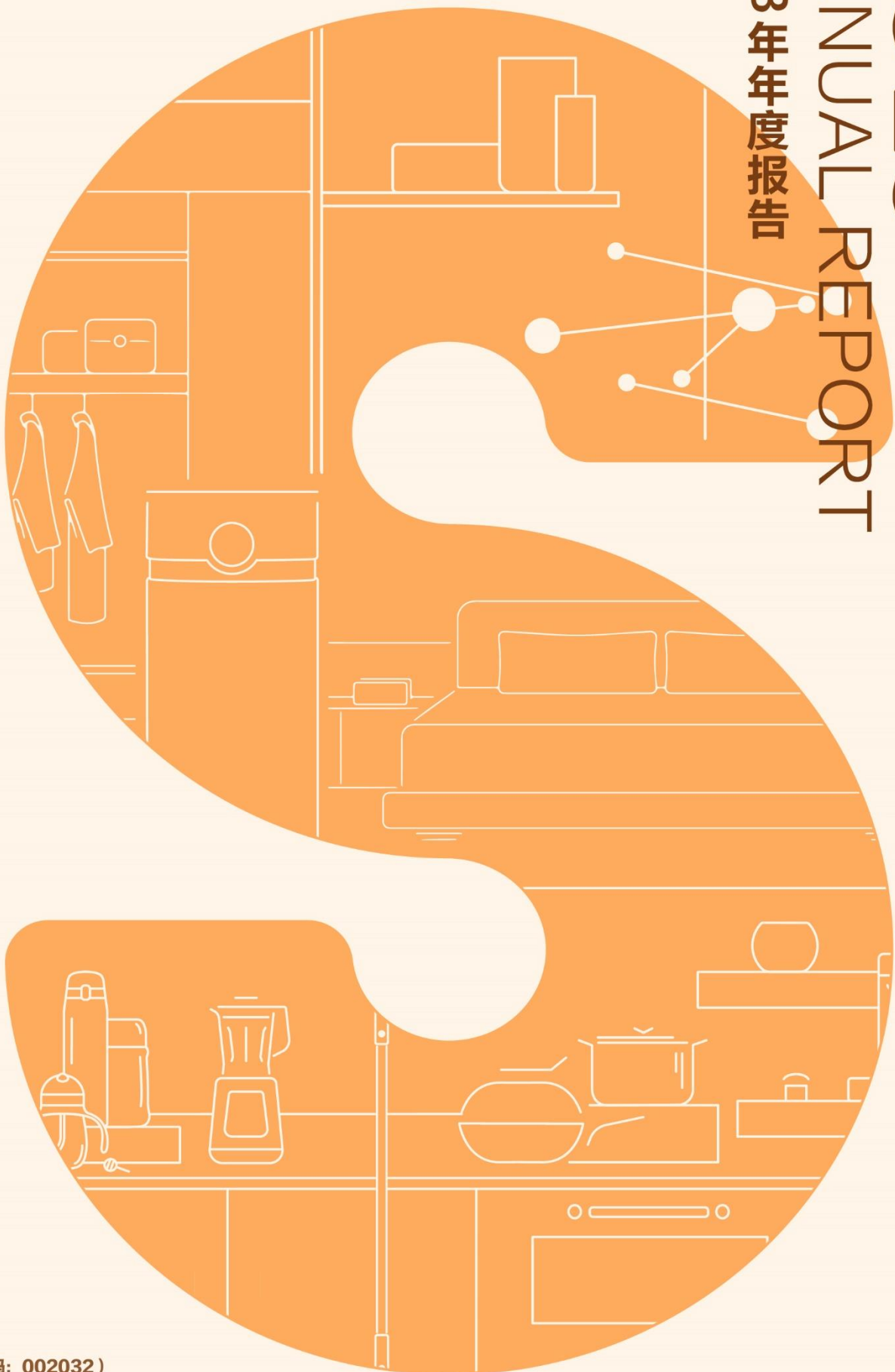


SUPOR 苏泊尔

2023

ANNUAL REPORT

2023 年年度报告



(证券代码: 002032)
浙江苏泊尔股份有限公司

SECTION I IMPORTANT NOTES, TABLE OF CONTENTS AND DEFINITIONS

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

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

All directors have attended the Board Meeting 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.

As for the risk factors confronted by the Company, see Part 11 "Prospects for Future Development" of SECTION III "DISCUSSION AND ANALYSIS OF THE MANAGEMENT" for details.

The profit distribution plan adopted at this Board Meeting specifies that: based on 796,891,157 shares, the Company distributes cash dividend of RMB 27.30 per 10 shares (tax-inclusive) to all shareholders, and total amount of cash dividends is RMB 2,175,512,858.61, issues 0 bonus shares (tax-inclusive) and will not convert capital reserves to capital.

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CATALOG OF REFERENCE DOCUMENTS

I. 2023 Annual 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. Original of audit report with seal of accounting firm and signature of certified public accountants (CPA);

IV. Original of all documents and announcements published in newspapers designated by CSRC during the reporting period.

Reference documents above archived at the 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/the Group	means	Zhejiang Supor Co., Ltd.
SEB Internationale	means	SEB INTERNATIONALE S.A.S
SEB Group	means	SEB S.A.
Zhejiang Supor Electrical	means	Zhejiang Supor Electrical Appliances Manufacturing Co., Ltd.
Shaoxing Supor	means	Zhejiang Shaoxing Supor Domestic Electrical Appliances Co., Ltd.
Supor Vietnam	means	Supor (Vietnam) Co., Ltd.
Wuhan Recycling	means	Wuhan Supor Recycling Co., Ltd.
Wuhan Supor Cookware	means	Wuhan Supor Cookware Co., Ltd.
Wuhan Supor Pressure Cooker	means	Wuhan Supor Pressure Cooker Co., Ltd.
Omegna	means	Hangzhou Omegna Commercial Trade Co., Ltd.
Shanghai Marketing	means	Shanghai Supor Cookware Marketing Co., Ltd.
P&R Products	means	Zhejiang Supor Plastic & Rubber Co., Ltd.
Yuhuan Sales Company	means	Yuhuan Supor Cookware Sales 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 Household Products Co., Ltd.
Zhejiang Supor LKA	means	Zhejiang Supor Large Kitchen Appliance Co., Ltd.
Supor Water Heater	means	Zhejiang Supor Water Heater Co., Ltd.
GSIM or Indonesian Company	means	PT Groupe SEB Indonesia MSD
Hainan Supor E-commerce Company	means	Hainan Supor E-Commerce Co., Ltd.
Hainan Tefal Trading Company	means	Hainan Tefal Trading Co., Ltd.
2021 Equity Incentive Plan	means	<i>2021 Restricted Stock Incentive Plan (Draft)</i>
2022 Equity Incentive Plan	means	<i>2022 Restricted Stock Incentive Plan (Draft)</i>
2023 Equity Incentive Plan	means	<i>2023 Stock Option Incentive Plan (Draft)</i>
Performance Incentive Fund	means	<i>Administration Measures for the Performance Incentive Fund</i>

SECTION II COMPANY FILE AND MAJOR FINANCIAL INDICATORS

I. Company Information

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	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'ARTEISE		
Registration Place	Damaiyu Economic Development Zone, Yuhuan, Zhejiang		
Postal Code	317604		
Historical Change Records of the Company's Registered Address	None		
Office Address	15F of Supor Building, No.1772 Jianghui Road, New & High Tech Development Zone, Hangzhou, China		
Postal Code	310051		
Website	www.supor.com.cn		
Email	002032@supor.com		

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. Place for Information Disclosure and Archiving

Securities exchange websites where the Company discloses the annual report	<i>Securities Times, Securities Daily and China Securities Journal</i>
Names and websites of medias where the Company discloses the annual report	www.cninfo.com.cn
Place for archiving of the Company's annual report:	Securities Department of the Company

IV. Changes of Registration

Unified social credit code	913300007046976861
Change of main business since listing of the Company (if any)	No change during the reporting period
Change of controlling shareholders (if any)	No change during the reporting period

V. Other Relevant Information

Certified Public Accountants engaged by the Company

Name of the Certified Public Accountants	KPMG Huazhen LLP (Special General Partnership)
Office Address of the Certified Public Accountants:	8F, East 2 Office Building, Dongfang Square, No.1 East Chang'an Avenue, Dongcheng District, Beijing City
Name of the Signatory Accountants	Huang Feng, Jin Yang

Sponsor institution engaged by the Company for performing continuous supervision duties during the reporting period

Applicable Not applicable

Financial consultant engaged by the Company for performing continuous supervision duties during the reporting period

Applicable Not applicable

VI. Major Accounting Data and Financial Indicators

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

Yes No

	2023	2022	Increase/decrease	2021
Operating income (RMB)	21,303,948,642.66	20,170,527,516.66	5.62%	21,585,331,407.47
Net profit attributable to shareholders of listed company (RMB)	2,179,798,147.27	2,067,659,526.97	5.42%	1,943,943,608.94
Net profit attributable to shareholders of listed company with non-recurring profit or loss deducted (RMB)	1,994,465,695.85	1,888,197,965.28	5.63%	1,858,036,556.80
Net cash flows from operating activities (RMB)	2,034,909,336.20	3,159,955,245.84	-35.60%	2,049,881,568.69
Basic earnings per share (RMB/share)	2.719	2.565	6.00%	2.400
Diluted earnings per share (RMB/share)	2.719	2.564	6.05%	2.395
Weighted average return on net assets	34.62%	27.89%	Increased by 6.73 percentage points	26.81%

	End of 2023	End of 2022	Increase/decrease	End of 2021
Total assets (RMB)	13,106,703,607.00	12,952,655,903.47	1.19%	13,899,456,422.16
Net asset attributable to shareholders of listed company (RMB)	6,345,333,020.11	7,036,084,863.54	-9.82%	7,622,639,752.86

The Company's net profit before or after non-recurring profit and loss are deducted for the last three fiscal years, whichever is lower, is negative, and the audit report for the latest year indicates uncertainty about its continuing operation ability

Yes No

Net profit before or after non-recurring profit and loss are deducted, whichever is lower, is negative

Yes No

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

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

Applicable Not applicable

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

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

Applicable Not applicable

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

VIII. Quarter-based Major Financial Indicators

Unit: RMB

	Q1	Q2	Q3	Q4
Operating income	4,962,675,878.22	5,019,940,562.51	5,384,493,499.25	5,936,838,702.68
Net profit attributable to shareholders of listed company	437,905,012.74	442,713,267.04	481,582,219.60	817,597,647.89
Net profit attributable to shareholders of listed company with non-recurring profit or loss deducted	426,372,629.58	431,048,319.57	476,888,535.07	660,156,211.63
Net cash flows from operating activities	753,030,095.68	-197,989,584.56	606,709,345.76	873,159,479.32

Any difference between financial indicators or the total and relevant financial indicators disclosed in quarter-based report or semiannual report

Yes No

IX. Non-recurring Profit or Loss Items and Amount

Applicable Not applicable

Unit: RMB

Item	Amount of 2023	Amount of 2022	Amount of 2021	Notes
Profit and loss on disposal of non-current assets (including the write-off of asset impairment provision)	-6,956,266.86	-1,189,107.57	-5,168,056.19	
Government subsidies recognized through current profits and losses (except those that are closely related to the Company's normal business operations, comply with national policies and regulations and available according to certain standard quota or continuously affect the Company's profits and losses)	196,125,471.29	199,599,828.51	181,083,262.46	
Except the effective hedging business related to the normal operation of the Company, profits and losses from fair value changes caused by the finance assets and financial liabilities held by non-financial enterprises, and profits and losses from disposal of financial assets and financial liabilities	43,047,593.88	24,264,345.88	5,385,851.68	
Capital occupation fee charged to non-financial enterprises included in current profits and losses			1,849,173.62	
Nonrecurring expenses incurred by the enterprise due to the discontinuation of related operating activities, such as expenses for employee placement.		-527,780.73	-59,398,185.22	
Other non-operating incomes or expenditures except for the foregoing items	6,289,885.37	9,796,376.97	6,654,792.26	
Minus: influenced amount of income tax	52,980,777.54	52,414,885.25	43,945,276.71	
Influenced amount of minority shareholders' equities (after tax)	193,454.72	67,216.12	554,509.76	
Total	185,332,451.42	179,461,561.69	85,907,052.14	--

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. Industrial Situation of the Company in the Reporting Period

Since 2023, industries such as transportation, tourism, and catering services are the first to pick up quick recovery. However, consumer demands in other industries, including cookware and small domestic appliances, are relatively weaker. Thanks to excellent channel operation and management capabilities and strong product competitiveness, the Company has achieved more satisfactory performance than the industry average under the background of the current stress on the consumer market as a whole.

In the field of open fire cookware in 2023, the growth rate of online retail slowed down, and the conventional e-commerce was stressful, with interest-based e-commerce and live streaming e-commerce bringing new vitality to the industry, which further diverted the purchasing channels of consumers. Supor actively responds to the varied needs of online and offline consumers, adopts digitalization as an anchoring point, constantly explores new models to match consumer demand, and continuously builds competitive advantages. According to monitoring data of AVC, the online cookware market share of Supor increased by 24% year-on-year in 2023, leading the second-ranked brand by more than four times. The total share in the offline market has reached approximately 50% in total, firmly occupying the top position in the industry. From the perspective of product category performance, the categories related to health concepts are outrunning the others, such as pressure cookers, casseroles, steamers. From the perspective of product materials, cookware made of healthy materials such as stainless steel 316L and titanium are more favored by consumers.

In the field of small domestic appliances, customer demands tend to be more rational due to macroeconomic impacts. Striving forward under pressure, Supor has achieved a good result that the comprehensive market share of traditional e-commerce and the Douyin channel ranks the first. According to the overall monitoring data of AVC in 2023, the sales performance of Supor's small domestic appliances (including the following categories: coffee machines, electric rice cookers, induction hobs, electric pressure cookers, soymilk makers, high-speed blenders, mixers, juicers, electric kettles, electric steamers, health kettles, baked machines, small desktop single function ovens, and air fryers) is outrunning the industry average, and their shares in the online and offline markets have improved, ranking first and second respectively in the industry. From the perspective of category performance, the rigid-demand categories such as electric rice cookers have a stable market, and the categories related to health concepts such as electric steamers and soymilk makers continue with the growth momentum.

II. Main Business during the Reporting Period

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

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

(1) Open fire cookware and kitchen utensils mainly include wok, pressure cooker, frying pan, sauce pan, steamer, ceramic slow cooker, kettle, knife, spatula, thermal pot, thermos & flask, kitchen gadgets, crisper, etc.;

(2) The small domestic appliances mainly include electric rice cooker, electric pressure cooker, induction hob, soymilk maker, electric kettle, juicer, slow cooker, electric steamer, electric hotpot, food processor, baked machine, air fryer, coffee machine, etc.;

(3) The large kitchen appliances mainly include range hood, gas stove, disinfection cabinet, water purifier, embedded steaming oven, integrated stove, water heater, etc.;

(4) The H&PC appliances mainly include air purifier, garment steamers, vacuum cleaner, floor washer and electric iron, electric heater, air-circulating fans, etc..

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

III. Core Competitiveness Analysis

(I) Superior product innovation capacity

Supor has been upholding the philosophy of "People Orientation, Design Driven Product Innovation" over the years, with the adherence on technological leading, green design development, internal and external innovation synergy, and enhancement on international cooperation. In 2023, Supor Domestic Appliance Design Center was honorably accredited as a "National Industrial Design Center". Under the leadership of the innovation center of the headquarters, the Company further strengthens the collaboration of internal and external R&D resources. Internally, the innovation center continuously improves its innovation incentive mechanism and encourages the continuous innovation in various internal business units. Externally, the Company continuously introduces new processes and materials through close cooperation with research institutions, universities, and other organizations, and strengthens innovation collaboration with SEB Group to a greater extent to introduce more new products and technologies.

In terms of the design modules for unfinished products, the Company integrates industrial design, user experience, and consumption trend into product innovation to further enhance the visual aesthetic feeling, form, and experience of products, address user pain points, and bring consumers a better product experience.

(II) Steady distribution network

Supor has a reliable distribution team and maintains long-term and sound cooperative relationships with distributors and operators. In terms of online channels, the Company continuously promotes the direct sales, agency and "one-basket" model, and works together with distributors and operators to build a complete matrix of e-commerce stores, providing differentiated product portfolios for different consumer groups. In terms of offline channels, the Company has established a great number of point-of-sale terminals and service outlets, and has entered large-scale mainstream supermarkets and stores in the primary and secondary markets, in addition to a high coverage rate in the O2O channels in the third and fourth markets, ensuring that consumers can purchase the Company's products more conveniently.

(III) Strong R&D and manufacturing capabilities

Supor has built up six R&D production bases, respectively in Yuhuan City, Hangzhou City, Shaoxing City (Yuecheng and Keqiao) in Zhejiang Province, Wuhan City, Hubei Province and Ho Chi Minh City, Vietnam. In particular, the annual production scale of Wuhan Base and Shaoxing Base ranked the top in the industry. Over the years, the Company has been continuously improving industrial efficiency, and the strong R&D and manufacturing capabilities in the base and the superior R&D team of the Company have robustly supported the product competitiveness of Supor.

(IV) Synergistic effect of integration with SEB

Since 2006, the Company has started to establish strategic cooperation relationship with SEB Group which owns a long history of more than 160 years with leading market shares of cookware and small domestic appliances worldwide. The powerful cooperation between Supor and SEB Group has brought stable export orders to the Company, and increased its overall business size and manufacturing capacity. Meanwhile, the Company strengthens cooperation with SEB Group in varied fields such as production, R&D, IT, and management, and providing comprehensive support for the Company's development continuously .

(V) Advantage of multiple brands and categories

In terms of the multi-brand operation, in addition to Supor brand, the Company also introduced a lot of high-end brands under SEB Group, such as WMF, LAGOSTINA, KRUPS, and TEFAL so as to fully cover the high-end brands in small domestic appliances

and kitchen cookware fields. In terms of the category expansion, the Company actively explores new product categories for kitchen appliances, H&PC appliances, personal care appliances, and others on the basis of the existing advantageous categories such as open fire cookware and small domestic appliances. Supor has established a strong competitive advantage with the multi-band and multi-category layout in the domestic market.

IV. Main business analysis

During the reporting period, the Company achieved an operating income of RMB 21,303,948,642.66, a year-on-year increase of 5.62%, mainly because the domestic sales kept positive growth with market shares of core categories on both online and offline channels gained during reporting period compared with that last year among such challenging market environment. For export business, it has improved obviously since 2023Q3 and the export sales achieved fast growth during reporting period compared with that last year. The net profit attributable to shareholders of listed company was RMB 2,179,798,147.27, a year-on-year increase of 5.42%; and the earnings per share were RMB 2.719, a year-on-year increase of 6.00%. Among them, the realized revenue from the main business of cookware was RMB 6,056,346,176.44, a year-on-year decrease of 1.07%; the realized revenue from the main business of electric appliances was RMB 14,963,200,632.70, a year-on-year increase of 8.40%; the realized revenue from the main business of domestic sales was RMB 14,937,286,741.50, a year-on-year increase of 0.95%; and the realized revenue from the main business of export business was RMB 6,110,174,972.63, a year-on-year increase of 18.63%.

1. Overview

(I) Domestic sales during the reporting period

(1) Product strategy

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

In the business of open fire cookware, Supor actively responds to the needs of online and offline target consumer groups through continuous product innovation and iteration, with a focus on making breakthroughs in the key categories. In 2023, the Company has upgraded the titanium uncoated non-stick wok product, which continues to dictate the "Uncoated and Non-stick" upsurge in the cookware industry. Meanwhile, the Company targeted young generation and small-sized families and launched a hit product, the lightweight thermal-spot nonstick wok, through Red Book influencer recommendations, short video streaming, and in-site&out-site promoting to accurately reach the target groups, and to gain incremental market shares, and this product achieved a sale of nearly one million pieces in 2023. In terms of drinkware, the Company has continued to promote the strategy of major flagship product, the big capacity thermos bottle launched in the year sold nearly one million units, and ranked as the No. 1 on the hot-selling list for several consecutive months. At the same time, the Company has successfully launched a series of products such as stainless steel thermos jugs and thermos pots based on profound insights into customer needs, driving the market share of thermos jugs and thermos pots to continue to take the lead.

In the business of small domestic appliances, Supor adheres to the differentiated product innovation strategy at all times, and continuously rolls out innovative and intelligent products which provide creative functions for healthy and nutritious cooking. On the one hand, the Company's leading position in core rigid-demand categories such as electric rice cookers, electric pressure cookers, and electric kettles has been further strengthened, and the core product of far-infrared rice cooker has been sold over a million pieces accumulatively since its launch. On the other hand, the Company is accelerating the layout of small capacity, multifunctional, and outdoor product lines, actively exploring the market of new sub-categories. The intelligent automatic cooker product and portable coffee maker product launched by the Company have achieved good sales results, and were respectively awarded as the "No. 1 Sales for the Category of Automatic Cookers on June 18", "Tmall's No. 1 Sales for the Category of Portable Semi-automatic Coffee Makers

on June 18", and "Douyin's No. 1 Sales for the Category of Portable Coffee Makers on November 11" respectively, with an upsurging year-on-year increase.

In the business of H&PC appliances, Supor persistently promotes the development of the home appliance category and continues to strengthen the cleaning category, with the market share of vacuum cleaners improved to the first place among all domestic brands and to the second place in the industry. In terms of the garment steamer category, Supor continues to keep the leading position in the industry. According to the monitoring data of AVC, the online market share of Supor's clothes steamer category ranks second in the industry. Meanwhile, the Company actively develops emerging seasonal product categories such as the electric heaters and air-circulating fans, with a total scale of annual sales exceeding RMB 100 million, which is incubating to become a new engine of sales growth.

In the business of kitchen appliances, Supor insists on focusing on its main operating categories, rapidly develops and cultivates distinct categories, solidifies the foothold in the existing replacement market, and constantly seeks breakthroughs. The "Extreme Fire" gas stove category launched by the Company continues to lead the industry. According to the monitoring data of AVC, the online market share of Supor's gas stove category remains the first in the industry, and the overall online market share of Supor remains in the top five in the industry in 2023.

(2) Channel strategy

With the accelerated integration of online and offline markets, Supor remained "consumer-centric" and kept optimizing its layout of channels based on the changes in consumers' purchase path, thereby meeting the needs of various consumers through a multi-channel and multi-mode layout. The Company insisted on winning consumers' trust with high-quality products, and winning distributors' and retailers' support with excellent services.

In 2023, the overall growth rate of online retail has slowed down, and the conventional e-commerce is under pressure. With the significantly increased cost of customer acquisition, the price war between platforms has become increasingly fierce, and consumer purchasing channels have been further diverted. Under such background, by actively grasping the varied shopping needs of consumers and through excellent business capabilities in all fields, Supor has maintained a relatively robust trend as a leading brand in the industry, with the market shares of various categories on various platforms have reached new highs. In terms of conventional e-commerce, the Company continuously expands the sales proportion of mid- to high-end products through the portfolio optimization of product matrix and store matrix, which has further enhanced the market share of mid to high price products. In terms of interest-based e-commerce, the Company has successfully incubated differentiated products such as intelligent automatic cookers, portable coffee makers and foldable electric kettles on Douyin through the combination of shop livestreaming and influencer promotion. The Company has launched specialized models on Pinduoduo to continuously optimize the sales structure on the platform, reasonably control the proportion of high cost-effective single products, and continuously strengthen store operation capabilities with a focus on flagship stores.

In 2023, the landscape and competitive environment of offline retail continues to change, and there is not a significant recovery in customer flow at the retail terminals of cookware and small domestic appliances. As an industry leader, Supor has always adhered to winning the trust of consumers with excellent product quality, and has gained support from distributors and retailers with strong new product expansion capabilities and excellent services. In the offline market, the Company has newly established the promotion project of "Retail Expansion", and actively launched the "Trade in", brand alliance, cross industry linkage, and other local promotion activities in old communities, quasi-new communities, and building materials markets in an environment of fragmented and pre-positioned retail channels, which helps to keep offline sales relatively stable.

In terms of lower-tier markets, the Company continues to improve refined operations with the continued growth of the O2O business. In addition, the instant retail develops rapidly, and the Company's cooperation with platforms such as Meituan Flash Sale and JD.com Home has been further upgraded, which injects new vitality into the offline store ecosystem, further narrows the gap between products and consumers, and achieves the integration of consumption scenes with household scenes. In terms of B2B business, the Company has established the credit redemption business with large-scale banks, airline operators, and other large- and medium-sized

enterprises, further expanding the sales channels. Meanwhile, Supor continues to strengthen the cooperation with regional property developers and decoration companies, expanding the engineering-based kitchen appliance business.

(3) Brand building

In 2023, the Company has expedited the process of brand rejuvenation from multiple dimensions such as consumer insight, product layout, industrial design, and marketing method, and the proportion of young people in the brand user asset has significantly improved. In terms of consumer insight, the Company deeply explores the needs of young people through the implementation of qualitative and quantitative researches and big data analysis, and has set indicators to continuously track the brand rejuvenation performance. In terms of industrial design, through the trials of different design styles of rejuvenation and the enrichment of color combinations, the Company has launched a series of "attractive-appearance" products such as the lightweight thermo-spot non-stick wok and the instant cooking pots. In terms of marketing, the Company continuously makes breakthroughs in the interest position and aesthetic culture of young people through the operation of "Audience + Content", which induces emotional resonance and delivers emotional value.

The Company has also conducted a comprehensive upgrade to the e-commerce detail pages, e-commerce packaging, and offline terminals, which optimizes the online and offline shopping experiences, strengthens the communication between the brand and consumers, and enhances the brand competitiveness. Meanwhile, the Company also strengthens the private traffic operation and has launched the official WeChat mini-program version 2.0 that integrates life inspiration proposals, product usage tips, immersive shopping, after-sales services, and membership activities, and provides the members with a unique product and service experience and enhance the added value of products and the brand reputation.

(II) Export sales during the reporting period

In the second half of 2023, thanks to the organic growth of SEB Group and its demand for channel-based replenishment of inventory, the prospect of the Company's export business continues to recover and has achieved a rapid growth throughout the year.

2. Revenues and costs

(1) Structure of operating incomes

Unit: RMB

	2023		2022		Increase/decrease YoY (%)
	Amount	Percentage to total operating income	Amount	Percentage to total operating income	
Total operating income	21,303,948,642.66	100%	20,170,527,516.66	100%	5.62%
By industry					
Cookware	6,056,346,176.44	28.43%	6,121,737,273.97	30.35%	-1.07%
Electric appliances	14,963,200,632.70	70.24%	13,803,483,799.48	68.43%	8.40%
Others	284,401,833.52	1.33%	245,306,443.21	1.22%	15.94%
By products					
Cooking appliances	8,892,495,620.60	41.74%	8,506,984,442.90	42.18%	4.53%
Food processor appliances	3,483,787,979.06	16.35%	3,086,500,276.55	15.30%	12.87%
Cookware and utensils	6,056,346,176.44	28.43%	6,121,737,273.97	30.35%	-1.07%
Other household electric appliances	2,871,318,866.56	13.48%	2,455,305,523.24	12.17%	16.94%
By areas					
Domestic sales	15,107,615,309.80	70.91%	14,975,644,970.69	74.25%	0.88%

Export sales	6,196,333,332.86	29.09%	5,194,882,545.97	25.75%	19.28%
By sales mode					
Direct sales	2,491,265,297.18	11.69%	2,327,273,967.60	11.54%	7.05%
Distribution	12,627,187,506.73	59.27%	12,652,370,630.22	62.73%	-0.20%
OEM	6,185,495,838.75	29.04%	5,190,882,918.84	25.73%	19.16%

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

(2) Industry, product, area or sales mode that accounts for more than 10% of the Company's operating income or operating profit

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	6,056,346,176.44	4,320,256,178.21	28.67%	-1.07%	1.01%	-1.46%
Electric appliances	14,963,200,632.70	11,141,680,549.71	25.54%	8.40%	6.24%	1.51%
By products						
Cooking appliances	8,892,495,620.60	6,636,399,009.13	25.37%	4.53%	2.95%	1.15%
Food processor appliances	3,483,787,979.06	2,714,622,203.95	22.08%	12.87%	9.57%	2.35%
Cookware and utensils	6,056,346,176.44	4,320,256,178.21	28.67%	-1.07%	1.01%	-1.46%
Other household electric appliances	2,871,318,866.56	2,028,851,458.02	29.34%	16.94%	14.73%	1.36%
By areas						
Domestic sales	15,107,615,309.80	10,771,952,519.69	28.70%	0.88%	0.35%	0.38%
Export sales	6,196,333,332.86	4,928,176,329.62	20.47%	19.28%	16.37%	1.99%
By sales mode						
Direct sales	2,491,265,297.18	1,404,342,328.21	43.63%	7.05%	5.76%	0.69%
Distribution	12,627,187,506.73	9,377,921,888.23	25.73%	-0.20%	-0.34%	0.10%
OEM	6,185,495,838.75	4,917,864,632.87	20.49%	19.16%	16.22%	2.01%

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

Applicable Not applicable

(3) Practical sales revenue greater than labor income

Yes No

Industrial classification	Item	Unit	2023	2022	Increase/decrease YoY (%)
Cookware	Sales volume	pcs/set	76,737,832	71,416,579	7.45%
	Output	pcs/set	43,455,407	38,865,026	11.81%
	Stock	pcs/set	9,247,340	10,549,133	-12.34%
Electrical products	Sales volume	pcs/set	90,512,223	82,690,074	9.46%
	Output	pcs/set	59,397,238	51,085,806	16.27%
	Stock	pcs/set	10,372,883	10,182,368	1.87%
Total	Sales volume	pcs/set	167,250,055	154,106,653	8.53%
	Output	pcs/set	102,852,645	89,950,832	14.34%
	Stock	pcs/set	19,620,223	20,731,501	-5.36%

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

Applicable Not applicable

(4) Performance of important sales contracts and purchase contracts signed till this reporting period

Applicable Not applicable

(5) Structure of operating costs

Category of industry and product

Unit: RMB

Industrial classification	Item	2023		2022		Increase/decrease YoY (%)
		Amount	Proportion of operating cost	Amount	Proportion of operating cost	
Cookware	Operating cost	4,320,256,178.21	27.52%	4,277,114,265.06	28.57%	1.01%
Electric appliances	Operating cost	11,141,680,549.71	70.97%	10,486,986,687.23	70.06%	6.24%
Others	Operating cost	238,192,121.39	1.51%	205,227,888.28	1.37%	16.06%

Unit: RMB

Category of product	Item	2023		2022		Increase/decrease YoY (%)
		Amount	Proportion of operating cost	Amount	Proportion of operating cost	
Cooking appliances	Operating cost	6,636,399,009.13	42.27%	6,446,395,980.91	43.07%	2.95%
Food processor appliances	Operating cost	2,714,622,203.95	17.29%	2,477,448,255.92	16.55%	9.57%
Cookware and utensils	Operating cost	4,320,256,178.21	27.52%	4,277,114,265.06	28.57%	1.01%
Other household electric appliances	Operating cost	2,028,851,458.02	12.92%	1,768,370,338.68	11.81%	14.73%

(6) Change of merger scope during the reporting period

Yes No

(7) Important change or adjustment for the Company's businesses, products or services during the reporting period

Applicable Not applicable

(8) Main sales customers and suppliers

Main sales customers

Total amount of sales to top 5 customers (RMB)	8,867,018,817.23
Proportion of total amount of sales of top 5 customers in the year's total sales (%)	41.63%
Proportion for related party's sales amount of sales amount of top 5 customers in annual total sales amount	27.45%

Information on the Company's top 5 major customers

SN	Customer	Sales amount (RMB)	Proportion in the total sales amount of the year (%)
1	SEB S.A. and its subsidiaries	5,847,094,927.83	27.45%
2	Customer 1	1,298,686,493.62	6.10%
3	Customer 2	975,221,875.17	4.58%
4	Customer 3	412,687,675.57	1.94%
5	Customer 4	333,327,845.04	1.56%
Total	--	8,867,018,817.23	41.63%

Instruction for main customers' other cases

Applicable Not applicable

The Company's main supplier

Total purchasing value from top 5 suppliers (RMB)	1,275,239,201.21
Proportion of total purchase amount of top 5 suppliers in the year's total purchasing value	9.59%
Proportion for related party's purchase amount of purchase amount of top 5 suppliers in annual total purchase amount	0.00%

Information on the Company's top 5 suppliers

SN	Supplier	Purchasing value (RMB)	Proportion in the total purchase amount of the year (%)
1	Supplier 1	341,512,061.90	2.57%
2	Supplier 2	277,959,376.46	2.09%
3	Supplier 3	248,469,619.54	1.87%
4	Supplier 4	203,761,108.94	1.53%
5	Supplier 5	203,537,034.37	1.53%
Total	--	1,275,239,201.21	9.59%

Instruction for main suppliers' other cases

Applicable Not applicable

3. Costs

Unit: RMB

	2023	2022	Increase/decrease YoY (%)	Descriptions of major changes
Sales expenses	2,297,847,425.74	2,156,297,058.63	6.56%	
Administrative expenses	393,597,966.82	374,060,640.28	5.22%	
Financial expenses	-67,629,941.36	-97,423,287.91	30.58%	Mainly due to the decrease in foreign exchange gains compared to the same period last year as a result of RMB exchange rate fluctuations during the reporting period.
R&D expenses	431,288,536.29	416,259,356.99	3.61%	

4. R&D input

Applicable Not applicable

Oriented by consumers' demand, the Company engages in R&D of the differential products that meet kitchen demand and local eating and life habits. The Company lays emphasis on R&D investment, boosts technical innovation actively, further explores product category and adds product additional value; respects customer's experience and focuses on all details of consumer use in order to realize safe, environmentally friendly, convenient and fashionable products. R&D expenditure in this year accounts for 6.80% and 2.02% of net assets and operating income audited in the recent period.

R&D personnel of the Company

	2023	2022	Change proportion
Quantity of R&D personnel (person)	1,372	1,363	0.66%
Proportion of R&D personnel	12.76%	13.33%	-0.57%
Educational background structure of R&D personnel			
Bachelor's degree	605	567	6.70%
Master's degree	60	53	13.21%
Doctor's degree	2	0	100.00%
Age composition of R&D personnel			
< 30 years old	358	381	-6.04%
30-40 years old	669	682	-1.91%

R&D investment of the Company

	2023	2022	Change proportion
Amount of R&D input (RMB)	431,288,536.29	416,259,356.99	3.61%
Proportion of R&D input in total operating income	2.02%	2.06%	-0.04%

Capitalization amount of R&D input (RMB)	0.00	0.00	0.00%
Proportion of Capitalization R&D input in R&D input	0.00%	0.00%	0.00%

Cause and influence of major changes of the Company's R&D personnel composition

Applicable Not applicable

Reason for large change for proportion of total R&D input in operating income compared with that of last year

Applicable Not applicable

Reason and rational introduction for large capitalization change of R&D input

Applicable Not applicable

5. Cash flow

Unit: RMB

Item	2023	2022	Increase/decrease YoY (%)
Subtotal of cash inflows from operating activities	22,567,791,526.90	23,863,910,846.37	-5.43%
Subtotal of cash outflows from operating activities	20,532,882,190.70	20,703,955,600.53	-0.83%
Net cash flows from operating activities	2,034,909,336.20	3,159,955,245.84	-35.60%
Subtotal of cash inflows from investing activities	2,816,155,174.07	3,290,816,398.77	-14.42%
Subtotal of cash outflows from investing activities	3,060,601,235.74	3,762,872,224.32	-18.66%
Net cash flows from investing activities	-244,446,061.67	-472,055,825.55	48.22%
Subtotal of cash inflows from financing activities	198,583,388.57	11,094,652.76	1,689.90%
Subtotal of cash outflows from financing activities	2,980,245,622.68	2,776,624,440.47	7.33%
Net cash flows from financing activities	-2,781,662,234.11	-2,765,529,787.71	-0.58%
Net increase in cash and cash equivalents	-990,179,816.02	-47,798,926.68	-1,971.55%

Instruction for main influence factors of relevant data with YoY (%) changed seriously

Applicable Not applicable

1. The net cash flows from operating activities decreased by 35.60 year-on-year, mainly due to the cash inflow decrease for goods sold and rendering of services during the reporting period.

2. The net cash flows from investing activities increased by 48.22% year-on-year, mainly due to the cash outflow decrease in investing activities during the reporting period in term deposits and financial products for a period of more than 3 months.

3. The net increase in cash and cash equivalents decreased by 1,971.55% year-on-year, mainly due to the cash inflow decrease in operating activities during the reporting period.

Reason for great change between net cash flow caused by operating activities and annual net profits during the reporting period

Applicable Not applicable

V. Analysis on Non-main Business

Applicable Not applicable

VI. Analysis on Assets and Liabilities

1. Significant changes in assets

Unit: RMB

	End of 2023		Beginning of 2023		Increase/dec rease in proportion	Descriptions of major changes
	Amount	Percentage to total assets	Amount	Percentage to total assets		
Monetary capital	3,548,277,442.44	27.07%	3,563,140,907.75	27.51%	-0.44%	No significant change during the reporting period.
Accounts receivable	2,858,247,356.03	21.81%	1,926,518,118.38	14.87%	6.94%	Mainly due to the export accounts receivable increase at the end of the reporting period.
Inventories	2,262,683,387.31	17.26%	2,494,922,856.42	19.26%	-2.00%	Mainly due to the reasonable control of inventory during the reporting period.
Long-term equity investment	61,678,984.35	0.47%	62,196,139.53	0.48%	-0.01%	No significant change during the reporting period.
Fixed assets	1,243,210,689.64	9.49%	1,303,075,391.03	10.06%	-0.57%	No significant change during the reporting period.
Construction in progress	26,862,380.61	0.20%	12,005,654.73	0.09%	0.11%	No significant change during the reporting period.
Right-of-use assets	223,503,573.14	1.71%	190,718,962.82	1.47%	0.24%	No significant change during the reporting period.
Short-term borrowings	199,741,167.36	1.52%			1.52%	Mainly due to the discount of bank acceptance bills of subsidiaries at the reporting period.
Contract liabilities	862,706,076.18	6.58%	1,153,932,879.53	8.91%	-2.33%	Mainly due to the decrease in advance payments from some distributors by subsidiaries during the reporting period.
Lease obligation	177,281,125.36	1.35%	150,779,916.58	1.16%	0.19%	No significant change during the reporting period.
Advance payment	193,169,455.51	1.47%	339,609,547.02	2.62%	-1.15%	Mainly due to the decrease in the prepaid material payments at the end of the reporting period.
Other current assets	142,423,696.22	1.09%	450,986,016.76	3.48%	-2.39%	Mainly due to the maturity and delivery of term deposit investment at the end of the reporting period.
Non-current assets due within one year	285,783,958.92	2.18%	32,157,534.25	0.25%	1.93%	Mainly due to the increase in negotiable certificates of deposit due within one year at the end of the reporting period.
Other debt investment	665,522,383.56	5.08%	1,024,794,890.43	7.91%	-2.83%	Mainly due to the decrease in negotiable certificates of deposit due over one year at the end of the reporting period.

High proportion of overseas assets

 Applicable Not applicable

2. 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 recognized through equity	Impairment loss of the current period	Amount of purchasing of the current period	Amount of selling of the current period	Other changes	Closing balance
Financial assets								
1. Transactional financial assets (excluding derivative financial assets)	431,382,527.79	9,108,058.94			450,000,000.00	539,352,799.19		351,137,787.54
2. Receivables financing	235,957,044.34						127,575,721.01	363,532,765.35
3. Other debt investments	1,056,952,424.68				267,798,711.63	407,384,328.77	33,939,534.94	951,306,342.48
Total	1,724,291,996.81	9,108,058.94			717,798,711.63	946,737,127.96	161,515,255.95	1,665,976,895.37
Financial liabilities	0.00							0.00

Content of other changes

Receivables financing: As the demand of daily fund management, the Company 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 at fair value through other comprehensive incomes.

Other debt investment: Supor's business model of managing negotiable large deposit certificates is both to collect the contractual cash flow and to sell the negotiable certificates of deposit, which are classified as financial assets at fair value through other comprehensive incomes. Interest revenue is accrued according to the effective interest rate method during the expected duration.

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

Yes No

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

See 18. "Assets with title or use right restrictions", VII "Notes to items of consolidated financial statements", SECTION X "FINANCIAL REPORT" for details.

