Increase	Decrease	Closing balance	Reasons for the balance
Government subsidies	3,340,884.28	600,000.00	254,058.21	3,686,826.07	Subsidies related to assets
Total	3,340,884.28	600,000.00	254,058.21	3,686,826.07	

32. Share capital

Unit: RMB

	Opening balance	Increase/decrease in the period (+, -)					Closing balance
		New shares	Shares bonus	Converted capital	Others	Subtotal	
Total shares	801,660,653.00				-1,777,774.00	-1,777,774.00	799,882,879.00

Other remarks:

During the current period, the share capital decreased by RMB 1,777,774.00. ① Pursuant to the *Proposal on Canceling a Part of Repurchased Shares* approved at the 2025 Annual General Meeting of Shareholders, 1,667,500 repurchased shares remaining from the 2022 Plan for Repurchase of Public Shares originally intended for equity incentives were canceled to reduce the registered capital, resulting in a corresponding decrease in share capital of RMB 1,667,500.00; ② Pursuant to the *Proposal on Repurchasing and Canceling a Part of Restricted Stock* approved at the 18th Session of the Eighth Board of Directors in 2025, a total of 173,787 restricted shares under the 2022 Restricted Stock Incentive Plan that failed to meet the 100% unlocking conditions in the second assessment period were repurchased and canceled, resulting in a corresponding decrease in share capital of RMB 173,787.00; ③ Pursuant to the *Proposal on Exercise of Stock Option within the First Exercise Period of 2023 Stock Option Incentive Plan* approved at the 18th Session of the Eighth Board of Directors, the Company received subscription funds of RMB 2,317,589.37 from incentive participants in 2026, which increased share capital by RMB 63,513.00 and capital reserve by RMB 2,254,076.37.

33. Capital reserve

Unit: RMB

Item	Opening balance	Increase	Decrease	Closing balance
Capital premium (share capital premium)	111,483,119.72	2,254,076.37	11,701,407.90	102,035,788.19
Other capital reserve	102,075,049.36	3,919,759.89		105,994,809.25
Total	213,558,169.08	6,173,836.26	11,701,407.90	208,030,597.44

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

1) This year, the share premium has increased by RMB 2,254,076.37; ①Pursuant to the *Proposal on Exercise of Stock Option within the First Exercise Period of 2023 Stock Option Incentive Plan* approved at the 18th Session of the Eighth Board of Directors, the Company received subscription funds of RMB 2,317,589.37 from incentive participants in 2026, which increased share capital by RMB 63,513.00 and capital reserve by RMB 2,254,076.37.

The share premium decreased by RMB 11,701,407.90 in the current year. Pursuant to the *Proposal on Canceling a Part of Repurchased Shares* approved at the 2025 Annual General Meeting of Shareholders, 1,667,500 repurchased shares remaining from the 2022 Plan for Repurchase of Public Shares originally intended for equity incentives were canceled. The difference between the purchase price paid to acquire the repurchased shares and their nominal value was adjusted to offset the capital reserve - share premium by RMB 11,701,407.90.

2) The increase of RMB 3,919,759.89 in other capital reserves in the current year refers to the equity-settled share-based payment amount of RMB 3,919,759.89 in the current year included in the capital reserve (other capital reserves), as detailed in Note XV. "Description of Share-based Payment" to these financial statements.

34. Treasury shares

Unit: RMB

Item	Opening balance	Increase	Decrease	Closing balance
Treasury share	233,469,742.25		85,531,336.37	147,938,405.88
Total	233,469,742.25		85,531,336.37	147,938,405.88

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

Treasury shares decreased by RMB 85,531,336.37 in the current year. ① During the year, the Company canceled 1,667,500 repurchased shares, totaling RMB 85,327,924.37. ② Pursuant to the *Proposal on Repurchasing and Canceling a Part of Restricted Stock* approved at the 18th Session of the Eighth Board of Directors in 2025, a total of 281 incentive participants failed to meet the eligibility criteria due to their business units not achieving the performance assessment targets required for 100% unlocking. Consequently, the Company repurchased and canceled a total of 173,787 restricted shares at a price of RMB 1 per share, correspondingly reducing the repurchase obligation by RMB 173,787.00. ③ Pursuant to the *Proposal on Unlocking of Postponed Portion of Restricted Stock within the Second Unlock Period of 2022 Restricted Stock Incentive Plan* approved at the 20th Session of the Eighth Board of Directors, the Board agreed to unlock a total of 29,625 restricted shares for two deferred incentive participants. The number of restricted shares eligible for unlocking was 29,625, thereby extinguishing the corresponding repurchase obligation of RMB 1 per share, resulting in a reduction of RMB 29,625.00 in treasury shares for the current period.

35. 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 that can be reclassified into profit and loss	-49,384,847.34	-13,330,431.33				-13,072,589.96	-257,841.37	-62,457,437.30
Conversion difference in foreign currency financial statement	-49,384,847.34	-13,330,431.33				-13,072,589.96	-257,841.37	-62,457,437.30
Total other comprehensive income	-49,384,847.34	-13,330,431.33				-13,072,589.96	-257,841.37	-62,457,437.30

36. Surplus reserve

Unit: RMB

Item	Opening balance	Increase	Decrease	Closing balance
Statutory surplus reserve	353,415,899.82	1,918,214.27	71,959,016.47	283,375,097.62

Total	353,415,899.82	1,918,214.27	71,959,016.47	283,375,097.62

Remarks on surplus reserve (including increase and decrease in current period and variation reason):

The increase of RMB 1,918,214.27 in surplus reserve for the current period represents the statutory surplus reserve appropriated at 10% of the net profit realized by the Company for the year. The decrease in the current period was due to the cancellation of 1,667,500 repurchased shares by the Company. The excess of the purchase price paid for the canceled shares over their nominal value was offset against capital reserve – share premium, and the shortfalls were offset against surplus reserve in the amount of RMB 71,959,016.47.

37. Undistributed profits

Unit: RMB

Item	Current period	Preceding period
Undistributed profits at the end of last period before adjustment	5,199,079,598.64	5,399,987,787.75
Undistributed profits at period beginning after adjustment	5,199,079,598.64	5,399,987,787.75
Plus: Net profit attributable to owners of the parent company	867,545,978.33	939,913,794.13
Minus: withdrawal of statutory surplus reserve	1,918,214.27	4,299,783.52
Common share dividends payable	2,095,710,650.28	2,238,705,174.73
Undistributed profits at the end of the period	3,968,996,712.42	4,096,896,623.63

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.

2). Due to change of accounting policies, undistributed profit at period beginning was changed by RMB 0.

3). Due to rectification of important accounting errors, undistributed profit at period beginning was changed by RMB 0.

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

5). Due to other adjustment, undistributed profit at period beginning was changed by RMB 0.

38. Operating incomes and costs

Unit: RMB

Item	Amount incurred during this period		Amount incurred during prior period	
	Revenue	Cost	Revenue	Cost
Main business	11,276,991,287.91	8,531,916,568.73	11,349,691,981.39	8,659,439,760.46
Revenue from other operations	132,778,845.65	112,257,769.65	127,808,819.02	108,657,927.37
Total	11,409,770,133.56	8,644,174,338.38	11,477,500,800.41	8,768,097,687.83

Breakdown information of operating income and operating cost:

Unit: RMB

Contract classification	Total	
	Operating income	Operating cost
Business type		

Including:		
Cookware	3,329,482,318.21	2,469,426,378.11
Electric appliance	7,925,391,824.80	6,045,813,709.47
Others	154,895,990.55	128,934,250.79
Classified by business area		
Including:		
Domestic	7,868,884,679.38	5,591,328,551.33
Foreign	3,540,885,454.18	3,052,845,787.05
Total	11,409,770,133.56	8,644,174,338.38

Information related to performance obligations:

None

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

The amount of revenue corresponding to performance obligations that have been contracted but not yet performed or fully performed as at the end of the reporting period is RMB 588,646,279.46, of which RMB 588,646,279.46 is expected to be recognized as revenue in 2026.

