

Ticker: 002242
No.2020-047

Stock Abbreviation: Joyoung

Report

Joyoung Co., Ltd.

Abstract of Interim Report of the Third Quarter 2020

Joyoung 九阳

Section I Important Statements

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

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

All directors attended the board meeting that reviewed this Report.

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

Section II Company Profile

1. Key Accounting Data and Financial Indicators

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

Yes No

	30 September 2020	31 December 2019	Flux	
Total assets (RMB Yuan)	7,622,734,601.55	7,467,802,731.42	2.07%	
Net assets attributable to shareholders of the Company (RMB Yuan)	3,985,286,755.81	3,753,065,661.20	6.19%	
	From 1 July 2020 to 30 September 2020	YoY change	From 1 January 2020 to 30 September 2020	YoY change
Operating revenue (RMB Yuan)	2,524,414,362.45	22.07%	7,082,944,404.29	13.24%
Net Profit attributable to shareholders of the Company (RMB Yuan)	226,221,124.84	6.80%	643,988,210.04	4.23%
Net profit attributable to shareholders of the Company before non-recurring gains and losses (RMB Yuan)	209,038,297.29	1.92%	602,089,808.93	3.35%
Net cash flows from operating activities (RMB Yuan)	309,734,992.75	-58.44%	836,525,901.98	-9.27%
Basic earnings per share (RMB Yuan /share)	0.30	7.14%	0.84	3.70%
Diluted earnings per share (RMB Yuan /share)	0.30	7.14%	0.84	3.70%
Weighted average return on net assets	5.85%	Increased by 0.36 percentage point	16.54%	Increased by 0.53 percentage point

Non-recurring gain and loss items and amounts thereof

Unit: RMB Yuan

Item	From 1 January 2020 to 30 September 2020	Note
Profit or loss from disposal of non-current assets (including the write off of the provision for impairment of assets)	1,834,090.36	
Government grants included in the current profit or loss (that is closely related to the operations of the Company, except for those of fixed quotas or amounts according to the nationally unified standards)	25,254,534.46	
Gains or losses from changes in fair value arising from the holding of trading financial assets, derivative financial assets, trading financial liabilities and derivative financial liabilities and investment income from the disposal of trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liabilities and other debt investments, excluding the effective hedging business related to the	25,877,872.95	

Company's normal business operations		
Other non-operating income or expenses except the above items	1,683,410.18	
Less: Impact of income taxes	12,343,300.75	
Impact of minority interests (after tax)	408,206.09	
Total	41,898,401.11	--

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

Applicable Not applicable

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

2.1 Total number of common shareholders and shareholdings of the top ten common shareholders at the period-end

Unit: share

Total number of common shareholders at the end of the Reporting Period	19,960	Total number of preferred shareholders with resumed voting rights at the end of the Reporting Period (if any)	0			
Top 10 common shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage	Total shares held at the period-end	Number of restricted shares held	Pledged or frozen shares	
					Status	Number
Shanghai Lihong Enterprise Management Limited	Domestic non-state-owned corporation	50.12%	384,523,746		Pledged	307,618,897
BILTING DEVELOPMENTS LIMITED	Foreign corporation	16.94%	129,924,090			
Hong Kong Securities Clearing Co., Ltd.	Foreign corporation	6.91%	53,006,805			
Central Huijin Investment Ltd.	State-owned corporation	4.99%	38,310,500			
Agricultural Bank of China Co., Ltd. - E Fund Consumer Industry Securities Investment Fund	Others	1.23%	9,400,411			
Yinhua Fund Management Co. Co., Ltd. - Social Insurance Fund Portfolio No. 1105	Others	0.63%	4,819,153			
Bank of China Co., Ltd. - Dacheng Technology and Consumer Securities Investment Fund	Others	0.59%	4,543,933			
Basic Pension Insurance Fund Portfolio No. 1001	Others	0.40%	3,098,421			

Industrial and Commercial Bank of China Co., Ltd. - Lion Actively Allocated Mixed Investment Fund	Others	0.39%	3,000,065			
Basic Pension Insurance Fund Portfolio No. 808	Others	0.30%	2,277,598			
Top 10 non-restricted common shareholders						
Name of shareholder	Number of non-restricted shares held	Type of shares		Type of shares	Number	
		Type of shares	Number			
Shanghai Lihong Enterprise Management Limited	384,523,746	RMB common stock	384,523,746			
BILTING DEVELOPMENTS LIMITED	129,924,090	RMB common stock	129,924,090			
Hong Kong Securities Clearing Co., Ltd.	53,006,805	RMB common stock	53,006,805			
Central Huijin Investment Ltd.	38,310,500	RMB common stock	38,310,500			
Agricultural Bank of China Co., Ltd. - E Fund Consumer Industry Securities Investment Fund	9,400,411	RMB common stock	9,400,411			
Yinhua Fund Management Co. Co., Ltd. - Social Insurance Fund Portfolio No. 1105	4,819,153	RMB common stock	4,819,153			
Bank of China Co., Ltd. - Dacheng Technology and Consumer Securities Investment Fund	4,543,933	RMB common stock	4,543,933			
Basic Pension Insurance Fund Portfolio No. 1001	3,098,421	RMB common stock	3,098,421			
Industrial and Commercial Bank of China Co., Ltd. - Lion Actively Allocated Mixed Investment Fund	3,000,065	RMB common stock	3,000,065			
Basic Pension Insurance Fund Portfolio No. 808	2,277,598	RMB common stock	2,277,598			
Related or acting-in-concert parties among shareholders above	Shanghai Lihong Enterprise Management Co., Ltd. and BILTING Developments Limited, both controlled by Mr. Xuning WANG, are defined as acting-in-concert parties by the <i>Administrative Measures for the Takeover of Listed Companies</i> . Other than the aforementioned related and acting-in-concert parties, the Company is uncertain about whether there are related or acting-in-concert parties among shareholders above.					
Explanation on the top 10 common shareholders participating in securities margin trading (if any)	N/A					

