

Stock Code: 002242

Stock Abbreviation: Joyoung

Joyoung Co., Ltd.

Abstract of the Interim Report of the First Quarter 2020

Joyoung 九阳

Section I Important Statements

The Board of Directors, the Supervisory Committee as well as all the directors, supervisors and senior management staff of Joyoung Co., Ltd. (hereinafter referred to as the “Company”) have guaranteed that this report contains no false record, misleading statement or material omission. And they shall be jointly and severally liable for the factuality, accuracy and completeness of the information given in this Report.

All directors attended the board meeting that reviewed this Report.

Xuning WANG, CEO of the company; Jiantiao QIU, CFO of the company, and Wen GUO, Chief Accountant of Accounting Institution, declared that the quarterly financial statements should be true, accurate and complete.

In the event of any discrepancy between the abstract and the full document of annual report, the complete version in Chinese shall prevail.

Section II Company Profile

1. Key Accounting Data and Financial Indicators

Whether the Company performed a retroactive adjustment to or restatement of accounting data

Yes No

	From 1 January 2020 to 31 March 2020	From 1 January 2019 to 31 March 2019	Flux
Operating revenues (RMB Yuan)	1,702,037,045.29	1,798,604,618.75	-5.37%
Net profits attributable to shareholders of the Company (RMB Yuan)	146,873,325.81	163,025,602.23	-9.91%
Net profits attributable to shareholders of the Company before non-recurring gains and losses (RMB Yuan)	143,533,461.10	153,674,909.70	-6.60%
Net cash flow from operating activities (RMB Yuan)	143,106,492.72	177,432,841.43	-19.35%
Basic earnings per share (RMB Yuan /share)	0.19	0.21	-9.52%
Diluted earnings per share (RMB Yuan /share)	0.19	0.21	-9.52%
Weighted average return on net assets	3.84%	4.12%	Decreased by 0.28 percentage point
	31 March 2020	31 December 2019	Flux
Total assets (RMB Yuan)	6,857,339,076.16	7,467,802,731.42	-8.17%
Net assets attributable to shareholders of the Company (RMB Yuan)	3,909,181,421.99	3,753,065,661.20	4.16%

Non-recurring gain and loss items and amounts thereof

Unit: RMB Yuan

Item	From 1 January 2020 to 31 March 2020	Note
Profit or loss from disposal of non-current assets (including the write off of the provision for impairment of assets)	-12,290.89	
Government grants included in the current profit or loss (that is closely related to the operations of the Company, except for those of fixed quotas or amounts according to the nationally unified standards)	3,304,204.66	
Gains or losses from changes in fair value arising from the holding of trading financial assets, derivative financial assets, trading financial liabilities and derivative financial liabilities and investment income from the disposal of trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liabilities and other debt investments, excluding the effective hedging business related to the Company's normal business operations	2,932,020.62	
Other non-operating income or expenses except the above items	-1,778,505.79	

Less: Impact of income taxes	1,070,476.80	
Impact of minority interests (after tax)	35,087.09	
Total	3,339,864.71	--

For non-recurring profit or loss items defined by the Company according to the definitions under *the Interpretative Announcement on Information Disclosure of Companies Offering Securities to the Public No. 1 — Non-recurring Profit or Loss* and the non-recurring profit or loss items listed in *the Interpretative Announcement on Information Disclosure of Companies Offering Securities to the Public No. 1 — Non-recurring Profit or Loss* that have been defined as recurring profit or loss items by the Company, please provide the reasons

Applicable Not applicable

2. Total number of shareholders and shareholdings of the top ten shareholders at the period-end

(1) Total number of common shareholders and shareholdings of the top ten common shareholders at the period-end

Unit: share

Total number of common shareholders at the end of the Reporting Period	22,445	Total number of preferred shareholders with resumed voting rights at the end of the Reporting Period (if any)	0			
Top 10 common shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage	Total shares held at the period-end	Number of restricted shares held	Pledged or frozen shares	
					Status	Number
Shanghai Lihong Enterprise Management Limited	Domestic non-state-owned corporation	50.11%	384,523,746		Pledged	30,972,626
BILTING DEVELOPMENTS LIMITED	Foreign corporation	16.93%	129,924,090			
Hong Kong Securities Clearing Co., Ltd.	Foreign corporation	6.38%	48,956,761			
Central Huijin Investment Ltd.	State-owned corporation	4.99%	38,310,500			
National Social Security Fund Portfolio No. 418	Others	0.40%	3,057,400			
Bank of China- E Fund Positive Growth Securities Investment Fund	Others	0.39%	2,999,811			
Basic Pension Insurance Fund Portfolio No. 808	Others	0.36%	2,750,098			
Agricultural Bank of China Co., Ltd. - CSI	Others	0.35%	2,709,682			