39. Taxes and surcharges

Unit: RMB

Item	Amount incurred during this period	Amount incurred during prior period
Urban maintenance and construction tax	23,096,267.17	26,755,879.86
Education surcharge	10,009,578.37	11,621,676.46
Resource tax	7,103.44	4,891.80
Housing property tax	6,579,503.80	6,450,355.41
Land use tax	3,728,690.99	3,728,690.98
Vehicle and vessel use tax	18,660.00	27,483.42
Stamp tax	8,274,576.35	8,500,752.67
Local education surcharge	6,673,052.27	7,696,579.62
Environmental protection tax	40,474.50	41,931.23
Total	58,427,906.89	64,828,241.45

Other remarks:

See Note VI. "Taxes" for calculating standard of taxes and surcharges.

40. Administrative expenses

Unit: RMB

Item	Amount incurred during this period	Amount incurred during prior period

Employee remuneration	112,579,389.53	129,757,084.47
Office, business traveling and depreciation and amortization expenses	38,332,904.00	41,593,063.64
Equity incentive and performance incentive fund cost	11,012,663.15	11,749,981.53
Others	18,699,903.45	15,694,870.68
Total	180,624,860.13	198,795,000.32

41. Sales expenses

Unit: RMB

Item	Amount incurred during this period	Amount incurred during prior period
Advertising, sales promotion, and special gift expenses	1,023,546,784.58	908,549,431.99
Employee remuneration	151,491,738.46	154,873,106.66
Office and business traveling expenses	44,250,855.70	50,749,338.88
Equity incentive and performance incentive fund cost	4,539,548.34	4,164,451.11
Others	21,354,645.68	33,736,445.41
Total	1,245,183,572.76	1,152,072,774.05

42. R&D expenses

Unit: RMB

Item	Amount incurred during this period	Amount incurred during prior period
Employee remuneration	128,162,761.26	128,502,215.54
Trial production experiment cost and consumption expenditure	35,905,132.78	29,053,349.94
New product design cost	13,514,573.01	15,941,651.00
Patent and external institutional fees	18,749,863.02	19,732,805.69
Equity incentive and performance incentive fund cost	5,103,785.36	4,641,736.60
Others	12,411,776.87	12,497,547.04
Total	213,847,892.30	210,369,305.81

43. Financial expenses

Unit: RMB

Item	Amount incurred during this period	Amount incurred during prior period
Interest expense of loans and accounts payable	4,435,407.43	2,932,632.38
Interest revenue of deposits and receivables	-9,377,481.75	-17,556,636.37
Interest expense of lease obligations	2,989,773.13	5,727,120.97

Gains on net foreign exchange	18,384,142.85	-6,927,569.96
Handling fee and other financial expenses	2,268,127.38	1,639,214.52
Total	18,699,969.04	-14,185,238.46

44. Other incomes

(1) Classification of other income

Unit: RMB

Source of other revenues	Amount incurred during this period	Amount incurred during prior period	Amount included into non-recurring profit or loss of the current year
Government subsidies concerning daily activities	38,728,419.53	42,557,214.27	11,746,975.22
Refund of commission for withholding and remitting taxes	13,642.69	1,155,102.74	13,642.69
VAT tax plus deduction	5,490,509.10	21,931,298.28	
Total	44,232,571.32	65,643,615.29	11,760,617.91

(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	254,058.21		Related to assets
Project subsidy	6,910,517.01	8,111,976.01	Related to benefits
Government reward	4,582,400.00	2,899,000.00	Related to benefits
VAT immediate refund	26,981,444.31	31,546,238.26	Related to benefits
Total	38,728,419.53	42,557,214.27	

45. 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	19,384.85	10,338.59
Total	19,384.85	10,338.59

46. 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	-869,975.64	-592,131.91
Investment income from disposal of transactional financial assets	6,622,481.44	3,452,802.12

Investment income from the disposal of other debt investments	16,404,061.84	20,189,562.49
Investment income of debt investment during the holding period	10,972,105.12	6,409,746.04
Total	33,128,672.76	29,459,978.74

47. Credit impairment loss

Unit: RMB

Item	Amount incurred during this period	Amount incurred during prior period
Bad debt losses for accounts receivable	-14,735,918.22	-20,576,094.40
Loss for bad debts of other receivables	-129,165.14	-195,826.55
Impairment losses related to financial guarantees	298,154.00	669,695.00
Total	-14,566,929.36	-20,102,225.95

48. Asset impairment loss

Unit: RMB

Item	Amount incurred during this period	Amount incurred during prior period
I. Loss on inventory depreciation and impairment loss of contract performance cost	-10,120,413.27	-313,225.29
Total	-10,120,413.27	-313,225.29

49. Assets disposal income

Unit: RMB

Source of assets disposal income	Amount incurred during this period	Amount incurred during prior period
Assets disposal income	-19,635.49	-618,084.26
Proceeds from the disposal of the right-of-use assets	37,569.07	195,001.54
Total	17,933.58	-423,082.72

50. 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
Gains on damage and retirement of non-current assets		7,412.39	
Including: Gains from the scrapping and disposal of fixed assets		7,412.39	
Compensation, liquidated damages and forfeiture income	2,276,639.61	1,278,263.62	2,276,639.61

Others	767,971.18	1,007,118.05	767,971.18
Total	3,044,610.79	2,292,794.06	3,044,610.79

51. 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	2,706,600.00	1,531,865.55	2,706,600.00
Losses on damage and retirement of non-current assets	115,829.66	120,099.67	115,829.66
Including: Fixed assets retirement loss	115,829.66	120,099.67	115,829.66
Others	919,430.28	766,836.98	919,430.28
Total	3,741,859.94	2,418,802.20	3,741,859.94

52. Income tax expenses

(1) Details

Unit: RMB

Item	Amount incurred during this period	Amount incurred during prior period
Current period income tax expenses	209,924,541.72	289,808,981.98
Deferred income tax expenses	25,037,994.60	-55,802,898.99
Total	234,962,536.32	234,006,082.99

(2) Reconciliation of accounting profit to income tax expenses

Unit: RMB

Item	Amount incurred during this period
Total profit	1,100,825,564.79
Income tax expenses based on statutory/applicable tax rate	275,206,391.20
Effect of different tax rate applicable to subsidiaries	-52,470,017.34
Effect of prior income tax reconciliation	-12,923,845.98
Effect of non-taxable revenue	-30,832.52
Effect of non-deductible costs, expenses and losses	2,767,731.41
Effect of deductible temporary differences or deductible losses of unrecognized deferred income tax assets in the current period	21,666,202.20
Deduction for the additional calculation of R&D expenses	746,907.35
Income tax expenses	234,962,536.32

53. Other comprehensive incomes

See Note. 34 for details.