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

Yes No

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

Applicable Not applicable

Section III Significant Events

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

Item	30 September 2020	31 December 2019	Flux	Notes
Financial assets at fair value through profit or loss	1,379,438,860.15	178,413,101.37	673.17%	Mainly due to the increase in the wealth management products in the reporting period
Accounts receivable	552,472,377.02	205,666,452.78	168.63%	Mainly due to the increase of product sales in the reporting period
Receivables financing	529,606,123.56	1,074,684,958.98	-50.72%	Mainly due to the endorsement of notes receivable in the period-end
Advances to suppliers	77,146,387.36	16,764,368.44	360.18%	Mainly due to advance payments to suppliers to secure the price of materials
Other receivables	60,851,858.43	23,973,667.38	153.83%	Mainly due to the increase on receivable marketing expenses
Inventories	568,893,157.98	1,086,324,196.47	-47.63%	Mainly due to the sale of stock in the reporting period
Other current assets	63,370,200.45	96,297,048.36	-34.19%	Mainly due to less input VAT to be deducted
Long-term prepaid expenses	9,345,497.73	19,708,893.64	-52.58%	Mainly due to amortization
Other non-current assets	65,000,000.00	32,020,000.00	103.00%	Mainly due to the increased payment for the purchase of property for the headquarters infrastructure construction in Jinan
Notes payable	1,703,035,520.91	908,287,475.26	87.50%	Mainly due to the increase of notes payable issued in the reporting period
Accounts payable	1,270,873,005.90	1,873,046,211.93	-32.15%	Mainly due to the payment in the period-end
Employee benefits payable	53,364,515.38	192,144,065.05	-72.23%	Mainly due to wage payment
Taxes payable	88,586,914.87	180,112,320.33	-50.82%	Mainly due to tax payment in the reporting period
Other payables	64,408,199.89	96,630,404.49	-33.35%	Mainly due to the refund of deposit and bill security in the reporting period
Minority interests	14,727,407.59	-2,079,469.09	808.23%	Mainly due to the increase in capital of SharkNinja (China) in the reporting period
Advances from customers		449,858,499.79	-100.00%	Mainly due to the transfer of receipts in advance into
Contract liability	427,004,546.12		100.00%	the contractual liabilities in the reporting period
Item	From 1 January 2020 to 30 September 2020	From 1 January 2019 to 30 September 2019	YoY change	Notes

Taxes and surcharges	40,944,630.40	23,713,750.95	72.66%	Mainly due to the increase on surtaxes from the increase of product sales
Financial expenses	-13,260,474.11	-6,979,286.19	-90.00%	Mainly due to the increase on interest income in the reporting period
Investment income	20,982,567.45	52,824,492.32	-60.28%	Mainly due to dividends from less fund dividends in the reporting period
Net cash flows from investing activities	-1,312,582,276.80	-551,880,575.39	-137.84%	Mainly due to the purchase of wealth management products and the increase in structured deposits in the reporting period
Net cash flow from financing activities	48,597,632.04	-623,416,586.11	107.80%	Mainly due to the increased receipt of financing bank acceptance bills in the reporting period

2. Analysis of the Progress of Important Matters and Their Impact and Solutions

Applicable Not applicable

The implementation of share-buyback

Applicable Not applicable

The implementation of reducing buy-back shares through centralized competitive bidding

Applicable Not applicable

3. Commitments Made by the Actual Controller, Shareholders, Related Parties, Purchasers and Other Relevant Parties That Have not been Fulfilled the Correspondent Promise Within the Reporting Period

Applicable Not applicable

4. Investment in Financial Assets

4.1 Securities investments

Applicable Not applicable

4.2 Derivative investment

Applicable Not applicable

5. Progress of Proceeds Investment Project

Applicable Not applicable

6. Projected operating results for 2020

Warnings and explanations of reasons why the cumulative net profit from the beginning of the year to the end of the next reporting period is forecasted to be a loss or to change significantly from the same period of the previous year.

Applicable Not applicable

7. Significant Contracts for Daily Operations

Applicable Not applicable

8. Trusted Wealth Management

Unit: 10,000 RMB Yuan

Type	Source of fund for trust investment	Amount of recorded trust investment	Premature balance	Overdue balance
Bank financial products	Self-owned capital	111,250	78,409.25	0
Trust financial products	Self-owned capital	163,200	59,534.64	0
Total		274,450	137,943.89	0

The specific situation of high-risk, low security, poor liquidity or non-guarantee trusted wealth management of significant amount

Applicable Not applicable

Trust investment is expected to be unable to recover the principal or other circumstances that may result in impairment

Applicable Not applicable

9. Illegal external guarantees

Applicable Not applicable

10. The Non-operating Funds Occupation of the Controlling Shareholders and Its Related Parties

Applicable Not applicable

11. Registration Forms for Research, Communication and Interviews During the Reporting Period.

Date	Site	Reception method	Reception object type	Reception object	Main discussion and information provided	Basic information index
26 August 2020	Company	On site	Institution	Institution	Please refer to the activity record for investor relationships on 26 August 2020 on Cninfo website.	