VII. 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 balance	Profit and loss from fair value changes in the current period	Accumulated fair value changes recognized through equity	Purchase amount during the reporting period	Sales amount during the reporting period	Closing amount	Proportion of investment amount at the end of the period in the Company's net assets at the end of the reporting period
Foreign exchange derivatives	4,744.22	4,744.22	-97.03	0	80,127.89	67,269.21	17,602.90	2.77%
Total	4,744.22	4,744.22	-97.03	0	80,127.89	67,269.21	17,602.90	2.77%
Explanation on whether the Company's accounting policies and specific accounting principles of hedging business have significantly changed during the reporting period compared with the previous reporting period	The company recognizes, measures, and presents in accordance with <i>Accounting Standards for Business Enterprises No. 22 -- Recognition and Measurement of Financial Instruments</i> , <i>Accounting Standards for Business Enterprises No. 24 - Hedging</i> , and <i>Accounting Standards for Business Enterprises No. 37 - Presentation of Financial Instruments</i> . There are no significant 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 recognized through current profits and losses was RMB -970,300, and the amount recognized through equity was RMB 0. 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	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							

<p>measure explanation for derivative holding a position during the reporting period (including but not limited to market risk, liquidity risk, credit risk, operation risk and law risk)</p>	<p>foreign exchange derivative transaction business consistent with its business scale, term, and currency.</p> <p>(I) Risks of conducting foreign exchange derivative transactions</p> <ol style="list-style-type: none"> 1. Market risks: market risks, such as losses resulted from changes in the price of foreign exchange derivatives due to the fluctuated underlying interest rate, exchange rate or other market price, may arise. 2. Internal control risks: considering the specialty and complexity of foreign exchange derivative transaction business, inadequate internal control mechanisms may lead to risks. 3. Liquidity risks: risk of failure to complete transactions due to lack of market liquidity. 4. Performance risks: foreign exchange derivatives business faces the risk of default due to failed contract fulfillment when the contract expires. 5. Legal risks: changes in relevant laws or violations of the relevant legal system by counterparty, resulting the contract cannot be executed properly, may cause losses to the Company. <p>(II) Risk response measures</p> <ol style="list-style-type: none"> 1. Clarify the principles of foreign exchange derivative transaction: foreign exchange derivative transaction is based on the hedging principle to avoid risks from exchange rate fluctuations to the greatest extent, and based on market conditions, operation strategies shall be adjusted in time to improve hedging effects. 2. System construction: the Company has established the <i>Management Measures for Foreign Exchange Derivative Transactions</i>, in which the scope of authorization, approval procedures, key operation points, risk management and information disclosure concerning foreign exchange derivative transactions are well defined, so that the conduct and risks of foreign exchange derivative transactions can be effectively regulated. 3. Product selection: prior to any foreign exchange derivative transaction, it's necessary to select an FX derivative that suits the company's business context best, and is highly liquid and risk through a comparative analysis of various counterparties and products, before conducting business. The Company used forward instruments for general hedge and swap contracts for rolling hedge. 4. Counterparty management: be prudent when selecting counterparties for foreign exchange derivatives business. The Company only conducts foreign exchange derivative transaction business with large commercial banks and other foreign exchange organization with legal qualifications, thus avoiding potential default and legal risks. 5. Management by specially-assigned persons: a special working group, set up by the Company's management representatives, Fund Department, Financial Sharing Center, Audit Department, Securities Department and other departments concerned, is responsible for the risk assessment, operation, recording and supervision of foreign exchange derivative transactions. The working group is supposed to decide on emergency mitigations in case of any significant changes in the market.
<p>Changes in market prices or product 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</p>	<p>The delivered foreign exchange derivatives were recorded as the profit and loss with instruments by our 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.</p>
<p>Litigation-related situation (if applicable)</p>	<p>Not applicable</p>
<p>As for approval of derivative investment, the Board of Directors will announce disclosure date (if any)</p>	<p>March 31, 2023</p>
<p>Special opinion on situations of the Company's derivative investment and risk control from independent directors</p>	<p>In the opinion of the Company's independent directors, the foreign exchange derivatives business carried out by the Company is closely related to the daily operation demand, which is conducive to avoiding the risk of exchange rate fluctuation, enhancing the financial stability of the Company, and meeting the needs of the Company's operation and development. The Company has formulated the <i>Internal Control System of Foreign Exchange Derivatives</i> and relevant risk control measures, which are conducive to strengthening the risk management and control of foreign exchange derivatives transactions. The Company has fulfilled the corresponding approval procedures and information disclosure obligations, and there is no damage to the interests of the Company and all shareholders, especially small and medium shareholders. We agree to carry out foreign exchange derivatives trading business.</p>

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

VIII. 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

IX. 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 91.16 million	1,188,975,833.22	389,638,504.94	3,377,165,420.21	103,007,739.66	77,771,419.02
Zhejiang Supor Electrical Appliances Manufacturing Co., Ltd.	Subsidiary	Electrical products	RMB 133.6971 million	1,513,408,752.24	522,665,906.31	4,090,061,770.47	190,209,857.89	142,895,007.53
Zhejiang Shaoxing Supor Domestic Electrical Appliances Co., Ltd.	Subsidiary	Small domestic appliances, kitchen appliances	RMB 610 million	3,008,387,070.85	2,036,578,112.96	6,493,321,049.09	1,222,688,830.71	1,075,167,205.87

Subsidiary obtaining and disposal details during the reporting period

Applicable Not applicable

X. Structural Subject under the Company's Control

Applicable Not applicable

XI. Prospects for Future Development

1. Future development strategy and operation plan of the Company

As a new development pattern with domestic circulation as the core is constructed, under which domestic and international circulations reinforce each other, the policies of expanding domestic demand and promoting consumption will continue to take effect. The strong magnetic force of China's enormous domestic market remains unchanged, where the middle class and young generation boost consumption growth constantly. The Company will persistently implement the predefined strategies and guidelines, with the consumers' demand as the orientation, constantly promote the product innovation strategy and quality product strategy, and further give play to the competitive advantages of the Company in the small domestic appliances and kitchen filed in terms of diversified brands and product categories, cultivate new businesses and new product categories, promote the development of segment categories, and meet the diversified consumption demand.

In terms of channels, the Company will strengthen the refined management of internet platforms and continuously improve the precise operation with the help of digitalization. In terms of conventional e-commerce, the Company actively cooperate with the strategies of various platforms, utilizes the policy opportunities in relation to the platforms, manages the category and price system across the platforms, continuously improves the market share and sales scale of conventional e-commerce market. In terms of emerging and live streaming e-commerce platforms, the Company focuses on high-quality output of short videos and contents, with a view to creating best-seller products in core categories, gaining more traffic opportunities, and continuously improving the conversion rate and repurchase rate which helps to effectively improving marketing efficiency. In terms of offline business, the Company continues to improve and optimize the sales network on the basis of the original tens of thousands sales terminals across China, and deepen the channels such as internet sinking, conventional distribution, home decoration, instant retail. The Company expedites the penetration into the third, fourth, and even rural markets through the distribution platforms of JD.com, Alibaba, and Suning. In addition, the Company fully takes advantage of its excellent distributor network coverage capabilities to utilize online and offline business opportunities in instant retail, community services, etc.; further enhances the cooperation with primary stores, consolidates the advantageous position of the Supor brand in major retail channels.

In terms of brand building, the Company will strengthen the brand coverage of segmented groups (e.g., mothers and infants, and silver hair) and scenes (e.g., outdoor activities), continuously explore new business growth points, and maintain the brand vitality. For the maternal and child population, the Company develops a sub-brand with feeding appliances and feeding tools as the core categories to further explore the maternal and child market. In terms of marketing, the Company will actively try out new marketing tools and models, explore the application of AI technology in marketing, and use tools such as AI virtual human livestreaming, AI drawing, and AI video production to promote the cost reduction and efficiency increase in marketing. At the same time, the Company will strengthen the brand communication, consolidate the brand image, and launch a series of membership activities by taking the 30th anniversary of the Company's establishment as a tipping point, to give back to brand fans and enhance user loyalty.

With respect to export business, the Company, regardless of uncertain international situation, the Company keeps advancing the cooperation with SEB Group in links such as R&D, design and manufacturing, enlarge production scale, acquire scale cost-based competitive advantage and improve core competence of foreign trade in virtue of order transfer advantage of SEB.

With regard to industrial aspect, the Company will further conduct cost optimization and lean economy program, strengthen basic management over R&D, promote market's rapid response capacity of industrial system, and continuously improve cost competitiveness. Meanwhile, under the guidance of the national "carbon peaking and carbon neutrality goals" strategy, the Company continues to introduce the concepts of green operation in responsible supply, low-carbon logistics, green consumption and other aspects. With the goal of low-carbon action, the Company improves the utilization rate of resources, continuously reduces greenhouse gas and waste emissions, and promotes the sustainable development of the industry and enterprises. With the WMF factory in Yuhuan successfully generates photovoltaic powers in November 2023, it is expected that the proportion of green photovoltaic energy consumption in the total power consumption will reach 15% for each year in the future, representing a reduction of about 12% in the total carbon emission. Meanwhile, the Company will gradually carry out carbon reduction projects such as deploying smart meters and replacing high energy-consuming equipment to achieve the carbon neutrality goal sooner.

With respect to talent training, the Company will strengthen talent echelon construction and improve long-term incentive mechanism continuously; improve management level of basic and medium management personnel, enhance subjective initiative of employees and build an active and efficient working atmosphere for employees.

2. Possible risks and countermeasures

(1) Risk from macroeconomic fluctuation

In 2023, the domestic service-oriented consumer industry is experiencing growth for recovery, while the demand for cookware and domestic appliances at the retail end remains sluggish. The home appliance market in China has developed from a simple incremental market to an incremental and inventory market, where a new consumption format is formed with the prevailing consumption rationality and the coexistence of consumption degradation and consumption upgrade. In 2024, Supor will continue to insist on its established strategy to upgrade the product structure to stimulate the demand for conventional product replacement on the one hand; and to look for new growth point through exploration of new categories and new scenes on the other hand.

In terms of exports, with the recovery of the demand in the European and American markets after destocking, it is expected that the export business will continue to improve in 2024, and the Company will work with foreign trade customers to promote new product R&D, improve efficiency, reduce costs, and enhance the competitiveness of the Company's foreign trade business together.

(2) Risk from production element price change

In 2023, the prices of main bulk raw materials such as aluminum, copper, stainless steel, and plastic for cookware and small domestic appliances have declined to a stabilized state, which has played a positive role in reducing production costs for industry enterprises. Supor will continue to implement cost-reduction lean projects to improve the internal labor productivity, so that the cost competitiveness of the Company's internal and external sales business can be enhanced. Besides the Company is actively boosting the automation of production line, improving the per capita labor output, and reduce the impact caused by rise in labor cost.

(3) Risk of intensifying market competitiveness

With the grading of consumption in the cookware and home appliance market, on the one hand, high-end brands continue to sink their channels and adjust their product and price strategies in order to take up more market share, and on the other hand, the sales impact brought by competitions between platforms and is expected to intensify the cost performance battle in the coming year.

The Company will continue to adhere to the strategy of product innovation as its core, and launch more high value-added and high margin products through continuous improvement of innovation capacity, in order to gain a leading sales position and a leading market share in the mid to high price range. Meanwhile, the Company will also increase the product marketing through online terminal traffic appropriately, take advantage of its comprehensive competitive advantage in terms of multiple brands and categories, and continuously input marketing resources to improve market shares. In addition, the Company will actively invest in the markets in lower-tier cities in order to reach more consumer groups. The Company will continue to strengthen and expand its core categories, expedite the product layout in emerging categories and segment markets, and to maintain a steady and sustainable growth for the Company in the future.

(4) Product export and exchange loss caused by exchange rate fluctuation

The Company has adopted RMB settlement for main export customer SEB Group with low exchange rate risk.

XII. 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
February 6, 2023	Company	Field survey	Institution	Analysts and institutional	Annual performance and operating	See the <i>Management File for Investor Relations of Supor on</i>

				investors	conditions in 2022	<i>February 7, 2023 (1)</i> disclosed by the Company in http://www.cninfo.com.cn on February 7, 2023 for details.
February 6, 2023	Company	Field survey	Institution	Analysts and institutional investors	Annual performance and operating conditions in 2022	See the <i>Management File for Investor Relations of Supor on February 7, 2023 (2)</i> disclosed by the Company in http://www.cninfo.com.cn on February 7, 2023 for details.
February 10, 2023	Company	Field survey	Institution	Analysts and institutional investors	Annual performance and operating conditions in 2022	See the <i>Management File for Investor Relations of Supor on February 13, 2023</i> disclosed by the Company in http://www.cninfo.com.cn on February 13, 2023 for details.
March 31, 2023	Company	Conference call	Institution	Analysts and institutional investors	Annual performance and operating conditions in 2022	See the <i>Management File for Investor Relations of Supor on April 3, 2023 (1)</i> disclosed by the Company in http://www.cninfo.com.cn on April 3, 2023 for details.
March 31, 2023	Company	Conference call	Institution	Analysts and institutional investors	Annual performance and operating conditions in 2022	See the <i>Management File for Investor Relations of Supor on April 3, 2023 (2)</i> disclosed by the Company in http://www.cninfo.com.cn on April 3, 2023 for details.
April 3, 2023	Company	Conference call	Institution	Analysts and institutional investors	Annual performance and operating conditions in 2022	See the <i>Management File for Investor Relations of Supor on April 4, 2023 (1)</i> disclosed by the Company in http://www.cninfo.com.cn on April 4, 2023 for details.
April 3, 2023	Company	Conference call	Institution	Analysts and institutional investors	Annual performance and operating conditions in 2022	See the <i>Management File for Investor Relations of Supor on April 4, 2023 (2)</i> disclosed by the Company in http://www.cninfo.com.cn on April 4, 2023 for details.
April 12, 2023	Company	Others	Others	Investors of the Company	Annual performance presentation session	See the <i>Supor Performance Presentation Session and Roadshow Activity Information on April 12, 2023</i> disclosed by the Company in http://www.cninfo.com.cn on April 12, 2023 for details.
April 28, 2023	Company	Conference call	Institution	Analysts and institutional investors	Performance and operating conditions in Q1 of 2023	See the <i>Management File for Investor Relations of Supor on May 4, 2023 (1)</i> disclosed by the Company in http://www.cninfo.com.cn on May 4, 2023 for details.
April 28, 2023	Company	Conference call	Institution	Analysts and institutional investors	Performance and operating conditions in Q1 of 2023	See the <i>Management File for Investor Relations of Supor on May 4, 2023 (2)</i> disclosed by the Company in

						http://www.cninfo.com.cn on May 4, 2023 for details.
May 18, 2023 May 19, 2023	Company	Field survey	Institution	Analysts and institutional investors	Performance and operating conditions in Q1 of 2023	See the <i>Management File for Investor Relations of Supor on May 22, 2023</i> disclosed by the Company in http://www.cninfo.com.cn on May 22, 2023 for details.
August 1, 2023	Company	Conference call	Institution	Analysts and institutional investors	Semiannual performance and operating conditions in 2023	See the <i>Management File for Investor Relations of Supor on August 2, 2023 (1)</i> disclosed by the Company in http://www.cninfo.com.cn on August 2, 2023 for details.
August 1, 2023	Company	Conference call	Institution	Analysts and institutional investors	Semiannual performance and operating conditions in 2023	See the <i>Management File for Investor Relations of Supor on August 2, 2023 (2)</i> disclosed by the Company in http://www.cninfo.com.cn on August 2, 2023 for details.
August 31, 2023	Company	Conference call	Institution	Analysts and institutional investors	Semiannual performance and operating conditions in 2023	See the <i>Management File for Investor Relations of Supor on September 4, 2023 (1)</i> disclosed by the Company in http://www.cninfo.com.cn on September 4, 2023 for details.
September 1, 2023	Company	Conference call	Institution	Analysts and institutional investors	Semiannual performance and operating conditions in 2023	See the <i>Management File for Investor Relations of Supor on September 4, 2023 (2)</i> disclosed by the Company in http://www.cninfo.com.cn on September 4, 2023 for details.
September 21, 2023	Company	Field survey	Institution	Analysts and institutional investors	Semiannual performance and operating conditions in 2023	See the <i>Management File for Investor Relations of Supor on September 25, 2023</i> disclosed by the Company in http://www.cninfo.com.cn on September 25, 2023 for details.
October 27, 2023	Company	Conference call	Institution	Analysts and institutional investors	Performance and operating conditions in Q3 of 2023	See the <i>Management File for Investor Relations of Supor on October 30, 2023</i> disclosed by the Company in http://www.cninfo.com.cn on October 30, 2023 for details.

XIII、 Implementation of the Action Plan for "Dual Improvement of Quality and Return"

Has the company disclosed an action plan for "dual improvement of quality and return" .

Yes No

SECTION IV CORPORATION GOVERNANCE

I. Basic Situation

During the reporting period, the Company further standardized the operation of the Company and improved the governance by continuously building up and strengthening the corporate governance system, improving the internal control and management system, and deepening the governing process strictly in accordance with the *Company Law*, the *Securities Law* and the *Rules on the Corporate Governance of Listed Companies*, *Rules Governing the Listing of Stocks on Shenzhen Stock Exchange* and the *Shenzhen Stock Exchange Regulatory Guidelines for Listed Companies No. 1-Standardized Operation of Listed Companies* as well as other regulations of CSRC. By the end of the reporting period, the actual governance of the Company was basically in compliance with the relevant regulations of corporate governance of listed companies issued by the CSRC and Shenzhen Stock Exchange, and with the rules of established systems of the Company. No administrative regulation measures were taken by regulatory department upon the Company.

(I) Relating to Shareholders and the General Meeting of Shareholders

During the reporting period, the Company has convened and held the general meetings of shareholders strictly according to the *Rules for the General Meetings of Shareholders of Listed Companies*, *Rules and Procedures for the Shareholders' Meeting*, and other rules and requirements, and ensured the legality and validity of the convening. According to the *Implementing Rules for the Online Voting at the Shareholders' Assembly of Listed Companies of Shenzhen Stock Exchange*, the Company clearly defined the specific process of online voting and completely implemented online voting of general meeting of shareholders, in order to involve medium and small investors in the online voting more effectively, and guarantee the legitimate rights and interests of all shareholders, especially of the minority shareholders.

During the reporting period, four General Meetings of Shareholders were held. The convening and holding procedures, qualifications of attended persons, voting procedures, voting results and resolution contents of the meeting conformed to laws and regulations and *Articles of Association*.

(II) Relating to the Company and the Controlling Shareholder

During the reporting period, the Company was autonomous in business and operation, and kept independent of its controlling shareholder in terms of assets, business, personnel, organization and finance. The Board of Directors, the Board of Supervisors and other internal organizations operate independently. The Controlling Shareholder of the Company exercised its rights through the General Meeting of Shareholders, and did not directly or indirectly intervene with the Company's decision-making or operating activities. The related transaction between the Company and its Controlling Shareholder was fair and reasonable; the decision-making rules were in compliance with the relevant provisions; no fund occupation by the Controlling Shareholder existed.

(III) Relating to Directors and the Board of Directors

The Company elected directors strictly according to the procedures stipulated in the *Company Law* and the *Articles of Association*, and ensured the open, fair, equitable and independent appointment and election of directors, and the number and composition of the Board of Directors follow relevant laws and regulations. Now the Company has three independent directors, representing 1/3 of its directors. All directors have actively participated in the Company's operation and decision-making activities, performed their duties, attended the relevant training sessions organized by supervisory departments, pursuant to the *Company Law*, the *Shenzhen Stock Exchange Regulatory Guidelines for Listed Companies No. 1-Standardized Operation of Listed Companies*, the *Articles of Association* and the *Rules and Procedures for the Board of Directors*. The Board of Directors consists of Strategy Committee, Audit Committee and Compensation Committee with independent directors fully exerting their specialties, which further improves the working efficiency and decision-making level of the Board of Directors and plays significant roles in the Company's normative operation.

During the reporting period, eight board meetings were held. The convening and holding procedures, qualifications of attended persons, voting procedures, voting results and resolution contents of the meeting conformed to laws and regulations and *Articles of*

Association. In addition, the Company held an election of new Board of Directors and elected the members of the Eighth Board of Directors at the Annual General Meeting of Shareholders for 2022 Fiscal Year.

(IV) Relating to Supervisors and the Board of Supervisors

The Company elected supervisors strictly according to the provisions under the *Company Law* and the *Articles of Association*. The number of supervisors and composition of the Board of Supervisors met the requirement of relevant laws and regulations. All supervisors have performed their duties as required by the *Regulations of Procedure of the Board of Supervisors*, effectively supervised the legality and regulatory compliance of important matters, related transactions, financial conditions, and duty fulfillment of directors and senior executives of the Company, and maintained the legitimate rights and interests of the Company and its shareholders.

During the reporting period, eight meetings of Board of Supervisors were held. The convening and holding procedures, qualifications of attended persons, voting procedures, voting results and resolution contents of the meeting conformed to laws and regulations and *Articles of Association*. In addition, the Company held an election of new Board of Supervisors and elected the members of the Eighth Board of Supervisors at the Annual General Meeting of Shareholders for 2022 Fiscal Year.

(V) Relating to Performance Appraisal and the Incentive and Restraining Mechanism

The Company established and constantly improved the performance appraisal system and the incentive restraining mechanism for supervisors, directors and senior executives who are employed and paid by the listed company. The appointment and remuneration for directors, supervisors and senior executives of the Company are open, clear and in line with relevant laws and regulations. During the reporting period, the Company completed the registration of restricted stock grants related to the deferred grant part under the *2022 Restricted Stock Incentive Plan (Draft)* and the registration of stock option grants related to the *2023 Stock Option Incentive Plan (Draft)*, and deliberated and approved the Company's *Administration Measures for the Performance Incentive Fund* with a view to providing effective incentives to senior executives.

(VI) Relating to Information Disclosure and Transparency

The Securities Department of the Company is responsible for information disclosure and investor's relationship management. Abiding by requirements of the CSRC and Shenzhen Stock Exchange and provisions on compilation of periodic reports in good faith, the department, in association with the Financial Department of the Company, has timely and accurately compiled and submitted the 2022 Annual Report, 2023 First Quarterly Report, 2023 Semiannual Report and 2023 Third Quarterly Report, based on the strict compliance with the non-disclosure rules before the disclosure of the reports.

In accordance with the *Rules Governing the Listing of Stocks on Shenzhen Stock Exchange*, the Securities Department of the Company disclosed, after review and adoption by the Board of Directors or the General Meeting of Shareholders, the routine information (board meetings and meetings of Board of Supervisors), fatal information (external investments, related transactions), and significant events truly, accurately, completely, timely and fairly. During the reporting period, the Company issued 156 announcements and documents and fulfilled the filing management of information disclosure documents and compliance with the non-disclosure rules before the disclosure of the reports. In particular, the Company prepared process memorandums of important matter and management files of insider personnel before planned and implemented important matters, which made the information disclosure timely, true, accurate, complete and fair. There was no irregular or untimely information disclosure, and the Company has not been penalized by regulatory authorities. Meanwhile, in accordance with the requirements of the *Investor Relations Management System*, the Company standardized the investor reception procedures. Besides, after the regular report disclosure, the Company actively held online performance briefings and investor telephone exchange meetings to fully communicate with investors. And the *Record Sheet of Investor Relations Activities* was released in time after the activities to ensure that all investors have fair access to company information. In daily work, the Company also actively received consultations by arranging personnel to answer investors' hotlines and responding to investors' questions on the interactive platform, so as to ensure that all shareholders of the Company, small and medium-sized investors in particular, can gain the company information equally.

During the reporting period, the Company issued the *Internal Control System on Entrusted Financial Management of Zhejiang Supor Co., Ltd.* The Company will continue to sort out and update the internal control systems issued by the Company in a timely

manner in accordance with the current laws and regulations, and will continuously establish and improve the internal control systems, to make them work more efficiently.

Is there any major variation between the actual situation of the Company's corporate governance, and laws, administrative regulations, and stipulations issued by the CSRC concerning the governance of listed companies?

Yes No

There is no major variation between the actual situation of the Company's corporate governance, and laws, administrative regulations, and stipulations issued by the CSRC concerning the governance of listed companies.

II. Independence of the Company Relative to the Controlling Shareholders and the Actual Controllers in Ensuring the Company's Assets, Personnel, Finance, Organization, Business, etc.

(I) Independent and complete assets structure

The Company had its production and business operation place independent from that of the controlling shareholder, and had independent and complete assets structure, independent production system, auxiliary production system and supporting facilities, land use right, housing ownership, as well as independent purchasing and selling systems.

(II) Independence of personnel

In terms of personnel, labor, personnel and remuneration management, the Company was completely independent. Such senior executives as the General Manager, Vice General Manager, Board Secretary of Directors and Chief Financial Officer did not hold any position concurrently in controlling shareholder or other subsidiaries excepting director and supervisors, nor receive any remuneration from the controlling shareholder or other subsidiaries.

(III) Independence of finance

The Company has an independent financial department, has established independent accounting system and financial management system, and makes financial decisions independently. It has opened independent bank accounts and pays taxes independently.

(IV) Independence of organizations

The Company has set up the organization independent from the controlling shareholder completely, and there exists no mixed operation or management. It adopts a BU management system, and has departments directly under the Head Office and three BUs (cookware, small domestic appliances and large kitchen appliances) and high-end business modules. Neither controlling shareholder nor any other company or individual has intervened with the organization structuring of the Company. No "superior and subordinate relationship" exists between the controlling shareholder and its functional departments on the one hand, and the Company and its functional departments on the other hand.

(V) Independence of business operation from shareholders or other related parties

The Company is mainly engaged in designing, producing and selling cookware, small domestic appliances, large kitchen appliances and H&PC products, which are not produced by the controlling shareholder or any of its subsidiaries for the Chinese market. The Company has an independent "procurement, production and sales" system. It operates business independently from shareholders or any other related party.

III. Horizontal Competition

Applicable Not applicable

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

1. General meetings of shareholders during the reporting period

Session	Meeting type	Proportion of participated investors	Convening date	Date of disclosure	Meeting resolution
The First Interim General Meeting of Shareholders 2023	Interim General Meeting of Shareholders	8.55%	January 19, 2023	January 20, 2023	See <i>Announcement on Resolutions of the First Interim General Meeting of Shareholders 2023</i> (Announcement No.: 2023-007) disclosed on http://www.cninfo.com.cn for details
Annual General Meeting of Shareholders for 2022 Fiscal Year	Annual General Meeting of Shareholders	8.04%	April 25, 2023	April 26, 2023	See <i>Announcement on Resolutions of the Annual General Meeting of Shareholders for 2022 Fiscal Year</i> (Announcement No.: 2023-041) disclosed on http://www.cninfo.com.cn for details
The Second Interim General Meeting of Shareholders 2023	Interim General Meeting of Shareholders	7.62%	October 19, 2023	October 20, 2023	See <i>Announcement on Resolutions of the Second Interim General Meeting of Shareholders 2023</i> (Announcement No.: 2023-073) disclosed on http://www.cninfo.com.cn for details
The Third Interim General Meeting of Shareholders 2023	Interim General Meeting of Shareholders	7.46%	November 14, 2023	November 15, 2023	See <i>Announcement on Resolutions of the Third Interim General Meeting of Shareholders 2023</i> (Announcement No.: 2023-085) disclosed on http://www.cninfo.com.cn for details

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

Applicable Not applicable

V. Directors, supervisors and senior executives

1. Basic information

Name	Gender	Age	Position	Position status	Commencement date of term of office	Expiry date of term of office	Number of shares held at the beginning of the period	Quantity of increased shares in this period	Quantity of decreased shares in this period	Quantity of other shares increased or reduced	Number of shares held at the end of the period	Reasons for the increase or decrease of shares
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Thierry de LA TOUR D'ARTAISE	Male	69	Chairman	On-service	January 28, 2008	April 24, 2026	0	0	0	0	0	None
Su Xianze	Male	56	Director	On-service	October 25, 2000	April 24, 2026	364,602	0	91,151	0	273,451	Legal shareholding reduction of 25% of the annual shareholding quantity
Stanislas de GRAMONT	Male	59	Director	On-service	January 3, 2019	April 24, 2026	0	0	0	0	0	None
Nathalie LOMON	Female	53	Director	Dismissal	November 18, 2019	September 28, 2023	0	0	0	0	0	None
Olivier CASANOVA	Male	58	Director	On-service	November 14, 2023	April 24, 2026	0	0	0	0	0	None
Delphine SEGURA VAYLET	Female	54	Director	On-service	April 22, 2021	April 24, 2026	0	0	0	0	0	None
Tai Wai Chung	Male	64	Director	On-service	April 19, 2018	April 24, 2026	0	0	0	0	0	None
Chen Jun	Male	47	Independent director	On-service	May 20, 2020	April 24, 2026	0	0	0	0	0	None
Hervé MACHENAUD	Male	77	Independent director	On-service	April 19, 2019	April 24, 2026	0	0	0	0	0	None
Jean-Michel PIVETEAU	Male	77	Independent director	On-service	April 19, 2019	April 24, 2026	0	0	0	0	0	None
Philippe SUMEIRE	Male	64	Chairman of Board of Supervisors	On-service	April 1, 2009	April 24, 2026	0	0	0	0	0	None
Zhang Junfa	Male	47	Supervisor	On-service	April 20, 2011	April 16, 2026	0	0	0	0	0	None
Lu Lanhua	Female	46	Supervisor	On-service	March 17, 2016	April 16, 2026	0	0	0	0	0	None
Cheung Kwok Wah	Male	59	General Manager	On-service	March 31, 2021	April 24, 2026	142,000	0	0	0	142,000	None
Xu Bo	Male	56	Chief Financial Officer	On-service	October 20, 2009	April 24, 2026	175,303	0	43,688	58,000	189,615	Reducing shareholding is the legal shareholding reduction of 25% of the annual shareholding quantity; Other increased or decreased changes are granted restricted stocks.
Ye Jide	Male	48	Vice General Manager, Board Secretary	On-service	October 25, 2000	April 24, 2026	59,143	0	14,786	21,000	65,357	Reducing shareholding is the legal shareholding reduction of 25% of the annual shareholding quantity; Other increased or decreased changes are granted restricted stocks.
Total	--	--	--	--	--	--	741,048	0	149,625	79,000	670,423	--

If there is any separation of directors and supervisors and dismissal of senior executives during the reporting period

Yes No

During the reporting period, Ms. Nathalie LOMON, a former director of the Company, applied for resigning from her position as a director of the Eighth Board of Directors and a member of the Audit Committee due to personal reasons, who will no longer hold any position in the Company following the resignation.

Change of Directors, Supervisors and Senior Executives

Applicable Not applicable

Name	Position	Type	Date	Reason
The Eighth Board of Directors/Board Supervisors	Directors and Supervisors	Elected	April 25, 2023	During the reporting period, the Company held the elections of the Eighth Board of Directors and Board of Supervisors, and held the 1 st Session of the Eighth Board of Directors and Board of Supervisors on April 26, 2023, in which the Board Chairman of the Company and the Chairman of the Board of Supervisors were elected, and the senior executives of the Company including the General Manager, Chief Financial Officer, and Board Secretary were appointed at the same time.
Nathalie LOMON	Director	Resigned	September 28, 2023	Resignation for personal reasons
Olivier CASANOVA	Director	Elected	November 14, 2023	Elected as a director of the Company in the Shareholders' Meeting

2. Position information

Professional backgrounds, main working experiences, and main responsibilities in the Company of present directors, supervisors and senior executives

1. Directors

Mr. Thierry de LA TOUR D'ARTEISE: Chairman, Master of Management of Paris ESCP; Chartered Accountant; Chairman of SEB Group; former CEO and Vice President of SEB Group, Chairman of CALOR, CFO and CEO of CROISIERES PAQUET, audit manager of Coopers & Lybrand.

Mr. Stanislas de GRAMONT: Director, graduated from ESSEC Business School (Paris); CEO of SEB Group, and former Chief Operating Officer of SEB Group, executive management positions at Danone and CEO of Suntory Beverage & Food Europe.

Mr. Olivier CASANOVA: Director, graduated from HEC Paris. Chief Financial Officer of SEB S.A.. He formerly served as Deputy CFO of CMA CGM, CEO of CMA CGM Air Cargo and CFO of CEVA Logistics, CFO of Tereos, Head of Financing & Treasury and Corporate Finance for PSA Peugeot Citroën, and Head of Group Strategy, Marketing and M&A for Thomson, etc..

Ms. Delphine SEGURA VAYLET: Director of the Company, holds Master degree in International Labor Law of University Paris 1 Panthéon Sorbonne; Senior Executive Vice President of Human Resources of SEB Group, and held various executive management positions at TOTAL Group as Vice-President of Group Human Resources and Zodiac Aerospace as Group Human Resources Director and COMEX member and STMicroelectronics as Group Human Resources Director at Digital Consumer Division.

Mr. Su Xianze: Director, CEIBS EMBA, Senior Economist; Chairman and General Manager of Supor Group Co., Ltd., Chairman of Taizhou Supor Real Estate Development Co., Ltd. and Chairman of Zhejiang Supor Water Heater Co., Ltd.. He has served as Chairman of the Company from 2001 to April 2014, and General Manager from 2001 to March 2010.

Mr. Tai Wai Chung: Director: graduated from the Industrial Engineering Major of University of Hong Kong; Executive Vice-President of Asian Division of SEB S.A., had served as the director and general manager of Apple (Great China) Company, marketing director of Electrolux Appliances Company, director and general manager of Shanghai SEB Electric Appliances Co., Ltd and general manager of the Company before.

Mr. Hervé MACHENAUD: independent director, graduated from Sciences Po; President of Hong Ma Consulting Services (Beijing) Co., Ltd.. He formerly served as Leader of EDF Group Delegation to China, Senior Executive Vice President of EDF Group, Director in charge of EDF Generation and Engineering (DPI) and Asia-Pacific Director.

Mr. Jean-Michel PIVETEAU: independent director, doctor of business administration and master of political science. He is Senior Consultant of CFI Financial Consultant, Chairman of the Board of Supervisors of MicroCred China, Vice-Chairman of the Board of

Supervisors of BAOBAB, and member of the Board of Directors of French Foreign Trade Advisors. He formerly served as Adviser for China to BNP Paribas Chairman, Senior Adviser to BNP Paribas for China, Country Head of Paribas Bank in numerous Asian countries and Middle East countries.

Mr. Chen Jun: independent director, doctor of accounting of Xiamen University, post-doctor of business administration (accounting) of Zhejiang University. He is now the Chairman, Professor, Doctoral Tutor of the Department of Finance and Accounting of Zhejiang University. He is the Director of the Institute of Finance and Accounting of Zhejiang University, Deputy Director of the Global Entrepreneurship Research Center of Zhejiang University, Director of the Research Center of Listed Companies of Zhejiang Business Research Institute of Zhejiang University. He also serves as Vice President of Zhejiang Association of Chief Accountants and independent director of the listing company.

2. Supervisors

Mr. Philippe SUMEIRE: Supervisor, graduated from Aix-en-Provence Law School with PHD's degree of Private Law and Comparative Law; Vice President Legal Affairs of Groupe SEB and Board Secretary. He has worked first for PEUGEOT S.A and ATOCHEM (chemical industry) and then held the position of General Counsel and Company Secretary for CLUB MED, GIAT INDUSTRIES and MOULINEX S.A.

Mr. Zhang Junfa: Supervisor, graduated from Northwestern Polytechnical University; Chairman of the Trade Union of the Company and senior manager of Administration Department of Yuhuan Site, he was working for Security Department and then worked in Legal Affairs Department and office.

Ms. Lu Lanhua: Supervisor, graduated from Shanghai University of Finance and Economics and MBA of University of Manchester, member of ACCA. Currently the financial director of Cookware Business Unit of the Company; she previously worked as the Company's Financial planning & analysis manager, worked for Greif Flexible Products & Service (China) as accounting manager, UNSA (Hangzhou) Packaging Manufacturing Ltd. as financial manager.

3. Senior executives

Mr. Cheung Kwok Wah: General Manager of the Company, Bachelor of Economics, Chinese University of Hong Kong, MBA of Kelly School of Business, Indiana University, former Chairman and President of the International Business Department of China Feihe Co., Ltd., and former Chairman and CEO of Nestlé Greater China.

Mr. Xu Bo: Chief Financial Officer, graduated from Central University of Finance and Economics; member of CICPA and ACCA; former Senior Auditing Manager of Shenzhen Zhonghua Certified Public Accountants, Chief Financial Officer of Yue Sai Kan Cosmetics Limited, Chief Financial Officer of Molex Interconnect (Shanghai) Co., Ltd., Chief Financial Officer of Microsoft China.

Mr. Ye Jide: Board Secretary, Vice General Manager, and Director of Securities Department, CEIBS EMBA. He is Independent Director of Beijing DeepZero Intelligent Technology Co., Ltd., has worked successively as the chief of equipment sector, office head and assistant to the general manager of the Company.

Position information in shareholders' companies

Applicable Not applicable

Name	Shareholding company	Positions in shareholders' companies	Commencement date of term of office	Expiry date of term of office	Payment or allowance from the shareholding company
Thierry de LA TOUR D'ARTAISE	SEB Group	Chairman	May 1, 2000		Yes
Philippe SUMEIRE	SEB Group	Vice President Legal Affairs of Groupe SEB and Board Secretary	December 10, 2001		Yes
Stanislas de GRAMONT	SEB Group	CEO	December 3, 2018		Yes

Olivier CASANOVA	SEB Group	Chief Financial Officer	September 15, 2023		Yes
Delphine SEGURA VAYLET	SEB Group	Senior Executive Vice President of HR	January 1, 2021		Yes
Tai Wai Chung	SEB Group	Senior Executive Vice President of Asia Continental Division	October 1, 2017		Yes

Position information in other companies

Applicable Not applicable

Name	Name of other unit	Positions in other companies	Commencement date of term of office	Expiry date of term of office	Payment or allowance from other companies
Su Xianze	Supor Group Co., Ltd.	Chairman and General Manager	March 8, 2018		Yes
Su Xianze	Taizhou Supor Real Estate Development Co., Ltd.	Chairman	May 16, 2018		No
Su Xianze	Zhejiang Supor Water Heater Co., Ltd.	Chairman	November 15, 2019		No
Chen Jun	Zhejiang University	Dean of the Department of Finance and Accounting, Professor and Doctoral Supervisor	March 1, 2019		Yes
Chen Jun	Hangzhou EZVIZ Network Co., Ltd.	Independent director	June 23, 2021	June 22, 2024	Yes
Chen Jun	WZ Group	Independent director	May 17, 2022	May 16, 2025	Yes
Hervé MACHENAUD	Hongma Consulting Services (Beijing) Co., Ltd.	President	January 1, 2017		Yes
Ye Jide	Beijing DeepZero Intelligent Technology Co., Ltd.	Independent director	October 20, 2021	October 19, 2024	No

Punishment of securities regulatory commission on directors, supervisors and senior executives of the Company at present or leaving during the reporting period

Applicable Not applicable

3. Remuneration of Directors, Supervisors and Senior Executives

Decision-making procedures, determination basis of remuneration and actual payment for directors, supervisors and senior executives

Decision-making procedures of remuneration for directors, supervisors and senior executives	The remuneration for directors, supervisors and senior executives of the Company shall be in strict compliance with the <i>Rules and Procedures for the Board of Directors</i> and the <i>Rules and Procedures for the Shareholders' Meeting</i> , as well as the regulations of the Company's <i>Articles of Association</i> and the <i>Company Law</i> .
Remuneration basis for Directors, Supervisors and Senior Executives	The directors, supervisors and senior executives of Company are paid according to their positions and corresponding responsibilities and the Company's salary system, with an annual bonus based on the performance evaluated.

Remuneration for Directors, Supervisors and Senior Executives during the reporting period

Unit: RMB 10,000

Name	Gender	Age	Position	Position status	Remuneration receivable from the Company	Whether the remuneration is gained from the related party of the Company
Thierry de LA TOUR D'ARTAISE	Male	69	Chairman	On-service		Yes
Su Xianze	Male	56	Director	On-service		Yes
Stanislas de GRAMONT	Male	59	Director	On-service		Yes
Nathalie LOMON	Female	53	Director	Resigned		Yes
Olivier CASANOVA	Male	58	Director	On-service		Yes
Delphine SEGURA VAYLET	Female	54	Director	On-service		Yes
Tai Wai Chung	Male	64	Director	On-service		Yes
Chen Jun	Male	47	Independent director	On-service	25	No
Hervé MACHENAUD	Male	77	Independent director	On-service	25	No
Jean-Michel PIVETEAU	Male	77	Independent director	On-service	25	No
Philippe SUMEIRE	Male	64	Chairman of Board of Supervisors	On-service		Yes
Zhang Junfa	Male	47	Supervisor	On-service	42.45	No
Lu Lanhua	Female	46	Supervisor	On-service	98.33	No
Cheung Kwok Wah	Male	59	General Manager	On-service	874.17	No
Xu Bo	Male	56	Chief Financial Officer	On-service	318.59	No
Ye Jide	Male	48	Vice General Manager, Board Secretary	On-service	119.03	No
Total	--	--	--	--	1,527.57	--

Description of other situations

 Applicable Not applicable

VI. Duty Performance of Directors during the Reporting Period

1. Board of Directors during the reporting period

Session	Convening date	Date of disclosure	Meeting resolution
The 17 th Session of the Seventh Board of Directors	January 3, 2023	January 4, 2023	See <i>Announcement of Resolutions of the 17th Session of the Seventh Board of Directors</i> (Announcement No.: 2023-001) disclosed on http://www.cninfo.com.cn for details
The 18 th Session of the Seventh Board of Directors	January 31, 2023	February 2, 2023	See <i>Announcement of Resolutions of the 18th Session of the Seventh Board of Directors</i> (Announcement No.: 2023-009) disclosed on http://www.cninfo.com.cn for details

The 19 th Session of the Seventh Board of Directors	March 29, 2023	March 31, 2023	See <i>Announcement of Resolutions of the 19th Session of the Seventh Board of Directors</i> (Announcement No.: 2023-017) disclosed on http://www.cninfo.com.cn for details
The 1 st Session of the Eighth Board of Directors	April 26, 2023	April 28, 2023	See <i>Announcement of Resolutions of the 1st Session of the Eighth Board of Directors</i> (Announcement No.: 2023-045) disclosed on http://www.cninfo.com.cn for details
The 2 nd Session of the Eighth Board of Directors	August 30, 2023	August 31, 2023	See <i>Announcement of Resolutions of the 2nd Session of the Eighth Board of Directors</i> (Announcement No.: 2023-060) disclosed on http://www.cninfo.com.cn for details
The 3 rd Session of the Eighth Board of Directors	September 27, 2023	September 28, 2023	See <i>Announcement of Resolutions of the 3rd Session of the Eighth Board of Directors</i> (Announcement No.: 2023-066) disclosed on http://www.cninfo.com.cn for details
The 4 th Session of the Eighth Board of Directors	October 26, 2023	October 27, 2023	See <i>Announcement of Resolutions of the 4th Session of the Eighth Board of Directors</i> (Announcement No.: 2023-076) disclosed on http://www.cninfo.com.cn for details
The 5 th Session of the Eighth Board of Directors	December 21, 2023	December 22, 2023	See <i>Announcement of Resolutions of the 5th Session of the Eighth Board of Directors</i> (Announcement No.: 2023-087) disclosed on http://www.cninfo.com.cn for details

2. Attendance of board meeting and general meeting of shareholders by directors

Attendance of board meeting and general meeting of shareholders by directors							
Name of directors	Due attendance of board meetings during the reporting period (times)	Presence in on-site board meetings (times)	Presence via communication on board meetings (times)	Entrusted presence in board meetings (times)	Absence on board meetings (times)	Absent for twice continuously on board meetings?	Attendance of general meeting of shareholders
Thierry de LA TOUR D'ARTAISE	8	1	7	0	0	No	0
Stanislas de GRAMONT	8	2	6	0	0	No	0
Nathalie LOMON	6	2	4	0	0	No	0
Olivier CASANOVA	1	0	1	0	0	No	0
Delphine SEGURA VAYLET	8	2	6	0	0	No	0
Su Xianze	8	2	6	0	0	No	1
Tai Wai Chung	8	2	6	0	0	No	0
Hervé MACHENAUD	8	2	6	0	0	No	0
Jean-Michel PIVETEAU	8	2	6	0	0	No	0
Chen Jun	8	1	7	0	0	No	4

Explanation on absence for twice continuously

None

3. Objections by directors to company issue

Were there any objections raised by directors to company issues?

Yes No

There was no objection raised by any director to company issues during the reporting period.

4. Other explanations of duty performance of directors

Was there any advice raised by directors to company issues adopted by the Company?

Yes No

Explanation on adoption or non-adoption of the advice from directors

During the reporting period, all directors of the Company were responsible and diligent. They paid close attention to the reports about Company news by press and on the Internet and understood progress of the Company's important matters timely. They reviewed the information reports provided by the Company periodically, and gave relevant comments and advices. They exerted their specialties fully, performed the duties as directors actively and maintained the legitimate rights and interests of the Company and minority shareholders.