54. Cash flow statement items

(1) Cash related to operating activities

Other cash receipts related to operating activities

Unit: RMB

Item	Amount incurred during this period	Amount incurred during prior period
Receipt of government subsidies	81,667,867.98	84,850,724.04
Receipt of deposit, security and staff reserve fund loan	9,381,311.50	14,292,511.99
Interest revenues	9,975,183.76	14,279,366.02
Others	27,741,118.86	13,634,073.37
Total	128,765,482.10	127,056,675.42

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	1,199,518,318.30	1,104,953,986.40
Cash payment for administrative expenses	67,947,631.47	85,735,081.36
Cash payment for R&D expenses	86,035,206.60	109,319,343.41
Donations payment	2,523,493.55	1,356,002.82
Other payments	4,589,194.53	489,907.51
Total	1,360,613,844.45	1,301,854,321.50

(2) Cash related to investing activities

Other cash receipts related to investing activities

Unit: RMB

Item	Amount incurred during this period	Amount incurred during prior period
Recovery of financial products, and principal of term deposit	1,956,000,000.00	3,218,684,000.00
Total	1,956,000,000.00	3,218,684,000.00

Other cash payments related to investing activities

Unit: RMB

Item	Amount incurred during this period	Amount incurred during prior period
Investment of financial products, and principal of term deposit	1,993,910,000.00	1,836,254,791.48

Total	1,993,910,000.00	1,836,254,791.48

(3) Cash related to financing activities

Other cash payments related to financing activities

Unit: RMB

Item	Amount incurred during this period	Amount incurred during prior period
Cash paid for repayment of lease obligation principal and interest	29,228,702.55	21,958,888.02
Total	29,228,702.55	21,958,888.02

Changes in liabilities arising from financing activities

☑ Applicable □ Not-applicable

Unit: RMB

Item	Opening balance	Increase		Decrease		Closing balance
		Cash changes	Non-cash changes	Cash changes	Non-cash changes	
Short-term borrowings		1,185,783,680.53	4,216,319.47		3,237,656.50	1,186,762,343.50
Other payables - Capital inter-bank lending of related parties	16,992,543.67	4,579,343.84		3,710,002.90		17,861,884.61
Other payables-restricted stock repurchase obligations	203,412.00			173,787.00	29,625.00	0.00
Other payables - payable dividend			2,095,710,650.28	2,095,710,650.28		0.00
Lease obligation	197,868,642.00		85,455,428.83	29,228,702.55		254,095,368.28
Total	215,064,597.67	1,190,363,024.37	2,185,382,398.58	2,128,823,142.73	3,267,281.50	1,458,719,596.39

55. 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	865,863,028.47	937,666,336.94
Plus: Impairment provision of assets	10,120,413.27	313,225.29
Credit impairment loss	14,566,929.36	20,102,225.95
Depreciation of fixed assets, oil and gas assets, productive biological assets	67,229,644.93	67,785,660.22

Depreciation of right-of-use assets	19,652,834.68	23,055,381.82
Amortization of intangible assets	12,339,866.52	14,173,531.89
Amortization of long-term unamortized expenses		
Loss on disposal of fixed assets, intangible assets and other long-term assets ("-" for gains)	-17,933.58	423,082.72
Fixed assets retirement loss ("-" for gains)	115,829.66	112,687.28
Losses from changes in fair value ("-" for revenue)	-19,384.85	-10,338.59
Financial expenses ("-" for gains)	18,384,142.85	-6,927,569.96
Investment losses ("-" for gains)	-33,128,672.76	-29,459,978.74
Decrease of deferred income tax assets ("-" for increase)	25,037,994.60	-55,583,221.50
Increase of deferred income tax liabilities ("-" for decrease)		
Decrease in inventories ("-" for increase)	332,569,386.91	525,748,430.10
Decrease in operating receivables ("-" for increase)	-348,362,477.14	-168,322,601.77
Increase in operating payables ("-" for decrease)	-575,745,443.99	-821,858,769.29
Others	75,638,015.79	5,226,625.51
Net cash flows from operating activities	484,244,174.72	512,444,707.87
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:		
Cash at the end of the period	1,029,037,896.64	1,723,857,111.16
Minus: Cash at the beginning of the period	1,585,517,366.03	1,569,118,972.78
Plus: Cash equivalents at the end of the period		
Minus: Cash equivalents at the beginning of the period		
Net increase in cash and cash equivalents	-556,479,469.39	154,738,138.38

(2) Cash and cash equivalents

Unit: RMB

Item	Closing balance	Opening balance
I. Cash	1,029,037,896.64	1,585,517,366.03
Including: Cash on hand	87,205.61	93,312.26
Cash in bank on demand for payment	978,943,486.84	1,503,299,115.71
Other monetary capitals on demand for payment	50,007,204.19	82,124,938.06
III. Balance of Cash and Cash Equivalents at the End of the Period	1,029,037,896.64	1,585,517,366.03

(3) Monetary capitals that do not belong to cash and cash equivalents

Unit: RMB

Item	Amount in the current period	Amount of last period	Reasons for not being classified as cash and cash equivalents
Term deposit	98,910,000.00	93,944,657.53	Cannot be withdrawn at any time
Deposit security for advance payment financing	58,000,000.00	58,000,000.00	Restricted use right
Bank acceptance bill security	256,443,000.00	151,200,000.00	Restricted use right
Security and frozen funds of e-commerce platforms	2,365,344.14	962,573.09	Restricted use right
Total	415,718,344.14	304,107,230.62	

56. Foreign currency monetary item

(1) Foreign currency monetary item

Unit: RMB

Item	Closing balance in foreign currencies	Conversion rate	RMB equivalent
Monetary capital			
Including: USD	36,502,037.81	6.8109	248,611,729.32
EUR	21,474.47	7.7671	166,794.36
GBP	0.73	9.0145	6.58
VND	25,413,150,255.99	0.000259108	6,584,750.54
SGD	108,601.42	5.2605	571,297.77
IDR	9,578,799,660.00	0.000381	3,649,522.67
Accounts receivable			
Including: USD	48,987,875.99	6.8109	333,651,524.58
VND	16,957,799,976.50	0.000259108	4,393,901.64
IDR	7,054,822,685.00	0.000381	2,687,887.44
Accounts payable			
Including: USD	2,664,949.97	6.8109	18,150,707.75
EUR	381,251.58	7.7671	2,961,219.15
VND	114,935,002,657.22	0.000259108	29,780,578.67
SGD	23,317.00	5.2605	122,659.08
IDR	5,291,847,675.00	0.000381	2,016,193.96

(2) The nature and financial effects of the currency's lack of exchangeability, the spot exchange rate used and its estimation process, and the risks faced by the entity due to the currency's lack of exchangeability.

□ Applicable ☑ Not-applicable

(3) 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

(4) The situation where there is a lack of exchangeability between the functional currency of a foreign operation and the presentation currency of the entity.

□ Applicable ☑ Not-applicable

57. Lease

(1) The Company acts as the lessee

☑ Applicable □ Not-applicable

Variable lease payments not recognized through the measurement of lease obligation

□ Applicable ☑ Not-applicable

Simplified handling of short-term leasing or leasing costs for low value assets

☑ Applicable □ Not-applicable

Item	2026	2025
Costs of short-term leases with simplified treatment method selected	5,686,255.31	6,939,042.05
Lease-related total cash outflow	34,914,957.86	28,897,930.07

(2) The Company acts as the lessor

Operating lease as lessor

☑ Applicable □ Not-applicable

Unit: RMB

Item	Lease revenue	Including: Revenue related to variable lease payments not through lease receipts
Buildings and structures	561,049.94	
Total	561,049.94	

Financing lease as lessor

□ Applicable ☑ Not-applicable

Annual undiscounted lease receipts for the next five years

□ Applicable ☑ Not-applicable

Adjustment table for undiscounted lease receipts and net lease investments

(3) Recognition of the profit and loss of financing lease sales as a manufacturer or distributor

□ Applicable ☑ Not-applicable

VIII. R&D Expenditure

Unit: RMB

Item	Amount incurred during this period	Amount incurred during prior period
Employee remuneration	128,162,761.26	128,502,215.54
Trial production experiment cost and consumption expenditure	35,905,132.78	29,053,349.94
New product design cost	13,514,573.01	15,941,651.00
Patent and external institutional fees	18,749,863.02	19,732,805.69
Equity incentive and performance incentive fund cost	5,103,785.36	4,641,736.60
Others	12,411,776.87	12,497,547.04
Total	213,847,892.30	210,369,305.81
Including: Expensed R&D expenditure	213,847,892.30	210,369,305.81

