Stock code: 200512 Stock name: TKC B Announcement No.: 2017-027

TSANN KUEN (CHINA) ENTERPRISE CO., LTD.
ABSTRACT OF 2017 SEMI-ANNUAL REPORT

I. Important reminders

This Abstract is based on the full text of the Semi-Annual Report. In order for a full understanding of the operating results, financial condition and future development planning of the Company, investors are kindly reminded to read the full text carefully on the media designated by China Securities Regulatory Commission (the "CSRC").

This Abstract is prepared in both Chinese and English. Should there be any discrepancy between the two versions, the Chinese version shall prevail.

Non-standard auditor's opinion

□ Applicable √ Not applicable

Preplan for profit distribution to common shareholders or turning capital reserve into share capital for Reporting Period which has been reviewed and approved at board meeting

□ Applicable √ Not applicable

The Company plans not to distribute cash dividends or bonus shares or turn capital reserve into share capital.

II. Company profile

1. Stock profile

Stock name	TKC B	Stock code	200512
Stock exchange	Shenzhen Stock Exchange		
For contact	Board Secretary	Securities Representative	
Name	Sun Meimei	Dong Yuanyuan	
Office address	TSANN KUEN Industrial Park, Taiwanese Investment Zone, Zhangzhou, Fujian Province, P.R.China	TSANN KUEN Industrial Park, Taiwanese Investment Zone, Zhangzhou, Fujian Province, P.R.China	
Tel.	0596-6268161	0596-6268103	
E-mail address	mm_sun@tkl.tsannkuen.com	yy_dong@tkl.tsannkuen.com	

2. Accounting and financial highlights

Does the Company need to adjust retrospectively or restate accounting data of previous periods?

□ Yes √ No

Unit: RMB Yuan

Item	Reporting Period	Same period of last year	YoY +/- （%）
Operating revenues	869,683,758.68	798,108,689.27	8.97
Net profit attributable to shareholders of the Company	11,066,574.11	17,789,801.36	-37.79
Net profit attributable to shareholders of the Company after excluding non-recurring gains and losses	6,803,673.06	15,944,852.56	-57.33
Net cash flow from operating activities	-57,511,295.96	-60,172,006.29	4.42

Item	Reporting Period	Same period of last year	YoY +/- （%）
Basic EPS (RMB Yuan/share)	0.06	0.10	-40.00
Diluted EPS (RMB Yuan/share)	0.06	0.10	-40.00
Weighted average ROE (%)	1.79	3.11	-1.32
Item	As at the end of the Reporting Period	As at the end of last year	+/- (%)
Total assets	1,655,926,939.85	1,697,533,004.99	-2.45
Net assets attributable to shareholders of the Company	598,409,580.98	610,856,271.31	-2.04

Total shares of the Company as at closure of the last trading day before the disclosure of this Report:

Total shares of the Company as at closure of the last trading day before the disclosure of this Report (share)	185,391,680
Fully diluted EPS based on the latest total shares (RMB Yuan/share)	0.06

3. Shareholders and their shareholdings

Unit: share

Total number of common shareholders at the period-end		17,233	Total number of preference shareholders with resumed voting rights at the period-end		0	
Shareholdings of top 10 shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage	Shares held	Restricted shares held	Pledged or frozen shares	
					Status of shares	Number of shares
FORDCHEE DEVELOPMENT LIMITED	Foreign corporation	29.10%	53,940,530	0	N/A	0
EUPA INDUSTRY CORPORATION LIMITED	Foreign corporation	13.09%	24,268,840	0	N/A	0
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign corporation	5.03%	9,320,780	0	N/A	0
FILLMAN INVESTMENTS LIMITED	Foreign corporation	2.49%	4,621,596	0	N/A	0
SHENWAN HONGYUAN SECURITIES (HK) LIMITED	Foreign corporation	2.39%	4,437,015	0	N/A	0
CHINA MERCHANTS SECURITIES (HK) CO., LTD.	State-owned corporation	1.16%	2,144,050	0	N/A	0
CHEN YONGQUAN	Domestic individual	1.02%	1,896,843	0	N/A	0
CHEN YONGQING	Foreign individual	0.79%	1,458,349	0	N/A	0

CHEN LIJUAN	Foreign individual	0.71%	1,308,017	0	N/A	0
DING XIAOLUN	Domestic individual	0.59%	1,100,000	0	N/A	0
Related or acting-in-concert parties among the shareholders above		The first, the second and the fourth shareholders are the Company's corporate controlling shareholders. It is unknown whether the other shareholders of tradable shares are related parties or acting-in-concert parties as prescribed in the Administrative Methods for Disclosure of the Shareholding Changes of the Listed Company's Shareholders.				
Shareholders conducting securities margin trading		None				

4. Change of the controlling shareholder or the actual controller

Change of the controlling shareholder in the Reporting Period
□ Applicable √ Not applicable
The controlling shareholder did not change in the Reporting Period.
Change of the actual controller in the Reporting Period
□ Applicable √ Not applicable
The actual controller did not change in the Reporting Period.

5. Number of preference shareholders and shareholdings of top 10 of them

□ Applicable √ Not applicable
No preference shareholders in the Reporting Period.

6. Corporate bonds

Are there any corporate bonds publicly offered and listed on the stock exchange, which were undue before the approval date of this Report or were due but could not be redeemed in full?
No.

III. Performance discussion & analysis

1. Performance review for the Reporting Period

Is the Company subject to any disclosure requirements for special industries?

No.

For the Reporting Period, the Company achieved operating revenues of RMB870 million, up 8.97% over RMB798 million of the same period of last year, and net profit of RMB11 million, down 37.79% over RMB18 million of the same period of last year. This is mainly because the prices of raw materials went up, which offset the gross profit margin on the increased operating revenues, and the foreign exchange gains dropped.

We carried on with our simplification and transformation strategies. We divided R&D tasks for our teams in mainland China and Taiwan and built research institutions at three levels of resource allocation. We also checked the structures and functions of our departments of development, procurement, manufacturing and marketing to make sure the implementation of lean production. Meanwhile, new raw materials, techniques and manufacturing equipment have been brought in to increase our yield rate and production efficiency. Upholding the strategy of innovation-driven transformation, we asked for better execution in our innovation, production and differentiation to become more competitive and provide products with multi-functions, high added value and high quality.

The continuous recovery of the global small home appliance markets and the fast growing domestic market are expected to boost demand for small home appliances. Through being more intimate with customers and cost leadership, we create market demand by developing smart-home and low-carbon products, which effectively expands our market share and strengthen our profitability.

(1) Changes in accounting policy, accounting estimation and measurement methods compared to last accounting period

□ Applicable √ Not applicable

(2) Retrospective restatements due to correction of significant accounting errors in Reporting Period

□ Applicable √ Not applicable

(3) Changes in consolidation scope compared to last accounting period

□ Applicable √ Not applicable