VII. Situation of Special Committees under the Board of Directors during the Reporting Period

Name of the Committee	Members	Meeting times	Convening date	Content of the meeting	Important opinions and suggestions put forward	Other circumstances relating to the performance of duties	Specific circumstances of disputed matters (if any)
Compensation and Appraisal Committee	Hervé MACHENAUD, Jean-Michel PIVETEAU, Delphine SEGURA VAYLET	3	March 29, 2023	The Compensation Committee reviewed and discussed 1. Summary of the employment situation of the Company in 2022; 2. Annual labor cost and remuneration of senior executives and employee supervisors in 2022; 3. Remuneration adjustment policy in 2023 4. Implementation of Restricted Stock Incentive Plan; 5. Performance of corporate social responsibilities; 6. Organization development and position information of core executives.	The Compensation Committee agreed to the proposal and recognized the Company's efforts in employment management, organizational talent strategy and remuneration strategy.	None	None
			August 30, 2023	The Compensation Committee reviewed and discussed 1. Employment situation of the Company in the first six months of 2023; 2. Labor costs in the first six	The Compensation Committee agreed to the proposal and recognized the Company's efforts in employment management, organizational talent strategy	None	None

				months of 2023; 3. Actual remuneration adjustment in 2023; 4. Long-term incentive plan of 2023; 5. Performance of corporate social responsibilities; 6. Organization development and position information of core executives.	and performance of the corporate social responsibility.		
			September 26, 2023	The Compensation Committee reviewed and discussed 1. 2023 Stock Option Incentive Plan (Draft) and Its Abstract; 2. Assessment Measures for the Implementation of the 2023 Stock Option Incentive Plan; 3. Measures for the Management of the Performance Incentive Fund in 2023	The Compensation Committee agreed to the proposal.	None	None
Audit Committee	Chen Jun, Jean-Michel PIVETEAU, Nathalie LOMON	4	March 29, 2023	The Audit Committee reviewed and discussed 1. External audit opinions; 2. Key data of the 2022 financial statement; 3. 2022 internal control achievement, and 2023 internal control plan; 4. Performance of internal audit projects in 2022, and 2023 audit plan and key audit findings rectification and follow-up plan; 5. Main conclusions of external audit; 6. Matters of audit organization renewal in 2023.	1. The Audit Committee approved the 2023 audit plan (focusing on the sales allowance and market costs) and the 2023 key follow-up project plan. 2. The Audit Committee advised to strengthen corresponding internal control procedures based on the findings on the matters reported by supervision. 3. The Audit Committee reviewed and discussed the qualifications of the external auditor and proposed the Board of Directors to review and approve KPMG as the audit service provider of the Company in 2023. 4. The Audit Committee advised to evaluate the need of audit on overseas bases of Supor.	None	None
			June 30, 2023	The Audit Committee reviewed and discussed 1. Progress of internal control projects in 2023; 2. Progress of the implementation of internal audit projects and rectification of key audit findings in 2023; 3. Results of external audit and review		None	None
			August 30, 2023	The Audit Committee reviewed and discussed 1. External audit opinions;	1. The Audit Committee advised to strengthen the quantitative impact analysis	None	None

				2. Key data in the semiannual financial statement of 2023; 3. Progress of internal control projects in 2023; 4. Progress of the implementation of internal audit projects and rectification of key audit findings in 2023; 5. Progress of external audit; 6. The Audit Committee consulted external auditors to learn about the communication with external regulatory agencies.	of audit findings in internal audit projects. 2. The Audit Committee advised to strengthen and formalize the communication process between internal auditors and external auditors regarding high-risk internal audit findings and required that external auditors shall evaluate the impact of high-risk internal audit findings on audit opinions and appropriately record and report it to the management of the Company.		
	Chen Jun, Jean-Michel PIVETEAU, Olivier CASANOVA		December 21, 2023	The Audit Committee reviewed and discussed 1. Progress of internal control projects in 2023; 2. Progress of the implementation of internal audit projects and rectification of key audit findings in 2023; 3. Results of external audit and review		None	None

VIII. Work of the Board of Supervisors

During the reporting period, did the Board of Supervisors find any risk about the Company?

Yes No

The Board of Supervisors held no objection to the issues supervised during the reporting period.

IX. Employees of the Company

1. Number of Employees, professional and education conditions

Number of in-service employees of the parent company at the end of the reporting period (persons)	1,850
Number of in-service employees of the main subsidiaries at the end of the reporting period (persons)	8,903
Total number of in-service employees at the end of the reporting period (persons)	10,753
Total number of employees paid during current period (person)	10,753
Retired employees for whom the parent company and major subsidiaries should cover expenses (person)	16
Profession composition	
Job description	Quantity (person)
Production personnel	6,305
Sales personnel	1,516

Technician	1,936
Financial personnel	183
Administrative personnel	813
Total	10,753
Education	
Education category	Quantity (person)
Postgraduate and above	177
Junior college or university	3,628
Technical secondary school or high school	3,219
Others	3,729
Total	10,753

2. Remuneration policy

The Company adopts floating salary system for all employees. Salary that we provide to employees includes pre-tax basic salary, performance salary and various incentive bonuses in the form of currency; we also offer various non-monetary welfares such as commercial insurance, internal and external training, internal development and comfortable working environment.

We provide employees with competitive salary and welfare to keep a certain degree of competitiveness and absorb talents; while in the Company, to stabilize those key employees, embody the Company's value orientation, motivate self-improvement of employee and create high performance.

3. Training plan

1) Training system:

Guided by strategic planning and business development needs, Supor relies on employees' career development and professional ability improvement to carry out training on professional and technical sequences and management sequences. According to the planning of talent development strategy and coordinating with talent echelon construction, the Company designs learning projects systematically and at different levels.

Training type	Training hours	Actual Number of Trainees	Average (H)
Online trainings in 2023	38,762	3,436	11.28
Offline trainings in 2023	258,203	9,907	26.06

The detailed offline training data in 2023 are as follows:

Position level	Training hours (H)
Senior management	2,755.40
Middle level	14,152.50
General employees	83,728.40
Front-line employees	157,566.35
Total training hours	258,202.65

Type	Actual Number of Trainees
Number of male employees trained	6,304
Number of female employees trained	3,603
Total number of participants	9,907

2) Various forms

Supor lays emphasis on the innovation of employee training. In order to promote the training experience and leaning conversion rate, the Company facilitates learning in multiple perspectives through diverse forms involved online learning, live streaming, offline learning, project workshops, internal and external thematic exchange sessions, and cross-fields visits.

3) Internal inheritance

According to the planning of talent development strategy and coordinating with talent echelon construction, the Company irregularly organizes professional personnel in relevant fields to extract knowledge, develop courses and impart their organizational and personal experience. We also provide instructor and tutor resources which are mainly from internal managers to employees to improve the competence and speed up the growth of employees and practice our talent building and development policies.

4. Labor outsourcing

Applicable Not applicable

Total hours of labor outsourcing (Hours)	11,819,387.44
Total remuneration paid for labor outsourcing (RMB)	261,022,753.72

X. Profit distribution and conversion from capital reserves to share capital

Formulation, implementation or adjustment of profit distribution policies, especially cash dividend policies during the reporting period

Applicable Not applicable

During the reporting period, the Company implemented the profit distribution plan in strict accordance with the *Articles of Association* and other relevant provisions, where the dividend distribution standard and proportion were clear and definite and the relevant decision-making procedures and mechanisms were complete. The Company held the 19th Session of the Seventh Board of Directors and the 18th Session of the Seventh Board of Supervisors on March 29, 2023, and held the Annual General Meeting of Shareholders for 2022 Fiscal Year on April 25, 2023, which deliberated and approved the *Proposal on Profit Distribution Plan 2022*. The Company's Profit Distribution Plan 2022 is: based on the 805,116,907 shares (total capital stock of 808,654,476 shares at the end of 2022 deducted by 3,537,569 shares of repurchased shares in the Company's special stock repurchase account, the Company have canceled 1,870,069 shares in the special stock repurchase account on April 10, 2023, the latest total capital stock of the Company is 806,784,407 shares and the latest number of shares in the special stock repurchase account is 1,667,500 shares), the Company will distribute all shareholders cash dividends of RMB 30.30 per 10 shares (tax included), and total amount of cash dividends is RMB 2,439,504,228.21. The Company will issue 0 bonus shares (tax included) and not convert capital reserves to capital. On May 26, 2023, the profit distribution plan of the Company for 2022 Fiscal Year was completed.

Special description of cash dividend policy	
Whether it meets the requirements in Articles of Associations or resolutions of the Shareholders' Meeting:	Yes
Whether the dividend standard and proportion are definite and clear:	Yes

Whether the relevant decision procedure and mechanism are complete:	Yes
Whether the independent director performs obligations and plays roles:	Yes
If without distribution of cash dividends, the Company shall disclose the specific reasons of non-distribution, as well as the subsequent measures to be taken to enhance investor returns:	Yes
Whether the minority shareholders have opportunity in giving opinions and claims, and whether the legal interests of minority shareholders are protected sufficiently:	Yes
Where the cash dividend policy is adjusted or changed, and whether the conditions and procedures are compliant and transparent:	Yes

Information on profit-making during the reporting period and positive undistributed profit of parent company for shareholders but without cash dividend distribution plan

Applicable Not applicable

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

Applicable Not applicable

Number of bonus stock per 10 shares (shares)	0
Amount of dividend (RMB) per 10 shares (tax-inclusive)	27.30
Equity base in distribution plan (shares)	796,891,157
Amount of cash dividends (tax-inclusive)	2,175,512,858.61
Amount of cash dividends realized in other modes (e.g. repurchased shares) (RMB)	480,065,768.74
Total cash dividends (including other modes) (RMB)	2,655,578,627.35
Distributable profits (RMB)	3,782,559,441.04
Proportion of total cash dividends (including other modes) in total distribution of profits	100%
Cash Dividends of This Time	
Others	
Detailed information on profit distribution and conversion of capital reserve to capital pre-proposal	
<p>In accordance with the standard unqualified audit report provided by KPMG Certified Public Accountants (Special General Partnership), the parent company of Zhejiang Supor Co., Ltd. realized the net profits of RMB 1,979,653,497.56 in 2023, and could distribute profits of RMB 3,782,559,441.04 to shareholders at the end of the year based on relevant provisions of Company Law and the Articles of Association, after allocating RMB 85,151,939.97 as legal surplus reserve (note: the accumulated amount of legal surplus reserve reached 50% of total capital stock), plus the undistributed profit of RMB 4,331,212,701.66 at the beginning of this reporting period, deducting the annual cash dividends for 2022 fiscal year of RMB 2,439,504,228.21 distributed on May 26, 2023, and decreased distributable profit RMB 3,650,590.00 due to the grant of Restricted Stocks on February 24, 2023 with respect to 2022 Restricted Stock Incentive Plan.</p> <p>The profit distribution plan is detailed as follows: based on the 796,891,157 shares at the end of 2023 (total capital stock of 806,708,657 shares at the end of 2023 deducted by 9,817,500 shares of repurchased shares in the Company's special stock repurchase account), the Company will distribute all shareholders cash dividends of RMB 27.30 per 10 shares (tax included), and total amount of cash dividends is RMB 2,175,512,858.61. The Company will issue 0 bonus shares (tax included) and not convert capital reserves to capital. During the period from the disclosure of this profit distribution preplan to the actual implementation date, if the Company's capital stock changes due to conversion of convertible bonds into stocks, share repurchases, equity incentive exercise, and refinancing and new share listing, it will be executed based on the changed capital stock, and the above distribution ratio remains unchanged.</p>	

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

Applicable Not applicable

1. Equity incentive

(I) 2021 Equity Incentive Plan

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

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

2. The 2nd Session of the Eighth Board of Directors and the 2nd Session of the Eighth Board of Supervisors of the Company held on August 30, 2023 deliberated and approved the *Proposal on Repurchasing and Canceling a Part of Restricted Stock*. For the disqualification of 2 incentive objects due to their resignation, the Company decided to repurchase and cancel 2,000 shares of restricted stock. Above repurchase and cancelation of Restricted Stocks shall be submitted to the General Meeting of Shareholders for approval.

For details, please refer to the *Announcement of Repurchasing and Canceling a Part of Restricted Stock* disclosed on *Securities Times*, *China Securities Journal*, *Securities Daily*, and <http://www.cninfo.com.cn> on August 31, 2023 (Announcement No.: 2023-063).

3. The 6th Session of the Eighth Board of Directors and the 6th Session of the Eighth Board of Supervisors of the Company held on January 26, 2024 deliberated and approved the *Proposal on Unlocking of Restricted Stock within the First Unlock Period of 2021 Restricted Stock Incentive Plan*, agreeing to unlock the Restricted Stock for 270 qualified Incentive Objects in the first unlock period. The number of Restricted Stock unlocked is 555,750 shares, and the restricted stocks in the first unlock period had been listed and circulated on February 2, 2024.

For details, please refer to the *Announcement of Unlocking of Restricted Stock within the First Unlock Period of 2021 Restricted Stock Incentive Plan* and the *Suggestive Announcement on Listing of Restricted Stock Unlockable during the First Unlock Period of 2021 Restricted Stock Incentive Plan* disclosed on *Securities Times*, *China Securities Journal*, *Securities Daily*, and <http://www.cninfo.com.cn> on January 27, 2024 and January 31, 2024 (Announcement No.: 2024-005, 2024-007).

(II) 2022 Equity Incentive Plan

1. The 18th Session of the Seventh Board of Directors and the 17th Session of the Seventh Board of Supervisors held on January 31, 2023 deliberated and approved the *Proposal on Grant of Postponed Portion of Restricted Stock to Incentive Objects*. The Company plans to grant 79,000 shares of postponed portion of restricted stocks to 2 incentive objects. The Company completed the registration of restricted stock grants on February 24, 2023.

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

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

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

3. The 2nd Session of the Eighth Board of Directors and the 2nd Session of the Eighth Board of Supervisors of the Company held on August 30, 2023 deliberated and approved the *Proposal on Repurchasing and Canceling a Part of Restricted Stock*. For the disqualification of 3 incentive objects due to their resignation, the Company decided to repurchase and cancel 3,250 shares of restricted stock. Above repurchase and cancelation of Restricted Stocks shall be submitted to the General Meeting of Shareholders for approval.

For details, please refer to the *Announcement of Repurchasing and Canceling a Part of Restricted Stock* disclosed on *Securities Times*, *China Securities Journal*, *Securities Daily*, and <http://www.cninfo.com.cn> on August 31, 2023 (Announcement No.: 2023-063).

(III) 2023 Equity Incentive Plan

1. The 3rd Session of the Eighth Board of Directors and the 3rd Session of the Eighth Board of Supervisors of the Company held on September 27, 2023 reviewed and adopted the *Proposal on 2023 Stock Option Incentive Plan (Draft) and its Abstract*. The Board of Supervisors of the Company conducted preliminary verification on the list of incentive objects.

For details, please refer to the *2023 Stock Option Incentive Plan (Draft) and its Abstract of Zhejiang Supor Co., Ltd.* disclosed on Cninfo (<http://www.cninfo.com.cn>) on September 28, 2023.

2. On October 14, 2023, the Company disclosed the *Verification Opinions on List of Incentive Objects for 2023 Stock Option Incentive Plan*. The Board of Supervisors has verified the Incentive Objects of 2023 Stock Option Incentive Plan and concluded that the subjective qualifications of the Incentive Objects involved in this plan are legal and valid.

For details, please refer to the *Verification Opinions on List of Incentive Objects for 2023 Stock Option Incentive Plan* disclosed on *Securities Times*, *China Securities Journal*, *Securities Daily*, and <http://www.cninfo.com.cn> on October 14, 2023 (Announcement No.: 2023-072).

3. The Second Interim General Meeting of Shareholders 2023 convened by the Company on October 19, 2023 deliberated and approved the *Proposal on 2023 Stock Option Incentive Plan (Draft) and its Abstracts*, the *Proposal on Assessment Measures for the Implementation of the 2023 Stock Option Incentive Plan*, and the *Proposal on Requesting the General Meeting of Shareholders to Authorize the Board of Directors to Deal with Issues Related to the Company's 2023 Stock Option Incentive Plan*.

For details, please refer to the *Announcement on Resolutions of the Second Interim General Meeting of Shareholders 2023* disclosed on *Securities Times*, *China Securities Journal*, *Securities Daily*, and <http://www.cninfo.com.cn> on October 20, 2023 (Announcement No.: 2023-073).

4. On October 20, 2023, the Company disclosed the *Self-verification on Buying or Selling the Company's Shares by Insiders and Incentive Objects of 2023 Stock Option Incentive Plan*. The Company's insiders did not trade the Company's shares or involved in insider trading during the process of planning. In addition, the Company's insiders and Incentive Objects did not trade the Company's shares or involved in insider trading within six months before the publication of the Incentive Plan..

For details, please refer to the *Self-verification on Buying or Selling the Company's Shares by Insiders and Incentive Objects of 2023 Stock Option Incentive Plan* disclosed on *Securities Times*, *China Securities Journal*, *Securities Daily*, and <http://www.cninfo.com.cn> on October 20, 2023 (Announcement No.: 2023-074).

5. On October 26, 2023, the 4th Session of the Eighth Board of Directors and the 4th Session of the Eighth Board of Supervisors of the Company deliberated and approved the *Proposal on Grant of Stock Option to Incentive Objects*. The Company planned to grant 1,075,000 Stock Options to totally 53 Incentive Objects. The Company completed the registration of stock option on November 7, 2023.

For details, please refer to the *Announcement of Grant of Stock Option to Incentive Objects* and the *Announcement of Completion of Registration for Grant of Restricted Stock of 2023* disclosed on *Securities Times*, *China Securities Journal*, *Securities Daily*, and <http://www.cninfo.com.cn> on October 27, 2023 and November 8, 2023 (Announcement No.: 2023-079, 2023-084).

Equity incentives received by the Company's directors and senior executives

Applicable Not applicable

Unit: share

Name	Position	Number of stock options held at the end of the year	Number of newly-granted stock options during the reporting period	Shares which can be exercised during the reporting period	Shares which have been exercised during the reporting period	Exercise price of exercised shares during the reporting period (RMB/share)	Number of stock options held at the end of the period	Market price at the end of reporting period (RMB/share)	Restricted stock held at the beginning of the period	Shares unlocked in current period	Restricted stock newly granted during the reporting period	Granting price of restricted stock (RMB/share)	Restricted stock held at the end of the period
Cheung Kwok Wah	General Manager	0	96,000	0	0	0	96,000	53.01	142,000	0	0	1	142,000
Xu Bo	Chief Financial Officer	0	68,000	0	0	0	68,000	53.01	45,000	0	58,000	1	103,000
Ye Jide	Vice General Manager, Board Secretary	0	25,000	0	0	0	25,000	53.01	20,000	0	21,000	1	41,000
Total	--	0	189,000	0	0	--	189,000	--	207,000	0	79,000	--	286,000
Remarks (if any)	<p>Mr. Cheung Kwok Wah, the General Manager, was granted 60,000 and 82,000 restricted stocks of the 2021 and 2022 Equity Incentive Plans, respectively, for a total of 142,000 shares. Amongst others, 30,000 unlockable restricted stocks in the first unlock period of the 2021 Equity Incentive Plan had been listed and circulated on February 2, 2024. In addition, 96,000 stock options under the 2023 Equity Incentive Plan were granted to Mr. Cheung Kwok Wah.</p> <p>Mr. Xu Bo, the Chief Financial Officer, was granted 45,000 and 58,000 restricted stocks of the 2021 and 2022 Equity Incentive Plans, respectively, for a total of 103,000 shares. Amongst others, 22,500 unlockable restricted stocks in the first unlock period of the 2021 Equity Incentive Plan had been listed and circulated on February 2, 2024, and the restricted stocks granted under the 2022 Equity Incentive Plan had been registered on February 24, 2023. In addition, 68,000 stock options under the 2023 Equity Incentive Plan were granted to Mr. Xu Bo.</p> <p>Mr. Ye Jide, the Vice General Manager and Board Secretary, was granted 20,000 and 21,000 restricted stocks of the 2021 and 2022 Equity Incentive Plans, respectively, for a total of 41,000 shares. Amongst others, 10,000 unlockable restricted stocks in the first unlock period of the 2021 Equity Incentive Plan had been listed and circulated on February 2, 2024, and the restricted stocks granted under the 2022 Equity Incentive Plan had been registered on February 24, 2023. In addition, 25,000 stock options under the 2023 Equity Incentive Plan were granted to Mr. Ye Jide.</p>												

Evaluation mechanism and incentive of senior executives

The Company has established a perfect performance appraisal system and salary system for senior executives, which directly connects the work performance of senior executives with their salary. Based on the indicators of the KPI system established at the beginning of 2023, the Company has conducted the year-end appraisal in January 2024 of senior executives of their working abilities, duty performance and target fulfillment, meanwhile, distributed annual performance salary. During the reporting period, the Company implemented the *2023 Stock Option Incentive Plan (Draft)*, and deliberated and approved the *Administratiom Measures for the Performance Incentive Fund*, with a view to achieving effective motivation of the senior executives. Besides, the Company held the 6th Session of the Eighth Board of Directors on January 26, 2024, and agreed to unlock restricted stocks granted to the senior executives that are unlockable in the first unlock period in accordance with the *2021 Restricted Stock Incentive Plan (Draft)*. The Compensation and Appraisal Committee of the Board of Directors, as the special committee under the Board of Directors, reviewed the appraisal result.

2. Implementation of the employee stock ownership plan

Applicable Not applicable

3. Other employee incentive measures

Applicable Not applicable

XII. Development and Implementation of Internal Control Systems during the Reporting Period

1. Development and implementation of internal controls

In accordance with the requirements of the *Basic Standards for Internal Control of Enterprises*, its supporting guidelines, as well as other requirements for internal control supervision and based on the principles of comprehensiveness, significance, balance, adaptability and cost-effectiveness, the Company establishes and improves the internal control system implemented by the Board of Directors, Board of Supervisors, managers and all employees to achieve the Company's strategic development goals, with a view to reasonably ensuring the legal compliance of the Company's operation and management, asset security, and authenticity and integrity of financial statements and related information, and to improving business efficiency and effectiveness.

1. Control environment

(1) Governance structure

In accordance with the provisions of national laws and regulations, resolutions of the Board of Shareholders, and the Articles of Association, the Company defines the duties and authorities, rules of procedure, and working procedures of the Board of Shareholders, Board of Directors, Board of Supervisors and managers, so as to form a governance mechanism for the separation of decision-making, implementation, and supervision. The Board of Directors is accountable for the Board of Shareholders, and exercises the business decision-making power of the Company according to law, and shall be accountable for the establishment, improvement and effective implementation of internal control. The special committees pertaining to strategy, audit and remuneration set up under the Board of Directors provide support for scientific decision-making, in which the Audit Committee is responsible for reviewing and supervising the effective implementation of internal controls and the self-evaluation on internal controls. The Board of Supervisors is accountable for the Board of Shareholders and supervises the Board of Directors and senior executives of the Company to perform their duties

according to law. The senior management composed of the President and the Chief Financial Officer are accountable for the Board of Directors, and take charge of the daily operation and management activities of the Company.

(2) Organizational structure and division of authorities and responsibilities

In view of the business characteristics and internal control requirements, the Company reasonably sets up internal organizations at all levels, such as the functional departments of the headquarters, business departments, production bases, marketing centers and other internal institutions, and defines the division of authorities and responsibilities in the organization structure chart, job descriptions, business flow charts, authorization system documents and other internal management documents, so as to form a working mechanism that allows performance of corresponding duties with mutual restriction and coordination.

(3) Internal audit

The Company has set up an audit department, which reports to the Audit Committee of the Board of Directors. The audit department evaluates the level of internal control and the efficiency of process control and organization by means of internal audit, internal control consultation and organizational risk assessment, and timely reports to the management and the Audit Committee for the internal control defects and potential risks detected in the process of supervision and inspection, and promotes relevant departments to formulate action plans and follow up the corresponding rectification performance to ensure the effective implementation of internal controls.

(4) Human resource policies

In accordance with the development strategy, current situation of human resources, and future demand forecast, the Company formulates and implements human resources policies conducive to the sustainable development of the Company. The *Personnel Management System*, *Recruitment Management System*, *Remuneration Management System*, *Training Management System*, *Attendance Management System*, and *Employee Manual* formulated by the Company clearly define the principles and processes for the employees in aspects of selection and appointment, dismissal and transfer, remuneration assessment, training, rewards and punishments, labor disciplines, information confidentiality, etc.

(5) Enterprise culture

The Company adheres to the enterprise spirit of "With Pressure, Face Pressure, Overcome pressure", sets up the enterprise style of "Patriotism, Integrity, Modesty, Pragmatism, Innovation and Transcendence, and devotes to improving the living quality of thousands upon thousands of families in their kitchens and homes, so that "Where there is a home, there is Supor" can become the consensus of more and more consumers. Through the establishment of a series of internal norms such as the *Basic Law of Supor*, the *Code of Professional Ethics of Employees* and the *Rules for Anti-fault* the Company integrates the efficient and pragmatic corporate culture into all aspects of daily production and operating activities, and enhances the employees' sense of responsibility and sense of mission, normalizes employee behaviors, enhances corporate cohesion and coagulation, and constantly improves the overall image of the Company.

2. Risk assessment

According to the established control objectives and the characteristics of business development in different stages, the Company introduces different forms of measures, such as risk self-assessment, anti-corruption questionnaire, risk mapping, and tax risk matrix, to carry out comprehensive, systematic and continuous collection of relevant information, with the method combining both quantitative and qualitative measures, in order to timely identify and systematically analyze the internal risks in the production and operating processes in terms of human resources, management, innovation, finance, assets, health, safety, environmental protection, data

confidentiality, business loss, and continuing operation, and the external risks in the production and operating processes in terms of politics, economy, law, taxation, science and technology, natural environment, social environment, etc., and to determine the risk response strategy that matches the Company's risk bearing capacity and take appropriate control measures to achieve effective risk control, on the basis of weighing the principle of cost-benefit.

3. Control activity

In the course of daily operation, the Company continuously establishes and improves various management systems, covering financial accounting, internal control, human resources, material procurement, inventory management, asset management, technological R&D, production process, quality control, product sales, health, safety and environment, comprehensive management, etc., to ensure the compliance of all work aspects. Under the various institutional frameworks, the Company reasonably ensures the realization of business objectives through the implementation of key control measures and procedures.

Key controls must include: separated control for incompatible posts, approval control for authorization, accounting system control, property protection and control, budget control, operational analysis control, performance assessment control and other controls.

(1) Approval control for authorization: the Company defines the scope, authority, procedure, responsibility and other relevant aspects of authorization and approval, and the management staff at all levels of the Company must exercise the corresponding functions and powers within the scope of authorization, and the handling personnel must also handle economic transactions within the scope of authorization and bear corresponding liabilities.

(2) Separated control for incompatible posts: the Company sets up a reasonable division of labor, scientifically divides responsibilities and powers, and formulates the *System of Separation of Responsibilities and Powers* in accordance with the principle of separation of incompatible duties, so as to form a mechanism of mutual checks and balances. Incompatible duties mainly include: feasibility study and decision approval, decision approval and implementation, implementation and supervision & inspection.

(3) Accounting system control: in strict accordance with the provisions of the *Accounting Standards for Business Enterprises*, the Company formulates the financial policies and processes such as the *Accounting Preconditions and Basic Principles*, *Accounting System of Accounting Subjects*, *Revenue Recognition System*, *Consolidated Statement System*, and *Account Settlement Process*, clearly defines the handling procedures for accounting vouchers, accounting books and financial statements, so as to ensure the authenticity and integrity of accounting data.

(4) Property protection and control: the Company strictly restricts unauthorized personnel from accessing and disposing assets, and adopts measures such as regular stocktaking, asset records, account verification, and property insurance, to ensure the safety of all kinds of assets in accordance with the requirements of the *Inventory Taking and Regulation System*, and *Fixed Assets Management System* formulated by the Company.

(5) Budget control: the Company implements comprehensive budget management in accordance with the *Budget System*, and the responsible departments at all levels prepare their budgets in accordance with their responsibilities and powers, and regularly follow up the implementation of their budgets after being reviewed and approved by the management.

(6) Operational analysis control: the Company has established a regular operation analysis mechanism, with which the management can utilize the data and information acquired in the production, procurement, sales, finance and other systems to comprehensively analyze and evaluate the Company's operating risks and market situations, timely detect any problems, identify the causes and formulate effective rectification plans for improvement.

(7) Performance assessment control: according to the requirements of the Company's *Remuneration Management System*, the Company's organizations at all levels have established and implemented a comprehensive and systematic performance assessment system, to scientifically set up performance assessment indicators of various individuals/groups, regularly organize assessment and objective evaluation, and take the assessment results as the basis for employee remuneration adjustment, job promotion, reward and punishment, post transfer, dismissal, etc.

4. Information and communication

According to the requirements of development strategy, risk control and performance assessment, the Company has established different levels of internal reporting indicator systems, in order to enable the management at all levels to timely and comprehensively access all kinds of internal and external information pertaining to production and management and promptly formulate business principles and policies adaptive to business and environmental changes. The internal reporting systems make full use of information technology to build a scientific internal reporting network based on reliable information systems such as SAP, BI, CRM, consolidated statements, and management statements.

The Company has established a special anti-fraud mechanism, clearly defined the key areas and key links of anti-fraud efforts and the anti-fraud responsibilities and powers of relevant departments, and set up the solely-designated supervision channel to standardize the whistleblowing, investigation, handling, reporting and follow-up processes of fraud cases. Besides, through e-mail, official website, WeChat official account, contracts, training, meetings and other forms of measures, the Company publicizes the anti-fraud policies and supervision channels to employees, suppliers, distributors and other stakeholders from time to time, so as to form an anti-fraud atmosphere which emphasizes on prevention and combines both punishment and prevention.

5. Supervision on control

The Company has established an internal control and supervision mechanism, with which the independent directors and the Board of Supervisors can fully and independently perform supervisory duties for the management of the Company, and carry out independent evaluation and provide independent suggestions. The Company has formulated the *Internal Audit System*, and the special internal audit department under the leadership of the Audit Committee of the Board of Directors can independently carry out internal audit, implement effective supervision over the management and promote the effective implementation of internal controls. In the light of the situation of internal supervision, the Company regularly carries out self-evaluation on the effectiveness of internal controls and issues Self-Evaluation Report on Internal Control System.

2. Significant internal control defects of internal control found during the reporting period

Yes No

XIII. Company's Management and Control of Subsidiaries during the Reporting Period

The headquarters of listed companies effectively monitors the subsidiaries through the following measures:

- (1) Delegate and appoint senior executives of subordinate subsidiaries at the beginning of each year, and clearly define their terms of reference and report objects.
- (2) Supervise subordinate subsidiaries to formulate detailed management processes and risk control procedures for various business sectors and functional areas under the principle frameworks of management systems of the headquarters and business divisions.

(3) Convene a monthly operating and financial meeting to review and follow up the implementation of the subsidiaries' business plans and the completion of various performance evaluation indicators in a timely manner, in accordance with the Company's development and business objectives specified in the annual budget planning meeting. Besides, various functional committees, such as product committee, and procurement committee, also carry out effective monitoring over the daily operation and operating activities of the subsidiaries.

(4) The main financial and business information systems, including SAP, CRM, SRM, BI, OMS and BPM, are centrally managed in the headquarters of listed companies, which is convenient for the headquarters to access and manage the production, sales and procurement of the subsidiaries through system reports in real time. In addition, all subsidiaries are also required to submit management reports in respect of operation, finance, industry, human resources, etc., to the headquarters on a monthly basis.

(5) The receipts and payments of major subsidiaries are subject to centralized allocation and disbursement of the Financial Sharing Center of the headquarters of the listed companies, and the Financial Sharing Center is responsible for the preparation and reporting of the monthly balance sheets, profit statements and cash flow statements of the subordinate subsidiaries, and convening regular meetings with subordinate subsidiaries to analyze and follow up the changes of various financial data.

(6) In accordance with the requirements of the Company's *Management System for Information Disclosure Affairs*, each subsidiary shall promptly report to the headquarters of the listed companies relevant information pertaining to major business/financial and other matters, and provide timely feedback on the progress or changes of major matters, and if necessary, go through the review and approval procedures of the Board of Directors and Board of Shareholders.

(7) Timely identify the potential risks and major issues inside and outside the subsidiaries by means of internal audit, risk self-assessment, anti-corruption questionnaire, management statement and anti-fraud investigation, etc., draw the management's attention to key areas and vulnerable links, and promptly take measures to reduce relevant risks.

XIV. Evaluation Report of Internal Control or Internal Control Audit Report

1. Evaluation Report of Internal Control

Date of disclosure of full text of Evaluation Report of Internal Control	March 30, 2024	
Reference for disclosure of full text of Evaluation Report of Internal Control	Reference can be made to <i>Self-Evaluation Report on Internal Control 2023</i> disclosed on <i>Securities Times</i> , <i>China Securities Journal</i> , <i>Securities Daily</i> , and http://www.cninfo.com.cn .	
The proportion of total unit assets involved in evaluation scope in total assets of the consolidated financial statement	100.00%	
The proportion of operating income involved in evaluation scope in operating income of the consolidated financial statement	100.00%	
Defect Identification Standard		
Categories	Financial statement	Non-financial statement
Qualitative standard	1) Identification standard of significant defects: fraud of directors, supervisors and senior executives of the Company; modification of financial statement having been published; any material misstatement	1) Identification standard of significant defects: unscientific decision procedure of the Company, such as significant decision-making mistakes which cause the M&A of significant enterprise project to fail in

	<p>of the current period financial statement found by CPA but having not been found during internal control; and invalid supervision by the Audit Committee, the Board of Supervisors and internal audit organization for internal control.</p> <p>2) Identification standard of important defects: selection and application of accounting policies violating accepted accounting criteria; one or several defect(s) on the control of closing financial statement, and failure of reasonably guarantee the prepared financial statement is true and accurate; no check-and-balance system and control measures preventing fraud established.</p> <p>3) General defects refer to other internal control defects not constituting the standards of significant defects and important defects.</p>	<p>reaching expected objectives; violation of national laws and regulations, such as heavy losses of enterprise caused by non-conforming products; significant adverse influence existing in the production and operation of enterprise caused by severe loss of medium and senior management persons and senior technicians; and lack of system control or systematic invalidation for important business.</p> <p>2) Identification standard of important defects: defects on important business systems; failure of rectification for important defects found during internal control and internal supervision; and severe loss of business persons on key posts.</p> <p>3) Identification standard of general defects: defects on general business systems; failure of rectification for general defects found during internal control and internal supervision; and severe loss of business persons on general posts.</p>
Quantitative standard	<p>1) Identification standard of significant defects: potential misstatement of total profit $\geq 5\%$ of total profit; potential misstatement of total operating income $\geq 2\%$ of total operating income; and potential misstatement of total assets $\geq 2\%$ of total assets.</p> <p>2) Identification standard of important defects: 3% of total profit \leq potential misstatement of total profit $< 5\%$ of total profit; 1% of total operating income \leq potential misstatement of total operating income $< 2\%$ of total operating income; and 1% of total assets \leq potential misstatement of total assets $< 2\%$ of total assets.</p> <p>3) Identification standard of general defects: potential misstatement of total profit $< 3\%$ of total profit; potential misstatement of total operating income $< 1\%$ of total operating income; and potential misstatement of total assets $< 1\%$ of total assets.</p>	<p>1) Identification standard of significant defects: direct property loss amount taking above (inclusive) 0.5% in total assets, and causing significant adverse influence on the Company.</p> <p>2) Identification standard of important defects: direct property loss amount taking above (inclusive) 0.1% but no more than 0.5% in total assets, and causing no significant adverse influence on the Company.</p> <p>3) Identification standard of general defects: direct property loss amount taking below 0.1% in total assets, and causing significant adverse influence on the Company.</p>
Quantity of significant defects in financial statement (pcs)		0
Quantity of significant defects in non-financial statement (pcs)		0
Quantity of important defects in financial statement (pcs)		0
Quantity of important defects in non-financial statement (pcs)		0

2. Audit report of internal control

Applicable Not applicable

Deliberations in the audit report of internal control	
We believe that your company has maintained effective internal control over financial reporting in all major aspects in accordance with the <i>Basic Standards for Internal Control of Enterprises</i> and relevant regulations on December 31, 2023.	
Disclosure of audit report of internal control	Disclosed
Date of disclosure of full text of Audit Report of Internal Control	March 30, 2024
Reference for disclosure of full text of Audit Report of Internal Control	Reference can be made to <i>Audit Report on Internal Control 2023</i> disclosed on <i>Securities Times</i> , <i>China Securities Journal</i> , <i>Securities Daily</i> , and http://www.cninfo.com.cn .
Type of audit report opinion of internal control	Standard opinions with no reservation
Significant defect in non-financial statements	No

Did the accounting firm issue the audit report of internal control with non-standard opinions?

Yes No

Is the audit report of internal control issued by the accounting firm consistent with the opinions in self-evaluation report of the Board of Directors?

Yes No

XV. Rectification of Self-inspected Problems in the Special Action on Governance of Listed Companies

Not applicable

SECTION V SOCIAL AND ENVIRONMENTAL RESPONSIBILITIES

I. Major Environmental Issues

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

Yes No

Policies and industrial standards related to environmental protection

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

Administrative permissions for environmental protection

According to the information from related systems, the relevant administrative permits of environmental protection are as follows:

Name of the Company or subsidiary	Date of completion	Validity period
The Company	December 12, 2023	June 30, 2023 - June 29, 2028
Zhejiang Supor Electrical	October 23, 2023	August 25, 2020 - August 24, 2025
Shaoxing Supor	July 10, 2023	July 10, 2023 - July 9, 2028
Wuhan Supor Cookware	September 15, 2023	September 11, 2023 - September 10, 2028

Industrial emission standard and pollutant discharge in production and operating activities

Name of the Company or subsidiary	Type of main pollutant or specific pollutant	Name of main pollutant or specific pollutant	Discharge mode	Number of discharge ports	Distribution of discharge ports	Discharge concentration /intensity	Executive pollutant discharge standard	Total discharge amount	Total discharge amount checked	Excessive discharge
The Company	Water pollutants	COD	Indirect discharge	1	Wastewater discharge port of the wastewater station in plant area	30mg/L	<i>Integrated Wastewater Discharge Standard</i> (GB8978-1996)	5.19t	8.662t/a	None
		Ammoniacal nitrogen	Indirect discharge	1		1.5mg/L	<i>Indirect Discharge for Emission Limitation of Nitrogen and Phosphorus for Industrial Wastewater</i> (DB33/887-2013)	0.26t	0.433t/a	None
	Air pollutants	Sulfur dioxide	Organized emission	39	No.1, No.2 and No.6 plants	<200 mg/m ³	<i>Emission Standard of Air Pollutants for Industrial Surface</i>	0.95t	3.06t/a	None

							<i>Coating (DB33/2146-2018); Integrated Emission Standard of Air Pollutants (GB16297-1996); Emission Standard of Air Pollutants for Industrial Kiln and Furnace (GB9078-1996)</i>			
		Oxynitride	Organized emission	39		<300 mg/m ³	<i>Emission Standard of Air Pollutants for Industrial Surface Coating (DB33/2146-2018); Integrated Emission Standard of Air Pollutants (GB16297-1996); Emission Standard of Air Pollutants for Industrial Kiln and Furnace (GB9078-1996)</i>	8.86t	14.66t/a	None
Zhejiang Supor Electrical	Water pollutants	Chemical oxygen demand	Indirect discharge	1	General outlets of wastewater (DW001)	136 mg/l	<i>Integrated Wastewater Discharge Standard (GB8978-1996)</i>	17.49t	111.1348t/a	None
		Ammoniacal nitrogen		1		6.19 mg/l	<i>Indirect Discharge for Emission Limitation of Nitrogen and Phosphorus for Industrial Wastewater (DB33/887-2013)</i>	1t	7.7794t/a	None
		Total nitrogen		1		10.4 mg/l	<i>Emission Standard of Pollutants for Electroplating (GB 21900-2008)</i>	1.2675t	3.334t/a	None
Shaoxing Supor	Water pollutants	Chemical oxygen demand	Indirect discharge	1	Comprehensive sewage discharge port	<200mg/L	<i>Integrated Wastewater Discharge Standard (GB8978-1996)</i>	144.29t	224.657t/a	None
		Ammoniacal nitrogen		1		<10mg/L	<i>Indirect Discharge for Emission Limitation of Nitrogen and Phosphorus for Industrial Wastewater (DB33/887-2013)</i>	7.215t	9.363t/a	None
		Total nitrogen		1		<20mg/L	<i>Wastewater Quality Standards for Discharge to Municipal Sewers</i>	14.429t	33.447t/a	None

							(GB/T 31962-2015);			
Wuhan Supor Cookware	Water pollutants	Chemical oxygen demand	Indirect discharge	1	General discharge port of the sewage treatment station to the north of the plant area	<500mg/L	<i>Integrated Wastewater Discharge Standard</i> (GB8978-1996)	9.317t	19.38t/a	None
		Ammoniacal nitrogen		1	<45mg/L	<i>Wastewater Quality Standards for Discharge to Municipal Sewers</i> (GB/T 31962-2015);	0.573t	1.94t/a	None	
	Air pollutants	Volatile organic compounds	Organized emission	1	Emission port of waste gas treatment of No.1 workshop	<120mg/Nm ³	<i>Integrated Emission Standard of Air Pollutants</i> (GB16297-1996)	2.587t	12.16t/a	None

Treatment of pollutants

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

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

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

Environmental monitoring scheme

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

Environmental emergency plan

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

Environmental governance and protection input and payment of environmental protection tax

During the reporting period, the Company's total investment in environmental governance and protection was RMB 20.14 million, including RMB 0.055 million of environmental protection tax.

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

Applicable Not applicable

Administrative penalties for environmental problems during the reporting period

None

Other environmental information that shall be made public

None

Other environmental protection related information

None

II. Social responsibilities

For details, please refer to the *Environmental, Social and Governance Report 2023* released by the Company.

III. Consolidate and Expand the Achievement of Poverty Alleviation and the Implementation of Rural Revitalization

During the reporting period, the Company actively supported the national policy of rural revitalization and common prosperity, adhered to the Company's vision and mission, practiced the welfare proposition of "sharing a better life with each child", actively donated funds to improve the basic education conditions in remote mountainous areas in the central and western regions, actively leveraged its industrial and resource advantages to support urban and rural schools in promoting life literacy education. In doing so, the Company collaborated with the families and schools to jointly cultivate future-oriented, life-loving, and new-generation children who care for their families.

At present, the Company has donated for the construction of 28 Supor Primary Schools in remote mountainous areas in the central and western regions, and will steadily increase the number of schools in the future. In 2023, Supor joined hands with public welfare partners to continue to provide online livestreaming courses of art, foreign language, and science to 14 Supor Primary Schools, allowing children in mountain villages to access high-quality education. The Company has also been focusing on improving the educational perspectives and abilities of rural teachers in mountainous areas over the years. In the summer of 2023, the study tour for rural teachers at Supor Primary Schools resumed, and 41 rural teachers came to Hangzhou with the support of the Company to carry out educational exchanges.