IX. Change on merger scope

1. Changes of the merger scope for other reasons

2. Others

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

X. Equity in Other Entities

1. Equity in subsidiaries

(1) Structure of enterprise group

Unit: RMB

Subsidiary name	Registered capital	Main operating place	Place of registration	Business nature	Shareholding ratio		Acquisition method
					Direct	Indirect	
Zhejiang Supor Electrical	133,697,100.00	Hangzhou	Hangzhou	Manufacturing industry	100.00%		Establishment
Shaoxing Supor	610,000,000.00	Shaoxing	Shaoxing	Manufacturing industry	100.00%		Establishment
Supor Vietnam	104,934,081.16	Vietnam	Vietnam	Manufacturing industry	100.00%		Establishment
Wuhan Supor Cookware [Note 1]	91,160,000.00	Wuhan	Wuhan	Manufacturing industry	100.00%		Establishment
Omegna	10,000,000.00	Hangzhou	Hangzhou	Commerce	100.00%		Establishment

Shanghai Marketing	5,000,000.00	Shanghai	Shanghai	Commerce	100.00%		Establishment
Wuhan Supor Pressure Cooker	155,669,000.00	Wuhan	Wuhan	Manufacturing industry	100.00%		Enterprise merger under the same control
P&R Products	8,044,670.77	Yuhuan	Yuhuan	Manufacturing industry	100.00%		Enterprise merger under the same control
Yuhuan Sales Company	8,000,000.00	Yuhuan	Yuhuan	Commerce	100.00%		Enterprise merger not under the same control
SEADA	23,314,945.98	Singapore	Singapore	Commerce	51.00%		Enterprise merger under the same control
AFS [Note 2]	2,453,486.50	Vietnam	Vietnam	Commerce		100.00%	Enterprise merger under the same control
Shanghai WMF	50,000,000.00	Shanghai	Shanghai	Manufacturing industry	100.00%		Establishment
Zhejiang WMF	100,000,000.00	Yuhuan	Yuhuan	Manufacturing industry	100.00%		Establishment
Shaoxing Supor Housewares	50,000,000.00	Shaoxing	Shaoxing	Manufacturing industry	100.00%		Establishment
Supor Large Kitchen Appliance	100,000,000.00	Shaoxing	Shaoxing	Manufacturing industry	100.00%		Establishment
GSIM or Indonesian Company [Note 3]	32,714,774.74	Indonesia	Indonesia	Commerce		66.67%	Establishment
Supor Water Heater [Note 4]	100,000,000.00	Shaoxing	Shaoxing	Manufacturing industry	52.00%		Establishment
Hainan Supor E-commerce Company [Note 5]	8,000,000.00	Hainan	Hainan	Commerce		100.00%	Establishment
Hainan Tefal Trade Company [Note 5]	10,000,000.00	Hainan	Hainan	Commerce		100.00%	Establishment
Gourmet Excellence (HK) Company [Note 6]	87,272.53	Hong Kong	Hong Kong	Commerce		100.00%	Establishment

Explanation on shareholding ratio in subsidiary different from voting ratio:

Note 1: Wuhan Supor Pressure Cooker, a wholly-owned subsidiary of the Company, transferred its 75% equity in Wuhan Supor Cookware to the Company, and the Company cumulatively holds 100% equity in Wuhan Supor Cookware.

Note 2: 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 3: Indonesian Company was established jointly by SEADA, a subsidiary of the Company and PT MULTIFORTUNA in Indonesia this year. SEADA holds 66.67% shares and PT MULTIFORTUNA holds 33.33% shares.

Note 4: Supor Water Heater 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 5: Hainan Supor E-commerce Company and Hainan Tefal Trade Company are wholly owned subsidiaries of Zhejiang Supor Electrical.

Note 6: Gourmet Excellence (HK) Company is a wholly-owned subsidiary of Zhejiang WMF.

2. Transactions in which the proportion of owner's equity in a subsidiary changes without losing control

3. Equity in joint venture or associated enterprises

(1) Financial information summary of unimportant joint ventures and associated enterprises

Unit: RMB

	Closing balance/amount incurred during this period	Opening balance/amount incurred during prior period
Associated enterprise:		
Total investment book values	59,841,714.93	60,731,939.93
Total amounts of the following items calculated according to the shareholding ratio		
- Net profit	-890,225.00	-596,299.57
- Total Comprehensive Incomes	-890,225.00	-596,299.57

XI. Government subsidies

1. Government subsidies recognized as per receivable at the end of reporting period

□ Applicable ☑ Not-applicable

Reasons for not receiving the expected amount of government subsidies at the expected time point

□ Applicable ☑ Not-applicable

2. Basic information of government subsidies

Unit: RMB

Type	Amount incurred during this period	Presenting item
Government subsidies related to revenues	38,474,361.32	Other incomes
Government subsidies related to assets	3,686,826.07	Deferred incomes

3. Liabilities projects involving government subsidies

□ Applicable ☑ Not-applicable

4. Government subsidies included into the current profits and losses

☑ Applicable □ Not-applicable

Unit: RMB

Accounting item	Amount incurred during this period	Amount incurred during prior period
other incomes	38,728,419.53	42,557,214.27

VII. Risks related to financial instruments

1. All kinds of risks generated by 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 Note VII. 55 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, 2026		
USD	4,253,500.99	4,253,500.99
EUR	-23,868.99	-23,868.99
GBP	0.06	0.06
VND	-150,415.41	-150,415.41
SGD	3,723.70	3,723.70
IDR	49,431.80	49,431.80
Total	4,132,372.15	4,132,372.15
December 31, 2025		
USD	5,063,239.96	5,063,239.96
EUR	-3,727.78	-3,727.78
GBP	0.06	0.06
VND	-114,761.29	-114,761.29
SGD	2,422.24	2,422.24
IDR	30,642.88	30,642.88
Total	4,977,816.07	4,977,816.07

(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, 2026, Supor's bank borrowings are at a fixed rate, 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 are mainly bank acceptance bills 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 58.81% of closing balance (December 31, 2025: 53.37%), 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, 2026, 24.29% (December 31, 2025: 29.80%) 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.

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	1,444,756,240.78	1,444,756,240.78			1,444,756,240.78
Transactional financial assets	150,019,384.85	150,019,384.85			150,019,384.85
Notes receivable	3,560,135.01	3,560,135.01			3,560,135.01
Accounts receivable	3,194,938,477.33	3,194,938,477.33			3,194,938,477.33
Receivables financing	247,585,086.87	247,585,086.87			247,585,086.87
Other receivables	28,989,530.56	28,989,530.56			28,989,530.56
Other debt investment	2,791,194,260.28	2,791,194,260.28			2,791,194,260.28
Subtotal	7,861,043,115.68	7,861,043,115.68	-	-	7,861,043,115.68
Financial liabilities					
Short-term borrowings	1,186,762,343.50	1,186,762,343.50			1,186,762,343.50
Notes payable	1,388,644,000.00	1,388,644,000.00			1,388,644,000.00
Accounts payable	3,526,117,176.04	3,526,117,176.04			3,526,117,176.04
Other payables	151,095,132.29	151,095,132.29			151,095,132.29
Other current liabilities	4,069,734.87	4,069,734.87			4,069,734.87
Lease obligation	254,095,368.28	45,608,734.08	90,917,560.70	190,679,285.59	327,205,580.36
Subtotal	6,510,783,754.98	6,302,297,120.78	90,917,560.70	190,679,285.59	6,583,893,967.06

(Continued)

Item	Beginning balance				
	Book value	Within 1 year	1-3 years	Over 3 years	Total
Financial assets					
Monetary capital	1,983,145,355.81	1,983,145,355.81			1,983,145,355.81
Transactional financial assets	344,226,787.28	344,226,787.28			344,226,787.28
Notes receivable	4,723,152.44	4,723,152.44			4,723,152.44
Accounts receivable	2,759,420,479.68	2,759,420,479.68			2,759,420,479.68
Receivables financing	273,842,313.46	273,842,313.46			273,842,313.46
Other receivables	153,163,010.35	153,163,010.35			153,163,010.35
Other debt investment	2,643,476,534.24	2,643,476,534.24			2,643,476,534.24
Subtotal	8,161,997,633.26	8,161,997,633.26			8,161,997,633.26
Financial liabilities					
Notes payable	1,293,265,904.28	1,293,265,904.28			1,293,265,904.28
Accounts payable	3,508,073,774.70	3,508,073,774.70			3,508,073,774.70

Other payables	144,707,788.29	144,707,788.29			144,707,788.29
Other current liabilities	2,802,337.13	2,802,337.13			2,802,337.13
Lease obligation	197,868,642.00	45,389,617.18	89,418,270.36	100,628,124.38	235,436,011.92
Subtotal	5,146,718,446.40	4,994,239,421.58	89,418,270.36	100,628,124.38	5,184,285,816.32

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".