500 Exchange Trade Fund						
PICC Life Insurance Co., Ltd. -Dividend-Personal Insurance with Dividend Participation	Others	0.31%	2,361,082			
GF Fund Management Co., Ltd. - Social Insurance Fund Portfolio No. 420	Others	0.30%	2,289,900			
Top 10 non-restricted common shareholders						
Name of shareholder	Number of non-restricted shares held	Type of shares		Type of shares	Number	
		Type of shares	Number			
Shanghai Lihong Enterprise Management Limited	384,523,746	RMB common stock	384,523,746			
BILTING DEVELOPMENTS LIMITED	129,924,090	RMB common stock	129,924,090			
Hong Kong Securities Clearing Co., Ltd.	48,956,761	RMB common stock	48,956,761			
Central Huijin Investment Ltd.	38,310,500	RMB common stock	38,310,500			
National Social Security Fund Portfolio No. 418	3,057,400	RMB common stock	3,057,400			
Bank of China- E Fund Positive Growth Securities Investment Fund	2,999,811	RMB common stock	2,999,811			
Basic Pension Insurance Fund Portfolio No. 808	2,750,098	RMB common stock	2,750,098			
Agricultural Bank of China Co., Ltd. - CSI 500 Exchange Trade Fund	2,709,682	RMB common stock	2,709,682			
PICC Life Insurance Co., Ltd. -Dividend-Personal Insurance with Dividend Participation	2,361,082	RMB common stock	2,361,082			
GF Fund Management Co., Ltd. - Social Insurance Fund Portfolio No. 420	2,289,900	RMB common stock	2,289,900			
Related or acting-in-concert parties among shareholders above	Shanghai Lihong Enterprise Management Co., Ltd. and BILTING DEVELOPMENTS LIMITED, both controlled by Mr. Xuning WANG, are defined as acting-in-concert parties by the <i>Administrative Measures for the Takeover of Listed Companies</i> . Other than the aforementioned related and acting-in-concert parties, the Company is uncertain about whether there are related or acting-in-concert parties among shareholders above.					
Explanation on the top 10 common shareholders participating in securities margin trading (if any)	N/A					

The company's top 10 common shareholders and the top 10 common shareholders with unrestricted in terms of sale hadn't engage in the agreed repurchase transactions during the reporting period.

Yes No

2.2 Total Number of Preferred Shareholders and TOP 10 Preferred Shareholders and Their Shareholdings

Applicable Not applicable

3. Significant Events

3.1 Major Changes of Main Items in Financial Statements and Financial Indicators Within the Report Period, as well as the Reasons for the Changes

Item	31 March 2020	1 January 2020	Flux	Notes
Trading financial assets	498,877,347.95	178,413,101.37	179.62%	Mainly due to the increase in the wealth management products in the reporting period
Accounts receivable	360,440,906.58	205,666,452.78	75.26%	Mainly due to stocking-up of products by distributors
Receivables financing	514,231,753.57	1,074,684,958.98	-52.15%	Mainly due to the decrease in notes to be endorsed or discounted in the reporting period
Prepayments	96,467,437.23	16,764,368.44	475.43%	Mainly due to the increase in prepayments to suppliers to secure the price of materials in the reporting period
Other receivables	39,456,067.83	23,973,667.38	64.58%	Mainly due to that the channel freight paid upfront for the distributors has not been recovered in the reporting period
Inventory	689,134,870.65	1,086,324,196.47	-36.56%	Mainly due to the sale of the previous period's stock in the reporting period
Other current assets	54,879,031.89	96,297,048.36	-43.01%	Mainly due to less input VAT to be deducted in the reporting period
Construction in progress	15,082,262.02	25,684,062.26	-41.28%	Mainly due to the transfer of some construction in progress to fixed assets in the reporting period
Deferred income tax assets	63,637,156.00	95,701,559.67	-33.50%	Mainly due to the reduction of unpaid expenses payable in the reporting period
Other non-current assets	65,000,000.00	32,020,000.00	103.00%	Mainly due to the payment for the purchase of property for the headquarters infrastructure construction in the reporting period
Notes payable	1,545,985,455.06	908,287,475.26	70.21%	Mainly due to the increase of notes payable issued through the supply chain financing in the reporting period
Accounts payable	862,578,504.49	1,873,046,211.93	-53.95%	Mainly due to the payments to suppliers in the reporting period
Receipts in advance		449,858,499.79	-100.00%	Mainly due to the transfer of receipts in advance into the contractual liabilities in the reporting period
Contractual liabilities	257,610,015.40		100.00%	
Employee benefits payable	19,029,413.90	192,144,065.05	-90.10%	Mainly due to paying the yearly bonus recognized at the end of the previous period in the reporting period
Item	From 1 January	From 1 January	Flux	Notes