The "Supor – Little Artists of Life" project, which supports the improvement of life literacy education in urban and rural schools, is also progressing steadily, and perfecting progressively. To date, over 20 urban and rural schools across Hangzhou, Shaoxing, Lishui, Wuhan, Xingyi, and more have received support, creating life education space and conducting life skills classes, enabling children to achieve better growth through practical experiences.

Supor employees also took an active part in public welfare. On the eve of the Children's Day, hundreds of employees of the Company participated in the "Running for Children" campaign to provide donations based on the number of running steps, supporting the children in need. During the public welfare week in December, employee volunteers visited Qinglong Dasendian Supor Primary School in Hebei on behalf of the Company, offering interest classes in cooking, crafts, reading, and hosting to the children, spending joyful time together.

In addition, the Company also actively donated useful supplies for rural revitalization and earthquake relief, bringing warmth to rural children and victims.

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

Indicator	Measurement unit	Quantity/fulfillment
Rural revitalization and common prosperity	—	—
Including: Investment amounts for funding poor students	RMB 10,000	
Number of benefited rural students	Person	10,000
Amount invested to improve the education resources in rural areas (material value)	RMB 10,000	867
Awards received (content, grade)	—	—

CCTV Top 100 ESG Pioneers		
Zhejiang Province Corporate Social Responsibility Outstanding Report		
Most Influential Brand of the Social Responsibility Assembly		
Responsibility Brand Award in the Public Welfare Festival		

SECTION VI SIGNIFICANT EVENTS

I. Fulfillment of Commitments

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

Applicable Not applicable

There were no commitments that were fulfilled during the reporting period and had not been fulfilled till the end of reporting period by actual controller, shareholder, related party, acquirer and other commitment parties of the Company.

2. Where assets or projects of the Company are expected to make profit, and the expected profiting period is during the reporting period, the Company hereby explains

Applicable Not applicable

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. Explanation on the Board of Directors on the Latest "Non-standard Audit Report"

Applicable Not applicable

V. Explanation on the Board of Directors, the Board of Supervisors and Independent Directors (If Any) on the "Non-standard Audit Report" during the Reporting Period

Applicable Not applicable

VI. Representation of Changes in Accounting Policies and Accounting Estimates or Correction of Important Accounting Errors, Compared with the Financial Statements of the Previous Year

Applicable Not applicable

During the reporting period, there was no change in accounting policies, accounting estimates or correction of important accounting errors.

VII. Information on Change of the Scope of Consolidated Statement Compared with the Previous Year's Financial Statements

Applicable Not applicable

There was no change in the scope of consolidated statements during the reporting period.

VIII. Employment and Disengagement of Certified Public Accountants

Certified public accountants engaged at the moment

Name of the Chinese Certified Public Accountants	KPMG Huazhen LLP (Special General Partnership)
Reward for domestic certified public accountants (RMB 10,000)	280.00
Service years of audit for the Company	3
Names of CPAs from domestic certified public accountants	Huang Feng, Jin Yang
Service years of audit of the CPAs	Huang Feng (three years), Jin Yang (three years)

Intension of changing certified public accountants

Yes No

Employment of internal control counting firm, financial consultant or sponsor

Applicable Not applicable

Same accounting firm for internal control audit

IX. Delisting after Disclosure of Annual Report

Applicable Not applicable

X. Bankruptcy or Reorganization

Applicable Not applicable

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

XI. Important Matters of Lawsuit and Arbitration

Applicable Not applicable

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

XII. Punishment and Rectification

Applicable Not applicable

There was no punishment and rectification during the reporting period.

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

Applicable Not applicable

XIV. Major Related Transactions

1. Related transaction related to daily business

Applicable Not applicable

Related party	Association relationships	Type of related transaction	Contents of related transaction	Pricing principle of related transaction	Price of related transaction	Amount of related transaction (RMB 10,000)	Percentage to amount of same transaction	Approved transaction limit (RMB 10,000)	Exceeding approved limit or not	Means of payments of related transaction	Market price of available same transaction	Date of disclosure	Reference for disclosure
Wuhan Anzai Cookware Co., Ltd.	Associated enterprise	Purchase of commodity	Finished products	Contract price	-	12,917.47	0.97%	-	No	Bank transfer or notes	-	-	-
Wuhan Anzai Cookware Co., Ltd.	Associated enterprise	Purchase of commodity	Accessories	Market price	-	5,250.52	0.39%	-	No	Bank transfer or notes	-	-	-
GROUPE SEB EXPORT	Same controlling shareholder with the controlling shareholder	Purchase of commodity	Finished products	Contract price	-	132.33	0.01%	-	No	Bank transfer or notes	-	-	-
GROUPE SEB EXPORT	Same controlling shareholder with the controlling shareholder	Purchase of commodity	Accessories	Market price	-	7.38	0.00%	-	No	Bank transfer or notes	-	-	-
GROUPE SEB MOULINEX	Same controlling shareholder with the controlling shareholder	Purchase of commodity	Accessories	Market price	-	287.17	0.02%	-	No	Bank transfer or notes	-	-	-
LAGOSTINA S.P.A.	Same controlling shareholder	Purchase of commodity	Finished products	Contract price	-	282.13	0.02%	-	No	Bank transfer or notes	-	-	-
TEFAL S.A.S.	Same controlling shareholder with the controlling shareholder	Purchase of commodity	Accessories	Market price	-	2,021.35	0.15%	-	No	Bank transfer or notes	-	-	-
GROUPE SEB SINGAPORE	Same controlling shareholder	Purchase of commodity	Finished products	Contract price	-	1.76	0.00%	-	No	Bank transfer or notes	-	-	-
GROUPE SEB THAILAND	Same controlling shareholder	Purchase of commodity	Finished products	Contract price	-	41.37	0.00%	-	No	Bank transfer or notes	-	-	-
SEB ASIA LTD.	Same controlling shareholder	Purchase of commodity	Finished products	Contract price	-	26.05	0.00%	-	No	Bank transfer or notes	-	-	-
Heshan Demei Tableware Co., Ltd.	Same controlling shareholder	Purchase of commodity	Finished products	Contract price	-	18.47	0.00%	-	No	Bank transfer or notes	-	-	-
WMF GROUPE GMBH	Same controlling shareholder	Purchase of commodity	Finished products	Contract price	-	5,599.11	0.42%	-	No	Bank transfer or notes	-	-	-

WMF Consumer Goods (Shanghai) Co, Ltd.	Same controlling shareholder	Purchase of commodity	Finished products	Contract price	-	1.02	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	-	2.11	0.00%	No	Bank transfer or notes			
SEB INTERNATIONAL SERVICE S.A.S.	Same controlling shareholder with the controlling shareholder	Purchase of commodity	Accessories	Market price	-	8.41	0.00%	No	Bank transfer or notes			
ETHERA	Same controlling shareholder with the controlling shareholder	Purchase of commodity	Accessories	Market price	-	14.14	0.00%	No	Bank transfer or notes			
GROUPE SEB KOREA LTD	Same controlling shareholder	Purchase of commodity	Finished products	Market price	-	17.12	0.00%	No	Bank transfer or notes			
SEB ASIA LTD.	Same controlling shareholder	Sale of commodities	Finished products	Contract price	-	571,865.12	26.84%	No	Bank transfer or notes			
SEB ASIA LTD.	Same controlling shareholder	Sale of commodities	Accessories	Contract price	-	2,235.54	0.10%	No	Bank transfer or notes			
S.A.S. SEB	Same controlling shareholder with the controlling shareholder	Sale of commodities	Finished products	Contract price	-	1,572.28	0.07%	No	Bank transfer or notes			
S.A.S. SEB	Same controlling shareholder with the controlling shareholder	Sale of commodities	Accessories	Contract price	-	47.19	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	-	267.48	0.01%	No	Bank transfer or notes			
TEFAL S.A.S.	Same controlling shareholder with the controlling shareholder	Sale of commodities	Accessories	Contract price	-	1,824.55	0.09%	No	Bank transfer or notes			
GROUPE SEB MOULINEX	Same controlling shareholder with the controlling shareholder	Sale of commodities	Finished products	Contract price	-	1,434.42	0.07%	No	Bank transfer or notes			
Supor Group Co., Ltd.	Company controlled by related natural person	Sale of commodities	Finished products	Market price	-	997.67	0.05%	No	Bank transfer or notes			
Zhejiang Nanyang	Company	Sale of	Finished	Market	-	88.15	0.00%	No	Bank transfer			

Pharmaceutical Sales Co., Ltd.	controlled by related natural person	commodities	products	price							or notes			
SEB INTERNATIONAL SERVICE S.A.S.	Same controlling shareholder with the controlling shareholder	Sale of commodities	Accessories	Contract price	-	2,017.58	0.09%		No		Bank transfer or notes			
LAGOSTINA S.P.A.	Same controlling shareholder	Sale of commodities	Accessories	Contract price	-	44.02	0.00%		No		Bank transfer or notes			
GROUPE SEB CANADA	Same controlling shareholder	Sale of commodities	Finished products	Contract price	-	1,107.06	0.05%		No		Bank transfer or notes			
IMUSA USA LLC	Same controlling shareholder	Sale of commodities	Finished products	Contract price	-	755.94	0.04%		No		Bank transfer or notes			
IMUSA USA LLC	Same controlling shareholder	Sale of commodities	Accessories	Contract price	-	4.31	0.00%		No		Bank transfer or notes			
WMF Consumer Goods (Shanghai) Co, Ltd.	Same controlling shareholder	Sale of commodities	Finished products	Contract price	-	22.69	0.00%		No		Bank transfer or notes			
GROUPE SEB VIETNAM JOINT STOCK COMPANY	Same controlling shareholder	Sale of commodities	Finished products	Contract price	-	1,359.23	0.06%		No		Bank transfer or notes			
GROUPE SEB ANDEAN S.A.	Same controlling shareholder	Sale of commodities	Accessories	Contract price	-	152.07	0.01%		No		Bank transfer or notes			
Total					--	612,423.21	--	0	--	--	--	--	--	--
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)				In 2023, the annual daily related transaction amount between the Company and SEB as well as its related parties was estimated to be RMB 6,000 million, and the actual amount of daily related transactions is RMB5,931.69 million, which is RMB 68.31million less than the total amount of daily related transaction estimated in the announcement. (See details in the <i>Announcement of Increasing Estimation of Daily Connected Transactions in 2023 and Estimation of Daily Connected Transactions in 2024</i> (No.: 2023-089) disclosed by the Company on December 22, 2023 on http://www.cninfo.com.cn).										
Reason for the big difference between transacted price and market reference price (if applicable)				Not applicable										

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

Applicable Not applicable

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

3. Related transaction for co-investment abroad

Applicable Not applicable

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

4. Connected creditor's rights and debts

Applicable Not applicable

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

5. Dealings with associated financial companies

Applicable Not applicable

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

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

Applicable Not applicable

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

7. Other important Related transactions

Applicable Not applicable

There were no significant related transactions during the reporting period.

XV. 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" in SECTION X "FINANCIAL STATEMENT" VII "Notes to items of consolidated financial statements".

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	December 14, 2021	140,000.00	July 2022 - August 2022	12,638.78	General guarantee	Cash	Yes	July 2022 - February 2023	Yes	No
Supor's distributors who meet certain conditions	August 31, 2022	140,000.00	September 2022 - April 2023	58,788.94	General guarantee	Cash	Yes	September 2022 - October 2023	Yes	No
Supor's distributors who meet certain conditions	March 31, 2023	140,000.00	May 2023 - December 2023	52,193.89	General guarantee	Cash	Yes	May 2023 - June 2024	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)						123,621.61
Total external guaranteed amount approved at the end of the reporting period (A3)			280,000.00	Total actual external guarantee balance at the end of the reporting period (A4)						34,391.36
Guarantee of the Company to subsidiaries										
Name of guaranteed object	Disclosure date of announcement related to the guaranteed amount	Guaranteed amount	Actual occurring date	Actual guaranteed amount	Guarantee type	Collateral (if any)	Counter-guarantee (if any)	Guarantee period	Fulfilled or not	Whether it is guaranteed by related parties
Zhejiang Shaoxing Supor Household Products Co., Ltd.	April 1, 2022	270,000.00	July 2022 - December 2022	67,550.55	General guarantee	None	None	July 2022 - June 2023	Yes	No
Wuhan Supor Cookware Co., Ltd.	April 1, 2022	20,000.00	September 2022 - December 2022	3,315.00	General guarantee	None	None	September 2022 - June 2023	Yes	No
Zhejiang Shaoxing Supor Household Products Co., Ltd.	April 1, 2022	270,000.00	January 2023 - April 2023	28,868.88	General guarantee	None	None	January 2023 - October 2023	Yes	No

Ltd.										
Wuhan Supor Cookware Co., Ltd.	April 1, 2022	20,000.00	January 2023 - April 2023	1,890.00	General guarantee	None	None	January 2023 - October 2023	Yes	No
Zhejiang Shaoxing Supor Household Products Co., Ltd.	March 31, 2023	260,000.00	May 2023 - December 2023	137,224.50	General guarantee	None	None	May 2023 - June 2024	No	No
Wuhan Supor Cookware Co., Ltd.	March 31, 2023	30,000.00	May 2023 - December 2023	6,355.00	General guarantee	None	None	May 2023 - June 2024	No	No
Approved total guaranteed amount towards the subsidiaries during the reporting period (B1)			400,000.00	Total actual amount of guarantee to subsidiaries during the reporting period (B2)						245,203.93
Total guaranteed amounts to subsidiaries approved at the end of the reporting period (B3)			700,000.00	Total actual guarantee balance for subsidiaries at the end of the reporting period (B4)						83,172.50
Guarantee of the subsidiaries to subsidiaries										
Name of guaranteed object	Disclosure date of announcement related to the guaranteed amount	Guaranteed amount	Actual occurring date	Actual guaranteed amount	Guarantee type	Collateral (if any)	Counter-guarantee (if any)	Guarantee period	Fulfilled or not	Whether it is guaranteed by related parties
Zhejiang Shaoxing Supor Household Products Co., Ltd.	April 1, 2022	270,000.00	July 2022 - December 2022	11,900.00	General guarantee	None	None	July 2022 - June 2023	Yes	No
Zhejiang Shaoxing Supor Household Products Co., Ltd.	April 1, 2022	270,000.00	January 2023 - April 2023	13,580.00	General guarantee	None	None	January 2023 - October 2023	Yes	No
Zhejiang Shaoxing Supor Household Products Co., Ltd.	March 31, 2023	260,000.00	May 2023 - December 2023	16,306.50	General guarantee	None	None	May 2023 - June 2024	No	No
Approved total guaranteed amount towards the subsidiaries during the reporting period (C1)				0	Total actual amount of guarantee to subsidiaries during the reporting period (C2)					41,786.50
Total guaranteed amounts to subsidiaries approved at the end of the reporting period (C3)				0	Total actual guarantee balance for subsidiaries at the end of the reporting period (C4)					16,306.50
Total guaranteed amount of the Company (namely the total of the first three items)										
Total approved guaranteed amount during the reporting			540,000.00	Total guaranteed actual amount during the reporting period						410,612.04

period (A1+B1+C1)		(A2+B2+C2)	
Total approved guaranteed amount at the end of the reporting period (A3+B3+C3)	980,000.00	Total actual guarantee balance at the end of the reporting period (A4+B4+C4)	133,870.36
Proportion of the total amount of actual guarantee (i.e. A4+B4+C4) to the net assets of the Company			21.10%
Including:			
Total guaranteed amount towards shareholders, actual controllers and related parties (D)			0
Balance of debt guarantee directly or indirectly provided to the guaranteed object with an asset-liability ratio exceeding 70% (E)			99,479.00
Amount of the total guarantee exceeding 50% of the net assets (F)			0
Total amount of the above three guarantees (D+E+F)			99,479.00
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	
Descriptions for external guarantee provided against the established procedures (if any)		Not applicable	

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

Specific description for using the composite guarantee situation

None

3. Entrusting others for cash asset management

(1) Entrustment for financial management

Applicable Not applicable

Overview of entrusted financing during the reporting period

Unit: RMB 10,000

Specific type	Source of fund for entrusted financing	Amount incurred of entrusted financing	Undue balance	Overdue amount unclaimed	The amount of impairment accrued from overdue financial investment products
Bank financial products	Self-owned capital	43,000	30,000	0	0
Financial products of securities trader	Self-owned capital	5,000	5,000	0	0
Total		48,000	35,000	0	0

Note: The short-term financial products purchased by the Company in 2023 can be found in the *Announcement of Short-term Investment Using Excessive Cash* (Announcement No. 2023-022) and the *Announcement of Progress of Using Excessive Cash to Purchase Financial Products* (Announcement No. 2023-006, 2023-054 and 2023-075) on <http://www.cninfo.com.cn>.

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

Applicable Not applicable

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

Applicable Not applicable

(2) Entrustment for loan

Applicable Not applicable

No entrustment for loan was made during the reporting period.

4. Other significant contracts

Applicable Not applicable

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

XVI. Instructions for other important matters

Applicable Not applicable

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

XVII. Important matters of subsidiaries

Applicable Not applicable

SECTION VII CHANGES IN SHARE CAPITAL AND PARTICULARS ABOUT SHAREHOLDERS

I. Changes of shares

1. Changes of shares

Unit: share

	Before change		Increase/decrease in the period (+, -)					After change	
	Share number	Proportion	New shares	Shares bonus	Converted capital	Others	Subtotal	Share number	Proportion
I. Restricted shares	3,110,073	0.38%				-283,538	-283,538	2,826,535	0.35%
1. Shares held by the state	0	0.00%				0	0	0	0.00%
2. Stated-owned legal person shares	0	0.00%				0	0	0	0.00%
3. Other domestic shareholdings	3,110,073	0.38%				-283,538	-283,538	2,826,535	0.35%
Including: Shares held by domestic legal entities	0	0.00%				0	0	0	0.00%
Shares held by domestic natural persons	3,110,073	0.38%				-283,538	-283,538	2,826,535	0.35%
4. Shares held by foreign capitals	0	0.00%				0	0	0	0.00%
Including: Shares held by foreign legal entities	0	0.00%				0	0	0	0.00%
Shares held by foreign natural persons	0	0.00%				0	0	0	0.00%
II. Non-restricted Shares	805,544,403	99.62%				-1,662,281	-1,662,281	803,882,122	99.65%
1. RMB common share	805,544,403	99.62%				-1,662,281	-1,662,281	803,882,122	99.65%
2. Domestically listed foreign shares	0	0.00%				0	0	0	0.00%
3. Overseas listed foreign shares	0	0.00%				0	0	0	0.00%
4. Others	0	0.00%				0	0	0	0.00%
III. Total shares	808,654,476	100.00%				-1,945,819	-1,945,819	806,708,657	100.00%

Reasons for the change of shares

 Applicable Not applicable

1. Top management of the Company unlocked 25% of the shares registered under their names on the last transaction date of the previous year.

2. On February 24, 2023, a total of 79,000 shares of restricted stock of postponed portion of the 2022 Restricted Stock Incentive Plan were transferred to 2 incentive objects.
3. On April 10, 2023, the Company cancelled a total of 1,870,069 repurchased public shares. Upon the cancellation, the Company's total share capital decreased from 808,654,476 to 806,784,407 shares.
4. On June 29, 2023, totally 75,750 shares of restricted stock that have been granted to resigned incentive objects but have not been unlocked from restriction in 2021 and 2022 Restricted Stock Incentive Plans were repurchased and cancelled by the Company. Upon the repurchase and cancellation, the Company's total share capital decreased from 806,784,407 shares to 806,708,657 shares.
5. On November 17, 2023, the shares held by Mr. Su Ming-Jui, former General Manager of the Company that were originally locked due to resignation were unlocked fully.

Approval of change in share

Applicable Not applicable

1. On January 31, 2023, the *Proposal on Grant of Postponed Portion of Restricted Stock to Incentive Objects* was reviewed and adopted at the 18th Session of the Seventh Board of Directors and the 17th Session of the Seventh Board of Supervisors, the Company agreed to grant a total of 79,000 shares of postponed portion of restricted stocks to two incentive objects. The grant date was February 1, 2023. After confirmed by Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, the postponed portion of restricted stocks in the Company's 2022 Restricted Stock Incentive Plan were transferred and registered under the name of two incentive objects on February 24, 2023.

2. On March 29, 2023, the *Proposal on Terminating the Public Shares Repurchase Plan* was reviewed and adopted at the 19th Session of the Seventh Board of Directors and the 18th Session of the Seventh Board of Supervisors of the Company, the Company plans to cancel 1,870,069 shares held in the Company's special stock repurchase account to reduce registered capital as authorized by the Annual General Meeting of Shareholders for 2021 Fiscal Year. After confirmed by Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, the Company completed the cancellation of the above shares on April 10, 2023.

3. On August 30, 2022 and on March 29, 2023, the *Proposal on Repurchasing and Canceling a Part of Restricted Stock* was reviewed and adopted respectively at the 14th Session of the Seventh Board of Directors and the 13th Session of the Seventh Board of Supervisors and the 19th Session of the Seventh Board of Directors and the 18th Session of the Seventh Board of Supervisors. For the disqualification of 18 incentive objects due to their resignation, the Company has decided to repurchase and cancel 75,750 shares of restricted stock at the price of RMB 1 per share. The above matter of repurchase and cancellation of restricted stocks has been deliberated and approved at the Annual General Meeting of Shareholders for 2022 Fiscal Year held on April 25, 2023. The Company has repurchased and canceled 75,750 shares of restricted stock at the price of RMB 1 per share and paid totally RMB 75,750 to the above resigned incentive objects. After confirmed by Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, the Company completed the above matter of repurchase and cancellation of restricted stocks on June 29, 2023.

Transfer of shares changed

Applicable Not applicable

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

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

Applicable Not applicable

There are 1,870,069 public shares repurchased and cancelled and 75,750 restricted stocks repurchased and cancelled in the period in total, which creates a minor impact on the earnings per share and dilution of earnings per share, and creates no impact on other financial indicators such as the net asset per share attributable to common share shareholders of the Company.

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

Applicable Not applicable

2. Changes of restricted shares

Applicable Not applicable

Unit: share

Name	Restricted outstanding stocks at the beginning of the year	Restricted outstanding stocks increased in current period	Restricted outstanding stocks released in current period	Restricted outstanding stocks at the end of the year	Restriction reason	Date of unlocking restriction
Su Xianze	364,602	0	91,151	273,451	Locked stocks of top management	Unlock 25% of the shares registered under their names on the last transaction date of the last year.
Xu Bo	130,303	0	43,826	86,477	Locked stocks of top management	Unlock 25% of the shares registered under their names on the last transaction date of the last year.
Ye Jide	39,143	0	14,786	24,357	Locked stocks of top management	Unlock 25% of the shares registered under their names on the last transaction date of the last year.
Su Ming-Jui	137,025	1,050	138,075	0	Executive lock-up stocks (unlock after departure)	The shares held were completed unlocked on November 17, 2023.
Incentive objects of 2021 Equity Incentive Plan	1,185,500	0	74,000	1,111,500	74,000 shares of restricted stocks were repurchased and cancelled in consideration that parts of resigned incentive objects.	As of the Company's 2021 Restricted Stock Incentive Plan, 1,209,500 shares of restricted stocks were transferred to 293 incentive objects on January 27, 2022. The above restricted stocks were lifted in two portions within 24 months from the date of grant registration, and the lift ratio of both portions is 50%. The first phase was unlocked, listed and circulated on February 2, 2024; The second phase is expected to start after January 27, 2025.
Incentive objects of 2022 Equity Incentive Plan	1,253,500	79,000	1,750	1,330,750	1,750 shares of restricted stocks were repurchased and cancelled in consideration that parts of resigned incentive objects.	1,253,500 restricted stocks of the Company's 2022 Restricted Stock Incentive Plan was transferred to 288 incentive objects on November 10, 2022, and the suspended grant part was transferred to 2 incentive objects on February 24, 2023. The above restricted stocks were lifted in two portions within 24 months from the date of grant registration, and the lift ratio of both portions is 50%. The first portion is expected to be unlocked after November 10, 2024, and the first portion of the suspended grant part is expected to be lifted after February 24, 2025; The second portion is expected to be unlocked after November 10,

						2025, and the second portion of the suspended grant part is expected to be unlocked after February 24, 2026.
Total	3,110,073	80,050	363,588	2,826,535	--	--

II. Security Offering and Listing Information

1. Security offering (excluding preferred share) during the reporting period

Applicable Not applicable

2. Total shares of the Company, change of shareholder structure, and changes of the Company's assets and liabilities structure

Applicable Not applicable

During the reporting period, the Company cancelled 1,870,069 public shares repurchased, and 75,750 restricted stocks granted to resigned incentive objects under the 2021 Restricted Stock Incentive Plan and 2022 Restricted Stock Incentive Plan but not lifted for sales, which in combination are 1,945,819 shares in total. Upon the cancellation, the Company's total share capital decreased from 808,654,476 shares to 806,708,657 shares.

3. Staff shares

Applicable Not applicable

III. Shareholders and the Actual Controller

1. Number of shareholders of the Company and share-holding conditions

Unit: share

Total number of common shareholders at the end of the reporting period	12,314	Number of common shareholders at the end of last month before the disclosure date of the annual report	14,111	Total number of preferred shareholder whose voting right is recovered at the end of reporting period (if any) (refer to Note 8)	0	Total number of preferred shareholders with restored voting right at the end of last month before the disclosure date of the annual report (if any) (see Note 8)	0	
Shareholding of shareholders holding more than 5% shares or top 10 shareholders (excluding shares lent out through securities financing)								
Name	Nature	Shareholding ratio	Number of shares held 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	82.64%	666,681,904	0	0	666,681,904	Not applicable	0
Hong Kong Securities Clearing Company Ltd.	Foreign legal entity	8.52%	68,728,932	-4,752,531	0	68,728,932	Not applicable	0

Ningbo Bank-Zhongtai Xingyuan Value-selected Flexible Complex Securities Investment Funds	Others	0.86%	6,913,640	-2,687,919	0	6,913,640	Not applicable	0
China Merchants Bank-Zhongtai Yuheng Value-selected Flexible Complex Securities Investment Funds	Others	0.30%	2,390,948	-579,165	0	2,390,948	Not applicable	0
BNP Paribas-Own Funds	Foreign legal entity	0.23%	1,885,220	-264,150	0	1,885,220	Not applicable	0
Industrial Bank-Zhongtai Xingwei Value-selected Complex Securities Investment Funds	Others	0.20%	1,602,727	-300,700	0	1,602,727	Not applicable	0
China Construction Bank-Zhongtai Yuanhe Value-selected Complex Securities Investment Funds	Others	0.20%	1,577,810	1,577,810	0	1,577,810	Not applicable	0
ICBC-Rongtong Fund Power Pioneer Complex Securities Investment Funds	Others	0.15%	1,217,603	1,217,603	0	1,217,603	Not applicable	0
ABC- CSI 500 Index Traded Securities Investment Funds	Others	0.12%	928,121	928,121	0	928,121	Not applicable	0
Industrial Bank-Xingquan Trend Investment Complex Securities Investment Funds	Others	0.11%	880,070	-1,319,786	0	880,070	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	Ningbo Bank-Zhongtai Xingyuan Value-selected Flexible Complex Securities Investment Funds, China Merchants Bank-Zhongtai Yuheng Value-selected Flexible Complex Securities Investment Funds, Industrial Bank-Zhongtai Xingwei Value-selected Complex Securities Investment Funds, and China Construction Bank-Zhongtai Yuanhe Value-selected Complex Securities Investment Funds belong to Zhongtai Fund. It is unknown whether other shareholders are associated with each other, and whether they are persons acting in concert as stipulated in the <i>Measures for the Administration of the Acquisition of Listed Companies</i> .							
Explanation on the above shareholders on entrusting/entrusted voting rights and abstaining from voting rights	None							
Special instructions on the existence of repurchase special accounts of the top 10 shareholders (if any) (see Note 10)	At the end of the reporting period, the Company held a total of 9,817,500 shares in the Company's special stock repurchase account.							
Shareholdings of top 10 shareholders holding non-restricted shares								
Name	Number of non-restricted outstanding shares held at the end of the reporting period		Type of share					
			Type of share	Share number				
SEB INTERNATIONALE S.A.S	666,681,904		RMB common shares			666,681,904		

Hong Kong Securities Clearing Company Ltd.	68,728,932	RMB common shares	68,728,932
Ningbo Bank-Zhongtai Xingyuan Value-selected Flexible Complex Securities Investment Funds	6,913,640	RMB common shares	6,913,640
China Merchants Bank-Zhongtai Yuheng Value-selected Flexible Complex Securities Investment Funds	2,390,948	RMB common shares	2,390,948
BNP Paribas-Own Funds	1,885,220	RMB common shares	1,885,220
Industrial Bank-Zhongtai Xingwei Value-selected Complex Securities Investment Funds	1,602,727	RMB common shares	1,602,727
China Construction Bank-Zhongtai Yuanhe Value-selected Complex Securities Investment Funds	1,577,810	RMB common shares	1,577,810
ICBC-Rongtong Fund Power Pioneer Complex Securities Investment Funds	1,217,603	RMB common shares	1,217,603
ABC- CSI 500 Index Traded Securities Investment Funds	928,121	RMB common shares	928,121
Industrial Bank-Xingquan Trend Investment Complex Securities Investment Funds	880,070	RMB common shares	880,070
Explanation on connected relationship or concerted parties among the top 10 shareholders holding non-restricted outstanding shares, and between the top 10 shareholders holding non-restricted outstanding 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		

Top 10 shareholders' involvement in shares lent out through securities financing

Applicable Not applicable

Changes of top 10 shareholders compared with that in the last period

Applicable Not applicable

Unit: share

Changes of top 10 shareholders compared with that at the end of the last period					
Name of shareholder (full name)	New increase/withdrawal in the reporting period	Number of unrecovered shares lent out through securities financing at the end of the period		Number of shares held by shareholders through general accounts and credit accounts, and unrecovered shares lent out through securities financing	
		Total quantity	Proportion to total share capital	Total quantity	Proportion to total share capital
Fidelity Mutual Fund & Investment Management - Clients' Capital	Withdraw	0	0.00%	0	0.00%
BARCLAYS BANK PLC	Withdraw	0	0.00%	0	0.00%
Yongan Guofu Asset Management-Yongan Guofu-Yongfu No. 19 Complex Investment Privite Funds	Withdraw	0	0.00%	0	0.00%
China Construction Bank-Zhongtai Yuanhe Value-selected Complex Securities Investment Funds	New	0	0.00%	0	0.00%
ICBC-Rongtong Fund Power Pioneer Complex Securities Investment Funds	New	0	0.00%	0	0.00%
ABC- CSI 500 Index Traded Securities Investment Funds	New	0	0.00%	0	0.00%

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.

2. Controlling shareholder

Property of controlling shareholder: foreign-controlled shareholding

Type of controlling shareholder: legal entity

Name of controlling shareholder	Legal representative/person in charge	Date of establishment	Organization code	Main business operation
SEB INTERNATIONALE S.A.S	Thierry de LA TOUR D'ARTAISE	December 26, 1978	None	Financial participation for all kinds of French and overseas enterprises, i.e., purchasing and subscribing share capital, bond, share and interests, securities and negotiable securities, transfer of such securities, participation in all financial activities related to the aforesaid financial participation, purchasing, manufacturing and sales of all kinds of household devices for the purpose of marketing and involvement in related service; all activities for helping realize the Company's operation either directly or indirectly, particularly the activities in personal estate, real estate, finance, commerce and industrial field.
Shareholding of other overseas listed companies by the Company's controlling shareholder during the reporting period	None			

Change of controlling shareholder during the reporting period

Applicable Not applicable

No change of controlling shareholder occurred during the reporting period.

3. Actual controller and persons acting in concert

Nature of actual controller: other foreign organization

Type of actual controller: legal entity

Name of the actual controller	Legal representative/person in charge	Date of establishment	Organization code	Main business operation
SEB S.A.	Thierry de LA TOUR D'ARTAISE	December 28, 1973	None	Holding or equity participation and management for various enterprises
Holding of other overseas listed companies by the Company's actual controller during the	None			

reporting period

Change of actual controller during the reporting period

 Applicable Not applicable

No change of actual controller occurred during the reporting period.

Property right and controlling relationship diagram between the Company and the actual controller



Actual controller controlling the Company by trust or other assets management types

 Applicable Not applicable

4. The number of shares accumulatively pledged by the controlling shareholder or first majority shareholder of the Company and its persons acting in concert account for 80% of the total number of shares held by it or them.

 Applicable Not applicable

5. Other corporate shareholders holding more than 10% shares

 Applicable Not applicable

6. Share restriction reduction of commitment subjects such as controlling shareholder, actual controller and the restructuring party

 Applicable Not applicable

IV. Specific Implementation of Share Repurchase during the Reporting Period

Progress in the implementation of share repurchase

 Applicable Not applicable

Plan disclosure time	Number of shares to be repurchased (shares)	Proportion to total share capital	Proposed amount of repurchase (RMB 10,000)	Proposed repurchase period	Repurchase purpose	Number of shares already repurchased (shares)	The proportion of the number of shares repurchased to the underlying shares involved in the equity incentive plan (if any)

March 31, 2023	8,067,087 16,134,174 shares	- 1%-2%	RMB 491,527,600 983,055,200	- Expired on April 25, 2024	Write-off and decrease of the registered capital and the implementation of equity incentives	8,150,000	
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Progress in the reduction of shareholding of repurchased shares through auction

Applicable Not applicable

SECTION VIII INFORMATION ON PREFERRED SHARE

Applicable Not applicable

No preferred share existed during the reporting period.

SECTION IX BONDS

Applicable Not applicable

SECTION X FINANCIAL STATEMENT

I. Audit report

Type of audit opinion	Standard opinions with no reservation
Date of signature of audit report	March 29, 2024
Name of audit organization	KPMG Huazhen LLP (Special General Partnership)
Audit report document No.	KPMG Huazhen Shenzi No. 2404032
Names of CPAs	Huang Feng, Jin Yang

Main Text of Audit Report

All shareholders of Zhejiang Supor Co., Ltd.,

I. Opinion

We audited the attached financial statements of Zhejiang Supor Co., Ltd (hereinafter referred to as "Supor"), including the consolidated and parent company balance sheet as of December 31, 2023, and the consolidated and parent company profit statement, consolidated and parent company cash flow statement, consolidated and parent company statement of changes in shareholders' equities and notes to relevant financial statements in 2022.

We think that the attached financial statements have been prepared in accordance with the provisions of the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China (hereinafter referred to as "Accounting Standards for Business Enterprises") in all major aspects, and fairly reflect Supor's consolidated and parent company financial condition as of December 31, 2023, as well as the consolidated and parent company operating results and cash flows in 2023.

II. Basis of Forming Audit Opinions

We implemented our audit work strictly according to the stipulations of Auditing Standard for Chinese Certified Public Accountants (hereinafter referred to as "Auditing Standard"). The content of "Responsibility of CPA for financial statement audit" in the Audit Report further describes our responsibility under these standards. According to the Codes of Professional Ethics for Certified Public Accountants in China, we are independent of Supor, and we have fulfilled the other responsibilities on the aspects of professional ethics. We believe the audit evidences acquired by us are sufficient and appropriate, and provide a basis for expressing our audit opinions.

III. Key audit matters

The key audit items are from our professional judgment; from our perspective, the key audit items are most important to the financial statement audit in the current period. The key audit items will be audited under the background that the financial statement will be wholly audited to form audit opinions; we do not express independent opinions on these items.

Revenue recognition

Please refer to the accounting policies described in Note 27 to "V. Important Accounting Policies and Estimates" and Note 37 to "VII. Notes to items of consolidated financial statements" (Notes to the financial statements)	
Key Audit Matters	Countermeasures
<p>Supor 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; its products are cookware and small domestic appliances. In 2023, Supor's operating income reached RMB 21,303,948,642.66, of which domestic sales revenue was RMB 15,107,615,309.80 and export sales revenue was RMB 6,196,333,332.86.</p> <p>Supor recognizes the revenue when the control right of relevant commodity is transferred to the customer. Supor assesses the contract and business arrangement of the customer, and recognizes the commodity sales revenue after such commodity has left Supor's own warehouse or its specified warehouse, or such commodity has been delivered to the customer with the 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.</p> <p>As revenue is a KPI, and Supor has announced the Restricted Stock Incentive Plan in 2021 and 2022, Restricted Stock Incentive Plan and Performance Incentive Fund Plan in 2023 with performance appraisal target as a premise for lifting the sales limitation, there is the risk that the management manipulates the revenue for realizing the performance target. Therefore, we include the conformation and recognition of Supor's revenue as key auditing items.</p>	<p>The audit procedures related to revenue recognition include the following:</p> <ul style="list-style-type: none"> • Understand and evaluate the design and operation effectiveness of key internal control related to the revenue recognition made by the management; • Select sales contracts, check major terms governing the transfer of commodity control right, and review if the accounting policies for Supor revenue recognition is in conformity with the requirements in Accounting Standards for Business Enterprises; Check if there are abnormal trading terms and conditions that indicate potential undisclosed relations or transactions with related parties; • Use data analysis tools on Supor's transaction information to identify those with abnormal revenues and check if there are any potential undisclosed relations or major transactions with related parties; • Select major third-party customers and use enterprise information query tool on their background information to identify if they have any relation with Supor; • Select transactions of which the revenues are recorded in the year, and refer to supporting documents such as the orders, invoices, packing lists, receipts of acceptance, customs clearances for export and bills of lading to check if the recognition of corresponding revenues is done according to Supor accounting policies for revenue recognition; • Based on audit sampling, carry out the external confirmation procedure for the balance of accounts receivable of relevant customers on the balance sheet date and the amount of sales transactions in the current year; • Select transactions of which the revenue is accrued around the balance sheet date, and refer to supporting documents such as the delivery notices, bills of lading or receipts of the goods to check if the revenue is included in the right accounting period; • Check whether there are sales returns following the balance sheet date, and check the relevant supporting documents (if any) for significant sales returns, so as to evaluate whether the revenue is recorded in the appropriate accounting period; and <p>Select revenue-related entries in the current year that meet specific risk criteria, inquire the management about the reasons for making these entries, and review relevant supporting documents.</p>

IV. Other information

The management of Supor is responsible for other information. Other information includes the information covered by the 2023 Supor Annual Report, but excludes the financial statement and our audit report.

Our audit opinions on financial statement do not cover other information, and we do not express any authentication conclusions on other information.

Integrated with our audit on financial statement, our responsibility is to read other information. In this process, we consider whether the other information is significantly different from the information we will acquire from our audit or whether the other information has significant error.

Based on the work we have already executed, if we confirm the other information has significant error, we should report the fact. On this aspect, we do not need to report any items.

V. Responsibilities of Management and Governance on Financial Statement

The management of Supor (hereinafter referred to as the "management") is responsible for preparing financial statement according to the stipulations of Accounting Standards for Business Enterprises to enable fair presentation, and designing, executing and maintaining the required internal control to keep the financial statement free of material misstatement caused by fraudulent practice or error.

When preparing the financial statement, the management is responsible for evaluating the continuing operation ability of Supor, disclosing the items related to continuing operation (if any), and using going-concern assumption. Unless otherwise that Supor plans to liquidate, terminates its operation or has no other realistic choice.

The governance is responsible for supervising the financial statement process of Supor.

VI. Responsibility of CPA for Financial Statement Audit

Our objective is to acquire rational guarantee for keeping the financial statement free of material misstatement caused by fraudulent practice or error and providing the audit report containing audit opinions. The rational guarantee is a high-level guarantee, but it cannot guarantee that a materials misstatement can be found if it exists when we audit according to the auditing standard. The misstatement may be caused by fraudulent practice or error. If a single or summarized rational expectation on misstatement may cause certain influence when financial statement user makes economic decision in accordance with the financial statement, the misstatement will be deemed as "significant".

In the process of our audit according to the auditing standards, we used our professional judgment and retained our professional skepticism. Meanwhile, we executed the following work:

(1) Identify and evaluate material misstatement risk of financial statement caused by fraudulent practice or error, design and implement audit procedures to cope with these risks, and obtain sufficient and appropriate audit evidence as the basis for issuing audit opinions. A fraudulent practice may involve in collusion, counterfeit, deliberate omission, false statement or may be above the internal control, so the risk that material misstatement caused by fraudulent practice may not be found is higher than the risk that material misstatement caused by error may not be found.

(2) Learn internal control related to the audit for the purpose of designing proper audit procedures.

(3) Evaluate the appropriateness of the accounting policy selected by management and the rationality of the accounting estimate and related disclosure made by the management.

(4) Make conclusion for the appropriateness of the continuing operation assumption used by management. Meanwhile, make conclusions for the one whether there is significant uncertainty in the issue or item which may result in substantive doubt on the continuing operation ability of Supor in accordance with the acquired audit evidences. If our conclusion thinks that there is significant uncertainty, the auditing standard requires us to remind financial statement user in our audit report of paying attention to the related disclosure in the financial statement. If the disclosure is not sufficient, we should present modified audit report. Our conclusion is based on the information that is available by the audit report date. However future issue or circumstance may result in discontinuing operation to Supor.

(5) Evaluate the overall presentation (including disclosure), structure and contents of financial statement, and evaluate whether financial statement presents related transactions and items fairly.

(6) Acquire sufficient and appropriate audit evidences for financial information of entity activity or business activity of Supor, and express opinions on audit financial statement. We are responsible for guiding, supervising and executing the audit of the Group, and bear full responsibility for audit opinions.

We communicated audit scope, time schedule and significant audit finding and other issues with governance, including the internal control defect that is worthy of noting in the audit process.

We have provided a declaration to the governance that we have abided by the professional ethics requirements related to independency, and have communicated with the governance all relationships and other issues those are thought to affect our independency, as well as the related precautionary measures (if applicable).

In the issue we communicated with the governance, we determined which issues are most important to the financial statement audit in the current period, so which constitutes the key audit items. We described these items in our audit report, unless otherwise

these items are prohibited to openly disclose by law and regulation, or under few circumstances, if according to a rational expectation, when negative consequence of communicating an issue in the audit report may exceed its benefit on the aspect of public benefit, we confirm that we will not communicate the issue in our audit report.

KPMG Huazhen LLP (Special General Partnership)

Chinese CPA:

(Project partner): _____

Huang Feng

Beijing, China

Chinese CPA: _____

Jin Yang

Date: March 29, 2024

II. Financial Statements

Unit of statement in notes to financial statement: RMB

1. Consolidated balance sheet

Compiled by: Zhejiang Supor Co., Ltd.