XIII. 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		150,019,384.85		150,019,384.85
(II) Other debt investments		2,791,194,260.28		2,791,194,260.28
(III) Receivables financing				
(1) Notes receivable		247,585,086.87		247,585,086.87
Total assets continuously measured at fair value		3,188,798,732.00		3,188,798,732.00
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 the financial products, other debt investment, and receivables financing are in the financial assets measured at the fair value with their changes included into the current profits and losses and its fair value is determined by valuation technique. The valuation technique should make the best use of available observable market data and rely as little as possible on the specific estimates of the entity.

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

None

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.

XIV. 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	83.35%	83.35%

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 X. "1. Equity in subsidiaries" for details on the Company's subsidiaries.

3. Joint ventures and associated enterprises of the Company

Please refer to Note X. "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
GROUPE SEB MOULINEX	Same controlling shareholder with the controlling shareholder
GROUPE SEB EXPORT	Same controlling shareholder with the controlling shareholder
SEB DEVELOPPEMENT SAS	Same controlling shareholder with the controlling shareholder
ROWENTA FRANCE	Same controlling shareholder with the controlling shareholder
LAGOSTINA S.P.A.	Same controlling shareholder
IMUSA USA LLC	Same controlling shareholder
WMF GROUPE GMBH	Same controlling shareholder
GROUPE SEB VIETNAM JOINT STOCK COMPANY	Same controlling shareholder
EMSA GMBH	Same controlling shareholder
GROUPE SEB CANADA	Same controlling shareholder
GROUPE SEB ANDEAN S.A.	Same controlling shareholder
GROUPE SEB USA	Same controlling shareholder
WMF BUSINESS UNIT CONSUMER GMBH	Same controlling shareholder
Saichuang Commercial Electric Appliance (Shaoxing) Co., Ltd.	Same controlling shareholder
WMF Consumer Goods (Shanghai) Co., Ltd.	Same controlling shareholder
Saiyibo Business Consulting (Shenzhen) Co., Ltd.	Same controlling shareholder
Groupe SEB Innovation Center (Zhejiang) Co., Ltd.	Same controlling shareholder
Supor Group Co., Ltd.	Company controlled by related natural person
Zhejiang Sukean Pharmaceutical Co., Ltd.	Company controlled by related natural person
Silit-Werke GmbH & Co. KG	Same controlling shareholder

Other remarks

The Company terminated its related party relationship with former related parties, Supor Group Co., Ltd. and Zhejiang Sukean Pharmaceutical Co., Ltd., on December 12, 2025. As at the end of the reporting period, no related party relationship exists between the parties. As they were related parties of the Company within the past 12 months, the transaction amounts for the prior period and the opening balances are disclosed as related party transactions.

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 connected 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	81,079,672.32		No	94,802,633.66
Wuhan Anzai Cookware Co., Ltd.	Accessories	7,023,702.29		No	10,439,063.01
GROUPE SEB EXPORT	Finished products			No	128,450.67
TEFAL S.A.S.	Accessories	3,189,096.74		No	9,763,627.76
LAGOSTINA S.P.A.	Finished products	714,057.47		No	1,162,471.35
SEB INTERNATIONAL SERVICE S.A.S.	Accessories	16,727.50		No	18,126.30
SEB INTERNATIONAL SERVICE S.A.S.	Finished products	39,538.40		No	37,147.64
SEB ASIA LTD.	Finished products	1,287,151.85		No	520,183.95
GROUPE SEB MOULINEX	Accessories	25,681,042.86		No	673,818.09
WMF GROUPE GMBH	Finished products			No	1,998,708.72
WMF BUSINESS UNIT CONSUMER GMBH	Finished products	16,123,267.30		No	37,352,397.77
EMSA GMBH	Finished products	12,441.24		No	299,346.98
Silit-Werke GmbH & Co. KG	Finished products	56,790.00		No	

Sale of commodities and rendering of services

Unit: RMB

Related parties	Connected transaction Content	Amount incurred during this period	Amount incurred during prior period
SEB ASIA LTD.	Finished products	3,217,787,025.59	3,405,441,070.07
SEB ASIA LTD.	Accessories	2,151,154.26	4,208,934.55
S.A.S. SEB	Finished products	1,331,876.50	427,338.79
S.A.S. SEB	Accessories	484,105.57	916,867.14
TEFAL S.A.S.	Finished products	998,728.13	3,585,741.62
TEFAL S.A.S.	Accessories	12,771,440.28	12,854,435.15
GROUPE SEB MOULINEX	Finished products	9,403,902.12	5,643,595.78
Supor Group Co., Ltd.	Finished products	0.00	1,676,296.95
SEB INTERNATIONAL SERVICE S.A.S.	Accessories	20,631,528.77	15,605,361.45
LAGOSTINA S.P.A.	Accessories	858,500.35	1,083,209.45
IMUSA USA LLC	Accessories	8,317.19	21,677.18
WMF Consumer Goods (Shanghai) Co, Ltd.	Finished products	32,234.34	117,227.43
Saiyibo Business Consulting (Shenzhen) Co., Ltd.	Finished products	0.00	303,147.42

GROUPE SEB CANADA	Finished products	2,769,850.23	2,709,557.03
GROUPE SEB VIETNAM JOINT STOCK COMPANY	Finished products	2,713,115.27	2,516,209.62
GROUPE SEB VIETNAM JOINT STOCK COMPANY	Accessories	784,482.01	1,244,961.31
GROUPE SEB ANDEAN S.A.	Accessories	4,119,313.65	3,654,090.60
Zhejiang Sukean Pharmaceutical Co., Ltd.	Finished products	0.00	242,299.12
Saichuang Commercial Electric Appliance (Shaoxing) Co., Ltd.	Finished products	40,493.49	

(2) Related party leases

The Company acts as the lessee:

Unit: RMB

Lessor	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.	Real estate						6,731,963.13		1,240,475.01		32,049.50

(3) Capital inter-bank lending of related parties

Unit: RMB

Related parties	Borrowed/lent amount	Start date	Expiry date	Notes
Borrowing				
SEB S.A.	869,340.94	January 1, 2026	Open-ended	Loans

(4) Key management's emoluments

Item	Amount incurred during this period	Amount incurred during prior period
Key management's remuneration	RMB 3.008 million	RMB 13.965 million
Equity incentive and performance incentive fund for key management personnel	RMB 1.1892 million	RMB 1.6731 million
Total	RMB 4.1972 million	RMB 15.6381 million

(5) Other related transactions

① Consulting fee

Unit: RMB

Service provider	Purchasing parties	Amount incurred in current year	Amount incurred during prior period
SEB ASIA LTD.	The Company	707,646.00	605,916.00
	Wuhan Supor Cookware	357,972.00	306,510.00
	Shaoxing Supor	502,200.00	429,996.00
	Zhejiang Supor Electrical	324,186.00	277,578.00

② Research and development (R&D) and human resources services

Unit: RMB

Service provider	Purchasing parties	Amount incurred during this period	Amount incurred during prior period
Shaoxing Supor	Groupe SEB Innovation Center (Zhejiang) Co. Ltd.	119,564.64	
AFS	GROUPE SEB VIETNAM JOINT STOCK COMPANY	504,063.07	1,209,244.53

③ Interest expense

Unit: RMB

Selling parties	Purchasing parties	Amount incurred during this period	Amount incurred during prior period
SEB S.A.	SEADA	93,762.38	210,121.26
SEB S.A.	Indonesian Company	125,325.58	

⑤ 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 the relevant terms and conditions of the contract signed by both parties, the royalty fee is calculated at 3% of the sales achieved by the licensed products. In the current year, Wuhan Supor Cookware is required to pay S.A.S. SEB a technical royalty fee of RMB 0 (2025: RMB 1,357,494.53). As of June 30, 2026, the payment has been fully settled (December 31, 2025: RMB 242,221.09).