	2020 to 31 March 2020	2019 to 31 March 2019		
Financial expenses	-6,055,435.63	6,556,838.69	-192.35%	Mainly due to the increase in deposit interests and exchange rate changes in the reporting period
Other income	3,304,204.66	166,400.00	1885.70%	Mainly due to the increase in government grants in the reporting period
Investment income	2,968,245.88	15,917,137.06	-81.35%	Mainly due to losses of associates in the reporting period
Other cash received related to operating activities	30,216,691.30	10,809,404.87	179.54%	Mainly due to the receipt of bill security in the reporting period
Various taxes paid	78,640,320.48	123,099,437.19	-36.12%	Mainly due to the delayed payment of some taxes and fees in the reporting period
Cash received from disposal of investments		15,243,783.94	-100.00%	Mainly due to the recovery of the principal of funds in the previous period
Cash received from returns on investments	12,510,341.04	5,115,163.83	144.57%	Mainly due to dividends from the Company's funds in the reporting period
Other cash received related to investment activities	518,000,000.00	109,000,000.00	375.23%	Mainly due to the redemption of wealth management products and the maturity of the structured deposit funds in the reporting period
Cash paid for investment activities	5,202,789.49		100.00%	Mainly due to the increase in external investment in the reporting period
Other cash paid related to investment activities	929,418,000.00	290,000,000.00	220.49%	Mainly due to the purchase of wealth management products and the increase in structured deposits in the reporting period
Net cash flow from investing activities	-405,999,508.70	-164,588,405.70	-146.68%	Mainly due to the purchase of wealth management products and the increase in structured deposits in the reporting period
Other cash received related to financing activities	275,000,000.00		100.00%	Mainly due to the receipt of financing bank acceptance bills in the reporting period
Other cash paid related to financing activities	210,000,000.00		100.00%	Mainly due to the repayment of financing bank acceptance bills in the reporting period
Net cash flow from financing activities	65,000,000.00		100.00%	Mainly due to the receipt of financing bank acceptance bills in the reporting period
V. Net increase in cash and cash equivalents	-199,268,081.85	13,434,991.35	-1583.20%	Mainly due to the purchase of wealth management products and the increase in structured deposits in the reporting period

3.2 Analysis of the Progress of Important Matters and Their Impact and Solutions

Applicable Not applicable

The implementation of share-buyback

Applicable Not applicable

The implementation of reducing buy-back shares through centralized competitive bidding Applicable Not applicable**3.3 Commitments Made by the Actual Controller, Shareholders, Related Parties, Purchasers and Other****Relevant Parties That Have not been Fulfilled the Correspondent Promise Within the Reporting Period** Applicable Not applicable**3.4 Securities investments** Applicable Not applicable**3.5 Trusted Wealth Management**

Unit: 10,000 RMB Yuan

Type	Source of fund for trust investment	Amount of recorded trust investment	Premature balance	Overdue balance
Bank financial products	Self-owned capital	57,400	49,888	0
Total		57,400	49,888	0

The specific situation of high-risk, low security, poor liquidity or non-guarantee trusted wealth management of significant amount Applicable Not applicable**Trust investment is expected to be unable to recover the principal or other circumstances that may result in impairment** Applicable Not applicable**3.6 Derivative investment** Applicable Not applicable**3.7 Illegal external guarantee** Applicable Not applicable**3.8 The Non-operating Funds Occupation of the Controlling Shareholders and Its Related Parties** Applicable Not applicable**3.9 Registration Forms for Research, Communication and Interviews During the Reporting Period.**

Date	Reception method	Reception object type	Basic information index
08 January 2020	On site	Institution	Please refer to the Company's activity record for investor relationships on 08 January 2020 on Cninfo website.