December 31, 2023

Unit: RMB

Item	December 31, 2023	January 1, 2023
Current assets:		
Monetary capital	3,548,277,442.44	3,563,140,907.75
Settlement reserve		
Loans to other banks		
Transactional financial assets	351,137,787.54	431,382,527.79
Derivative financial assets		
Notes receivable	15,311,935.98	27,325,952.95
Accounts receivable	2,858,247,356.03	1,926,518,118.38
Receivables financing	363,532,765.35	235,957,044.34
Advance payment	193,169,455.51	339,609,547.02
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserve receivable		
Other receivables	16,126,721.38	16,373,697.26
Including: interest receivable		
Dividend receivable		
Reverse-REPO financial assets		
Inventories	2,262,683,387.31	2,494,922,856.42
Contract assets		
Held-for-sale assets		
Non-current assets due within one year	285,783,958.92	32,157,534.25
Other current assets	142,423,696.22	450,986,016.76
Total current assets	10,036,694,506.68	9,518,374,202.92
Non-current assets:		
Loans and advances granted		
Debt investment		
Other debt investment	665,522,383.56	1,024,794,890.43

Long-term receivables		
Long-term equity investment	61,678,984.35	62,196,139.53
Other equity instrument investments		
Other non-current financial assets		
Investment properties		
Fixed assets	1,243,210,689.64	1,303,075,391.03
Construction in progress	26,862,380.61	12,005,654.73
Productive biological assets		
Oil and gas assets		
Right-of-use assets	223,503,573.14	190,718,962.82
Intangible assets	428,978,842.72	440,017,733.16
Development expenditures		
Goodwill		
Long-term unamortized expenses		
Deferred income tax assets	420,252,246.30	401,472,928.85
Other non-current assets		
Total non-current assets	3,070,009,100.32	3,434,281,700.55
Total assets	13,106,703,607.00	12,952,655,903.47
Current liabilities:		
Short-term borrowings	199,741,167.36	
Central bank loan		
Loans from other banks		
Transactional financial liabilities		
Derivative financial liabilities		
Notes payable	1,235,000,000.00	1,057,611,900.00
Accounts payable	3,205,607,853.18	2,635,521,548.19
Advance receipt		
Contract liabilities	862,706,076.18	1,153,932,879.53
Proceeds from sale of repurchase financial assets		
Deposit taken and interbank deposit		
Proceeds from security transaction agency		
Proceeds from security underwriting agency		
Employee remuneration payable	332,138,705.28	289,075,428.50
Taxes payable	346,462,733.51	204,608,713.27

Other payables	147,617,550.27	137,729,222.63
Including: interest payable		
Dividend payable		
Handling fee and commission payable		
Reinsurance accounts payable		
Held-for-sale liabilities		
Non-current liabilities due within one year	47,568,255.43	41,924,940.24
Other current liabilities	147,652,214.40	194,699,612.98
Total current liabilities	6,524,494,555.61	5,715,104,245.34
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings		
Bonds payable		
Including: Preferred share		
Perpetual bond		
Lease obligation	177,281,125.36	150,779,916.58
Long-term payables		
Long-term employee remuneration payable	15,836,573.16	1,441,111.55
Estimated liabilities	7,258,295.50	12,640,441.72
Deferred incomes		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	200,375,994.02	164,861,469.85
Total liabilities	6,724,870,549.63	5,879,965,715.19
Owners' equities:		
Share capital	806,708,657.00	808,654,476.00
Other equity instruments		
Including: Preferred share		
Perpetual bond		
Capital reserves	173,110,627.02	125,368,989.44
Minus: Treasury share	488,057,333.76	99,724,823.49
Other comprehensive incomes	-19,176,454.59	-20,454,823.26
Special reserve		
Surplus reserve	355,939,901.82	356,924,811.32

General risk reserve		
Undistributed profit	5,516,807,622.62	5,865,316,233.53
Total owners' equities belonging to parent company	6,345,333,020.11	7,036,084,863.54
Minority shareholders' equities	36,500,037.26	36,605,324.74
Total owners' equities	6,381,833,057.37	7,072,690,188.28
Total liabilities and owners' equities	13,106,703,607.00	12,952,655,903.47

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

2. Balance sheet of parent company

Unit: RMB

Item	December 31, 2023	January 1, 2023
Current assets:		
Monetary capital	1,992,971,901.60	1,484,137,518.26
Transactional financial assets	250,544,611.01	200,131,817.00
Derivative financial assets		
Notes receivable	400,000.00	1,342,003.33
Accounts receivable	624,130,389.56	374,598,742.75
Receivables financing		4,800,000.00
Advance payment	16,615,946.99	46,224,404.38
Other receivables	674,127,502.50	1,174,381,191.82
Including: interest receivable		
Dividend receivable		
Inventories	145,018,340.32	164,679,339.53
Contract assets		
Held-for-sale assets		
Non-current assets due within one year	208,315,863.02	32,157,534.25
Other current assets	19,163,058.36	388,309,086.23
Total current assets	3,931,287,613.36	3,870,761,637.55
Non-current assets:		
Debt investment		
Other debt investment		201,645,863.02
Long-term receivables		
Long-term equity investment	2,848,631,066.61	2,826,017,955.55
Other equity instrument investments		

Other non-current financial assets		
Investment properties		
Fixed assets	142,355,870.24	155,241,036.13
Construction in progress	973,451.33	
Productive biological assets		
Oil and gas assets		
Right-of-use assets	3,583,014.87	3,752,480.47
Intangible assets	72,474,395.25	80,034,692.59
Development expenditures		
Goodwill		
Long-term unamortized expenses		
Deferred income tax assets	25,592,220.27	15,974,025.22
Other non-current assets		
Total non-current assets	3,093,610,018.57	3,282,666,052.98
Total assets	7,024,897,631.93	7,153,427,690.53
Current liabilities:		
Short-term borrowings		
Transactional financial liabilities		
Derivative financial liabilities		
Notes payable	33,950,000.00	15,650,000.00
Accounts payable	211,009,320.51	193,807,274.54
Advance receipt		
Contract liabilities	1,702,589.31	2,796,093.48
Employee remuneration payable	52,532,428.56	41,689,539.05
Taxes payable	54,783,273.55	23,453,381.53
Other payables	1,905,723,034.41	1,224,151,285.03
Including: interest payable		
Dividend payable		
Held-for-sale liabilities		
Non-current liabilities due within one year	965,476.36	227,345.02
Other current liabilities	462,826.72	1,447,611.99
Total current liabilities	2,261,128,949.42	1,503,222,530.64
Non-current liabilities:		
Long-term borrowings		

Bonds payable		
Including: Preferred share		
Perpetual bond		
Lease obligation	2,369,608.01	2,859,701.28
Long-term payables		
Long-term employee remuneration payable	7,212,613.48	166,125.04
Estimated liabilities		
Deferred incomes		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	9,582,221.49	3,025,826.32
Total liabilities	2,270,711,170.91	1,506,248,356.96
Owners' equities:		
Share capital	806,708,657.00	808,654,476.00
Other equity instruments		
Including: Preferred share		
Perpetual bond		
Capital reserves	249,621,368.24	202,697,741.40
Minus: Treasury share	488,057,333.76	99,724,823.49
Other comprehensive incomes		
Special reserve		
Surplus reserve	403,354,328.50	404,339,238.00
Undistributed profit	3,782,559,441.04	4,331,212,701.66
Total owners' equities	4,754,186,461.02	5,647,179,333.57
Total liabilities and owners' equities	7,024,897,631.93	7,153,427,690.53

3. Consolidated profit statement

Unit: RMB

Item	2023	2022
I. Total operating income	21,303,948,642.66	20,170,527,516.66
Including: Operating income	21,303,948,642.66	20,170,527,516.66
Interest revenues		
Premium earned		
Revenue from handling fees and commission		

II. Total Operating Costs	18,897,483,488.23	17,949,216,147.97
Including: Operating cost	15,700,128,849.31	14,969,328,840.57
Interest expense		
Expense of handling fees and commission		
Surrender value		
Net payments for insurance claims		
Net amount of withdrawn reserve fund for insured liability		
Policy dividend expenditures		
Reinsurance expenses		
Taxes and surcharges	142,250,651.43	130,693,539.41
Sales expenses	2,297,847,425.74	2,156,297,058.63
Administrative expenses	393,597,966.82	374,060,640.28
R&D expenses	431,288,536.29	416,259,356.99
Financial expenses	-67,629,941.36	-97,423,287.91
Including: interest expenses	14,343,311.85	9,278,948.78
Interest revenues	80,404,233.22	76,571,126.41
Plus: Other incomes	248,917,540.31	236,694,812.34
Investment income ("-" for loss)	48,812,244.43	54,047,027.80
Including: investment income on associated enterprise and joint venture	-529,681.40	-3,262,848.85
Income from derecognition of financial assets measured by amortized cost		
Exchange gain ("-" for loss)		
Net exposure hedging gains ("-" for loss)		
Gains from changes in fair value ("-" for loss)	1,137,787.54	1,382,527.79
Credit impairment loss ("-" for loss)	-26,219,380.58	34,519,315.22
Asset impairment loss ("-" for loss)	6,271,490.06	-11,352,717.26
Assets disposal income ("-" for loss)	-4,061,512.01	-1,363,504.85
III. Operating profit ("-" for loss)	2,681,323,324.18	2,535,238,829.73
Plus: Non-operating income	15,268,837.43	14,435,126.69
Minus: non-operating expense	11,873,706.91	4,464,352.44
IV. Total profit ("-" for total loss)	2,684,718,454.70	2,545,209,603.98
Minus: income tax expenses	505,298,017.49	479,033,164.36
V. Net profit ("-" for net loss)	2,179,420,437.21	2,066,176,439.62
(I) By business continuity		

1. Net profit under continuing operation ("-" for net loss)	2,179,420,437.21	2,066,176,439.62
2. Net profit under discontinuing operation ("-" for net loss)		
(II) By ownership		
1. Net profit belonging to the shareholders of parent company	2,179,798,147.27	2,067,659,526.97
2. Minority shareholders' profit and loss	-377,710.06	-1,483,087.35
VI. After-tax net amount of other comprehensive income	1,550,791.25	20,857,374.53
After-tax net amount of other comprehensive income belonging to the owners of parent company	1,278,368.67	21,067,718.34
(I) Other comprehensive incomes that can not be reclassified into profit and loss		
1. Remeasured amount of changes in defined benefit plan		
2. Other comprehensive income that cannot be transferred to gain and loss under the equity method		
3. Changes in the fair value of other equity instrument investments		
4. Changes in the fair value of the Company's own credit risk		
5. Others		
(II) Other comprehensive incomes that can be reclassified into profit and loss	1,278,368.67	21,067,718.34
1. Other comprehensive income that cannot be transferred to gain and loss under the equity method		
2. Changes in the fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Credit impairment provision for other debt investments		
5. Cash flow hedging reserve		
6. Conversion difference in foreign currency financial statement	1,278,368.67	21,067,718.34
7. Others		
After-tax net amount of other comprehensive income belonging to minority shareholder	272,422.58	-210,343.81
VII. Total comprehensive income	2,180,971,228.46	2,087,033,814.15
Total comprehensive income attributed to owners of parent company	2,181,076,515.94	2,088,727,245.31
Total comprehensive income attributed to minority shareholders	-105,287.48	-1,693,431.16
VIII. Earnings per share		
(I) Basic earnings per share (EPS)	2.719	2.565
(II) Diluted earnings per share (EPS)	2.719	2.564

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

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

4. Profit statement of the parent company

Unit: RMB

Item	2023	2022
I. Operating income	2,800,805,334.77	2,364,560,278.23
Minus: Operating cost	2,370,968,026.25	1,989,102,797.37
Taxes and surcharges	11,856,409.25	13,935,411.50
Sales expenses	38,814,845.01	39,335,409.39
Administrative expenses	142,007,126.23	127,077,263.72
R&D expenses	8,598,131.92	20,695,875.79
Financial expenses	-51,724,651.97	-58,101,403.25
Including: interest expenses	14,377,169.62	11,941,995.43
Interest revenues	70,180,881.22	56,076,101.26
Plus: Other incomes	19,729,508.39	24,058,763.78
Investment income ("-" for loss)	1,766,607,997.40	1,596,577,717.17
Including: investment income on associated enterprise and joint venture	-529,681.40	-3,262,848.85
Income from derecognition of financial assets measured by amortized cost ("-" for loss)		
Net exposure hedging gains ("-" for loss)		
Gains from changes in fair value ("-" for loss)	544,611.01	131,817.00
Credit impairment loss ("-" for loss)	-5,681,450.92	16,808,778.58
Asset impairment loss ("-" for loss)	682,560.59	-715,941.15
Assets disposal income ("-" for loss)	-33,004.39	-40,662.89
II. Operating profit ("-" for loss)	2,062,135,670.16	1,869,335,396.20
Plus: Non-operating income	5,940,618.29	484,196.66
Minus: non-operating expense	5,350,542.11	2,766,054.34
III. Total profit ("-" for total loss)	2,062,725,746.34	1,867,053,538.52
Minus: income tax expenses	83,072,248.78	59,409,208.43
IV. Net profit ("-" for net loss)	1,979,653,497.56	1,807,644,330.09
(I) Net profit under continuing operation ("-" for net loss)	1,979,653,497.56	1,807,644,330.09
(II) Net profit under discontinuing operation ("-" for net loss)		
V. After-tax net amount of other comprehensive income		
(I) Other comprehensive incomes that can not be reclassified into profit and loss		
1. Remeasured amount of changes in defined benefit plan		
2. Other comprehensive income that cannot be transferred to gain and loss under the equity method		

3. Changes in the fair value of other equity instrument investments		
4. Changes in the fair value of the Company's own credit risk		
5. Others		
(II) Other comprehensive incomes that can be reclassified into profit and loss		
1. Other comprehensive income that cannot be transferred to gain and loss under the equity method		
2. Changes in the fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Credit impairment provision for other debt investments		
5. Cash flow hedging reserve		
6. Conversion difference in foreign currency financial statement		
7. Others		
VI. Total comprehensive income	1,979,653,497.56	1,807,644,330.09
VII. Earnings per share		
(I) Basic earnings per share (EPS)		
(II) Diluted earnings per share (EPS)		

5. Consolidated cash flow statement

Unit: RMB

Item	2023	2022
I. Cash Flows from Operating Activities:		
Cash received from sales of commodities or rendering of services	21,943,107,463.51	23,163,412,847.57
Net increase of customer deposit and interbank deposit		
Net increase of central bank loans		
Net increase of loans from other financial institutions		
Cash received from original insurance contract premium		
Net cash received from reinsurance		
Net increase of policy-holder deposit and investment		
Cash receipts from interest, handling fees and commission		
Net increase of loans from others		
Net increment of repurchase capital		
Net cash from security transaction agency		
Tax refund received	356,790,351.15	403,826,573.61
Other cash receipts related to operating activities	267,893,712.24	296,671,425.19
Subtotal of cash inflows from operating activities	22,567,791,526.90	23,863,910,846.37

Cash payments for purchasing commodities and receiving services	15,769,508,361.73	15,899,889,917.07
Net increment of customer loans and advances		
Net increase of central bank deposit and interbank deposit		
Cash payment for insurance indemnities of original insurance contracts		
Net increase of loans to other banks		
Cash for interest, handling fees and commission		
Cash payment of policy dividend		
Cash paid to and for employees	1,779,509,629.09	1,782,670,318.64
Taxes paid	1,028,954,311.82	1,115,969,533.28
Other cash expenses related to operating activities	1,954,909,888.06	1,905,425,831.54
Subtotal of cash outflows from operating activities	20,532,882,190.70	20,703,955,600.53
Net cash flows from operating activities	2,034,909,336.20	3,159,955,245.84
II. Net Cash Flows from Investing Activities:		
Cash received from return of investments		
Cash received from investment income	75,313,420.68	182,101,198.03
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	2,626,672.37	5,578,762.74
Net cash receipts from disposal of subsidiaries and other business units		
Other cash receipts related to investing activities	2,738,215,081.02	3,103,136,438.00
Subtotal of cash inflows from investing activities	2,816,155,174.07	3,290,816,398.77
Net cash paid for the construction of fixed assets, intangible assets and other long-term assets	137,477,524.11	165,432,733.39
Cash paid for investment		
Net increase of pledge loans		
Net cash paid for acquiring subsidiaries and other business units		
Other cash expenses related to investing activities	2,923,123,711.63	3,597,439,490.93
Subtotal of cash outflows from investing activities	3,060,601,235.74	3,762,872,224.32
Net cash flows from investing activities	-244,446,061.67	-472,055,825.55
III. Net Cash Flows from Financing Activities:		
Cash from absorbing investments		2,630,661.84
Including: cash received by subsidiaries from minority shareholder investment		2,630,661.84
Cash received from obtaining borrowings	198,504,388.57	6,000,990.92
Other cash receipts related to financing activities	79,000.00	2,463,000.00
Subtotal of cash inflows from financing activities	198,583,388.57	11,094,652.76
Cash paid for debt repayment		
Cash paid for distribution of dividends or profits or for payment of interest	2,439,504,228.21	2,567,723,592.43

Including: dividends or profits paid by subsidiaries to minority shareholders		
Other cash payments related to financing activities	540,741,394.47	208,900,848.04
Subtotal of cash outflows from financing activities	2,980,245,622.68	2,776,624,440.47
Net cash flows from financing activities	-2,781,662,234.11	-2,765,529,787.71
IV. Impact of Exchange Rate Changes on Cash and Cash Equivalents	1,019,143.56	29,831,440.74
V. Net increase in cash and cash equivalents	-990,179,816.02	-47,798,926.68
Plus: Balance of cash and cash equivalents at the beginning of the period	2,395,932,752.38	2,443,731,679.06
VI. Balance of cash and cash equivalents at the end of the period	1,405,752,936.36	2,395,932,752.38

6. Cash flow statement of parent company

Item	Unit: RMB	
	2023	2022
I. Cash Flows from Operating Activities:		
Cash received from sales of commodities or rendering of services	2,675,975,306.62	2,813,612,098.09
Tax refund received	154,933,316.86	192,478,449.00
Other cash receipts related to operating activities	70,788,457.00	49,326,684.43
Subtotal of cash inflows from operating activities	2,901,697,080.48	3,055,417,231.52
Cash payments for purchasing commodities and receiving services	2,448,288,210.73	1,997,873,868.31
Cash paid to and for employees	170,100,393.05	179,500,705.78
Taxes paid	72,211,600.02	82,083,795.20
Other cash expenses related to operating activities	72,825,973.49	77,325,691.14
Subtotal of cash outflows from operating activities	2,763,426,177.29	2,336,784,060.43
Net cash flows from operating activities	138,270,903.19	718,633,171.09
II. Net Cash Flows from Investing Activities:		
Cash received from return of investments		
Cash received from investment income	1,788,640,317.70	1,787,538,717.80
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	603,663.57	863,939.72
Net cash receipts from disposal of subsidiaries and other business units		149,634,690.89
Other cash receipts related to investing activities	1,105,049,702.00	2,281,025,218.38
Subtotal of cash inflows from investing activities	2,894,293,683.27	4,219,062,566.79
Net cash paid for the construction of fixed assets, intangible assets and other long-term assets	23,182,198.26	30,951,887.39
Cash paid for investment		
Net cash paid for acquiring subsidiaries and other business units		
Other cash expenses related to investing activities	1,465,412,274.03	3,117,694,762.51

Subtotal of cash outflows from investing activities	1,488,594,472.29	3,148,646,649.90
Net cash flows from investing activities	1,405,699,210.98	1,070,415,916.89
III. Net Cash Flows from Financing Activities:		
Cash from absorbing investments		
Cash received from obtaining borrowings		
Other cash receipts related to financing activities	1,297,348,085.21	1,227,206,126.98
Subtotal of cash inflows from financing activities	1,297,348,085.21	1,227,206,126.98
Cash paid for debt repayment		
Cash paid for distribution of dividends or profits or for payment of interest	2,454,574,408.09	2,580,043,028.70
Other cash payments related to financing activities	480,891,856.13	164,163,901.01
Subtotal of cash outflows from financing activities	2,935,466,264.22	2,744,206,929.71
Net cash flows from financing activities	-1,638,118,179.01	-1,517,000,802.73
IV. Impact of Exchange Rate Changes on Cash and Cash Equivalents	-2,235,360.05	10,981,710.82
V. Net increase in cash and cash equivalents	-96,383,424.89	283,029,996.07
Plus: Balance of cash and cash equivalents at the beginning of the period	1,083,953,956.62	800,923,960.55
VI. Balance of cash and cash equivalents at the end of the period	987,570,531.73	1,083,953,956.62

7. Statement of Changes in Consolidated Owners' Equities

Amount of this period

Unit: RMB

Item	2023														
	Owners' equities belonging to parent company													Minority shareholders' equities	Total owners' equities
	Share capital	Other equity instruments			Capital reserves	Minus: Treasury share	Other comprehensive incomes	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Others	Subtotal		
	Preferred share	Perpetual bond	Others												
I. Closing Balance of the Last Year	808,654,476.00				125,368,989.44	99,724,823.49	20,454,823.26		356,924,811.32		5,865,316,233.53		7,036,084,863.54	36,605,324.74	7,072,690,188.28
Plus: cumulative changes of accounting policies															
Error correction of prior period															
Others															

II. Opening Balance of the Current Year	808,654,476.00				125,368,989.44	99,724,823.49	20,454,823.26		356,924,811.32		5,865,316,233.53		7,036,084,863.54	36,605,324.74	7,072,690,188.28
III. Current Period Increase ("-" for Decrease)	1,945,819.00				47,741,637.58	388,332,510.27	1,278,368.67		984,909.50		348,508,610.91		690,751,843.43	105,287.48	690,857,130.91
(I) Total of comprehensive incomes							1,278,368.67				2,179,798,147.27		2,181,076,515.94	105,287.48	2,180,971,228.46
(II) Capital invested and reduced by the owner	1,945,819.00				47,741,637.58	91,733,258.47			86,136,849.47		3,650,590.00		47,741,637.58		47,741,637.58
1. Common shares invested by shareholders															
2. Capital invested by other equity instrument holders															
3. Amount of share-based payment recognized through owners' equities	75,750.00				47,741,637.58	3,726,340.00					3,650,590.00		47,741,637.58		47,741,637.58
4. Others	1,870,069.00					88,006,918.47			86,136,849.47						
(III) Profit distribution									85,151,939.97		2,524,656,168.18		2,439,504,228.21		2,439,504,228.21
1. Appropriation of surplus reserve									85,151,939.97		85,151,939.97				
2. Appropriation of general risk reserve															
3. Appropriation of profit to owners											2,439,504,228.21		2,439,504,228.21		2,439,504,228.21
4. Others															

(IV) Internal carry-over within owners' equities														
1. Transfer of capital reserve to capital (or share capital)														
2. Transfer of surplus reserve to capital (or share capital)														
3. Surplus reserve to cover losses														
4. Retained earnings after carrying over amount of changes in defined benefit plan														
5. Retained earnings after carrying over other comprehensive incomes														
6. Others														
(V) Special reserve														
1. Appropriation of current period														
2. Application of current period														
(VI) Others					480,065,768.74							-480,065,768.74		-480,065,768.74
IV. Closing Balance of the Current Period	806,708,657.00			173,110,627.02	488,057,333.76	-19,176,454.59	355,939,901.82	5,516,807,622.62		6,345,333,020.11	36,500,037.26	6,381,833,057.37		

Amount of the prior period

Unit: RMB

Item	2022														
	Owners' equities belonging to parent company												Minority shareholders' equities	Total owners' equities	
	Share capital	Other equity instruments			Capital reserves	Minus: Treasury share	Other comprehensive incomes	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Others			Subtotal
Preferred share		Perpetual bond	Others												
I. Closing Balance of the Last Year	808,678,476.00				122,970,340.27	76,159,897.25	41,522,541.60		356,924,811.32		6,451,748,564.12		7,622,639,752.86	35,668,094.06	7,658,307,846.92
Plus: cumulative changes of accounting policies															
Error correction of prior period															
Others															
II. Opening Balance of the Current Year	808,678,476.00				122,970,340.27	76,159,897.25	41,522,541.60		356,924,811.32		6,451,748,564.12		7,622,639,752.86	35,668,094.06	7,658,307,846.92
III. Current Period Increase ("-" for Decrease)	-24,000.00				2,398,649.17	23,564.926.24	21,067.718.34				-586,432,330.59		-586,554,889.32	937,230.68	-585,617,658.64
(I) Total of comprehensive incomes							21,067.718.34				2,067,659,526.97		2,088,727,245.31	-1,693,431.16	2,087,033,814.15
(II) Capital invested and reduced by the owner	-24,000.00				2,398,649.17	69,991.307.25					-86,368,265.13		-14,002,308.71	2,630,661.84	-11,371,646.87
1. Common shares invested by shareholders															
2. Capital invested by other equity instrument holders															
3. Amount of share-based	-24,000.00				2,398,649.17	69,991.307.25					-86,368,265.13		-14,002,308.71		-14,002,308.71

payment recognized through owners' equities																				
4. Others																		2,630,661.84	2,630,661.84	
(III) Profit distribution										2,567,723,592.43								2,567,723,592.43		2,567,723,592.43
1. Appropriation of surplus reserve																				
2. Appropriation of general risk reserve																				
3. Appropriation of profit to owners										2,567,723,592.43								2,567,723,592.43		2,567,723,592.43
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 the Current Period	808,654,476.00				125,368,989.44	99,724,823.49	20,454,823.26		356,924,811.32		5,865,316,233.53		7,036,084,863.54	36,605,324.74	7,072,690,188.28			

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

Amount of this period

Unit: RMB

Item	2023												Total owners' equities
	Share capital	Other equity instruments			Capital reserves	Minus: Treasury share	Other comprehensive incomes	Special reserve	Surplus reserve	Undistributed profit	Others		
		Preferred share	Perpetual bond	Others									
I. Closing Balance of the Last Year	808,654,476.00				202,697,741.40	99,724,823.49			404,339,238.00	4,331,212,701.66			5,647,179,333.57
Plus: cumulative changes of accounting policies													
Error correction of prior period													
Others													
II. Opening Balance of the Current Year	808,654,476.00				202,697,741.40	99,724,823.49			404,339,238.00	4,331,212,701.66			5,647,179,333.57
III. Current Period Increase ("-" for)	-1,945,819.00				46,923,626.84	388,332,510.27			-984,909.50	548,653,260.62			892,992,872.55

(Decrease)												
(I) Total of comprehensive incomes									1,979,653,497.56			1,979,653,497.56
(II) Capital invested and reduced by the owner	-1,945,819.00			46,923,626.84	-91,733,258.47			86,136,849.47	3,650,590.00			46,923,626.84
1. Common shares invested by shareholders												
2. Capital invested by other equity instrument holders												
3. Amount of share-based payment recognized through owners' equities	-75,750.00			46,923,626.84	-3,726,340.00				3,650,590.00			46,923,626.84
4. Others	-1,870,069.00				88,006,918.47			86,136,849.47				
(III) Profit distribution								85,151,939.97	2,524,656.168.18			-2,439,504,228.21
1. Appropriation of surplus reserve								85,151,939.97	85,151,939.97			
2. Appropriation of profit to owners									2,439,504,228.21			2,439,504,228.21
3. Others												
(IV) Internal carry-over within owners' equities												
1. Transfer of capital reserve to capital (or share capital)												
2. Transfer of surplus reserve to capital (or share capital)												
3. Surplus reserve to cover losses												
4. Retained earnings after carrying over amount of changes in												

defined benefit plan												
5. Retained earnings after carrying over other comprehensive incomes												
6. Others												
(V) Special reserve												
1. Appropriation of current period												
2. Application of current period												
(VI) Others						480,065,768.74						480,065,768.74
IV. Closing Balance of the Current Period	806,708,657.00				249,621,368.24	488,057,333.76			403,354,328.50	3,782,559,441.04		4,754,186,461.02

Amount of the prior period

Unit: RMB

Item	2022											
	Share capital	Other equity instruments			Capital reserves	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 the Last Year	808,678,476.00				236,901,053.81	76,159,897.25			404,339,238.00	5,141,307,982.39		6,515,066,852.95
Plus: cumulative changes of accounting policies												
Error correction of prior period												
Others												
II. Opening Balance of the Current Year	808,678,476.00				236,901,053.81	76,159,897.25			404,339,238.00	5,141,307,982.39		6,515,066,852.95
III. Current Period Increase ("Decrease")	-24,000.00				34,203,312.41	23,564,926.24			810,095,280.73			867,887,519.38
(I) Total of comprehensive incomes									1,807,644,330.09			1,807,644,330.09

(II) Capital invested and reduced by the owner	-24,000.00				34,203,312.41	69,991,307.25				50,016,018.39	-14,252,023.55
1. Common shares invested by shareholders											
2. Capital invested by other equity instrument holders											
3. Amount of share-based payment recognized through owners' equities	-24,000.00				34,203,312.41	69,991,307.25				50,016,018.39	-14,252,023.55
4. Others											
(III) Profit distribution										2,567,723.592.43	2,567,723,592.43
1. Appropriation of surplus reserve											
2. Appropriation of profit to owners										2,567,723.592.43	2,567,723,592.43
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						93,556,233.49						-93,556,233.49
IV. Closing Balance of the Current Period	808,654,476.00				202,697,741.40	99,724,823.49			404,339,238.00	4,331,212,701.66		5,647,179,333.57

III. 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; its products are cookware and small domestic appliances.

The financial statement was released after the approval of the Company's Board of Directors on March 29 2024.

By December 31, 2023, 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 the reporting period, and there are no major issues affecting the ability to continue operations.

V. Important Accounting Policies and Estimates

Prompt for specific accounting policies and estimates:

The Group has formulated several specific accounting policies and estimates based on the actual production and operation characteristics and relevant accounting standards for enterprises.

When preparing financial statements, the group's management needs to use estimates and assumptions, which will affect the application of accounting policies and the amounts of assets, liabilities, income, and expenses. The actual situation may differ from these estimates. The management of the group continuously evaluates the key assumptions and uncertainties involved in the estimation, and recognizes the impact of changes in accounting estimates in the current and future periods of the change. The group's main accounting estimates include depreciation and amortization of fixed assets and intangible assets (see notes V, 17, and 20), impairment of various assets (see notes VII, 4, 6, 8, 13, and XIX, 1, and 2), recognition of deferred tax assets and liabilities (see notes VII, 17), disclosure of fair value (see note XIII), and share based payments (see note XV).

1. Abidance of the statement of Accounting Standards for Business Enterprises

The financial statement conforms to the requirements of Accounting Standards for Business Enterprises and has reflected relevant information such as the financial condition and consolidated financial condition as at December 31, 2023, and the operating result, consolidated operating result, cash flow, and consolidated cash flow for the year of 2023, of the Company and Supor. In addition, the financial statements of the Company and the Group 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 (CSRC) in 2023 and related financial statements and their notes.

2. Accounting period

The accounting period of the Group is divided into annual period and interim period; an interim period refers to a reporting period which is shorter than a whole fiscal year. The Group 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 the Group purchases the assets used for processing to the time of realizing cash or cash equivalents. The Group 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. The Group uses RMB as the recording currency to prepare the financial statement.

5. Determination method and selection basis of significance standards

Applicable Not applicable

Item	Significant standard
Significant accounts receivable written off	5% of Profit before tax
Important other debt investments	
Significant construction in progress	
Significant accounts payable with an aging of over 1 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 events 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 the Group 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 by the merging party shall be measured on the basis of book value of the merged party on the merger date. As to the difference between the book value of net assets acquired by merging party and the book value of merger consideration paid by it (or total amount of the face value of shares issued), the capital reserve (share capital premium) shall be adjusted correspondingly; the retained earnings will be adjusted as long as capital reserve (share capital premium) is insufficient to be offset. The merging party's direct expenses incurred from enterprise merger shall be recognized through 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 it belongs to an enterprise merger not under the same control. For enterprise merger not under the same control, the party which has obtained the control rights for other combining enterprises on the purchase date will be considered as the 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 recognized through 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 recognized through initial recognition amount of the equity securities or debt securities. Contingent consideration involved shall be recognized through merger cost according to the fair value at the purchase date; if new or further proofs appearing within 12 months after the purchase date show that the

contingent consideration needs to be adjusted, the merger goodwill shall be adjusted correspondingly. The merger costs incurred by the purchasing party and the identifiable net assets obtained in the merger shall be measured at the fair value on the purchase date. The amount of the merger cost larger than the fair value of identifiable net assets of the purchased party acquired by it on the purchase date shall be recognized as goodwill. If the merger cost is lower than the fair value of identifiable net assets of the purchased party obtained during merging, the measurement of the identifiable assets of the purchased party obtained, liabilities or fair value of contingent liabilities and the merger costs shall be reviewed firstly. If the merger cost is still lower than the fair value of identifiable net assets of the purchased party obtained during merger, the difference shall be recognized through 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 recognized through 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 of 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 newly investment cost on the purchase date in individual financial statements shall be regarded as the initial investment cost of such investment; in case that the equity of the purchased party held before the purchase date is involved in other comprehensive incomes, when disposing of the investment, other comprehensive income related shall be transferred to the current investment income.

In consolidated financial statements, the equity of the purchased party held before the purchase date shall be measured again according to the fair value of the equity at the purchase date, and the difference between fair value and its book value shall be recognized through 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 of control, and preparation method for consolidated financial statements

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

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 the Group has control over an investee, the Group considers substantive rights related to the investee (including substantive rights held by the Group 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 consolidation 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, the Group will begin to bring it into the merger scope; subsidiaries will not be recognized through merger scope from the date when the Company loses its actual control right. As for the disposed subsidiaries, the operating results and cash flow before disposal date have been properly recognized through consolidated profit statement and consolidated cash flow statement; as for subsidiaries disposed in the current period, the opening balance 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 recognized through consolidated profit statement and consolidated cash flow statement, and the opening balance and contrast balance 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 recognized through consolidated profit statement and the consolidated cash flow statement, and the contrast balance of the consolidated financial statement shall be adjusted simultaneously.

When consolidated financial statements are prepared, in case the accounting policies or accounting periods employed by the subsidiary and the Company are different, it's required to make necessary adjustment on the subsidiary's financial statements according to the Company's accounting policy and accounting period. As to the subsidiary acquired by the enterprise merger not under the same control, it's required to adjust its financial 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 recognized through investment income of the current period when the control right is lost. As for other comprehensive income 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 the Group 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" (2) (d)) 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 of losing the control right when the control right is lost.

8. Determining standards for cash and cash equivalents

Cash and cash equivalents of the Group 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 the Group, 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 the Group 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 at fair value through other comprehensive incomes, except that the exchange difference created by other book balance changes other than by amortized costs (including decrease in value) is recognized through other comprehensive incomes, are recognized through current profits and losses.

As to foreign currency non-monetary items measured by historical cost, the amount in the recording currency converted at the spot rate on the transaction date is still employed for measurement; as to foreign currency non-monetary items measured by fair value, it's required to employ the spot rate at the fair value confirmation date for conversion, and the resulting exchange difference belongs to the difference of equity instrument investment at fair value through other comprehensive incomes, and is recognized through other comprehensive income or recognized through other comprehensive incomes; other differences are recognized through current profits and losses.

(3) Conversion of 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 the Group's entire owners' equities in overseas business, or the disposal of partial equity investment or other reasons, the foreign currency conversion difference listed in the shareholders' equities items in the balance sheet, related to the overseas business and attributable to owners' equities belonging to parent company shall be totally converted into the current disposal profits and losses.

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

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

10. Financial instruments

When the Group 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, the Group divides the financial assets into: financial assets measured by amortized cost, financial assets at fair value through other comprehensive incomes, financial assets at fair value through current profits and losses

The business mode of the Company's management of financial assets means that how the Group 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 the Group is from the collection of contractual cash flow, sales of financial assets, or both. The Group, 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.

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

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

(a) Financial assets measured by amortized cost

The business mode of the Group 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 the Group 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 recognized through current profits and losses.

(b) financial assets at fair value through other comprehensive incomes

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

In addition, for investments in non-transactional equity instruments, the Group can irrevocably designate them as financial assets at fair value through 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. The Group includes the related dividend income of such financial assets into the current profits and losses with the change in fair value recognized through other comprehensive income. When the financial asset is derecognized, the accumulated gains or losses previously recognized through other comprehensive income shall be transferred into retained earnings and recognized through current profits and losses.

(c) Financial assets at fair value through current profits and losses

The Group recognizes foregoing financial assets measured by amortized cost and that are not financial assets at fair value through other comprehensive incomes as financial assets at fair value through current profits and losses. In addition, during initial recognition, in order to eliminate or significantly reduce accounting mismatches, the Group designates part of the financial assets at fair value through current profits and losses. As to such financial assets, subsequent measurement shall be carried out by the Group based on fair value, and the resulting gains or losses (including interest and dividend income) are recognized through 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 at fair value through current profits and losses, financial guarantee liabilities and other financial liabilities upon initial recognition. As to financial liabilities at fair value through current profits and losses, related transaction cost shall be recognized through current profits and losses directly; as to other financial liabilities, related transaction cost shall be recognized through initial recognition amount.

(a) Financial liabilities at fair value through current profits and losses

Financial liabilities at fair value through 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 recognized through 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 recognized through current profits and losses.

For financial liabilities at fair value through current profits and losses, changes in their fair value caused by changes in the Group's own credit risk are recognized through other comprehensive income, and when such liabilities are stopped to be recognized, accumulated changes in their fair value caused by changes in the Group's own credit risk that is recognized through other comprehensive income are transferred to retained earnings. Other changes in fair value are recognized through 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, the Group 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 the Group 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 and conditions of the debt instrument at maturity.

After initial recognition, the income related to the financial guarantee contract is apportioned and recognized through 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 recognized through current profits and losses

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

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

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

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

For financial assets sold with right of recourse, or to transfer financial assets by endorsement, the Group 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, the Group will carry out derecognition of such financial liabilities or part of them. In case the Group (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 the Group substantially modifies the contract terms and conditions of the

original financial liability (or part of it), the original financial liability is derecognized and a new financial liability is recognized in accordance with the revised terms and conditions.

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

(5) Offset of financial assets and financial liabilities

In case the Group has the legal right of offsetting the financial assets and financial liabilities recognized and such legal right is executable now, and the Group 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 the Group deducts all liabilities. The Group'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. The Group 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 the Group 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 at fair value through 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 the Group 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 weighted 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 the Group, namely, the present value of a shortage of cash. Wherein, the purchased or underlying financial assets with credit impairment of the Group shall be discounted as per effective interest rate based on credit adjustment.

The general method for measuring expected credit loss is as follows, the Group 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, the Group 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, the Group 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, the Group 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 the Group 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, the Group 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 the Group 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

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

Except financial assets of individual credit risk assessment, the Group 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 the Group at the end of the duration. If the estimated credit loss is greater than the book value of the current impairment provision, the difference is recognized as impairment loss; if not, it is recognized as impairment profits.

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

(a) Accounts receivable and contract assets

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

For accounts receivable and contract asset involving significant financing part, Supor always calculates the loss provision as the amount of expected credit loss within the duration.

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

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

(b) Other receivables

The impairment loss is measured by the Group 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 interests receivable, dividends receivable, receivables from government departments 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.
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(c) Notes receivable and accounts receivable financing

Item	Basis for determination of portfolio
Notes receivable	The Group 's Notes receivable are all bank acceptance bills, and the group combines all Notes receivable into one group.
Receivables financing	The Receivables financing of the group is for bank acceptance bills with dual holding purposes. Due to the fact that the acceptance banks are all banks with higher credit ratings, the Group considers all Receivables financing as a combination.

12. Receivables financing

The notes receivable and accounts receivable at fair value through 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. Inventories

(1) Category

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

Low value consumables are amortized by the one-off write-off method or amortized over two years; Packaging materials are amortized using a 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. For the raw materials held for production, the net realizable value shall be measured based on the net realizable value of the finished products they produce. 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 inventory category and its net realizable value shall be recognized as a provision for inventory impairment and recognized in the current period's profit and loss.

Inventory category	Basis for determining net realizable value
Finished products	Estimated selling price minus estimated selling expenses and related taxes and fees
Raw materials	Estimated selling price minus estimated costs to be incurred until completion, estimated sales expenses, and related taxes and fees
Low value consumables	

14. Contract assets

The Group lists the customer's unpaid contract consideration as contract assets in the balance sheet, under which the Group 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".

15. Held-for-sale assets and disposal groups

(1) held for sale Non current assets or disposal groups

In case the Group 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; the Group 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 - Asset Impairment*, 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 the Group, 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 recognized through 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 recognized through 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) Termination of operations

The group will define the termination of operations as a separately identifiable component that meets one of the following conditions and has been disposed of by the Group or classified as held for sale:

- This component represents an independent main business or a separate main operating area;
- This component is part of a related plan to dispose of an independent main business or a separate main operating area;
- This component is a subsidiary acquired specifically for resale.

The group separately presents the continuing operations profit and loss and the termination operations profit and loss in the current profit and loss statement, and re presents the information previously reported as continuing operations profit and loss as the termination operations profit and loss for comparable accounting periods in the profit and loss statement for the comparative period.

16. Long-term equity investment

The long-term equity investment mentioned in this part refers to the long-term equity investment of which the Group has control right, common control right or significant impact on the invested units. Long-term equity investments that the Group does not have control, common control or significant impact on the invested unit are accounted for as financial assets at fair value through current profits and losses. If such assets are not non-transactional, the Group may specify these capitals as measured at the financial assets at fair value through other comprehensive incomes at the initial recognition. See Note V. 10"Financial Instruments" for details.

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

Determination of investment cost

(1) Determination of investment costs

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

The long-term equity investment obtained from the enterprise merger not under the same control shall be used as the initial investment cost of long-term equity investment according to the merger cost on the purchase date. The merger cost includes the sum

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

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

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

Long-term equity investments that have common control (except for joint operators) or significant impact on the invested unit are accounted by equity method. Besides, the Company's financial statement adopts the cost method to account the long-term equity investment that can be controlled by the invested unit.

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

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

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

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

When the equity method is adopted for accounting, it's required to recognize the investment income and other comprehensive income respectively according to net profit or loss realized by the invested unit that shall be enjoyed or shared and other comprehensive income, and book value of the long-term equity investment shall be adjusted simultaneously. As to the part that shall be enjoyed and calculated according to the profits or cash dividends announced and distributed by the invested unit, it's required to reduce the book value of long-term equity investment correspondingly. As to other changes in owners' equities of the invested unit except for net profits and losses, other comprehensive incomes and profit distribution, book value of the long-term equity investment shall be adjusted and recognized through capital reserve. When the shares of net profit or loss of the invested unit that shall be enjoyed are recognized, it shall be based on fair value of each identifiable net asset of the invested unit when the investment is acquired and after the adjustment is made on net profit of the invested unit. In case the accounting policy and accounting period employed by the invested unit are different from those employed by the Group, financial statements of the invested unit shall be adjusted according to the Group's accounting policy and accounting period. Besides, investment income, other comprehensive income, etc. shall be recognized on this basis. For transactions between the Group and associated enterprise or joint venture, if the assets launched or sold do not constitute the

business, the unrealized internal trading profits and losses shall be offset according to the proportion attributable to the Group, and the investment profits and losses shall be confirmed on this basis. In case the part incurred between the Group and the invested unit without internal transaction loss belongs to the asset impairment loss, it shall not be offset. If the assets invested by the Group to the joint venture or associated enterprise constitute the business, and the investor thereupon obtains the long-term equity investment but fails to obtain the control right, the fair value of business launched is taken as the initial investment cost of newly long-term equity investment, and the difference between the initial investment cost and book value of business launched shall be recognized through current profits and losses in full. If the assets sold by the Group to the joint venture or associated enterprise constitute the business, the difference between the consideration acquired and the book value of business shall be fully recognized through current profits and losses. If the Group's assets purchased from the joint venture or associated enterprise constitute the business, accounting treatment shall be conducted in accordance with the provisions of the *Accounting Standards for Business Enterprises No. 20 - Enterprise Merger*, and the gains or losses related to the transaction shall be fully recognized.