⑥ Pursuant to the *Trademark License Agreement* entered into between Wuhan Supor Cookware Co., Ltd. and LAGOSTINA SPA on December 15, 2014, LAGOSTINA S.P.A. licensed Wuhan Supor Cookware Co., Ltd. for compensated use of its trademark "LAGOSTINA". According to the relevant terms in the contract signed by both parties, the royalty fee is calculated at 4% of the sales revenue generated by the licensed products. In the current year, Wuhan Supor Cookware is required to pay LAGOSTINA S.P.A. a trademark royalty fee of RMB 0 (2025: RMB 789.80), which has been fully paid as of June 30, 2026 (December 31, 2025: fully paid).

⑦ Pursuant to the *Trademark License Agreement* entered into between Omegna and LAGOSTINA SPA on December 5, 2016, LAGOSTINA SPA licensed Omegna for the paid use of its "LAGOSTINA" brand. According to the relevant terms in the contract signed by both parties, the royalty fee is calculated at 4% of the sales revenue generated by the licensed products. In the current year, Omegna is required to pay LAGOSTINA S.P.A. a trademark royalty fee of RMB 26,239.71 (2025: RMB 93,173.65). As of June 30, 2026, an unpaid balance of RMB 119,413.36 remains (December 31, 2025: RMB 93,173.65).

6. Receivables and payables by related parties

(1) Receivables

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.	1,904,779,275.67	38,095,585.51	1,483,547,354.20	29,670,947.06
	S.A.S. SEB	1,671,839.55	33,436.79	265,576.20	5,311.53
	TEFAL S.A.S.	8,733,000.98	174,660.02	8,820,841.78	176,416.84
	SEB INTERNATIONAL SERVICE S.A.S.	10,447,276.85	208,945.54	9,715,616.43	194,312.33
	GROUPE SEB MOULINEX	2,404,005.54	49,792.50	4,922,488.07	100,216.94
	IMUSA USA LLC	8,182.75	163.66	0.00	0.00
	WMF Consumer Goods (Shanghai) Co, Ltd.	4,262.57	85.25	44,250.83	885.02
	GROUPE SEB CANADA	1,759,841.32	35,196.83	572,439.46	11,448.79
	GROUPE SEB VIETNAM JOINT STOCK COMPANY	5,057,840.63	101,156.81	6,045,446.39	120,908.93
	GROUPE SEB ANDEAN S.A.	3,215,284.02	64,305.68	731,759.58	14,635.19
	LAGOSTINA S.P.A.	796,586.65	15,931.73	1,047,720.95	20,954.42
	Groupe SEB Innovation Center (Zhejiang) Co. Ltd.	134,766.92	2,695.34	2,134,492.99	42,689.86
	Saichuang Commercial Electric Appliance (Shaoxing) Co., Ltd.	6,923.35	138.47	890,622.34	17,812.45
	GROUPE SEB EXPORT	0.00	0.00	420,852.86	8,417.06
	ROWENTA FRANCE	0.00	0.00	401,540.94	8,030.82
	SEB DEVELOPPEMENT SAS	0.00	0.00	39,490.00	789.80
	WMF BUSINESS UNIT CONSUMER GMBH	0.00	0.00	37,941.61	758.83
	GROUPE SEB USA	0.00	0.00	1,292.01	25.84
	Total	1,939,019,086.80	38,782,094.13	1,519,639,726.64	30,394,561.71
Advance payment:					
	EMSA GMBH			12,441.24	
	Total			12,441.24	
Other receivables:					
	Supor Group Co., Ltd.			145,000.00	145,000.00
	Total			145,000.00	145,000.00

(2) Payables

Unit: RMB

Items	Related parties	Ending book balance	Beginning book balance
Accounts payable:			

	Wuhan Anzai Cookware Co., Ltd.	8,064,347.03	25,258,175.49
	WMF GROUPE GMBH	320,140.72	320,140.72
	GROUPE SEB EXPORT	543,824.08	1,348,938.48
	TEFAL S.A.S.	1,452,858.41	3,086,064.68
	S.A.S. SEB		242,221.09
	LAGOSTINA S.P.A.	324,380.30	568,813.79
	GROUPE SEB MOULINEX	10,379,165.70	8,797,959.97
	SEB INTERNATIONAL SERVICE S.A.S.	23,272.86	28,000.00
	WMF BUSINESS UNIT CONSUMER GMBH	5,120,675.21	8,933,761.95
	SEB ASIA LTD.	2,742,974.56	3,973,219.20
	SEB DEVELOPPEMENT SAS	1,465,565.94	1,465,565.94
	Supor Group Co., Ltd.		4,266.00
	Total	30,437,204.81	54,027,127.31
Contract liabilities:			
	Supor Group Co., Ltd.		399,296.12
	Zhejiang Sukean Pharmaceutical Co., Ltd.		296,423.45
	Total		695,719.57
Other payables:			
	Wuhan Anzai Cookware Co., Ltd.	50,000.00	50,000.00
	SEB S.A.	17,861,884.61	16,992,543.67
	Total	17,911,884.61	17,042,543.67
Lease obligation			
	Supor Group Co., Ltd.		49,672,411.55
	Total		49,672,411.55

XV. Share-based payment

1. Overall information

☑ Applicable □ Not-applicable

Unit: RMB

Granted object category	Granted in the current period		Vested in the current period		Released in the current period		Invalid in the current period	
	Share number	Amount	Share number	Amount	Share number	Amount	Share number	Amount
Management			39,763.00	442,562.19	29,625.00	1,212,605.40		

Sales personnel			12,940.00	144,022.20				
R&D personnel			10,810.00	120,315.30				
Total			63,513.00	706,899.69	29,625.00	1,212,605.40		

Stock options or other equity instruments issued to the public at the end of the period

☑ Applicable □ Not-applicable

2023, 2024 and 2025 Stock Option Incentive Plans

Granted object category	Stock options issued to the public at the end of the period		Other equity instruments issued to the public at the end of the period	
	The range of exercise price of stock options	The remaining period of the contract	The range of exercise price of stock options	The remaining period of the contract
Management, sales personnel, and R&D personnel	RMB 36.49/ share、RMB 37.89/share、RMB 38.82 /share	1.35-3.29 years		

2. Equity-settled share-based payment

☑ Applicable □ Not-applicable

Unit: RMB

2023, 2024 and 2025 Stock Option Incentive Plans	**Related Information**
Determination method for fair value of equity instruments on grant date	Fair value in accordance with the Black-Scholes model
Important parameters for fair value of equity instruments on grant date	Estimated dividends, historical volatility, and risk-free interest rate
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 of estimation between this period and last period	None
Capital reserve accumulated due to equity-settled share-based payment	19,967,707.92
Total expenses incurred due to equity-settled share-based payment transactions	3,919,759.89

Other remarks

According to the *Proposal on Unlocking of Postponed Portion of Restricted Stock within the Second Unlock Period of 2022 Restricted Stock Incentive Plan* approved at the 20th Session of the Eighth Board of Directors held by the Company on February 26, 2026, the unlocking conditions for the second unlocking period of the deferred grant under the 2022 Restricted Stock Incentive Plan have been satisfied. The total number of restricted stocks unlocked this time is 29,625 shares, with a total fair value of RMB 1,258,375.69.