When the net loss of the invested unit that shall be shared is recognized, the book value of the long-term equity investment and other long-term equity that actually constitute the net investment of the investee shall be written down to zero. Besides, if the Group has the obligation to bear the additional loss for the invested unit, the estimated liabilities will be recognized according to the estimated obligation that shall be assumed and recognized through current investment losses. In case the net profit is realized by the invested unit later, after the Group makes up the unrecognized loss amount shared by the income amount shared, it's required to recover the revenue recognition amount shared.

(c) Acquisition of minority shareholders' equities

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

(d) Disposal of the long-term equity investment

The parent company partially disposes the long-term equity investment of subsidiary when the control right is not lost in consolidated financial statement. The difference between disposal price and subsidiaries' net assets enjoyed corresponding to the disposal of long-term equity investment will be recognized through shareholders' equities; supposing that the parent company loses the control right for the subsidiary due to the partial disposal of the long-term equity investment for the subsidiary, it shall be dealt with in accordance with the relevant accounting policies as specified in the Note V. 7 " Judgment criteria of control, and preparation method for consolidated financial statements " (2).

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

For long-term equity investments under the equity method, if the residual equities after disposal shall still be accounted by the equity method, upon the disposal, the part of other comprehensive income that was originally recognized through shareholders' equities shall be accounted for on the same basis as the invested unit's direct disposal of relevant assets or liabilities in a corresponding proportion. However, the owners' equities that are recognized based on the changes in other owners' equities shall be carried forward to the current profits and losses in proportion, except for the net profits and losses, other comprehensive incomes and profit distribution of investees.

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

If the Group loses control of the invested unit due to disposal of partial equity investment, and the residual equities after disposal may exert common control or significant impact on the invested unit while preparing individual financial statements, the equity method will be adopted for accounting, and it will be measured by the equity method and adjusted with equity method since obtaining; if the residual equities after disposal cannot implement the common control or exert significant impact on the invested unit, the relevant provisions in respect of the standards of recognition and measurement of financial instruments shall be referenced for the accounting treatment, and the difference between the fair value and book value shall be recognized through current profits and losses on the date of losing control. Before the Group acquires the control of the invested unit, for other comprehensive incomes confirmed under the equity method or standards of recognition and measurement of financial instruments, when the control of the invested unit is lost, the accounting treatment shall be conducted on the same basis of the invested unit's direct disposal of relevant assets or liabilities; the changes in the other owners' equities of the invested unit's net assets other than the net profits and losses, other comprehensive incomes and profit distribution calculated and confirmed by the equity method shall be settled and transferred to the current profits and losses in proportion. Among which, if the residual equities after disposal are calculated by the equity method, other comprehensive incomes and other owners' equities shall be carried forward in proportion; if the residual equities after disposal are to be conducted with accounting treatment in accordance with the standards of recognition and measurement of financial instruments, other comprehensive incomes and other owners' equities shall be carried forward.

If the Group loses the common control or significant impact on the invested unit due to disposal of partial equity investment, the residual equities after disposal shall be accounted according to the standards of recognition and measurement of financial instruments. The difference between the fair value and book value shall be recognized through current profits and losses on the date of losing common control or significant impact. As for other comprehensive incomes as recognized when the original equity investment is under the equity method, it shall be subject to the accounting treatment on the same basis of the assets or liabilities which are directly disposed by the invested unit when the equity method is abandoned. The owners' equities which are recognized by the invested unit due to the changes in other owners' equities, except for the net profits and losses, other comprehensive incomes and profit distribution of investees, will be reckoned in the current investment incomes when the equity method is abandoned.

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

17. Fixed assets

(1) Recognition conditions

Fixed assets refer to tangible assets held for producing commodities, providing labor service, leasing or operation management with service life of more than 1 fiscal year. The fixed assets can be confirmed only when the relevant economic interests are possible to flow into the Group 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 the Group 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 assets in Note V. 22 "Impairment of Long-term Assets".

(4) Other remarks

The subsequent expenditures related to fixed assets shall be recognized through 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 this, shall be recognized through 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 the group by different ways and apply to different rates of depreciation and depreciation methods, the Group confirms each component as 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 confirmed to be derecognized. The difference of the amount left as the book value and relevant taxes are deducted from the disposal revenue obtained from the sale, transfer, discard or damage of the fixed asset shall be recognized through current profits and losses.

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

Standard and time spot of converting construction in progress disclosed per category to fixed assets:

Categories	Standard and time point of carrying forward construction in progress to fixed assets
Buildings and structures	Meeting the completion standard specified in the contract or project plan
General/special equipment	Installation and commissioning meeting the design standard and contract standard

See more details about the impairment test method and the withdrawing method of impairment provision of construction in progress in Note V. 22 "Impairment of Long-term Assets".

The income and cost of the Group's external sales of products or by-products produced before the fixed assets reach the expected serviceable condition, the company should carry out accounting treatment separately according to *Accounting Standards for Business Enterprises No. 14 - Revenue* and *Accounting Standards for Business Enterprises No.1 - Inventory*, which shall be recognized through 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 those in the current period.

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

In the capitalization period, all exchange differences of special foreign currency borrowings shall be capitalized; exchange difference of general foreign currency borrowing shall be recognized through 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) Intangible assets

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

The initial measurement of intangible assets shall be conducted according to its costs. Expenditures related to intangible assets shall be recognized through cost of intangible assets if the relevant economic benefits may flow in the Group and its cost can be reliably measured. Other projects' expenditures, except for this, shall be recognized through current profits and losses once occurred.

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

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, determination basis, and amortization method of various intangible assets are::

Item	Amortization period (years)	Determination basis	Amortization method
Land use right	43-50	Legal term	Straight-line method
Software	2-10	The duration that can bring economic benefits to the company	Straight-line method
Trademark use right	10	Legal term	Straight-line method

Dumping right	5	Contract term	Straight-line method
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At the end of each period, the service life of intangible assets with limited service life and the amortization method for them will be rechecked. Changes of them will be regarded as changes of accounting estimate. In addition, the service life of intangible assets with undetermined service life will be rechecked. If there is evidence manifesting that an intangible asset can bring economic benefits for the enterprise within a foreseeable period, then its service life will be estimated and it will be amortized according to the amortization policy for intangible assets with limited service life.

(2) R&D expenditure

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

Research expenditure is recognized through 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 recognized through current profits and losses.

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

If it is unable to distinguish the research expenditure from development expenditure, both R&D expenditures will be recognized through 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. 22 "Impairment of Long-term Assets".

21. Long-term unamortized expense

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 the Group mainly include improvement expenditure of fixed assets leased for operation. Long-term unamortized expenses are amortized by the straight-line method over the expected benefit period.

22. 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, the Group 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 recognized through impairment losses. The recoverable amount shall be determined as the net amount obtained by the fair value of asset - 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 agreed price 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 cost 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 according to the asset group by the asset group to which the asset belongs. Asset group refers to the minimum asset portfolio that is capable of generating 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.

23. Contract liabilities

Contract liabilities refer to the obligation of the Group to transfer commodities to customers for the received or receivable consideration from customers. In the event that the customer has paid the contractual consideration or the Group has obtained the unconditional collection right before it transfers the commodities to customers, the Group 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

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

Short-term employee remuneration mainly includes salary, bonus, allowance and subsidy, employee benefits expense, medicare premium, maternity premium, occupational injuries premium, housing accumulation fund, labor union expenditure, personnel education fund, non-monetary welfare, etc. During the accounting period in which the Group's employees provide services for the Group, actual short-term employee remuneration incurred shall be recognized as the liabilities and recognized through current profits and losses or relevant asset costs. And the non-monetary welfare shall be measured at fair value.

Post-employment benefit mainly includes basic endowment insurance, unemployment insurance, and annuity. The plan of post-employment benefit includes the defined contribution plan. In case that the defined contribution plan is adopted, corresponding amount which shall be deposited will be recognized through 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 the Group cannot unilaterally withdraw termination benefits provided for cancellation of labor relation plan or downsizing suggestion and on the date

when the Group confirms 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 through 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 the Group for the early retired employee from the date of stopping providing services to the date of normal retirement are recognized through current profits and losses (termination benefit) if the estimated liabilities recognition conditions are met.

25. Estimated liabilities

If the obligation related to contingencies satisfies the following conditions at the same time, the Group shall recognize it as the estimated liabilities: ① This obligation is the current obligation undertaken by the Group; 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 best estimate of the expenses required to fulfill the relevant current obligations. For those with significant impact on the time value of currency, estimated liabilities are determined based on the discounted amount of expected future cash flows. When determining the best estimate, the Group comprehensively considers factors such as risk, uncertainty, and time value of money related to contingencies. 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 with a single item, then the optimal estimate will be determined based on the amount that is most likely to occur.

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

The group reviews the book value of estimated liabilities on the balance sheet date and adjusts the book value based on the current best 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 recognition 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 obligations

It shall determine the estimated liabilities amount according to the direct expenditures related to the restructuring which has detailed, formal and publicly stated restructuring plan and which are 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 the Group promises to sell partial businesses (namely, signs the binding-force sales agreement).

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 recognized through 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, the Group 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 recognized through 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 recognized through 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 the Group 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 the Group 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 recognized through 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 recognized through current profits and losses.

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

When the Group 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 the Group cancels some or all of the equity instruments granted.

During the waiting period, if the granted equity instrument is cancelled, the Group will cancel the granted equity instrument as an accelerated exercise, and the amount to be recognized in the remaining waiting period will be immediately recognized through 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, the Group will treat it as a cancellation of the equity instrument.

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

For share-based payment transaction involving the Group or the Company's shareholders or actual controller, if either settlement enterprise or enterprise accepting service is inside the Group or outside the Group, the accounting treatment shall be conducted in the consolidated financial statements of the Group 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 enterprise accepting service, it shall be recognized as the long-term equity investment of the enterprise accepting service according to the fair value of the equity instrument at the grant date or the fair value of the liability to be assumed, and the capital reserves (other capital reserves) or liabilities shall be recognized.

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

27. Revenues

Accounting policy adopted for recognition and measurement of revenues disclosed per business type

Revenue is the total inflow of economic benefits that the Group 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 the Group 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 and conditions 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 the Group; the consideration that the Group 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, the Group 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 payable consideration should be offset against the transaction price, and the current income should be offset at the later of the recognition of relevant income and the payment (or commitment to pay) of customer consideration, except for the consideration payable to customers for the purpose of obtaining other clearly distinguishable goods from customers.

For contracts with quality assurance terms and conditions, the Group 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, the Group regards it as a single performance obligation.

Transaction price is the consideration amount the Group 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 the Group 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, the Group 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 the Group fulfills the performance obligation; the customer manages to control the commodities in process while the Group fulfills the performance obligation. Commodities produced during the performance period have irreplaceable purposes and the Group 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 the Group 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, the Group 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, the Group can consider the following signs: the enterprise has the current collection right of the commodity, namely the customer is responsible for current payment obligation of the commodity; the enterprise has transferred the legal ownership of the commodity to the customer, namely the customer has possessed the legal ownership of the commodity; the enterprise has transferred the real commodity to the customer, namely the customer has possessed the real commodity; the enterprise has transferred main risks and rewards of the commodity to the customer, namely the customer has obtained the main risks and rewards related to the ownership of the commodity; the customer has accepted the commodity; other signs indicating that the customer has obtained the control right of the commodity.

For sales with sales return terms and conditions, when customers obtain control over related commodities, the Group 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, the Group re-estimates the future sales returns, and if there is any change, it will be treated as a change in accounting estimates.

The Group's selling of commodities such as cookware and small domestic appliances is a type of performance obligation at a certain time point, of which the revenue is recognized when the control over the commodities has been transferred to the customer. According to the agreement in the sales contract, the group mainly recognizes the control over commodity as having been transferred to the customer and recognizes relevant commodity revenue when such commodity has left the group'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 costs

The incremental cost incurred by the Group 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 recognized through 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 the Group'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 recognized through current profits and losses.

Where the book value of assets related to contract costs is higher than the difference between the following two items, the Group 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 the Group;
- Cost estimated to be occurred for the transfer of the relevant commodities or services.

29. Government subsidies

Government subsidies refer to monetary assets and non-monetary assets obtained by the Group 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 the Group used for purchasing or acquisition and construction, or forming the long-term assets by other ways, which is confirmed the government subsidies concerning assets; Other government subsidies shall be defined as the government subsidies concerning benefits. If the government document does not clear the subsidy object, the subsidies will be divided based on the following modes into government subsidies concerning benefits and government subsidies concerning assets: ① If the particular item of the subsidies is clear in the government document, it shall make a division according to the relative proportion of expense amount of the formed assets in the budget of the particular item and the expense amount recognized through 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 recognized through current profits and losses.

When the Group 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 the Group and the grant.

If the government subsidies concerning assets are recognized as deferred incomes and are recognized through 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 recognized through 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 recognized through 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 the Group shall be recognized through other incomes, or used to offset the relevant costs according to the economic business nature. Government subsidies not concerning daily activities will be recognized through 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 recognized through current profits and losses; In other circumstances, they shall be recognized through current profits and losses directly.

30. Deferred income tax assets/deferred income tax liabilities

(1) Current income tax

On the balance sheet date, the current income tax liabilities (or assets) formed in the current period and previous periods shall be measured by the expected amount of income tax payable (or returnable) calculated in accordance with the provisions of the tax law. The taxable income on which the current income tax expenses are calculated shall be calculated after the corresponding adjustment of the pre-tax accounting profit in the current reporting period in accordance with the relevant tax law.

(2) Deferred income tax assets/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 the Group 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, the Group shall recognize all other deferred income tax liabilities incurred in the taxable temporary differences.

Taxable temporary differences and deductible temporary differences related to the initial recognition of assets or liabilities arising from a single transaction that is neither a enterprise merger nor affects accounting profits and taxable incomes (or deductible losses) shall be respectively recognized as deferred income tax liabilities and deferred income tax assets at the time of transaction. 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, the Group shall recognize the deferred income tax assets arising from other deductible temporary differences to the extent that taxable income is likely to be obtained for deducting the deductible temporary differences.

For deductible losses and tax deductions that can be carried down in subsequent years, the corresponding deferred income tax assets shall be recognized with the limit of the future taxable income which is likely to be obtained for deducting the deductible losses and tax deduction.

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

On the balance sheet date, it is required to recheck the book value of the deferred income tax assets. If sufficient taxable income is not likely to be obtained for deducting the interest of deferred income tax assets in the future, the book value of deferred income tax assets shall be written down. When it is 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 recognized through 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 recognized through 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 the Group shall be presented based on the net amount after offsetting.

When it has the legal rights of settling the current tax assets and current income tax liabilities based on the net amount, and the deferred income tax assets and deferred income tax liabilities are related to income tax levied to the same subject of tax payment by

the same tax collection and administration department or are related to different taxpayer, but in each important period of deferred income tax assets and liabilities reverse in the future, and when the involved taxpayer 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, the Group'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.

The Group 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, the Group 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) Lessee

At the beginning date of the lease term, the Group 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.

The Group 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 the Group 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. 22 "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 the Group shall be adopted as the discount rate.

The Group calculates the interest expense of the lease obligation for each period of the lease term at a fixed periodic interest rate, which is recognized through current profits and losses or relevant asset costs. The variable lease payment not recognized through measurement of lease obligations will be recognized through 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, the Group 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 the Group'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, the Group 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, the Group will include the remaining amount in the current profits and losses.

The Group 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 (the value of a single leased asset is lower when it is a brand new asset) as well as includes related lease payment into the current profits and losses or relevant asset costs in each period during the lease term pursuant to the straight-line method.

(2) Lessor

At the beginning date of the lease term, the Group 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.

The Group, 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 the Group chooses to apply the simplified treatment of the above short-term lease to the original lease, then the Group classifies the sublease as an operating lease.

Under financing leases, at the beginning date of the lease term, the Group confirms financing lease receivables for financing lease and derecognizes the financial leasing assets. The Group regards the net investment in a lease as the entry value of financing lease receivables at the time of initial measurement of financing lease receivables. The net investment in a lease is the sum of the present value of unguaranteed residual value and lease receipt not received yet on the beginning date of the lease term which is subject to discounting at the implicit rate in the lease term.

The Group 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 recognized through net lease investment shall be recognized through 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. The Group 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 recognized through lease receipt shall be recognized through current profits and losses when it actually occurs.

32. 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 the Group or related parties of the Company in accordance with the *Administrative Measures for the Disclosure of Information of Listed Companies* promulgated by the CSRC.

33. Segment report

See Note XVIII, 1 "Segment Information" for details of accounting policies related to segment reporting for details.

34. Other important accounting policies and estimates

(1) Repurchased shares

If the Group reduces its capital by acquiring the stocks of the Company with approval, then it shall reduce equities 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 be used to 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 increased with capital reserve (share capital premium).

Shares repurchased by the Group 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 revenue shall be transferred to increase capital reserve (share capital premium); the part lower than the cost of treasury shares shall write down capital reserve (share capital premium), surplus reserve and undistributed profit in sequence.

If the Group 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 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. The Group 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 market participant are orderly transaction under current market conditions; supposes the orderly selling of assets or transfer of liabilities are carried out in the main market of relevant assets or liabilities; supposes the transaction is made in the most favorable market for relevant assets or liabilities when there is no main market. The Group adopts the assumptions that market participants use to maximum their economic benefits when they price assets or liabilities.

The Group 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 recognized through current profits and losses, unless otherwise specified by relevant accounting standards.

The Group 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 the Group for fair value measurement is 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 of 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; the second level of input values are the direct or indirect observable input values of relevant assets or liabilities other than the first level of input values; the third level of input values are the unobservable input values of relevant assets or liabilities.

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

35. Change of important accounting policies and estimates

(1) Change of important accounting policies

Applicable Not applicable

The Group implemented the relevant provisions and guidelines of the Enterprise Accounting Standards issued by the Ministry of Finance in recent years in 2023.

The provision in *Interpretation No. 16 of the Accounting Standards for Business Enterprises* (CK [2022] No.31) ("Interpretation No. 16"), that is, the provision "regarding the accounting treatment of non-applicability of initial recognition exemption to the deferred income tax related to assets and liabilities arising from individual transactions"

According to this provision, for taxable temporary differences and deductible temporary differences arising from initial recognition of assets and liabilities in individual transactions that do not fall in the definition of enterprise merger and do not affect accounting profits or taxable income (or deductible losses) at the time of transaction and whose initial recognition of assets and liabilities results in equal taxable temporary differences and deductible temporary differences, Supor respectively recognizes the corresponding deferred income tax liabilities and deferred income tax assets at the time of transaction in line with relevant regulations such as the *Accounting Standards for Enterprises No.18 - Income Tax*, and no longer recognizes deferred income tax liabilities or deferred income tax assets based on the net amount of taxable temporary differences and deductible temporary differences accrued.

The adoption of the requirements has not had a significant impact on the financial condition and operating results of the Group.

(2) Change of important accounting estimates

Applicable Not applicable

(3) First implementation of new accounting standards adjusts the related items in financial statements since 2023

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 revenue is calculated at output tax rates of 0, 6%, 9%, and 13%, and VAT is calculated based on the difference after deducting the input tax allowable for the current period.
Urban maintenance and construction tax	VAT payable	7%
Enterprise income tax	Taxable income	Corporate income tax rate is 25%. Shaoxing Supor, Zhejiang WMF and Hainan Supor E-Commerce Company are taxed at a preferential tax rate of 15%. Wuhan Recycling and Shanghai Marketing are taxed at a preferential tax rate of 20%. Overseas subsidiary Indonesian Company is taxed at a 22% rate, Supor Vietnam and AFS are taxed at 20%, and SEADA is taxed at 17%.
Education surcharge	VAT payable	3%
Local education surcharge	VAT payable	2%

Housing property tax	1.2% of the residual value after deducting 30% of the original value of the property is calculated and paid in case of ad valorem; for housing property levied on the basis of rent, housing property tax is levied at the rate of 12% of rent revenue.	1.2%, 12%
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2. Tax preferences

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

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

Pursuant 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) on March 26, 2023, from January 1, 2023 to December 31, 2024, the portion of the annual taxable income of small and micro profit enterprises that does not exceed RMB 1 million shall be taken into the taxable income at the ratio of 25%, and the enterprise income tax payable thereof shall be settled at the rate of 20%. Meanwhile, 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, for the part of the annual taxable income of small and low-profit enterprises that exceeds RMB 1 million but less than RMB 3 million, a reduced rate of 25% shall be applied, and the enterprise income tax shall be paid at a tax rate of 20%. Among which, Wuhan Recycling and Shanghai Marketing meet the standards of small and low-profit enterprises in 2023, therefore the preferential tax rate at 20% is applicable in 2023.

VII. Notes to Items of Consolidated Financial Statements

1. Monetary capital

Unit: RMB

Item	Closing balance	Opening balance
Cash on hand	62,594.14	56,591.47
Cash in bank	2,964,417,369.53	3,215,677,104.23
Other monetary capitals	583,797,478.77	347,407,212.05
Total	3,548,277,442.44	3,563,140,907.75
Including: deposited overseas	61,122,895.90	207,979,588.92

Other remarks:

1) As at December 31, 2023, the restricted bank deposit is the cancelled frozen amount of RMB 30,423.72 (December 31, 2022: RMB 8,541.04) in the branch company's bank account, there is no frozen amount (December 31, 2022: RMB 82,189.64) in the bank account for change of judicial person for industrial and commercial purpose, and there is no term deposit amount (December 31, 2022: RMB 12,546,000.00) pledged for issuing bank acceptance bills, and the remaining RMB 2,964,386,945.81 in bank deposits is not restricted for use, among them, more than three months term deposits of RMB 1,607,020,342.48.

2) As at December 31, 2023, other monetary capitals include the restricted acceptance bill security of RMB 476,860,000.00 (December 31, 2022: RMB 254,129,233.86), e-commerce platform security of RMB 613,739.88 (December 31, 2022: RMB 975,570.02), advance payment financing deposit security of RMB 58,000,000.00 (December 31, 2022: RMB 58,000,000.00), and unrestricted monetary capital of RMB 48,323,738.89 (December 31, 2022: RMB 34,302,408.17) in Alipay wallet, JD pay, Douyin wallet, securities settlement account, futures settlement account, and Youzan account, etc.

3) As at December 31, 2023, the monetary capital deposited by Supor in Vietnam is equivalent to RMB 44,335,548.85 (December 31, 2022: equivalent to RMB 193,083,117.24). The monetary capital deposited by Supor in Singapore is equivalent to RMB 4,491,068.45 (December 31, 2022: equivalent to RMB 3,754,734.88). The monetary capital deposited by Supor in Indonesia is equivalent to RMB 12,296,278.60 (December 31, 2022: equivalent to RMB 11,141,736.80).

2. Transactional financial assets

Unit: RMB

Item	Closing balance	Opening balance
Financial assets at fair value through current profits and losses	351,137,787.54	431,382,527.79
Including:		
- Short-term financial products	351,137,787.54	431,382,527.79
Total	351,137,787.54	431,382,527.79

Other remarks:

As at December 31, 2023, the financial assets at fair value through current profits and losses are the financial products purchased by the Company, amounting to RMB 350,000,000.00 (December 31, 2022: RMB 430,000,000.00). These financial products with floating income, and linked to interest rates and exchange rates, etc., and the corresponding gains from changes in fair value, i.e RMB 1,137,787.54 (December 31, 2022: RMB 1,382,527.79), are 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	15,311,935.98	27,325,952.95
Total	15,311,935.98	27,325,952.95

(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	
Notes receivable for provision for bad debts	15,311,935.98	100.00%			15,311,935.98	27,325,952.95	100.00%			27,325,952.95

made on the basis of portfolio										
Including:										
Portfolio: Bank acceptance bill	15,311,935.98	100.00%			15,311,935.98	27,325,952.95	100.00%			27,325,952.95
Total	15,311,935.98	100.00%			15,311,935.98	27,325,952.95	100.00%			27,325,952.95

Provision for bad debts made on a portfolio basis: 0

If yes, a provision for bad debts for notes receivable shall be accrued according to the general model of expected credit loss:

Applicable Not applicable

(3) Provision for bad debts 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 of December 31, 2023, the Group had no notes receivable pledged (December 31, 2022: 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		10,761,655.33
Total		10,761,655.33

Other remarks:

By December 31, 2023, Supor's undue and endorsed notes receivable of RMB 10,761,655.33 (December 31, 2022: RMB 22,383,800.87). have not been recognized as notes transferred to the suppliers to settle the amount payable. This is mainly because that, according to the management, the risks and remunerations attached to the ownership of the notes have not been actually transferred. The book values of the said undue notes receivable approximate their fair values. The said undue notes receivable will get mature within 1 year.

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

As at December 31, 2023, the Group has not any notes transferred to accounts receivable due to non-performance of drawers.
(December 31, 2022: None)

4. Accounts receivable

(1) Disclosure by aging

Unit: RMB

Ages	Ending book balance	Beginning book balance
Within 1 year (including 1 year)	2,956,340,005.74	2,003,575,860.86
1-2 years	7,090,033.51	3,735,332.58
2-3 years	1,283,949.52	255,548.22
Over 3 years	880,404.97	753,742.79
3-4 years	127,479.68	96,637.91
4-5 years	96,637.91	21,770.61
Over 5 years	656,287.38	635,334.27
Total	2,965,594,393.74	2,008,320,484.45

(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 for bad debts made on an individual basis	195,920.38	0.01%	195,920.38	100.00%		41,463.78	0.00%	41,463.78	100.00%	
Accounts receivable for provision for bad debts made on the basis of portfolio	2,965,398,473.36	99.99%	107,151,117.33	3.61%	2,858,247,356.03	2,008,279,020.67	100.00%	81,760,902.29	4.07%	1,926,518,118.38
Including:										
Portfolio 1: age portfolio	2,843,635,733.09	95.89%	107,029,354.59	3.76%	2,736,606,378.50	1,929,487,537.03	96.07%	81,682,110.81	4.23%	1,847,805,426.22
Portfolio 2: low-risk portfolio	121,762,740.27	4.10%	121,762.74	0.10%	121,640,977.53	78,791,483.64	3.93%	78,791.48	0.10%	78,712,692.16

Total	2,965,594.39 3.74	100.00%	107,347,037. 71	3.62%	2,858,247,356 .03	2,008,320,484. 45	100.00%	81,802,366.0 7	4.07%	1,926,518,11 8.38
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Provision for bad debts made on an individual basis: RMB195,920.38

Unit: RMB

Name	Opening balance		Closing balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Provision proportion	Reasons
Customer A	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 B			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 C			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	41,463.78	41,463.78	195,920.38	195,920.38		

Categories for bad debts provision: Portfolio 1

Provision for bad debts made on a portfolio basis: RMB 107,029,354.59

Unit: RMB

Name	Closing balance		
	Book balance	Provision for bad debts	Provision proportion
Within 1 year (including 1 year)	2,834,577,265.47	105,598,288.66	3.73%
1-2 years (including 2 years)	7,090,033.51	567,202.68	8.00%
2-3 years (including 3 years)	1,283,709.91	192,556.49	15.00%
3-4 years (including 4 years)	17,461.50	8,730.75	50.00%
4-5 years (including 5 years)	23,433.47	18,746.78	80.00%
Over 5 years	643,829.23	643,829.23	100.00%
Total	2,843,635,733.09	107,029,354.59	

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 yes, a provision for bad debts for accounts receivable shall be accrued according to the general model of expected credit loss:

Applicable Not applicable

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

Provision for bad debts made in current period:

Unit: RMB

Categories	Opening balance	Amount of changes in current period				Closing balance
		Accrued	Collected or reversed	Written off	Others	
Provision for bad debts for accounts receivable	81,802,366.07	25,670,079.70		-65,161.50	-60,246.56	107,347,037.71

Total	81,802,366.07	25,670,079.70		-65,161.50	-60,246.56	107,347,037.71
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Decreased provision for bad debts of RMB 60,246.56 for conversion difference in foreign currency statement caused by the change in exchange rate.

(4) Accounts receivable actually written off in current period

Unit: RMB

Item	Amount
Accounts receivable actually written off	65,161.50

Including significant accounts receivable written off:

None

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

Unit: RMB

Entity name	Closing balance of accounts receivable	Closing balance of contract asset	Accounts receivable and closing balance of contract asset	Proportion in the sum of accounts receivable and closing balance of contract asset	Closing balance of impairment provision for bad debts for accounts receivable and impairment provision for contract assets
SEB S.A. and its subsidiaries	1,807,452,286.57		1,807,452,286.57	60.95%	54,225,331.16
Customer D	418,821,362.13		418,821,362.13	14.12%	21,014,332.83
Customer E	108,893,639.26		108,893,639.26	3.67%	108,893.64
Customer F	49,873,457.58		49,873,457.58	1.68%	2,496,277.88
Customer G	45,458,471.29		45,458,471.29	1.53%	2,272,923.56
Total	2,430,499,216.83		2,430,499,216.83	81.95%	80,117,759.07

5. Receivables financing

(1) Classification of receivables financing

Unit: RMB

Item	Closing balance	Opening balance
Notes receivable	363,532,765.35	235,957,044.34
Total	363,532,765.35	235,957,044.34

Other remarks:

The Group endorses or discounts certain bank acceptance bills by the needs of day-to-day fund management. Taking into account of the amount and frequency of endorsement or discount of bank acceptance bills, the Group 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 at December 31, 2023, the Group had no receivables financing pledged. (December 31, 2022: None).

(2) Endorsed or discounted receivables financing 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	3,449,160,781.19	
Total	3,449,160,781.19	

Other remarks:

In order to settle part of the payables, the Group endorses the equal amount of undue notes receivable to the suppliers, and the management of the Group 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 the Group for the continued involvement therein is the amount of the undue notes receivable endorsed by the Group 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	16,126,721.38	16,373,697.26
Total	16,126,721.38	16,373,697.26

(1) Other receivables

1) Other receivables categorized by nature

Unit: RMB

Nature of receivables	Ending book balance	Beginning book balance
Deposit as security	11,391,814.36	10,692,374.84
Temporary payment receivable	6,972,323.05	6,434,897.15
Personal deposit	1,457,137.01	2,382,649.26
Tax refund receivable	996,927.07	1,237,388.33
Total	20,818,201.49	20,747,309.58

2) Disclosure by aging

Unit: RMB

Ages	Ending book balance	Beginning book balance
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Within 1 year (including 1 year)	12,043,858.73	13,205,781.19
1-2 years	3,460,785.69	3,187,388.71
2-3 years	2,570,919.30	1,104,417.30
Over 3 years	2,742,637.77	3,249,722.38
3-4 years	688,905.05	647,421.24
4-5 years	251,762.10	848,436.61
Over 5 years	1,801,970.62	1,753,864.53
Total	20,818,201.49	20,747,309.58

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	
Other receivables for provision for bad debts made on an individual basis	1,190,578.89	5.72%	1,190,578.89	100.00%						
Other receivables for provision for bad debts made on the basis of portfolio	19,627,622.60	94.28%	3,500,901.22	17.84%	16,126,721.38	20,747,309.58	100.00%	4,373,612.32	21.08%	16,373,697.26
Including:										
Portfolio 1: age portfolio	18,630,695.53	89.49%	3,500,901.22	18.79%	15,129,794.31	19,509,921.25	94.04%	4,373,612.32	22.42%	15,136,308.93
Portfolio 2: low-risk portfolio	996,927.07	4.79%			996,927.07	1,237,388.33	5.96%			1,237,388.33
Total	20,818,201.49	100.00%	4,691,480.11	22.54%	16,126,721.38	20,747,309.58	100.00%	4,373,612.32	21.08%	16,373,697.26

Provision for bad debts made on an individual basis: RMB1,190,578.89

Unit: RMB

Name	Opening balance		Closing balance			Reasons
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Provision proportion	
Customer H			1,187,578.89	1,187,578.89	100.00%	It is not expected to be recovered, so the provision for bad debts is fully accrued.
Customer I			3,000.00	3,000.00	100.00%	It is not expected to be recovered, so the provision for bad debts is fully accrued.
Total			1,190,578.89	1,190,578.89		

Categories for bad debts provision: Portfolio 1

Provision for bad debts made on a portfolio basis: RMB 3,500,901.22

Unit: RMB

Name	Closing balance		
	Book balance	Provision for bad debts	Provision proportion
Within 1 year (including 1 year)	9,859,352.77	492,967.64	5.00%
1-2 years (including 2 years)	3,460,785.69	276,862.86	8.00%
2-3 years (including 3 years)	2,570,919.30	385,637.90	15.00%
3-4 years (including 4 years)	688,905.05	344,452.52	50.00%
4-5 years (including 5 years)	248,762.10	199,009.68	80.00%
Over 5 years	1,801,970.62	1,801,970.62	100.00%
Total	18,630,695.53	3,500,901.22	

A provision for bad debts that are accrued according to the general model of the expected credit loss:

Unit: RMB

Provision for bad debts	Phase I	Phase II	Phase III	Total
	Expected credit loss in future 12 months	Expected credit loss in the entire duration (without credit impairment)	Expected credit loss in the entire duration (credit impairment)	
Balance on January 1, 2023	4,373,612.32			4,373,612.32
Balance on January 1, 2023 in the current period				
Accrued			1,190,578.89	1,190,578.89
Write-off	-870,404.29			-870,404.29
Others	-2,306.81			-2,306.81
Balance on December 31, 2023	3,500,901.22		1,190,578.89	4,691,480.11

Other remarks:

Decreased provision for bad debts of RMB 2,306.81 for conversion difference in foreign currency statement caused by the change in exchange rate.

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

 Applicable Not applicable

4) Provision for bad debts made, collected or reversed in current period

Provision for bad debts made in current period:

Unit: RMB

Categories	Opening	Amount of changes in current period	Closing balance
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	balance	Accrued	Collected or reversed	Write-off or charge-off	Others	
Provision for bad debts of other receivables	4,373,612.32	1,190,578.89	-870,404.29		-2,306.81	4,691,480.11
Total	4,373,612.32	1,190,578.89	-870,404.29		-2,306.81	4,691,480.11

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

Unit: RMB

Entity name	Nature of receivables	Closing balance	Ages	Proportion in the total closing balance of other receivables	Closing balance of provision for bad debts
Customer J	Temporary paragraph receivable/deposit as security	1,422,681.47	Within 1 year, 1-4 years	6.83%	249,934.07
Customer H	Temporary payment receivable	1,187,578.89	Within 1 year	5.70%	1,187,578.89
Customer K	Deposit as security	1,180,000.00	2-3 years	5.67%	177,000.00
Customer L	Deposit as security	1,000,000.00	1-2 years	4.80%	80,000.00
Tax refund receivable	Tax refund receivable	996,927.07	Within 1 year	4.79%	
Total		5,787,187.43		27.79%	1,694,512.96

7. Advance payment

(1) Listing by ages

Unit: RMB

Ages	Closing balance		Opening balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	190,478,767.90	98.61%	335,655,809.04	98.83%
1-2 years	2,453,401.67	1.27%	3,123,427.28	0.92%
2-3 years	123,148.33	0.06%	665,000.00	0.20%
Over 3 years	114,137.61	0.06%	165,310.70	0.05%
Total	193,169,455.51		339,609,547.02	

(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	24,117,310.00	12.49%
Supplier B	22,743,320.00	11.77%
Supplier C	18,541,281.80	9.60%

Supplier D	13,047,590.11	6.75%
Supplier E	12,707,184.97	6.58%
Subtotal	91,156,686.88	47.19%

Other remarks:

Aging is calculated from the date of confirmation of the 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	339,021,663.87	8,468,573.73	330,553,090.14	446,471,515.87	14,369,922.27	432,101,593.60
Unfinished products	93,073,750.61		93,073,750.61	84,088,800.88		84,088,800.88
Finished products	1,739,751,597.38	16,482,797.36	1,723,268,800.02	1,885,938,291.03	19,558,744.71	1,866,379,546.32
Low value consumables	108,345,465.67	82,857.41	108,262,608.26	101,274,579.44	379,610.26	100,894,969.18
Packing materials	7,525,138.28		7,525,138.28	11,457,946.44		11,457,946.44
Total	2,287,717,615.81	25,034,228.50	2,262,683,387.31	2,529,231,133.66	34,308,277.24	2,494,922,856.42

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

Unit: RMB

Item	Opening balance	Increase		Decrease		Closing balance
		Accrued	Others	Reversal or write-off	Others	
Raw materials	14,369,922.27	2,557,307.61		8,430,970.38	27,685.77	8,468,573.73
Finished products	19,558,744.71	11,285,511.03	66,824.36	14,428,282.74		16,482,797.36
Low value consumables	379,610.26	82,857.41		379,610.26		82,857.41
Total	34,308,277.24	13,925,676.05	66,824.36	23,238,863.38	27,685.77	25,034,228.50

Other remarks:

There is an increased inventory depreciation reserves of RMB 39,138.59 for conversion difference in foreign currency statement caused by the change in exchange rate.

Item	Closing balance			Opening balance		
	Book balance	Inventory depreciation reserves	Provision for Inventory depreciation	Book balance	Inventory depreciation reserves	Provision for Inventory depreciation
Raw materials	339,021,663.87	8,468,573.73	2.50%	446,471,515.87	14,369,922.27	3.22%
Finished products	1,739,751,597.38	16,482,797.36	0.95%	1,885,938,291.03	19,558,744.71	1.04%
Low value consumables	108,345,465.67	82,857.41	0.08%	101,274,579.44	379,610.26	0.37%
Total	2,187,118,726.92	25,034,228.50		2,433,684,386.34	34,308,277.24	

9. Non-current assets due within one year

Unit: RMB

Item	Closing balance	Opening balance
Other debt investments due within one year	285,783,958.92	32,157,534.25
Total	285,783,958.92	32,157,534.25

(1) Debt investment due within one year

Applicable Not applicable

(2) Other debt investment due within one year

Applicable Not applicable

1) Other debt investments due within one year

Unit: RMB

Item	Opening balance	Interest receivable	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	32,157,534.25	25,590,193.48	193,765.44		285,783,958.92	260,000,000.00			
Total	32,157,534.25	25,590,193.48	193,765.44		285,783,958.92	260,000,000.00			

10. Other current assets

Unit: RMB

Item	Closing balance	Opening balance
------	-----------------	-----------------

Return cost receivable	15,285,358.91	14,266,301.12
Creditable VAT	111,403,625.69	49,236,636.79
Term deposit		381,101,095.89
Others	15,734,711.62	6,381,982.96
Total	142,423,696.22	450,986,016.76

11. Other debt investments

(1) Situation of other debt investment

Unit: RMB

Item	Opening balance	Interest receivable	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	1,056,952,424.68	61,494,063.11	187,720.63	-	951,306,342.48	890,000,000.00			
Minus: Part due within one year	-32,157,534.25	-25,590,193.48	193,765.44	-	-285,783,958.92	-260,000,000.00			
Total	1,024,794,890.43	35,903,869.63	381,486.07	-	665,522,383.56	630,000,000.00			

(2) Important other debt investment at the end of the period

Unit: RMB

Other creditors' rights items	Closing balance					Opening balance				
	Face value	Coupon rate	Effective interest rate	Expiry date	Overdue principal	Face value	Coupon rate	Effective interest rate	Expiry date	Overdue principal
Shaoxing Supor Housewares - China Guangfa Bank negotiable certificates of deposit	200,000,000.00	3.55%	3.43%	2025-04-21		200,000,000.00	3.55%	3.43%	2025-04-21	
Shaoxing Supor Housewares - China Guangfa Bank negotiable certificates of deposit						150,000,000.00	3.35%	3.21%	2025-08-04	
Shaoxing Supor - Bank of China negotiable certificates of deposit	140,000,000.00	3.35%	3.32%	2025-03-03						
Total	340,000,000.00					350,000,000.00				

12. Long-term equity investment

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 recognized by equity method	Adjustment in other comprehensive income	Changes in other equity	Cash dividend/profit declared for distribution	Accrued impairment provision	Others		
I. Joint venture												
II. Associated enterprises												
Wuhan Anzai Cookware Co., Ltd.	62,196,139.53				-517,155.18							61,678,984.35
Subtotal	62,196,139.53				-517,155.18							61,678,984.35
Total	62,196,139.53				-517,155.18							61,678,984.35

The recoverable amount is determined as the net amount of the fair value less disposal expenses

Applicable Not applicable

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

Applicable Not applicable

13. Fixed assets

Unit: RMB

Item	Closing balance	Opening balance
Fixed assets	1,243,210,689.64	1,303,075,391.03
Total	1,243,210,689.64	1,303,075,391.03

(1) Fixed assets

Unit: RMB

Item	Buildings and structures	General equipment	Special equipment	Transport facilities	Total
I. Original book value:					
1. Opening balance	1,223,555,061.57	296,185,619.01	970,045,460.97	32,943,632.66	2,522,729,774.21
2. Increase	15,254,301.96	20,812,950.05	43,960,772.50	4,119,896.35	84,147,920.86
(1) Acquisition	3,885,864.04	20,174,238.28	36,665,545.92	4,119,896.35	64,845,544.59
(2) Transferred in from construction in progress	11,368,437.92	638,711.77	7,295,226.58		19,302,376.27
(3) Increase from enterprise merger					
3. Decrease	4,179,352.03	21,612,225.91	48,057,938.09	2,888,015.40	76,737,531.43

(1) Disposal or scrapping	4,179,352.03	21,537,004.66	47,799,384.47	2,888,015.40	76,403,756.56
(2) Transfer into construction in progress		75,221.25	258,553.62		333,774.87
4. Impact of change in exchange rate	-389,600.22	-93,480.07	-798,344.72	-1,352.91	-1,282,777.92
5. Closing balance	1,234,240,411.28	295,292,863.08	965,149,950.66	34,174,160.70	2,528,857,385.72
II. Accumulated depreciation					
1. Opening balance	374,701,516.70	215,850,570.93	602,573,724.20	26,528,571.35	1,219,654,383.18
2. Increase	44,437,029.92	27,435,004.65	58,507,811.29	2,756,041.86	133,135,887.72
(1) Provision	44,437,029.92	27,435,004.65	58,507,811.29	2,756,041.86	133,135,887.72
3. Decrease	1,987,442.21	19,269,223.30	42,891,396.96	2,681,321.35	66,829,383.82
(1) Disposal or scrapping	1,987,442.21	19,226,031.12	42,780,438.29	2,681,321.35	66,675,232.97
(2) Transfer into construction in progress		43,192.18	110,958.67		154,150.85
4. Impact of change in exchange rate	-148,839.68	-65,174.12	-394,167.03	-9,784.89	-617,965.72
5. Closing balance	417,002,264.73	223,951,178.16	617,795,971.50	26,593,506.97	1,285,342,921.36
III. Impairment provision					
1. Opening balance					
2. Increase		303,774.72			303,774.72
(1) Provision		303,774.72			303,774.72
3. Decrease					
(1) Disposal or scrapping					
4. Closing balance		303,774.72			303,774.72
IV. Book value					
1. Closing book value	817,238,146.55	71,037,910.20	347,353,979.16	7,580,653.73	1,243,210,689.64
2. Opening book value	848,853,544.87	80,335,048.08	367,471,736.77	6,415,061.31	1,303,075,391.03

(2) Fixed assets with property ownership certificate unsettled

Unit: RMB

Item	Book value	Reasons for unsettlement
Function dormitory of Shaoxing Supor	34,497,759.97	After all projects are completed, and the completion and settlement procedures are fulfilled, the property ownership certificate shall be processed uniformly
No.3 plant of Shaoxing Supor	25,246,766.02	After all projects are completed, and the completion and settlement procedures are fulfilled, the property ownership certificate shall be processed uniformly
No.1 plant of Shaoxing Supor	23,485,831.72	After all projects are completed, and the completion and settlement procedures are fulfilled, the property ownership certificate shall be processed uniformly
No.8 plant of Shaoxing Supor	27,812,506.23	After all projects are completed, and the completion and settlement procedures are fulfilled, the property ownership certificate shall be processed uniformly

Function cafeteria of Shaoxing Supor	11,489,781.53	After all projects are completed, and the completion and settlement procedures are fulfilled, the property ownership certificate shall be processed uniformly
No.12 plant of Shaoxing Supor	11,832,158.13	After all projects are completed, and the completion and settlement procedures are fulfilled, the property ownership certificate shall be processed uniformly
Transformer substation (35 kV) of Shaoxing Supor	1,106,864.71	After all projects are completed, and the completion and settlement procedures are fulfilled, the property ownership certificate shall be processed uniformly
No.13 plant of Shaoxing Supor	15,401,201.97	After all projects are completed, and the completion and settlement procedures are fulfilled, the property ownership certificate shall be processed uniformly
No.14 plant of Shaoxing Supor	23,499,440.07	After all projects are completed, and the completion and settlement procedures are fulfilled, the property ownership certificate shall be processed uniformly
No.15 plant of Shaoxing Supor	40,834,008.34	After all projects are completed, and the completion and settlement procedures are fulfilled, the property ownership certificate shall be processed uniformly
Forklift charging room of Shaoxing Supor	845,522.44	After all projects are completed, and the completion and settlement procedures are fulfilled, the property ownership certificate shall be processed uniformly
13-B# warehouse project of Shaoxing Supor	13,216,929.29	After all projects are completed, and the completion and settlement procedures are fulfilled, the property ownership certificate shall be processed uniformly
Generator room of P&R Products	1,070.89	Transfer procedures of land use right certificate are not settled due to land ownership issue
Water pump building and structures of P&R Products	74,446.36	Transfer procedures of land use right certificate are not settled due to land ownership issue
Extended plant for bakelite workshop of P&R Products	164,322.47	Transfer procedures of land use right certificate are not settled due to land ownership issue
Polishing workshop of P&R Products	80,640.00	Transfer procedures of land use right certificate are not settled due to land ownership issue
Total	229,589,250.14	

14. Construction in progress

Unit: RMB

Item	Closing balance	Opening balance
Construction in progress	26,862,380.61	12,005,654.73
Total	26,862,380.61	12,005,654.73

(1) Details of construction in progress

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Warehouse project of Shaoxing Supor				11,014,567.00		11,014,567.00
Shaoxing Supor fire protection renovation project	20,185,019.07		20,185,019.07			

Piecemeal projects	5,844,384.84		5,844,384.84	82,038.73		82,038.73
Equipment payment	832,976.70		832,976.70	909,049.00		909,049.00
Total	26,862,380.61		26,862,380.61	12,005,654.73		12,005,654.73

(2) Impairment test of the construction in progress

Applicable Not applicable

15. Right-of-use assets**(1) Right-of-use assets**

Unit: RMB

Item	Buildings and structures	Land	Total
I. Original book value:			
1. Opening balance	263,207,787.03	3,228,879.08	266,436,666.11
2. Increase	86,837,495.69		86,837,495.69
3. Decrease	7,601,989.10		7,601,989.10
4. Exchange rate effect	-9,149.81	54,752.69	45,602.88
5. Closing balance	342,434,143.81	3,283,631.77	345,717,775.58
II. Accumulated depreciation			
1. Opening balance	75,512,489.83	205,213.46	75,717,703.29
2. Increase	49,480,267.17	103,851.78	49,584,118.95
(1) Provision	49,480,267.17	103,851.78	49,584,118.95
3. Decrease	3,079,194.21		3,079,194.21
(1) Disposal	3,079,194.21		3,079,194.21
4. Exchange rate effect	-12,400.29	3,974.70	-8,425.59
5. Closing balance	121,901,162.50	313,039.94	122,214,202.44
III. Impairment provision			
IV. Book value			
1. Closing book value	220,532,981.31	2,970,591.83	223,503,573.14
2. Opening book value	187,695,297.20	3,023,665.62	190,718,962.82

(2) Impairment test of right-of-use assets

Applicable Not applicable

16. Intangible assets

(1) Intangible assets

Unit: RMB

Item	Land use right	Trademark use right	Software	Pollutant Discharge Permit	Total
I. Original book value:					
1. Opening balance	475,027,652.21	47,328,811.32	98,175,198.47		620,531,662.00
2. Increase			5,809,868.28	9,894,760.97	15,704,629.25
(1) Acquisition			5,809,868.28	9,894,760.97	15,704,629.25
(2) In-house R&D					
(3) Increase from enterprise merger					
3. Decrease			1,704,286.59		1,704,286.59
(1) Disposal			1,704,286.59		1,704,286.59
4. Impact of change in exchange rate	-60,860.67		6,030.05		-54,830.62
5. Closing balance	474,966,791.54	47,328,811.32	102,286,810.21	9,894,760.97	634,477,174.04
II. Accumulated amortization					
1. Opening balance	98,466,631.62	33,085,117.90	48,962,179.32		180,513,928.84
2. Increase	9,978,253.20	4,732,881.13	10,011,431.48	1,978,952.20	26,701,518.01
(1) Provision	9,978,253.20	4,732,881.13	10,011,431.48	1,978,952.20	26,701,518.01
3. Decrease			1,698,569.58		1,698,569.58
(1) Disposal			1,698,569.58		1,698,569.58
4. Impact of change in exchange rate	-23,068.69		4,522.74		-18,545.95
5. Closing balance	108,421,816.13	37,817,999.03	57,279,563.96	1,978,952.20	205,498,331.32
III. Impairment provision					
IV. Book value					
1. Closing book value	366,544,975.41	9,510,812.29	45,007,246.25	7,915,808.77	428,978,842.72
2. Opening book value	376,561,020.59	14,243,693.42	49,213,019.15		440,017,733.16

At the end of this 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	121,098,089.15	26,260,667.30	104,854,363.88	23,059,580.50
Profits not realized by internal transaction	69,741,065.39	16,436,357.10	80,178,943.70	19,496,741.80
Deductible losses	18,987,969.57	4,474,069.98	16,402,564.88	3,626,289.50
Accrued expenses	1,379,497,142.55	331,107,609.67	1,349,115,519.54	326,749,720.17
Accrued salary	60,023,338.88	14,699,395.04	42,347,931.51	10,586,982.88
Estimated liabilities	7,258,295.50	1,088,744.33	12,640,441.72	1,896,066.26
Share-based payment	107,454,470.04	24,615,719.01	51,889,706.92	12,000,187.47
Expected returns	10,173,886.95	2,449,174.32	8,355,059.11	2,052,992.64
Lease obligation	224,849,380.79	53,129,092.96	198,844,124.74	48,991,135.15
Total	1,999,083,638.82	474,260,829.71	1,864,628,656.00	448,459,696.37

(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
Right-of-use assets	223,503,573.14	52,776,659.15	190,718,962.82	46,986,767.52
Depreciation of fixed assets	8,198,493.05	1,231,924.26		
Total	231,702,066.19	54,008,583.41	190,718,962.82	46,986,767.52

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

Unit: RMB

Item	Offsetting amount between deferred income tax assets and liabilities at the 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	54,008,583.41	420,252,246.30	46,986,767.52	401,472,928.85
Deferred income tax liabilities	54,008,583.41		46,986,767.52	

(4) Detail about unrecognized deferred income tax assets

Unit: RMB

Item	Closing balance	Opening balance
Deductible temporary difference	16,278,431.89	15,629,891.75
Deductible losses	56,282,437.20	28,216,721.82
Total	72,560,869.09	43,846,613.57

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

Unit: RMB

Year	Closing balance closing amount	Opening balance	Remarks
2024	8,287,689.09	8,287,689.09	
2025	6,945,189.33	6,945,189.33	
2026	7,751,051.17	7,751,051.17	
2027	5,232,792.23	5,232,792.23	
2028	28,065,715.38		
Total	56,282,437.20	28,216,721.82	

18. Assets with title or use right restrictions

Unit: RMB

Item	End of the term				Beginning of the term			
	Book balance	Book value	Type of restriction	Restriction	Book balance	Book value	Type of restriction	Restriction
Monetary capital	476,860,000.00	476,860,000.00	Frozen	Bank acceptance bill security	254,129,233.86	254,129,233.86	Frozen	Bank acceptance bill security
Monetary capital	58,000,000.00	58,000,000.00	Frozen	Deposit security for advance payment financing	58,000,000.00	58,000,000.00	Frozen	Deposit security for advance payment financing
Monetary capital	613,739.88	613,739.88	Frozen	Security and frozen funds of e-commerce platforms	975,570.02	975,570.02	Frozen	Security and frozen funds of e-commerce platforms
Monetary capital	30,423.72	30,423.72	Frozen	Write off the frozen amount in the bank account of the branch	8,541.04	8,541.04	Frozen	Write off the frozen amount in the bank account of the branch
Monetary capital					12,546,000.00	12,546,000.00	Frozen	Frozen funds of term deposits pledged by issuing bank acceptance bills.
Monetary capital					82,189.64	82,189.64	Frozen	Frozen funds for the change of industrial and

								commercial legal person
Total	535,504,163.60	535,504,163.60			325,741,534.56	325,741,534.56		

19. Short-term loans

(1) Classification of short-term loans

Unit: RMB

Item	Closing balance	Opening balance
Bank acceptance discount	199,741,167.36	
Total	199,741,167.36	

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

20. Notes payable

Unit: RMB

Type	Closing balance	Opening balance
Bank acceptance bill	1,235,000,000.00	1,057,611,900.00
Total	1,235,000,000.00	1,057,611,900.00

The amount of due unpaid notes payable is RMB 0.00 at the end of the current period.

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	1,757,840,901.20	1,274,889,065.48
Equipment and engineering funds	57,759,242.79	67,104,579.12
Cost payment	1,390,007,709.19	1,293,527,903.59
Total	3,205,607,853.18	2,635,521,548.19

Other remarks:

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

22. Other payables

Unit: RMB

Item	Closing balance	Opening balance
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Other payables	147,617,550.27	137,729,222.63
Total	147,617,550.27	137,729,222.63

(1) Other payables**1) Listing by nature**

Unit: RMB

Item	Closing balance	Opening balance
Deposit as security	103,302,075.21	99,096,157.97
Temporary receipts payable	21,367,823.48	21,538,362.25
Others	22,947,651.58	17,094,702.41
Total	147,617,550.27	137,729,222.63

23. Contract liabilities

Unit: RMB

Item	Closing balance	Opening balance
Advances on sales	862,706,076.18	1,153,932,879.53
Total	862,706,076.18	1,153,932,879.53

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	-1,153,932,879.53	Including the revenue recognized by the amount of book value of contract liabilities at the beginning of the year
Advances on sales	862,706,076.18	The amount increased due to receipt of cash (excluding the amount recognized as revenue in the current year)
Total	-291,226,803.35	—

24. Payable employee remuneration**(1) Details**

Unit: RMB

Item	Opening balance	Increase	Decrease	Closing balance
I. Short-term employee remuneration	282,609,935.60	1,728,602,885.42	1,691,000,430.96	320,212,390.06
II. Post-employment Benefits - Defined Contribution Plan	5,885,187.48	101,998,486.56	97,688,450.02	10,195,224.02
III. Termination benefit	580,305.42	4,954,852.15	3,804,066.37	1,731,091.20
Total	289,075,428.50	1,835,556,224.13	1,792,492,947.35	332,138,705.28

(2) Details of short-term employee remuneration

Unit: RMB

Item	Opening balance	Increase	Decrease	Closing balance
1. Salary, bonus, allowance and subsidy	238,523,830.57	1,534,488,739.84	1,501,728,347.98	271,284,222.43
2. Employee services and benefits	3,768,543.21	68,061,382.96	67,650,660.01	4,179,266.16
3. Social insurance premiums	4,059,152.74	61,794,443.09	59,112,247.75	6,741,348.08
Including: medical insurance premium	3,742,971.88	57,566,222.64	54,977,255.28	6,331,939.24
occupational injuries premium	316,180.86	4,228,220.45	4,134,992.47	409,408.84
4. Housing accumulation fund	163,804.08	44,473,847.74	44,533,506.82	104,145.00
5. Trade union fund and employee education fund	36,094,605.00	19,784,471.79	17,975,668.40	37,903,408.39
Total	282,609,935.60	1,728,602,885.42	1,691,000,430.96	320,212,390.06

(3) Details of defined contribution plan

Unit: RMB

Item	Opening balance	Increase	Decrease	Closing balance
1. Basic endowment insurance	5,684,246.20	98,222,479.40	94,062,546.64	9,844,178.96
2. Unemployment insurance premiums	200,941.28	3,776,007.16	3,625,903.38	351,045.06
Total	5,885,187.48	101,998,486.56	97,688,450.02	10,195,224.02

Other remarks:

On March 25, 2019, the General Office of the State Council released the *Opinions on Comprehensively Promoting the Combined Implementation of Maternity Insurance and Basic Medical Insurance for Employees*, which promotes the combined implementation of the two insurances.

(4) Termination benefit

The termination benefit paid by Supor in the year for termination of labor relations is RMB 3,804,066.37 (2022: RMB 9,120,232.80), and the outstanding payable amount at the end of the year is RMB 1,731,091.20 (as of December 31, 2022: RMB 580,305.42).

25. Taxes and fees payable

Unit: RMB

Item	Closing balance	Opening balance
VAT	37,895,819.95	29,951,962.61
Enterprise income tax	266,724,688.22	141,680,509.34
Individual income tax	3,461,145.87	3,309,618.70
Urban maintenance and construction tax	9,463,195.64	5,065,611.60

Housing property tax	10,999,275.32	10,036,243.48
Land use tax	6,702,356.51	6,702,356.53
Stamp tax	4,433,184.32	4,127,604.37
Education surcharge	4,057,809.94	2,201,227.48
Local education surcharge	2,725,257.74	1,533,579.16
Total	346,462,733.51	204,608,713.27

26. Non-current liabilities due within one year

Unit: RMB

Item	Closing balance	Opening balance
Lease obligations due within one year	47,568,255.43	41,924,940.24
Total	47,568,255.43	41,924,940.24

27. Other current liabilities

Unit: RMB

Item	Closing balance	Opening balance
Refund payable	25,459,245.72	22,621,360.23
Endorsed bank acceptance bill unrecognized	10,761,655.33	22,383,800.87
Output tax to be written-off	111,431,313.35	149,694,451.88
Total	147,652,214.40	194,699,612.98

28. Lease obligation

Unit: RMB

Item	Closing balance	Opening balance
Long-term lease obligations	224,849,380.79	192,704,856.82
Minus: Lease obligations due within one year	-47,568,255.43	-41,924,940.24
Total	177,281,125.36	150,779,916.58

Other remarks:

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

29. Long-term payroll payable to employees

(1) Long-term payroll payable to employees

Unit: RMB

Item	Closing balance	Opening balance
Termination benefit	1,128,743.89	1,441,111.55
Other long-term benefits	14,707,829.27	
Total	15,836,573.16	1,441,111.55

30. Estimated liabilities

Unit: RMB

Item	Closing balance	Opening balance	Reasons for the balance
Pending lawsuit	5,538,727.50	11,150,000.00	See Note XVI "Commitments and Contingencies" for details
Financial guarantee contract	1,719,568.00	1,490,441.72	See Note XVI "Commitments and Contingencies" for details
Total	7,258,295.50	12,640,441.72	

31. Share capital

Unit: RMB

	Opening balance	Increase/decrease in the period (+, -)					Closing balance
		New shares	Shares bonus	Converted capital	Others	Subtotal	
Total shares	808,654,476.00				-1,945,819.00	-1,945,819.00	806,708,657.00

Other remarks:

The decrease in share capital in the current period is RMB 1,945,819.00, which refers to the repurchase and deregistration of 75,750 restricted stocks from the separated equity incentive objects at the price of RMB 1 per share, resulting in the corresponding decrease of share capital in the amount of RMB 75,750.00. The 19th meeting of the 7th Board of Directors in 2023 reviewed and approved the *Proposal to terminate the repurchase of Certain Public Shares*, thereby the Company repurchased and cancelled 1,870,069 shares, representing a corresponding reduction of RMB 1,870,069.00 in share capital.

32. Capital reserves

Unit: RMB

Item	Opening balance	Increase	Decrease	Closing balance
Other capital reserve	125,368,989.44	47,741,637.58		173,110,627.02
Total	125,368,989.44	47,741,637.58		173,110,627.02

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

1) The increase of RMB 47,741,637.58 in other capital reserves in the current period refers to ① the equity-settled share-based payment cost of RMB 45,786,307.92 in the current period included in the capital reserve (other capital reserves), as detailed in Note XV "Description of Share-based Payment" to these financial statements. ② The estimated deductible amount of the share-based payment

in the future of this year exceeds the cost recognized in the waiting period. The deferred income tax assets formed by the excess of RMB 1,955,329.66 are directly recognized through capital reserve - other capital reserves.

33. Treasury shares

Unit: RMB

Item	Opening balance	Increase	Decrease	Closing balance
Treasury share	99,724,823.49	480,065,768.74	91,733,258.47	488,057,333.76
Total	99,724,823.49	480,065,768.74	91,733,258.47	488,057,333.76

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

1) The 12th Session of the Seventh Board of Directors of the Company and 2021 Annual General Meeting of Shareholders deliberated and approved the *Proposal on Repurchasing Certain Public Shares*. The Company planned to use its self-owned capital to buy back its shares for the write-off and decrease of the registered capital and the implementation of equity incentives. The increase in the year is due to the Company's repurchase of 1,545,000 shares of the Company from the secondary market through centralized bid transactions during the reporting period, totaling RMB 79,937,608.83, including the repurchase handling fee of RMB 8073.73. Among them, RMB 79,945,682.56 of treasury shares are intended for cancellation or implementation of equity incentives.

2) The 2022 Annual General Meeting of Shareholders of the Company deliberated and approved the *Proposal on Repurchasing Certain Public Shares*, and the Company planned to repurchase its shares through self-owned capital for part cancellation and decrease of the registered capital and implementation of equity incentive. The increase in the year is due to the Company's repurchase of 8,150,000 shares of the Company from the secondary market through centralized bid transactions during the reporting period, totaling RMB 400,080,671.30, including the repurchase handling fee of RMB 39,414.88. Among them, RMB 400,120,086.18 of treasury shares are intended for cancellation or implementation of equity incentives.

3) The treasury share capital decreased by RMB 91,733,258.47 in the year, ① The 11th meeting of the 7th Board of Directors in 2022 and the 15th meeting of the 7th Board of Directors in 2022 approved the *Proposal on Granting Restricted Stocks to Incentive Objects*. A total of 79,000 restricted stocks have been granted to incentive objects this year, with a grant amount of RMB 3,650,590.00 ② At the 14th meeting of the 7th Board of Directors in 2022, it was decided that thirteen incentive recipients of the company, who have resigned and no longer meet the incentive conditions, will repurchase and cancel a total of 53,000 restricted shares at a price of RMB 1 per share, reducing the repurchase obligation by RMB 53,000.00. ③ The 19th meeting of the 7th Board of Directors of the company in 2023 has decided that five incentive recipients who have left the company and no longer meet the incentive conditions will repurchase and cancel a total of 22,750 restricted shares at a price of RMB 1 per share, reducing the repurchase obligation by RMB 22,750.00. ④ This year, the company cancelled and repurchased 1,870,069 shares, totaling RMB 88,006,918.47.

34. 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	-20,454,823.26	1,550,791.25				1,278,368.67	272,422.58	-19,176,454.59

incomes that can be reclassified into profit and loss								
Conversion difference in foreign currency financial statement	-20,454,823.26	1,550,791.25				1,278,368.67	272,422.58	-19,176,454.59
Total other comprehensive income	-20,454,823.26	1,550,791.25				1,278,368.67	272,422.58	-19,176,454.59

35. Surplus reserves

Unit: RMB

Item	Opening balance	Increase	Decrease	Closing balance
Statutory surplus reserve	356,924,811.32	85,151,939.97	86,136,849.47	355,939,901.82
Total	356,924,811.32	85,151,939.97	86,136,849.47	355,939,901.82

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

The increase in surplus reserve this year is based on the provision of statutory surplus reserve based on the company's net profit realized this year. The cumulative statutory surplus reserve withdrawn by our company has reached 50% of the registered capital, and we will no longer continue to withdraw statutory surplus reserve. The decrease in surplus reserve in the year is due to the cancellation of 1,870,069 repurchased shares of the Company, where the difference between the price paid for the cancellation of repurchased shares and the face value of the shares is offset against the capital reserve - share capital premium, and the shortfall is offset against the surplus reserve by RMB 86,136,849.47.

36. Undistributed profits

Unit: RMB

Item	Current period	Prior period
Undistributed profits at period beginning after adjustment	5,865,316,233.53	6,451,748,564.12
Plus: net profit attributable to owners of the parent company	2,179,798,147.27	2,067,659,526.97
Minus: withdrawal of statutory surplus reserve	85,151,939.97	
Common share dividends payable	2,439,504,228.21	2,567,723,592.43
Grant of restricted stocks	3,650,590.00	86,368,265.13
Undistributed profits at the end of the period	5,516,807,622.62	5,865,316,233.53

Adjustment of undistributed profits at period beginning:

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

- 4) Due to change of merger scope resulted from same control, undistributed profit at period beginning was changed by RMB 0.00.
5) Due to other adjustment, undistributed profit at period beginning was changed by RMB 0.00.

37. Operating incomes and costs

Unit: RMB

Item	Amount incurred during this period		Amount incurred during prior period	
	Revenue	Cost	Revenue	Cost
Main business	21,047,461,714.13	15,482,918,819.24	19,947,308,992.05	14,779,802,587.93
Revenue from other operations	256,486,928.53	217,210,030.07	223,218,524.61	189,526,252.64
Total	21,303,948,642.66	15,700,128,849.31	20,170,527,516.66	14,969,328,840.57

Whether the net profit before or after non-recurring profit and loss are deducted, whichever is lower, is negative

Yes No

Breakdown information of operating income and operating cost:

Unit: RMB

Contract classification	Operating income	Operating cost
Business type		
Including:		
Cookware	6,056,346,176.44	4,320,256,178.21
Electric appliances	14,963,200,632.70	11,141,680,549.71
Others	284,401,833.52	238,192,121.39
Classified by business area		
Including:		
Domestic	15,107,615,309.80	10,771,952,519.69
Foreign	6,196,333,332.86	4,928,176,329.62

Information related to performance obligations:

None

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

At the end of this reporting period, the revenue from the performance obligations that have not been fulfilled or completely fulfilled under existing contract is RMB 862,706,076.18, of which RMB 862,706,076.18 is expected to be recognized as income in 2024.

38. Taxes and surcharges

Unit: RMB

Item	Amount incurred during this period	Amount incurred during prior period
Urban maintenance and construction tax	64,295,557.27	60,826,714.98
Education surcharge	27,696,208.95	26,242,005.20
Housing property tax	13,343,358.14	12,328,977.15
Land use tax	1,630,388.68	1,954,421.94

Vehicle and vessel use tax	51,074.40	58,546.40
Stamp tax	16,715,072.33	11,651,100.02
Local education surcharge	18,464,139.22	17,555,804.52
Environmental protection tax	54,852.44	75,969.20
Total	142,250,651.43	130,693,539.41

Other remarks:

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

39. Administrative expenses

Unit: RMB

Item	Amount incurred during this period	Amount incurred during prior period
Employee remuneration	232,400,181.10	218,635,148.78
Office, business traveling and depreciation and amortization expenses	89,412,248.70	87,381,475.69
Cost of equity incentive and performance incentive fund	35,864,304.26	36,289,361.98
Others	35,921,232.76	31,754,653.83
Total	393,597,966.82	374,060,640.28

40. Sales expense

Unit: RMB

Item	Amount incurred during this period	Amount incurred during prior period
Advertising, sales promotion, and special gift expenses	1,706,028,199.93	1,552,778,059.77
Employee remuneration	363,916,013.14	401,609,998.06
Office and business traveling expenses	146,017,301.34	124,217,367.02
Cost of equity incentive and performance incentive fund	11,796,303.73	10,709,983.00
Others	70,089,607.60	66,981,650.78
Total	2,297,847,425.74	2,156,297,058.63

41. R&D expense

Unit: RMB

Item	Amount incurred during this period	Amount incurred during prior period
Employee remuneration	218,391,753.12	202,158,417.41
Trial production experiment cost and consumption expenditure	80,046,107.59	91,696,672.99

New product design cost	42,518,700.10	47,898,023.51
Patent and external institutional fees	52,659,379.35	43,628,185.52
Cost of equity incentive and performance incentive fund	10,098,463.21	7,847,891.00
Others	27,574,132.92	23,030,166.56
Total	431,288,536.29	416,259,356.99

42. Financial expenses

Unit: RMB

Item	Amount incurred during this period	Amount incurred during prior period
Interest expense of loans and accounts payables	3,816,340.07	142,176.50
Interest revenue of deposits and receivables	-80,404,233.22	-76,571,126.41
Interest expense of lease obligations	10,526,971.78	9,136,772.28
Gain on net foreign exchange	-6,403,128.91	-34,786,425.70
Handling fee and other financial expenses	4,834,108.92	4,655,315.42
Total	-67,629,941.36	-97,423,287.91

43. Other income

(1) Classification of other income

Source of other revenues	Amount incurred during this period	Amount incurred during prior period	Amount recognized through non-recurring profit or loss of the current year
Government subsidies concerning daily activities	244,371,726.06	235,160,623.11	191,579,657.04
Withholding and paying tax expense and handling fee refund	1,188,766.09	1,534,189.23	1,188,766.09
Input tax plus deduction	3,357,048.16		3,357,048.16
Total	248,917,540.31	236,694,812.34	196,125,471.29

(2) Government subsidies concerning daily activities

Subsidy item	Amount incurred during this period	Amount incurred during prior period	Related to assets/income
Project subsidy	25,116,349.04	33,414,476.64	Related to benefits
Government reward	166,463,308.00	164,637,740.59	Related to benefits
Tax returns	52,792,069.02	37,108,405.88	Related to benefits
Total	244,371,726.06	235,160,623.11	

44. 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	1,137,787.54	1,382,527.79
Total	1,137,787.54	1,382,527.79

45. Investment incomes

Unit: RMB

Item	Amount incurred during this period	Amount incurred during prior period
Long-term equity investment income under the equity method	-529,681.40	-3,262,848.85
Investment income from disposal of transactional financial assets	7,970,271.40	4,386,059.07
Interest from term deposit	7,432,119.49	34,428,058.56
Investment income of debt investment during the holding period	29,040,658.23	16,631,649.43
Investment income from disposal of debt investments	4,898,876.71	1,864,109.59
Total	48,812,244.43	54,047,027.80

46. Credit impairment losses

Unit: RMB

Item	Amount incurred during this period	Amount incurred during prior period
Loss for bad debts of other receivables	-320,174.60	-1,388,421.68
Accounts receivable	-25,670,079.70	35,810,880.38
Financial guarantee contract	-229,126.28	96,856.52
Total	-26,219,380.58	34,519,315.22

47. Asset impairment losses

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	6,575,264.78	-11,352,717.26
IV. Loss on fixed asset impairment loss	-303,774.72	
Total	6,271,490.06	-11,352,717.26

48. Assets disposal income

Unit: RMB

Source of assets disposal income	Amount incurred during this period	Amount incurred during prior period
Disposal losses of fixed assets	-4,212,813.38	-2,002,558.23
Proceeds from the disposal of the right-of-use assets	151,301.37	639,053.38
Total	-4,061,512.01	-1,363,504.85

49. Non-operating income

Unit: RMB

Item	Amount incurred during this period	Amount incurred during prior period	Amount recognized through non-recurring profit or loss of the current period
Damage and scrapping gains of non-current assets	171,685.02	775,693.99	171,685.02
Including: Gains from scrapping of fixed assets	171,685.02	775,693.99	171,685.02
Default fine revenue	9,243,680.81	11,310,799.88	9,243,680.81
Reversion of estimated liabilities	5,150,000.00		5,150,000.00
Others	703,471.60	2,348,632.82	703,471.60
Total	15,268,837.43	14,435,126.69	15,268,837.43

Other remarks:

50. Non-operating expense

Unit: RMB

Item	Amount incurred during this period	Amount incurred during prior period	Amount recognized through non-recurring profit or loss of the current period
Donation expenditures	5,868,685.02	2,663,130.43	5,868,685.02
Damage and scrapping losses of non-current assets	3,066,439.87	601,296.71	3,066,439.87
Including: Scrapping losses of fixed assets	3,066,439.87	601,296.71	3,066,439.87
Others	2,938,582.02	1,199,925.30	2,938,582.02
Total	11,873,706.91	4,464,352.44	11,873,706.91

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

Unit: RMB

Item	Amount incurred during this period	Amount incurred during prior period
Current income tax expenses	522,122,005.28	468,983,078.04
Deferred income tax expenses	-16,823,987.79	10,050,086.32
Total	505,298,017.49	479,033,164.36

(2) Reconciliation of accounting profit to income tax expenses

Unit: RMB

Item	Amount incurred during this period
Total profit	2,684,718,454.70
Income tax expenses based on statutory/applicable tax rate	671,179,613.68
Effect of different tax rate applicable to subsidiaries	-122,260,430.66
Effect of prior income tax reconciliation	-21,529,266.14
Effect of non-deductible costs, expenses and losses	11,607,160.43
Effect of deductible temporary differences or deductible losses of unrecognized deferred income tax assets in the current period	9,329,818.57
Deduction for the additional calculation of R&D expense	-42,842,474.68
Using previous years' deductible losses	-147,710.21
Effect of tax rate variation on deferred income taxes balance at the beginning of the period	-38,693.50
Income tax expenses	505,298,017.49

52. Other comprehensive incomes

See Note 34 for details.

53. Items of cash flow statement**(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	196,125,471.29	199,599,828.51
Receipt of deposit, security and employee reserve fund loan	4,205,917.24	26,496,254.72

Interest revenues	53,992,386.07	66,264,180.37
Others	13,569,937.64	4,311,161.59
Total	267,893,712.24	296,671,425.19

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	1,633,323,496.20	1,594,110,566.41
Cash payment for administrative expenses	108,299,990.50	95,471,984.49
Cash payment for R&D expenses	200,066,224.77	203,782,142.17
Donations payment	5,868,685.02	2,663,130.43
Other payments	7,351,491.57	9,398,008.04
Total	1,954,909,888.06	1,905,425,831.54

(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	2,738,215,081.02	3,103,136,438.00
Total	2,738,215,081.02	3,103,136,438.00

Other cash payments related to investing activities

Unit: RMB

Item	Amount incurred during this period	Amount incurred during prior period
Cash payment for financial products and term deposit	2,923,123,711.63	3,597,439,490.93
Total	2,923,123,711.63	3,597,439,490.93

(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
Receipt of equity incentive payment	79,000.00	2,463,000.00
Total	79,000.00	2,463,000.00

Other cash payments related to financing activities

Unit: RMB

Item	Amount incurred during this period	Amount incurred during prior period
Repurchase of stocks and handling fees	480,141,518.74	162,978,253.14
Cash paid for repayment of lease obligation principal and interest	60,599,875.73	45,922,594.90
Total	540,741,394.47	208,900,848.04

Changes in various liabilities arising from financing activities

 Applicable Not applicable

Unit: RMB

Item	Opening balance	Increase		Decrease		Closing balance
		Cash change	Non-cash change	Cash change	Non-cash change	
Short-term borrowings		446,779,722.15	2,961,445.21	250,000,000.00		199,741,167.36
Fund allocation of related parts	13,886,668.74	1,724,666.42				15,611,335.16
Other payable- Restricted stock repurchase obligation	2,439,000.00	79,000.00		75,750.00		2,442,250.00
Other payables - dividends payable			2,439,504,228.21	2,439,504,228.21		
Lease liabilities	192,704,856.82		92,744,399.70	60,599,875.73		224,849,380.79
Total	209,030,525.56	448,583,388.57	2,535,210,073.12	2,750,179,853.94		442,644,133.31

(4) Net amounts presented in cash flows

Item	Related facts	Basis of presentation as net amount	Financial impacts
Short-term borrowings	Bank acceptance discount	Cash inflows and outflows on items which are quick in circulation, large in amounts, and short in maturity	250,000,000.00

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

Unit: RMB

Supplement information	Amount of this period	Amount of the prior period
1. Reconciliation of net profit to cash flow from operating activities		
Net profit	2,179,420,437.21	2,066,176,439.62
Plus: impairment provision of assets	-6,271,490.06	11,352,717.26
Credit impairment loss	26,219,380.58	-34,519,315.22

depreciation of fixed assets, oil and gas assets, productive biological assets	133,135,887.72	128,264,310.47
depreciation of right-of-use assets	49,584,118.95	47,571,308.63
amortization of intangible assets	26,701,518.01	23,555,707.71
amortization of long-term unamortized expenses		
loss on disposal of fixed assets, intangible assets and other long-term assets ("- for gains)	4,061,512.01	1,363,504.85
fixed assets retirement loss ("- for gains)	2,894,754.85	-174,397.28
losses from changes in fair value ("- for revenue)	-1,137,787.54	-1,382,527.79
financial expenses ("- for gains)	-10,405,102.90	-12,246,928.46
investments losses ("- for gains)	-48,824,770.65	-53,905,404.54
decrease of deferred income tax assets ("- for increase)	-16,823,987.79	10,050,086.32
increase of deferred income tax liabilities ("- for decrease)		
decrease in inventories ("- for increase)	238,814,733.91	590,241,481.65
decrease in operating receivables ("- for increase)	-1,010,714,769.68	751,425,931.09
decrease in operating payables ("- for increase)	644,777,222.70	-319,790,108.30
others	-176,522,321.12	-48,027,560.17
net cash flows from operating activities	2,034,909,336.20	3,159,955,245.84
2. Significant investing and financing activities not related to cash receipts and payments		
Conversion of debt into capital		
Convertible bonds to be matured within one year		
Fixed assets under financing lease		
3. Net changes in cash and cash equivalents:		
Closing balance of cash	1,405,752,936.36	2,395,932,752.38
Minus: Opening balance of cash	2,395,932,752.38	2,443,731,679.06
Plus: closing balance of cash equivalents		
Minus: opening balance of cash equivalents		
Net increase in cash and cash equivalents	-990,179,816.02	-47,798,926.68

(2) Cash and cash equivalents

Unit: RMB

Item	Closing balance	Opening balance
I. Cash	1,405,752,936.36	2,395,932,752.38
Including: Cash on hand	62,594.14	56,591.47
Cash in bank on demand for payment	1,357,366,603.33	2,361,573,752.74

Other monetary capitals on demand for payment	48,323,738.89	34,302,408.17
II. Cash equivalents		
III. Balance of cash and cash equivalents at the end of the period	1,405,752,936.36	2,395,932,752.38

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

Unit: RMB

Item	Amount of this period	Amount of the prior period	Reasons that do not belong to cash and cash equivalents
Restricted funds in bank deposit	30,423.72	90,730.68	Restricted usage rights
Term deposit beyond three months	1,607,020,342.48	854,012,620.81	Restricted usage rights
Deposit security for advance payment financing	58,000,000.00	58,000,000.00	Restricted usage rights
Bank acceptance bill security	476,860,000.00	254,129,233.86	Restricted usage rights
Security and frozen funds of e-commerce platform	613,739.88	975,570.02	Restricted usage rights
Total	2,142,524,506.08	1,167,208,155.37	

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

Unit: RMB

Item	Closing balance in foreign currencies	Conversion rate	RMB equivalent
Monetary capital			
Including: USD	45,024,429.69	7.0827	318,894,528.17
EUR	29,299.34	7.8592	230,269.37
GBP	0.67	9.0411	6.06
VND	37,874,627,823.50	0.00029207	11,062,042.55
SGD	89,553.52	5.3772	481,547.19
IDR	26,673,055,534.62	0.000461	12,296,278.60
Accounts receivable			
Including: USD	39,500,231.16	7.0827	279,768,287.24
VND	8,168,244,650.50	0.00029207	2,385,699.22
IDR	8,763,160,043.00	0.000461	4,039,816.78
Accounts payable			
Including: USD	1,450,614.74	7.0827	10,274,269.02
EUR	6,937.01	7.8592	54,519.35
VND	73,786,717,466.48	0.00029207	21,550,886.57

SGD	58,994.00	5.3772	317,222.54
IDR	5,897,346,518.41	0.000461	2,718,676.74

(2) Description of overseas business entities, including important overseas business entities, indicated that its main overseas business entity, recording currency and selection basis, as well as the reasons for changes of recording currency shall be disclosed.

Applicable Not applicable

56. Lease

(1) The company as the lessee

Applicable Not applicable

Variable lease payments not recognized through measurement of lease obligation

Applicable Not applicable

Leasing costs of short-term leases or low value assets with simplified treatment

Applicable Not applicable

Unit: RMB

Item	Year 2023	Year2022
Short term lease expenses with simplified processing methods	8,541,439.82	8,614,386.82
Total cash outflows related to leasing	69,141,315.55	54,536,981.72

(2) The company as the lessor

Operating lease as the lessor

Applicable Not applicable

Unit: RMB

Item	Rental Income	Among them: income related to variable lease payments not included in lease payments
Real estate	1,412,896.44	
Total	1,412,896.44	

Financing lease as the lessor

Applicable Not applicable

Annual undiscounted lease receipts for the future five years

Applicable Not applicable

(3) Sales profit and loss of financing leases recognized as 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	218,391,753.12	202,158,417.41
Trial production experiment cost and consumption expenditure	80,046,107.59	91,696,672.99
New product design cost	42,518,700.10	47,898,023.51
Patent and external institutional fees	52,659,379.35	43,628,185.52
Cost of equity incentive and performance incentive fund	10,098,463.21	7,847,891.00
Others	27,574,132.92	23,030,166.56
Total	431,288,536.29	416,259,356.99
Including: expensed R&D expenditure	431,288,536.29	416,259,356.99
Capitalized R&D expenditure		

IX. Change on merger scope**1. Others**

There is no change in the merger scope of the Company in the period.

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 Appliances Manufacturing Co., Ltd [Note 1]	133,697,100.00	Hangzhou	Hangzhou	Manufacturing industry	100.00%		Establishment
Zhejiang Shaoxing Supor Domestic Electrical Appliances Co., Ltd [Note 1]	610,000,000.00	Shaoxing	Shaoxing	Manufacturing industry	100.00%		Establishment
Supor (Vietnam) Co., Ltd [Note 1]	104,934,081.16	Vietnam	Vietnam	Manufacturing industry	100.00%		Establishment
Wuhan Supor Recycling Co., Ltd [Note 1]	1,000,000.00	Wuhan	Wuhan	Commerce	100.00%		Establishment

Wuhan Supor Cookware Co., Ltd [Note 1] [Note 2]	91,160,000.00	Wuhan	Wuhan	Manufacturing industry	25.00%	75.00%	Establishment
Hangzhou Omegna Commercial Trade Co., Ltd [Note 1]	10,000,000.00	Hangzhou	Hangzhou	Commerce	100.00%		Establishment
Shanghai Supor Cookware Marketing Co., Ltd [Note 1]	5,000,000.00	Shanghai	Shanghai	Commerce	100.00%		Establishment
Wuhan Supor Pressure Cooker Co., Ltd [Note 1]	224,039,000.00	Wuhan	Wuhan	Manufacturing industry	100.00%		Enterprise merger under the same control
Zhejiang Supor Plastic & Rubber Co., Ltd. [Note 1]	8,044,670.77	Yuhuan	Yuhuan	Manufacturing industry	100.00%		Enterprise merger under the same control
Yuhuan Supor Cookware Sales Co., Ltd. [Note 1]	8,000,000.00	Yuhuan	Yuhuan	Commerce	100.00%		Enterprise merger not under the same control
SEADA [Note 1]	23,314,945.98	Singapore	Singapore	Commerce	51.00%		Enterprise merger under the same control
AFS Vietnam Management Co., Ltd. [Note 1] [Note 3]	2,453,486.50	Vietnam	Vietnam	Commerce		100.00%	Enterprise merger under the same control
Shanghai WMF Enterprise Development Co., Ltd [Note 1]	50,000,000.00	Shanghai	Shanghai	Manufacturing industry	100.00%		Establishment
Zhejiang WMF Housewares Co., Ltd [Note 1]	100,000,000.00	Yuhuan	Yuhuan	Manufacturing industry	100.00%		Establishment
Zhejiang Shaoxing Supor Household Products Co., Ltd. [Note 1]	50,000,000.00	Shaoxing	Shaoxing	Manufacturing industry	100.00%		Establishment
Zhejiang Supor Large Kitchen Appliance Co., Ltd. [Note 1]	100,000,000.00	Shaoxing	Shaoxing	Manufacturing industry	100.00%		Establishment
PT GROUPE SEB INDONESIA MSD [Note 4]	32,714,774.74	Indonesia	Indonesia	Commerce		66.67%	Establishment
Zhejiang Supor Water Heater Co., Ltd [Note 1] [Note 5]	100,000,000.00	Shaoxing	Shaoxing	Manufacturing industry	52.00%		Establishment
Hainan Supor E-commerce Co., Ltd [Note 1] [Note 6]	8,000,000.00	Hainan	Hainan	Commerce		100.00%	Establishment
Hainan Tefal Trading Co., Ltd [Note 1] [Note 6]	10,000,000.00	Hainan	Hainan	Commerce		100.00%	Establishment

Unit: RMB

Explanation on shareholding ratio in subsidiary different from voting ratio:

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

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

Note 3: The Company holds 51% equity of SEADA, and AFS is totally held by SEADA. SEADA holds 100% shares of AFS.