The cumulative amount of capital reserve affected by the 2023 Equity Incentive Plan was RMB 11,051,614.42 at the beginning of the year, with an amount incurred in the current year of RMB 0.00, resulting in a cumulative amount of RMB 11,051,614.42 at the end of the year.

The impact of the 2024 Equity Incentive Plan on the capital reserve is RMB 14,838,297.17 at the beginning of the year, with an amount incurred of RMB 1,289,063.43 in the current year, amounting to an ending cumulative amount of RMB 16,127,360.60.

The impact of the 2025 Equity Incentive Plan on the capital reserve is RMB 3,143,297.35 at the beginning of the year, with an amount incurred of RMB 2,630,696.46 in the current year, amounting to an ending cumulative amount of RMB 5,773,993.81.

3. Current share-based payment expenses

☑ Applicable □ Not-applicable

Unit: RMB

Granted object category	Equity-settled share-based payment amount	Cash-settled share-based payment amount
Management	2,429,188.13	
Sales personnel	645,850.88	
R&D personnel	844,720.88	
Total	3,919,759.89	

XVI. Commitments and Contingencies

1. Important commitments

Significant commitments existing at the balance sheet date

In 2020, export customers filed legal proceedings against Shaoxing Supor, a subsidiary, on the grounds of user disputes. In 2025, Supor actively engaged in settlement procedures with them. Based on the principle of conservatism, Supor still retains an estimated liability of RMB 130,100 as at June 30, 2026 (December 31, 2025: RMB 1,544,300). In 2021, export customers filed claims for product quality problems against Shaoxing Supor, a subsidiary, on the grounds of user disputes, based on the principle of conservatism, Supor still retained an estimated liability of RMB 1,538,700 (December 31, 2025: RMB 1,538,700) on June 30, 2026.

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, 2026, the risk exposure undertaken by Supor was RMB 282.4112 million (December 31, 2025, RMB 342.042 million) and the estimated liabilities accrued by the Company under the financial guarantee contracts for the risk exposure amounted to RMB 1.4121 million (RMB 1.7102 million as of December 31, 2025).

Supor offers a product quality guarantee to consumers who purchase its products, providing free repairs for any malfunctions or quality issues that occur during the warranty period after the product is sold. Based on its recent product quality assurance experience, Supor estimates and accrues for the estimated liabilities when providing product quality guarantees to consumers at the time of sale. As of June 30, 2026, Supor had accrued RMB 49,624,400 for product quality guarantee (December 31, 2025: RMB 52,117,300).

2. Contingencies

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

The Company has no significant contingencies to disclose.

XVII. Events after the Balance Sheet Date

1. Profit distribution situation

None.

XVIII. 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 discloses 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 are 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	4,817,819,065.57	10,925,034,477.38	118,292,871.82	4,584,155,126.85	11,276,991,287.92
Cost of main business	3,974,188,063.45	9,049,382,437.89	103,273,654.00	4,594,927,586.61	8,531,916,568.73

(3) Other explanations

① 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	12,334,301,254.38	3,526,845,160.39	4,584,155,126.85	11,276,991,287.92
Cost of main business	9,972,755,809.94	3,154,088,345.40	4,594,927,586.61	8,531,916,568.73
Non-current assets	1,993,341,687.28	91,995,020.30	117,033,788.09	1,968,302,919.49

② Major customers

Among Supor's customers, one customer (2025: 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 28.72% (same period in 2025: 30.15%) of Supor's total revenue.

XIX. Notes to Items of Parent Company Financial Statements

1. Accounts receivable

(1) Disclosure by aging

Unit: RMB

Ages	Ending book balance	Beginning book balance
Within 1 year (including 1 year)	743,368,656.39	720,043,537.91
Total	743,368,656.39	720,043,537.91

(2) Classified disclosure by the bad debt provision method

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	
Including:										
Accounts receivable for provision for bad debts made on the basis of portfolio	743,368,656.39	100.00%	12,062,778.33	1.62%	731,305,878.06	720,043,537.91	100.00%	10,269,687.66	1.43%	709,773,850.25
Including:										
Portfolio 1: age portfolio	602,803,995.84	81.09%	11,941,226.01	1.98%	590,862,769.83	502,380,089.28	69.77%	10,061,366.36	2.00%	492,318,722.92

Portfolio 2: low-risk portfolio	121,552,322.22	16.35%	121,552.32	0.10%	121,430,769.90	208,321,303.60	28.93%	208,321.30	0.10%	208,112,982.30
Portfolio 3: merged related parties portfolio	19,012,338.33	2.56%		0.00%	19,012,338.33	9,342,145.03	1.30%			9,342,145.03
Total	743,368,656.39	100.00%	12,062,778.33	1.62%	731,305,878.06	720,043,537.91	100.00%	10,269,687.66	1.43%	709,773,850.25

Category name for provision for bad debts by portfolio: Portfolio 1

Unit: RMB

Name	Closing balance		
	Book balance	Provision for bad debts	Provision proportion
Within 1 year	602,803,995.84	11,941,226.01	1.98%
Total	602,803,995.84	11,941,226.01	

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:

□ Applicable ☑ Not-applicable

(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 for accounts receivable	10,269,687.66	1,793,090.67				12,062,778.33
Total	10,269,687.66	1,793,090.67				12,062,778.33

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

Unit: RMB

Entity name	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Proportion to the total closing balance of accounts receivable and contract assets	Provision for bad debts for accounts receivable and closing balance of contract asset impairment provision
SEB S.A. and its affiliates	602,580,712.72		602,580,712.72	81.06%	12,051,614.17
Customer N	104,881,345.10		104,881,345.10	14.11%	104,881.35
Gourmet Excellence (HK) Company	10,006,913.83		10,006,913.83	1.35%	

Customer O	5,694,941.94		5,694,941.94	0.77%	5,694.94
Customer P	4,655,156.02		4,655,156.02	0.63%	4,655.16
Total	727,819,069.61		727,819,069.61	97.92%	12,166,845.62

2. Other receivables

Unit: RMB

Item	Closing balance	Opening balance
Interest receivable	0.00	
Dividend receivable		21,448,200.00
Other receivables	294,834,640.56	623,080,212.72
Total	294,834,640.56	644,528,412.72

(1) Other receivables

1) Other receivables categorized by nature

Unit: RMB

Nature of receivables	Ending book balance	Beginning book balance
Deposit as security	1,380,000.00	1,380,000.00
Fund pool	293,075,185.71	549,890,994.79
Temporary payment payable	1,194,958.28	4,083,955.59
Personal deposit	196,559.16	254,227.92
Government subsidy receivable		14,239,300.00
Tax refund receivable		54,246,655.99
Total	295,846,703.15	624,095,134.29

(2) Disclosure by aging

Unit: RMB

Ages	Ending book balance	Beginning book balance
Within 1 year (including 1 year)	293,795,453.97	623,153,885.11
1-2 years	1,160,000.00	
Over 3 years	891,249.18	941,249.18
3-4 years		20,000.00
4-5 years	40,000.00	20,000.00
Over 5 years	851,249.18	901,249.18

Total	295,846,703.15	624,095,134.29

3) Classified disclosure by the bad debt provision method

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	
Including:										
Provision for bad debts made on the basis of portfolio	295,846,703.15	100.00%	1,012,062.59	0.34%	294,834,640.56	624,095,134.29	100.00%	1,014,921.57	0.16%	623,080,212.72
Including:										
age portfolio	2,771,517.44	0.94%	1,012,062.59	36.52%	1,759,454.85	2,694,697.02	0.43%	1,014,921.57	37.66%	1,679,775.45
Low-risk portfolio	293,075,185.71	99.06%		0.00%	293,075,185.71	621,400,437.27	99.57%			621,400,437.27
Total	295,846,703.15	100.00%	1,012,062.59	0.34%	294,834,640.56	624,095,134.29	100.00%	1,014,921.57	0.16%	623,080,212.72