Note 4: PT GROUPE SEB INDONESIA MSD 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 5: Zhejiang Supor Water Heater Co., Ltd is jointly invested and established by the Company and Supor Group Co., Ltd. The Company holds 52% of the shares, and Supor Group Co., Ltd holds 48% of the shares.

Note 6: Hainan Supor E-commerce Company and Hainan Tefal Trading Company are totally held by Zhejiang Supor Electrical.

2. Equity in joint venture or associated enterprises

(1) Insignificant joint venture or associated enterprises

Unit: RMB

	Closing balance/amount incurred during this period	Opening balance/amount incurred during prior period
Associated enterprise :		
Book value of investments in associated enterprises	61,678,984.35	62,196,139.53
Total amount of the following items calculated based on shareholding ratio		
-- Net profit	-517,155.18	-3,404,472.11
-- Other comprehensive income		
-- Total comprehensive income	-517,155.18	-3,404,472.11

XI. Government subsidies

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

Applicable Not applicable

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

Applicable Not applicable

2. Liability projects with government subsidies

Applicable Not applicable

3. Government subsidy recognized through current profits and losses

Applicable Not applicable

Unit: RMB

Accounting item	Amount incurred during this period	Amount incurred during prior period
Other incomes	244,371,726.06	235,160,623.11

VII. Risks related to financial instruments

1. Various risks arising from financial instruments

(I) Risk management objectives and policies

The Group 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 the Group's financial performance and maximize the interests of shareholders and other equity investors. Based on such objectives, the Group's risk management policies are established to identify and analyze the risks faced by the Group, 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 Group may encounter fluctuation in fair value of financial instruments or future cash flows due to changes in exchange rate. The Group's foreign currency risk relates mainly to foreign currency monetary assets and liabilities of the Group. When short-term imbalance occurred to foreign currency assets and liabilities, the Group 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.

The list of foreign currency financial assets and liabilities at the end of the year in Supor is shown in Note VII. 55 Foreign currency monetary items.

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 31 December of the Group will be as follows. This influence is translated into RMB at the spot rate on the balance sheet date.

	Shareholders' equities	Net profit
December 31, 2023		
USD	3,347,158.67	3,347,158.67
EUR	1,375.88	1,375.88
GBP	0.05	0.05
VND	-64,825.16	-64,825.16
SGD	1,363.89	1,363.89
IDR	106,215.87	106,215.87
Total	3,391,289.20	3,391,289.20
December 31, 2022		
USD	3,877,846.10	3,877,846.10
EUR	1,792.50	1,792.50
GBP	2.15	2.15
VND	358,356.14	358,356.14
SGD	1,893.94	1,893.94
IDR	74,978.65	74,978.65
Total	4,314,869.48	4,314,869.48

(2) Interest risk - risk for cash flow changes

Interest risk is the risk that the Group may encounter fluctuation in fair value of financial instruments or future cash flows due to changes in market interest rate. As of December 31, 2023, the Group's Bank's loan is at a fixed interest rate, the Group'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 the Group 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 the Group as a result of default by the counterparty.

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

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

(1) Receivables financing and notes receivable

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

(2) Accounts receivable

The Group only conducts business with credible and well-reputed third parties. According to the Group's policies, credit evaluations are performed on all customers to determine the credit limit and terms applicable to the customers. In addition, the Group 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.

The Group's accounts receivable from related party SEB S.A. and its subsidiaries accounted for 60.95% of closing balance (December 31, 2022: 50.14%), and the Group's account receivables are expected to have less credit risk. As the Company's credit risks fall into several business partners and customers, as of December 31, 2023, 21.00% (December 31, 2022: 26.43%) of the total accounts receivable was due from the five largest customers of the Company after deducting receivables from related party SEB S.A. The Company has no significant central credit risk.

(3) Other receivables

Other receivables of the Group are mainly export rebate receivable and deposit as security receivable, etc. The Group 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 the Group 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, the Group 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

Item	Closing balance				
	Book value	Within 1 year	1-3 years	Over 3 years	Total

Financial assets					
Monetary capital	3,548,277,442.44	3,548,277,442.44			3,548,277,442.44
Transactional financial assets	351,137,787.54	351,137,787.54			351,137,787.54
Notes receivable	15,311,935.98	15,311,935.98			15,311,935.98
Accounts receivable	2,858,247,356.03	2,858,247,356.03			2,858,247,356.03
Receivables financing	363,532,765.35	363,532,765.35			363,532,765.35
Other receivables	16,126,721.38	16,126,721.38			16,126,721.38
Other debt investment	951,306,342.48	289,940,000.00	695,085,000.00		985,025,000.00
Subtotal	8,103,940,351.20	7,442,574,008.72	695,085,000.00		8,137,659,008.72
Financial liabilities					
Short-term borrowings	199,741,167.36	200,000,000.00			200,000,000.00
Notes payable	1,235,000,000.00	1,235,000,000.00			1,235,000,000.00
Accounts payable	3,205,607,853.18	3,205,607,853.18			3,205,607,853.18
Other payables	147,617,550.27	147,617,550.27			147,617,550.27
Other current liabilities	10,761,655.33	10,761,655.33			10,761,655.33
Lease obligation	224,849,380.79	58,560,520.38	117,066,276.20	91,225,179.97	266,851,976.55
Subtotal	5,023,577,606.93	4,857,547,579.16	117,066,276.20	91,225,179.97	5,065,839,035.33

(Continued)

Item	Beginning balance				
	Book value	Within 1 year	1-3 years	Over 3 years	Total
Financial assets					
Monetary capital	3,563,140,907.75	3,563,140,907.75			3,563,140,907.75
Transactional financial assets	431,382,527.79	431,382,527.79			431,382,527.79
Notes receivable	27,325,952.95	27,325,952.95			27,325,952.95
Accounts receivable	1,926,518,118.38	1,926,518,118.38			1,926,518,118.38
Receivables financing	235,957,044.34	235,957,044.34			235,957,044.34
Other receivables	16,373,697.26	16,373,697.26			16,373,697.26
Other debt investment	1,056,952,424.68	33,150,000.00	1,101,237,500.00		1,134,387,500.00
Other current assets [note]	381,101,095.89	381,101,095.89			381,101,095.89
Subtotal	7,638,751,769.04	6,614,949,344.36	1,101,237,500.00		7,716,186,844.36
Financial liabilities					
Notes payable	1,057,611,900.00	1,057,611,900.00			1,057,611,900.00
Accounts payable	2,635,521,548.19	2,635,521,548.19			2,635,521,548.19
Other payables	137,729,222.63	137,729,222.63			137,729,222.63

Other current liabilities	22,383,800.87	22,383,800.87			22,383,800.87
Lease obligation	192,704,856.82	48,581,182.84	108,232,041.03	45,611,911.42	202,425,135.29
Subtotal	4,045,951,328.51	3,901,827,654.53	108,232,041.03	45,611,911.42	4,055,671,606.98

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

(II) Transfer of financial assets

Transferred but not wholly derecognized financial assets

For details, please refer to "3. Notes receivable" in Note VII to the financial statements.

XIII. Fair Value Disclosure

1. Fair value as of the balance sheet date of the assets and liabilities measured at the fair value

Unit: RMB

Item	Fair value as of the balance sheet date			
	Level 1	Level 2	Level 3	Total
I. Continuous fair value measurement	--	--	--	--
(I) Transactional financial assets		351,137,787.54		351,137,787.54
(II) Other debt investments		951,306,342.48		951,306,342.48
(III) Receivables financing				
(1) Notes receivable		363,532,765.35		363,532,765.35
II. Non-continuous 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 financial assets measured at fair value through profit or loss, including wealth management products, other debt investments and receivable financing is determined based on valuation techniques. Valuation techniques should make use of observable market data as much as possible and rely less on specific estimates from entities.

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 of December 31, there was not a significant difference between the book value and fair value of the Group's various financial assets and financial liabilities.

XI. Related parts and related transactions

1. Parent company

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

Explanation on the parent company of the Group

Business scope of the parent company: equity participation in all kinds of French and overseas enterprises (regardless operation purpose), namely, purchase and subscription of stocks, 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.

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

2. Company's subsidiaries

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

3. Joint ventures and associated enterprises of the Company

See Note X "2. Equity in joint ventures or associated enterprises" for details on the Company's significant joint ventures and associates for details.

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

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

4. Other related parties of the Company

Related party	Relationship between other related parties and the Company
SEB S.A.	Final controlling shareholder
SEB ASIA LTD.	Same controlling shareholder
TEFAL S.A.S.	Same controlling shareholder with the controlling shareholder
S.A.S. SEB	Same controlling shareholder with the controlling shareholder

SEB INTERNATIONAL SERVICE S.A.S.	Same controlling shareholder with the controlling shareholder
LAGOSTINA S.P.A.	Same controlling shareholder
GROUPE SEB MOULINEX	Same controlling shareholder with the controlling shareholder
GROUPE SEB EXPORT	Same controlling shareholder with the controlling shareholder
SEB DEVELOPPMENT SAS	Same controlling shareholder with the controlling shareholder
IMUSA USA LLC	Same controlling shareholder
Supor Group Co., Ltd.	Company controlled by related natural person
ETHERA	Same controlling shareholder with the controlling shareholder
WMF CONSUMER ELECTRIC GMBH	Same controlling shareholder
WMF Consumer Goods (Shanghai) Co, Ltd.	Same controlling shareholder
WMF GROUPE GMBH	Same controlling shareholder
GROUPE SEB VIETNAM JOINT STOCK COMPANY	Same controlling shareholder
GROUPE SEB SINGAPORE	Same controlling shareholder
GROUPE SEB THAILAND	Same controlling shareholder
Emsa Taicang Co., Ltd.	Same controlling shareholder
Heshan Demei Tableware Co., Ltd.	Same controlling shareholder
EMSA GMBH	Same controlling shareholder
GROUPE SEB CANADA	Same controlling shareholder
GROUPE SEB ANDEAN S.A.	Same controlling shareholder
GROUPE SEB KOREA LTD.	Same controlling shareholder
Saichuang (Zhejiang) Technology Co., Ltd.	Same controlling shareholder
Zhejiang Nanyang Pharmaceutical Sales Co., Ltd.	Company controlled by related natural person

5. Related transactions

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

Purchase of commodities and receiving of services

Unit: RMB

Related party	Contents of related transaction	Amount incurred during this period	Transaction quota granted	Exceeding transaction limit or not	Amount incurred during prior period
Wuhan Anzai Cookware Co., Ltd.	Finished products	129,174,736.13		No	61,178,333.58
Wuhan Anzai Cookware Co., Ltd.	Accessories	52,505,244.94		No	150,874,250.24
GROUPE SEB EXPORT	Finished products	1,323,298.24		No	7,063,804.76

GROUPE SEB EXPORT	Accessories	73,810.00		No	73,815.50
TEFAL S.A.S.	Accessories	20,213,451.95		No	7,660,045.82
LAGOSTINA S.P.A.	Finished products	2,821,255.84		No	2,194,942.00
SEB INTERNATIONAL SERVICE S.A.S.	Accessories	84,055.57		No	612,783.70
SEB INTERNATIONAL SERVICE S.A.S.	Finished products	21,064.57		No	29,331.02
SEB ASIA LTD.	Finished products	260,526.98		No	462,307.92
GROUPE SEB MOULINEX	Accessories	2,871,660.72		No	3,255,315.40
Heshan Demei Tableware Co., Ltd.	Finished products	184,681.57		No	312,749.25
GROUPE SEB SINGAPORE	Finished products	17,600.69		No	
GROUPE SEB THAILAND	Finished products	413,719.66		No	445,146.13
Emsa Taicang Co., Ltd.	Finished products			No	234,955.75
ETHERA	Accessories	141,420.43		No	317,859.36
WMF GROUPE GMBH	Finished products	55,991,104.27		No	26,423,343.21
WMF Consumer Goods (Shanghai) Co, Ltd.	Finished products	10,220.71		No	37,726.20
Supor Group Co., Ltd.	Finished products			No	16,092.68
GROUPE SEB KOREA LTD.	Finished products	171,210.71		No	

Sale of commodities and rendering of services

Unit: RMB

Related party	Contents of related transaction	Amount incurred during this period	Amount incurred during prior period
SEB ASIA LTD.	Finished products	5,718,651,248.45	4,535,035,472.36
SEB ASIA LTD.	Accessories	22,355,391.81	3,163,380.97
S.A.S. SEB	Finished products	15,722,826.89	13,690,166.60
S.A.S. SEB	Accessories	471,895.40	673,421.95
TEFAL S.A.S.	Finished products	2,674,842.16	7,069,905.25
TEFAL S.A.S.	Accessories	18,245,450.86	13,666,486.47
GROUPE SEB MOULINEX	Finished products	14,344,236.48	18,525,086.93
Supor Group Co., Ltd.	Finished products	9,976,697.94	4,424,241.51
SEB INTERNATIONAL SERVICE S.A.S.	Accessories	20,175,797.39	16,484,863.62
LAGOSTINA S.P.A.	Finished products		49,269.52
LAGOSTINA S.P.A.	Accessories	440,230.62	1,233,592.65
IMUSA USA LLC	Finished products	7,559,422.13	16,285,333.26
IMUSA USA LLC	Accessories	43,099.33	33,167.16
WMF Consumer Goods (Shanghai) Co, Ltd.	Finished products	226,850.81	351,115.82
GROUPE SEB CANADA	Finished products	11,070,592.32	14,164,254.85

GROUPE SEB VIETNAM JOINT STOCK COMPANY	Finished products	13,592,296.18	24,481,079.33
GROUPE SEB VIETNAM JOINT STOCK COMPANY	Accessories		11,237.73
GROUPE SEB ANDEAN S.A.	Accessories	1,520,747.00	3,513,457.99
Wuhan Anzai Cookware Co., Ltd.	Accessories		42,226.55
Zhejiang Nanyang Pharmaceutical Sales Co., Ltd.	Finished products	881,453.10	

(2) Related party leases

The Company as the lessee:

Unit: RMB

Leaser	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		149,534.29			12,772,020.32	12,129,528.70	2,898,045.38	1,856,154.47	25,053,608.23	5,861,859.68

(3) Fund allocation of the related parts

Unit: RMB

Related party	Borrowed/lent amount	Start date	Expiry date	Notes
Borrowing				
SEB S.A.	1,724,666.42	January 1, 2023	Open-ended	Loan

(4) Key management's emoluments

Item	Amount incurred during this period	Amount incurred during prior period
Key management's remuneration	RMB 15,275,700	RMB 15,193,300
Equity incentive and performance incentive fund for key management personnel	RMB 7,182,900	RMB 4,425,300

(5) Other related transactions

① Water and electricity fee

Unit: RMB

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

② Property management, maintenance and berth fees

Unit: RMB

Service renderer	Purchasing parties	Amount incurred in current year	Amount incurred during prior period
Supor Group Co., Ltd.	The Company	171,428.57	
	Zhejiang Supor Electrical	308,571.43	308,571.43
	Wuhan Supor Cookware	177,142.86	354,285.71

③ Consulting fee

Unit: RMB

Service renderer	Purchasing parties	Amount incurred in current year	Amount incurred during prior period
SEB ASIA LTD.	The Company	1,114,578.46	1,061,677.75
	Wuhan Supor Cookware	813,341.40	774,741.96
	Shaoxing Supor	572,353.11	545,185.33
	Zhejiang Supor Electrical	512,104.35	487,799.51

④ R&D and human resources services

Unit: RMB

Service renderer	Purchasing parties	Amount incurred during this period	Amount incurred during prior period
Zhejiang Supor Electrical	Saichuang (Zhejiang) Technology Co., Ltd.	586,266.58	483,081.29
AFS	GROUPE SEB VIETNAM JOINT STOCK COMPANY	2,881,836.67	3,023,118.45
Saichuang (Zhejiang) Technology Co., Ltd.	Shaoxing Supor	4,286,270.02	3,018,082.00

⑤ Warehousing service

Unit: RMB

Service renderer	Purchasing parties	Amount incurred during this period	Amount incurred during prior period
The Company	SEB ASIA LTD.		1,691,731.29
Wuhan Supor Cookware			629,912.40
Shaoxing Supor			1,764,063.02

⑥ Interest expense

Unit: RMB

Selling parties	Purchasing parties	Amount incurred during this period	Amount incurred during prior period
SEB S.A.	SEADA	596,062.26	142,176.51

⑦ Software use license, etc.

Unit: RMB

Service renderer	Purchasing parties	Amount incurred during this period	Amount incurred during prior period
SEB DEVELOPPMENT SAS	The Company	1,145,521.04	1,629,059.37

⑧ Pursuant to the *Technical License Contract* entered into between Wuhan Supor Cookware Co., Ltd and S.A.S. SEB on December 29, 2013, S.A.S. SEB licensed Wuhan Supor Cookware Co., Ltd compensated use of its patent of *Household Appliance for Food Cooking under Pressure with Elastomer Safety Valve* and other four utility patents. According to related terms and conditions in the contract signed by both parties, use charges are accrued at 3% of revenue from sales of products licensed. In the current period, Wuhan Supor Cookware Co., Ltd should pay S.A.S. SEB technology use charges of RMB 986,969.97 (2022: RMB 526,305.07), and as of December 31, 2023, a balance of RMB 111,278.17 has not been paid (December 31, 2022: RMB 94,651.13).

⑨ Pursuant to the *Trademark License* entered into between Wuhan Supor Cookware Co., Ltd and LAGOSTINA S.P.A. on December 15, 2014, LAGOSTINA S.P.A licensed Wuhan Supor Cookware Co., Ltd for compensated use of its trademark "LAGE". According to related terms and conditions in the contract signed by both parties, use charges are accrued at 4% of revenue from sales of products licensed. In the current period, Wuhan SUPOR should pay LAGOSTINA S.P.A. trademark use charges of RMB 1,071.69 (2022: RMB 43,093.45), and as of December 31, 2023, a balance of RMB 1,071.69 has not been paid (December 31, 2022: RMB 1,395,659.11).

⑩ Pursuant to the *Trademark License* entered into between Omegna and LAGOSTINA S.P.A. on December 5, 2016, LAGOSTINA S.P.A licensed Omegna for compensated use of its trademark "LAGE". According to related terms and conditions in the contract signed by both parties, use charges are accrued at 4% of revenue from sales of products licensed. In the current period, Omegna should pay LAGOSTINA S.P.A. trademark use charges of RMB 6,525.10 (2022: RMB 66,105.73), and as of December 31, 2023, a balance of RMB 3,392,562.80 has not been paid (December 31, 2022: RMB 3,989,846.80).

⑪ Shaoxing Supor purchased and used particles product of air purifier and relevant technology in accordance with *Agreement on Purchase and Using for Particles of Air Purifier* signed by Shaoxing Supor on April 25, 2016 with ETHERA. According to relevant terms and conditions in the contract signed by both parties, Shaoxing Supor should pay technology transfer fee RMB 8,621.96 (2022: RMB 22,268.70) to ETHERA in current period, which was calculated as per corresponding unit price of actual total sales. Until December 31, 2023, all payments have been made (December 31, 2022: RMB 4,424.04).

6. Receivables and payables by related parties

(1) Receivables

Unit: RMB

Items	Related party	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable:	SEB ASIA LTD.	1,780,235,700.55	53,407,071.02	977,231,667.49	34,203,108.36
	S.A.S. SEB	1,406,560.86	42,196.83	838,044.35	29,331.55
	TEFAL S.A.S.	5,793,936.65	173,818.10	3,220,589.96	112,720.65
	SEB INTERNATIONAL SERVICE S.A.S.	5,586,161.59	167,584.85	3,296,335.17	115,371.73
	GROUPE SEB MOULINEX	5,481,313.07	166,201.95	1,423,208.22	51,536.52
	IMUSA USA LLC	1,802,613.02	54,078.39	3,605,881.82	126,205.86
	Supor Group Co., Ltd.	16,238.60	811.93	11,010.00	550.50
	WMF Consumer Goods (Shanghai) Co, Ltd.	101,518.92	3,045.57	152,845.67	5,349.60
	GROUPE SEB CANADA	1,337,688.11	40,130.64	1,896,331.22	66,371.59
	GROUPE SEB VIETNAM JOINT STOCK COMPANY	5,001,845.80	150,055.37	14,774,836.65	517,119.28

	GROUPE SEB ANDEAN S.A.	304,479.89	9,134.40	112,622.53	3,941.79
	Wuhan Anzai Cookware Co., Ltd.			16,500.00	825.00
	LAGOSTINA S.P.A.	53,387.75	1,601.63	173,612.18	6,076.43
	Saichuang (Zhejiang) Technology Co., Ltd.	347,080.36	10,412.41	261,025.21	9,135.88
	Total	1,807,468,525.17	54,226,143.09	1,007,014,510.47	35,247,644.74
Advance payment:	Supor Group Co., Ltd.			171,428.57	
	EMSA GMBH	197.55			
	Total	197.55		171,428.57	
Other receivables :	Supor Group Co., Ltd.	165,000.00	98,500.00	145,000.00	56,250.00
	Total	165,000.00	98,500.00	145,000.00	56,250.00

(2) Payables

Unit: RMB

Items	Related party	Ending book balance	Beginning book balance
Accounts payable:	Wuhan Anzai Cookware Co., Ltd.	19,000,235.48	17,508,276.00
	WMF GROUPE GMBH	8,344,358.20	6,861,332.34
	GROUPE SEB EXPORT	73,810.00	1,836,117.60
	TEFAL S.A.S.	4,296,587.82	2,376,975.15
	S.A.S. SEB	113,921.35	94,651.13
	LAGOSTINA S.P.A.	5,725,894.53	5,386,105.91
	GROUPE SEB MOULINEX	1,356,062.24	131,149.87
	GROUPE SEB THAILAND	71,925.59	43,382.55
	SEB INTERNATIONAL SERVICE S.A.S.	17,570.25	114,692.08
	ETHERA	54,519.37	4,424.04
	Saichuang (Zhejiang) Technology Co., Ltd.	718,456.36	578,673.08
	Supor Group Co., Ltd.	6,536.00	
	Heshan Demei Tableware Co., Ltd.		53,230.00
	WMF Consumer Goods (Shanghai) Co, Ltd.	129.00	42,630.61
	SEB ASIA LTD.	152,068.55	
	SEB DEVELOPPMENT SAS	1,030,968.94	
	Total	40,963,043.68	35,031,640.36
Contract liabilities:	Supor Group Co., Ltd.	381,292.07	6,208,467.16
	Total	381,292.07	6,208,467.16

Other payables:	Wuhan Anzai Cookware Co., Ltd.	50,000.00	50,000.00
	SEB S.A.	15,611,300.30	13,886,668.74
	Total	15,661,300.30	13,936,668.74
Lease obligation:	Supor Group Co., Ltd.	52,956,539.46	36,660,807.71
	Total	52,956,539.46	36,660,807.71

XV. Share-based payment

1. Overall information

Applicable Not applicable

Unit: RMB

Category of grant objects	Grant in the current period		Exercise in the current period		Release in the current period		Invalidation in the current period	
	Share number	Amount	Share number	Amount	Share number	Amount	Share number	Amount
Administrative personnel	751,526	10,988,338.89					75,750	4,211,242.85
Sales personnel	206,510	2,362,474.40						
R&D personnel	195,964	2,241,828.16						
Total	1,154,000	15,592,641.45					75,750	4,211,242.85

Outstanding stock options or other equity instruments at the end of the period

Applicable Not applicable

Restricted stock incentive plans for 2021 and 2022:

Category of grant objects	Outstanding Restricted stock options at the end of the period		Outstanding other equity instruments at the end of the period	
	Scope of the exercise price	Remaining contract term	Scope of the exercise price	Remaining contract term
Administrative personnel /Sales personnel/ R&D personnel	1 yuan/share	2.08-2.83 years		

2023 Stock Option Incentive Plan:

Category of grant objects	Outstanding stock options at the end of the period		Outstanding other equity instruments at the end of the period	
	Scope of the exercise price	Remaining contract term	Scope of the exercise price	Remaining contract term
Administrative personnel /Sales personnel/ R&D personnel	36.49 yuan/share	3.83 years		

2. Equity-settled share-based payment

Applicable Not applicable

Unit: RMB

Restricted stock incentive plans for 2021 and 2022	Relevant content
Determination method for fair value of equity instruments on grant date	According to the market price on the grant date
Determination method for the optimal estimate of the number of equity instruments expected to vest	Based on the corresponding equity instruments of incentive targets, the performance of the Company and the forecast of future performance of the Company
The significant difference between this period estimate and last period	None
Capital reserve accumulated due to equity-settled share-based payment	97,320,132.85
Total expenses incurred due to equity-settled share-based payment transactions	42,472,896.87

2023 Stock Option Incentive Plan	Relevant content
Determination method for fair value of equity instruments on grant date	Fair value calculated according to the Black-Scholes model
Important parameters of fair value of equity instruments on grant date	Expected dividend, historical volatility, 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 between this period estimate and last period	None
Capital reserve accumulated due to equity-settled share-based payment	3,313,411.05
Total expenses incurred due to equity-settled share-based payment transactions	3,313,411.05

Other remarks:

According to the 2022 Stock Incentive Plan adopted on the Company's First Interim General Meeting of Shareholders in 2022 on September 21, 2022, the Company repurchased 1,332,500 shares of its own stocks for the plan through centralized competitive bidding with self-owned capital, adding RMB 69,398,019.65 of treasury shares. On October 12, 2022, the Company granted 1,253,500 shares to the incentive object at a grant price of RMB 1.00 per share, with a decrease of treasury share value of RMB 65,668,429.65, and reverse undistributed profit at the beginning of the year of RMB 64,414,929.65. At the same time, the company confirmed its stock repurchase obligation and increased its treasury stock by RMB 1,253,500.00.

On February 1, 2023, the company granted 79,000 shares to the remaining incentive recipients at a grant price of RMB 1.00 per share, with a decrease of treasury share value of RMB 3,650,590.00 and offsets the beginning undistributed profits by RMB 3,650,590.00. At the same time, the company confirms its stock repurchase obligation and increases its treasury stock by RMB 79,000.00. The impact of 2021 Equity Incentive Plan on the capital reserve is RMB 40,084,396.00 at the beginning of the period, and with an accrual of RMB 18,877,106.97 in the year, amounting to an accrued amount of RMB 58,961,502.97.

The impact of 2022 Equity Incentive Plan on the capital reserve is RMB 14,762,839.98 at the beginning of the period, and with an accrual of RMB 23,595,789.90 in the year, amounting to an accrued amount of RMB 38,358,629.88.

The impact of 2023 Equity Incentive Plan on the capital reserve is RMB 0 at the beginning of the period, and with an accrual of RMB 3,313,411.05 in the year, amounting to an accrued amount of RMB 3,313,411.05.

3. Share-based payment expenses for this year

Applicable Not applicable

Unit: RMB

Category of grant objects	Equity settled share based payment expenses
Administrative personnel	29,398,068.74
Sales personnel	8,970,896.48
R&D personnel	7,417,342.70
Total	45,786,307.92

XII. Commitments and contingencies

1. Contingencies

(1) Significant contingencies at the balance sheet date

In 2016, a private patent holder filed a lawsuit against the subsidiary Shaoxing Supor for patent infringement. In 2020, the related patent rights held by the plaintiff had been declared invalid by the Patent Reexamination Board of the China National Intellectual Property Administration. In 2023, the litigation case has been issued an administrative ruling by the Beijing Intellectual Property Court, which will be processed as the plaintiff withdrawing the lawsuit. Therefore, the original provision of RMB 5.15 million in estimated liabilities has been reversed. In 2020, export customers filed legal proceedings against Shaoxing Supor, a subsidiary, on the grounds of user disputes. This case has not been settled yet. Based on the principle of conservatism, the Company still retains an estimated liability of RMB 4 million (December 31, 2022: RMB 4 million) on December 31, 2023. In 2021, export customers filed claims for product quality issues against the subsidiary Shaoxing Supor on the grounds of user disputes. One of the claims was settled in the period, and the Company bore the cost of RMB 461,300. Due to the uncertainty of another claim and considering the principle of conservatism, Supor reserved an estimated liability of RMB 1,538,700 as at Dec 31, 2023 (December 31, 2022: RMB 2 million).

Contingent liabilities formed by financial guarantee and their financial impact

The Group signs tripartite acceptance agreements with distributors and banks, and the Group provides financing guarantee for the banks to issue bank acceptance bills to the distributors. In the event that the Group endorses and assigns an acceptance bill obtained by the Group, 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, the Group will bear part of the loss of the difference that the bank has not recovered from the distributor. As of December 31, 2023, the risk exposure undertaken by Supor is RMB 343.9136 million (December 31, 2022: RMB 298.0883 million), and the Company has provisioned a total estimated liability of RMB 1.7197 million (December 31, 2022: RMB 1.4904 million) under financial guarantee contracts for this risk exposure.

(2) 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

According to the profit distribution plan for 2023 adopted at the 7th Session of the Eighth Board of Directors of the Company on March 29, 2024, Company distributes cash dividend of 796,891,157 shares at the end of 2023 (total share capital of 806,708,657 shares at the end of 2023 deducted by 9,817,500 shares of special securities account for repurchase), a cash dividend of RMB 27.30 (tax-

inclusive) per 10 shares is distributed to all shareholders, and the total cash dividend was RMB 2,175,512,858.61. No bonus share will be distributed or conversion from capital reserves to share capital is made this year. The undistributed profits of parent company at the end of the reporting period were RMB 3,782,559,441.04, including the dividends to be distributed RMB 2,175,512,858.61.

During the period from the disclosure of this profit distribution plan to the actual implementation date, if the Company's share capital changes due to conversion of convertible bonds into stocks, share repurchases, equity incentive exercise, and refinancing and new share listing, it will be executed based on the changed share capital, and the above distribution ratio remains unchanged.

This profit distribution plan shall be submitted to the Annual General Meeting of Shareholders for 2023 Fiscal Year for approval after adopted by the Board of Directors.

XVIII. Other important matters

1. Segment information

(1) Determination basis and accounting policy of report segment

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

Operating Segment refers to the Group's organization meeting following conditions: (1) The organization can yield revenue and cost in daily activity; (2) The Group's management can appraise operating result of the organization regularly to allocate resources on a targeted basis and evaluate its performance; (3) The Group 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 segment reports is conducted with the revenue of trans-branch transaction measured at the actual transaction price. The accounting policy for segment report preparation is consistent with that used in Supor's financial statement.

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

(2) Financial information of reportable segments

Unit: RMB

Item	Cookware	Electrical products	Others	Inter-segment offsetting	Total
Revenue from main business	6,159,739,779.99	14,995,308,681.62	166,805,821.68	274,392,569.16	21,047,461,714.13
Cost of main business	4,438,233,089.06	11,173,663,650.69	144,875,976.65	273,853,897.16	15,482,918,819.24

(3) Other explanations

② Geographic segment

Information on the Group's revenue 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. Revenue 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	14,937,286,741.50	6,131,661,653.35	21,486,680.72	21,047,461,714.13
Cost of main business	10,465,424,512.47	5,038,996,154.59	21,501,847.82	15,482,918,819.24
Non-current assets	2,033,564,424.41	67,703,834.14	117,033,788.09	1,984,234,470.46

③ Major customers

Among the Group's customers, one customer (2022: 1) whose revenue from a single customer accounted for 10% or more of the Group's total revenue was related party SEB S.A. and its subsidiaries, accounting for approximately 27.45% (2022: 23.18%) of the Group'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)	639,632,187.73	385,526,579.20
1-2 years		9,778.58
Total	639,632,187.73	385,536,357.78

(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 for bad debts made on the basis of portfolio	639,632,187.73	100.00%	15,501,798.17	2.42%	624,130,389.56	385,536,357.78	100.00%	10,937,615.03	2.84%	374,598,742.75
Including:										
Portfolio 1: age portfolio	515,929,581.71	80.66%	15,395,153.38	2.98%	500,534,428.33	312,435,311.86	81.04%	10,880,503.86	3.48%	301,554,808.00
Portfolio 2: low-risk portfolio	106,644,785.32	16.67%	106,644.79	0.10%	106,538,140.53	57,111,169.92	14.81%	57,111.17	0.10%	57,054,058.75
Portfolio 3: merged related parties portfolio	17,057,820.70	2.67%		0.00%	17,057,820.70	15,989,876.00	4.15%			15,989,876.00

Total	639,632,187.73	100.00%	15,501,798.17	2.42%	624,130,389.56	385,536,357.78	100.00%	10,937,615.03	2.84%	374,598,742.75
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Categories for bad debts provision: Portfolio 1

Provision for bad debts made on a portfolio basis: RMB 15,395,153.38

Unit: RMB

Name	Closing balance		
	Book balance	Provision for bad debts	Provision proportion
Within 1 year	515,929,581.71	15,395,153.38	2.98%
Total	515,929,581.71	15,395,153.38	

If yes, a provision for bad debts for accounts receivable shall be accrued according to the general model of expected credit loss:

Applicable Not applicable

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

Provision for bad debts made in current period:

Unit: RMB

Categories	Opening balance	Amount of changes in current period				Closing balance
		Accrued	Collected or reversed	Written off	Others	
Provision for bad debts for accounts receivable	10,937,615.03	4,564,183.14				15,501,798.17
Total	10,937,615.03	4,564,183.14				15,501,798.17

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

Unit: RMB

Entity name	Closing balance of accounts receivable	Closing balance of contract asset	Accounts receivable and closing balance of contract asset	Proportion in the sum of accounts receivable and closing balance of contract asset	Closing balance of impairment provision for bad debts for accounts receivable and impairment provision for contract assets
SEB S.A. and its subsidiaries	514,734,045.73		514,734,045.73	80.47%	15,442,021.37
Customer E	98,045,649.44		98,045,649.44	15.33%	98,045.65
Supor Vietnam	9,915,898.56		9,915,898.56	1.55%	
Wuhan Supor Cookware	3,260,961.20		3,260,961.20	0.51%	
Shanghai WMF	3,079,967.24		3,079,967.24	0.48%	
Total	629,036,522.17		629,036,522.17	98.34%	15,540,067.02

2. Other receivables

Unit: RMB

Item	Closing balance	Opening balance
Other receivables	674,127,502.50	1,174,381,191.82
Total	674,127,502.50	1,174,381,191.82

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

Unit: RMB

Nature of receivables	Ending book balance	Beginning book balance
Deposit as security	305,528.00	111,458.00
Fund pool	671,436,662.09	1,172,087,133.42
Temporary payment receivable	3,968,595.43	2,860,673.12
Personal deposit	551,458.41	339,400.93
Total	676,262,243.93	1,175,398,665.47

2) Disclosure by aging

Unit: RMB

Ages	Ending book balance	Beginning book balance
Within 1 year (including 1 year)	675,240,966.75	1,174,443,084.02
1-2 years	85,528.00	45,000.00
2-3 years	34,500.00	9,332.27
Over 3 years	901,249.18	901,249.18
4-5 years		5,000.00
Over 5 years	901,249.18	896,249.18
Total	676,262,243.93	1,175,398,665.47

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	
Other receivables for provision for	1,187,578.89	0.18%	1,187,578.89	100.00%	0.00					

bad debts made on an individual basis										
Other receivables for provision for bad debts made on the basis of portfolio	675,074,665.04	99.82%	947,162.54	0.14%	674,127,502.50	1,175,398,665.47	100.00%	1,017,473.65	0.09%	1,174,381,191.82
Including:										
Portfolio 1: age portfolio	1,699,199.49	0.25%	947,162.54	55.74%	752,036.95	3,311,532.05	0.28%	1,017,473.65	30.73%	2,294,058.40
Portfolio 2: low-risk portfolio	673,375,465.55	99.57%		0.00%	673,375,465.55	1,172,087,133.42	99.72%		0.00%	1,172,087,133.42
Total	676,262,243.93	100.00%	2,134,741.43	0.32%	674,127,502.50	1,175,398,665.47	100.00%	1,017,473.65	0.09%	1,174,381,191.82

Provision for bad debts made on an individual basis: RMB 1,187,578.89

Unit: RMB

Name	Opening balance		Closing balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Provision proportion	Reasons
Customer H			1,187,578.89	1,187,578.89	100.00%	It is not expected to be recovered, so the provision for bad debts is fully accrued.
Total			1,187,578.89	1,187,578.89		

Provision for bad debts made on a portfolio basis: RMB 947,162.54

Unit: RMB

Name	Closing balance		
	Book balance	Provision for bad debts	Provision proportion
Within 1 year (including 1 year)	677,922.31	33,896.12	5.00%
1-2 years (including 2 years)	85,528.00	6,842.24	8.00%
2-3 years (including 3 years)	34,500.00	5,175.00	15.00%
Over 5 years	901,249.18	901,249.18	100.00%
Total	1,699,199.49	947,162.54	

A provision for bad debts that are accrued according to the general model of the expected credit loss:

Unit: RMB

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

Accrued			1,187,578.89	1,187,578.89
Write-off	-70,311.11			-70,311.11
Balance on December 31, 2023	947,162.54		1,187,578.89	2,134,741.43

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

Applicable Not applicable

4) Provision for bad debts 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	1,017,473.65	1,187,578.89	-70,311.11			2,134,741.43
Total	1,017,473.65	1,187,578.89	-70,311.11			2,134,741.43

5) Other receivables 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
Zhejiang Supor Electrical	Fund pool	228,163,357.68	Within 1 year	33.74%	
Hainan Supor E-commerce Company	Fund pool	150,493,122.57	Within 1 year	22.25%	
Wuhan Supor Cookware	Fund pool	145,485,813.46	Within 1 year	21.51%	
Omegna	Fund pool	73,691,393.73	Within 1 year	10.90%	
Shanghai WMF	Fund pool	58,031,647.77	Within 1 year	8.58%	
Total		655,865,335.21		96.98%	

6) Presented in other receivables due to centralized fund management

Unit: RMB

Amount presented in other receivables due to centralized fund management	671,436,662.09
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3. Long-term equity investment

Unit: RMB

Item	Closing balance	Opening balance
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	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Investment in subsidiaries	2,787,004,539.36		2,787,004,539.36	2,763,861,746.90		2,763,861,746.90
Investments in associates and joint ventures	61,626,527.25		61,626,527.25	62,156,208.65		62,156,208.65
Total	2,848,631,066.61		2,848,631,066.61	2,826,017,955.55		2,826,017,955.55

(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	240,428,244.41						240,428,244.41	
P&R Products	20,804,297.92						20,804,297.92	
Yuhuan Sales Company	2,990,149.81						2,990,149.81	
Zhejiang Supor Electrical	777,383,633.79		6,737,749.32				784,121,383.11	
Shaoxing Supor	646,842,558.49		5,527,127.77				652,369,686.26	
Supor Vietnam	105,143,165.64						105,143,165.64	
Wuhan Recycling	1,000,000.00						1,000,000.00	
Omegna	10,000,000.00						10,000,000.00	
Shanghai Marketing	5,000,000.00						5,000,000.00	
Wuhan Supor Cookware	603,055,043.39		4,097,883.79				607,152,927.18	
SEADA	11,890,622.45						11,890,622.45	
Shanghai WMF	50,206,659.00			8,636.74			50,198,022.26	
Zhejiang WMF	102,179,399.00		2,235,868.98				104,415,267.98	
Zhejiang Supor LKA	100,648,199.00		578,729.70				101,226,928.70	
Shaoxing Supor Housewares	54,519,526.00		938,819.57				55,458,345.57	
Supor Water Heater	31,200,000.00						31,200,000.00	
Hainan Supor E-commerce Company	570,248.00		3,035,250.07				3,605,498.07	
Total	2,763,861,746.90		23,151,429.20	8,636.74			2,787,004,539.36	

(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	Investment	Investment profit or loss	Adjustment in other	Changes in other	Cash dividend/pro	Accrued impairment	Others		

			increased	decreased	recognized by equity method	comprehensive income	equity	fit declared for distribution	t provision			
I. Joint venture												
II. Associated enterprises												
Wuhan Anzai Cookware Co., Ltd.	62,156,208.65				-529,681.40						61,626,527.25	
Subtotal	62,156,208.65				-529,681.40						61,626,527.25	
Total	62,156,208.65				-529,681.40						61,626,527.25	

The recoverable amount is determined as the net amount of the fair value less disposal expenses

Applicable Not applicable

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

Applicable Not applicable

4. Operating incomes and costs

Unit: RMB

Item	Amount incurred during this period		Amount incurred during prior period	
	Revenue	Cost	Revenue	Cost
Main business	2,730,903,877.45	2,307,291,786.04	2,302,742,532.78	1,935,093,847.17
Revenue from other operations	69,901,457.32	63,676,240.21	61,817,745.45	54,008,950.20
Total	2,800,805,334.77	2,370,968,026.25	2,364,560,278.23	1,989,102,797.37

Breakdown information of operating income and operating cost:

Unit: RMB

Contract classification	Total	
	Operating income	Operating cost
Business type		
Including:		
Cookware	2,730,903,877.45	2,307,291,786.04
Others	69,901,457.32	63,676,240.21
Classified by business area		
Including:		
Domestic	933,645,081.75	731,272,837.83
Foreign	1,867,160,253.02	1,639,695,188.42

Information related to performance obligations:

None

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

At the end of this reporting period, the revenue from the performance obligations that have not been fulfilled or completely fulfilled under existing contract is RMB 1,702,589.31, of which RMB 1,702,589.31 is expected to be recognized as income in 2024.

5. Investment incomes

Unit: RMB

Item	Amount incurred during this period	Amount incurred during prior period
Long-term equity investment income under the cost method	1,748,623,145.25	1,618,952,576.25
Long-term equity investment income under the equity method	-529,681.40	-3,262,848.85
Loss from disposal of subsidiaries		-62,518,037.73
Interest from term deposit	7,432,119.49	34,428,058.56
Investment income from disposal of transactional financial assets	3,419,948.31	1,534,045.79
Investment income from other debt investments during the holding period	7,662,465.75	7,443,923.15
Total	1,766,607,997.40	1,596,577,717.17

XX. Supplementary Data

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

Applicable Not applicable

Unit: RMB

Item	Amount	Notes
Profit or loss on disposal of non-current assets	-6,956,266.86	
Government subsidies recognized through current profits and losses (except those that are closely related to the Company's normal business operations, comply with national policies and regulations and available according to certain standard quota or continuously affect the Company's profits and losses)	196,125,471.29	
Except the effective hedging business related to the normal operation of the Company, profits and losses from fair value changes caused by the finance assets and financial liabilities held by non-financial enterprises, and profits and losses from disposal of financial assets and financial liabilities	43,047,593.88	
Other non-operating incomes or expenditures except for the foregoing items	6,289,885.37	
Minus: influenced amount of income tax	52,980,777.54	
Influenced amount of minority shareholders' equities (after tax)	193,454.72	
Total	185,332,451.42	--

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	34.62%	2.719	2.719
Net profit attributable to shareholders of common shares after deducting non-recurring profit or loss	31.67%	2.487	2.487

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

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

Applicable Not applicable

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

Applicable Not applicable

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

None

Zhejiang Supor Co., Ltd.

Chairman: Thierry de LA TOUR D'ARTAISE

March 30, 2024