Category name for provision for bad debts by portfolio: Portfolio 1

Unit: RMB

Name	Closing balance		
	Book balance	Provision for bad debts	Provision proportion
Within 1 year (including 1 year)	720,268.26	36,013.41	5.00%
1-2 years	1,160,000.00	92,800.00	8.00%
2-3 years			
3-4 years			
4-5 years	40,000.00	32,000.00	80.00%
Over 5 years	851,249.18	851,249.18	100.00%
Total	2,771,517.44	1,012,062.59	

Explanation on the basis for determining such portfolio:

Provision for bad debts based on the general model of expected credit losses

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, 2026	1,014,921.57			1,014,921.57
Balance on January 1, 2026 in the current period				

Withdrawal in the current period	-2,858.98			-2,858.98
Balance on June 30, 2026	1,012,062.59			1,012,062.59

Division basis in each stage and provision proportion for bad debts

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

□ Applicable ☑ Not-applicable

(4) 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	Write-off or charge-off	Others	
Provision for bad debts of other receivables	1,014,921.57	-2,858.98				1,012,062.59
Total	1,014,921.57	-2,858.98				1,012,062.59

5) 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
Hainan Supor E-commerce Company	Fund pool	108,200,493.32	Within 1 year	36.57%	
Shanghai WMF	Fund pool	86,000,000.00	Within 1 year	29.07%	
Omegna	Fund pool	78,244,097.33	Within 1 year	26.45%	
Hainan Tefal Trade Company	Fund pool	20,630,595.06	Within 1 year	6.97%	
Customer Q	Deposit as security	1,020,000.00	Within 1 year	0.34%	96,000.00
Total		294,095,185.71		99.40%	96,000.00

6) Reported as other receivables due to centralized fund management

Unit: RMB

Reported as other receivables due to centralized fund management	293,075,185.71

3. Long-term equity investment

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment	Book value	Book balance	Impairment	Book value

		provision			provision	
Investment in subsidiaries	2,805,581,774.36		2,805,581,774.36	2,804,064,195.44		2,804,064,195.44
Investments in associates and joint ventures	59,786,064.85		59,786,064.85	60,656,040.49		60,656,040.49
Total	2,865,367,839.21		2,865,367,839.21	2,864,720,235.93		2,864,720,235.93

(1) Investments in subsidiaries

Unit: RMB

Invested unit	Opening balance (book value)	Opening balance of impairment provision	Increase/decrease				Closing balance (book value)	Closing balance of impairment provision
			Investment increased	Investment decreased	Accrued impairment provision	Others		
Wuhan Supor Pressure Cooker	172,058,244.41						172,058,244.41	
P&R Products	20,804,297.92						20,804,297.92	
Yuhuan Sales Company	10,490,149.81						10,490,149.81	
Zhejiang Supor Electrical	786,190,787.18		273,765.96				786,464,553.14	
Shaoxing Supor	653,784,618.49		378,865.05				654,163,483.54	
Supor Vietnam	105,143,165.64						105,143,165.64	
Omegna	10,000,000.00						10,000,000.00	
Shanghai Marketing	5,000,000.00						5,000,000.00	
Wuhan Supor Cookware	676,579,084.12		100,567.35				676,679,651.47	
SEADA	11,890,622.45						11,890,622.45	
Shanghai WMF	50,248,260.56						50,248,260.56	
Zhejiang WMF	106,225,065.48		293,966.16				106,519,031.64	
Supor Large Kitchen Appliance	101,574,953.91		46,415.70				101,621,369.61	
Shaoxing Supor Housewares	57,846,392.76		215,853.87				58,062,246.63	
Supor Water Heater	31,200,000.00						31,200,000.00	
Hainan Supor E-commerce Company	5,028,552.71		208,144.83				5,236,697.54	
Total	2,804,064,195.44		1,517,578.92				2,805,581,774.36	

(2) Investments in associates and joint ventures

Unit: RMB

Invested unit	Opening balance (book value)	Opening balance of impairment provision	Increase/decrease								Closing balance (book value)	Closing balance of impairment provision
			Investment increased	Investment decreased	Investment profit or loss	Adjustment in other	Changes in other	Cash dividend/profit	Accrued impairment	Others		

					recognized by equity method	comprehensive income	equity	declared for distribution	provision			
I. Joint Venture												
II. Associated Enterprise												
Wuhan Anzai Cookware Co., Ltd.	60,656,040.49				-869,975.64						59,786,064.85	
Subtotal	60,656,040.49				-869,975.64						59,786,064.85	
Total	60,656,040.49				-869,975.64						59,786,064.85	

The recoverable amount is determined based on the net amount after deducting disposal expenses from fair value

□ Applicable ☑ Not-applicable

The recoverable amount is determined based on the present value of estimated future cash flow of assets

□ Applicable ☑ Not-applicable

Reasons for significant inconsistencies between the aforementioned information and the information used in prior years' impairment tests or external information

Reasons for significant inconsistencies between information used in the company's previous years' impairment tests and actual conditions in the current year

4. Operating incomes and costs

Unit: RMB

Item	Amount incurred during this period		Amount incurred during prior period	
	Revenue	Cost	Revenue	Cost
Main business	1,379,492,258.50	1,272,566,493.87	1,501,070,297.19	1,356,013,090.75
Revenue from other operations	29,543,163.65	26,664,879.66	14,553,843.04	14,181,800.66
Total	1,409,035,422.15	1,299,231,373.53	1,515,624,140.23	1,370,194,891.41

Breakdown information of operating income and operating cost:

Unit: RMB

Contract classification	Total	
	Operating income	Operating cost
Business type		
Including:		
Cookware	1,379,492,258.50	1,272,566,493.87
Others	29,543,163.65	26,664,879.66
Classified by business area		
Including:		
Domestic	239,943,254.32	196,524,107.49
Foreign	1,169,092,167.83	1,102,707,266.04
Total	1,409,035,422.15	1,299,231,373.53

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

The amount of revenue corresponding to performance obligations that have been contracted but not yet performed or fully performed as at the end of the reporting period is RMB 2,779,114.51, of which RMB 2,779,114.51 is expected to be recognized as revenue in 2026.

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	-869,975.64	-592,131.91
Investment income from disposal of transactional financial assets	2,191,522.36	316,619.28
Investment income from the disposal of other debt investments	2,442,694.77	2,004,414.00
Investment income of debt investment during the holding period	3,991,443.59	3,128,076.72
Total	7,755,685.08	4,856,978.09

XX. Supplementary Information

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

☑ Applicable □ Not-applicable

Unit: RMB

Item	Amount	Notes
Profit and loss on disposal of non-current assets	-97,896.08	
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, available according to determined standards, and have a continuous impact on the profit and loss of the Company)	11,760,617.91	
Except the effective hedging business related to the normal operation of the Company, profits and losses from fair value changes of held-for-trading financial assets and financial liabilities by non-financial enterprises and profits and losses obtained from disposal of financial assets and financial liabilities	34,018,033.25	
Nonrecurring expenses incurred by the enterprise due to the discontinuation of related operating activities, such as expenses for employee placement.	-9,013,000.00	
Other non-operating incomes or expenditures except for the foregoing items	-581,419.49	
Minus: influenced amount of income tax	8,428,062.18	
Influenced amount of minority shareholders' equities (after tax)	165,351.81	
Total	27,492,921.60	--

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

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	14.42%	1.090	1.089
Net profit attributable to shareholders of common shares after deducting non-recurring profit or loss	13.97%	1.055	1.055

3. Financial Data Difference on Principles of Domestic and Overseas 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.

Zhejiang Supor Co., Ltd.

Chairman: Thierry de LA TOUR D'ARTAISE

August 28, 2026