

Ticker: 002242
Joyoung

Stock Abbreviation:

Joyoung Co., Ltd.

Abstract of Interim Report of the First Quarter 2021

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.

All directors attended the board meeting that reviewed this Report.

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

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

Section II Company Profile

1. Key Accounting Data and Financial Indicators

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

Yes No

	From 1 January 2021 to 31 March 2021	From 1 January 2020 to 31 March 2020	YoY change
Operating revenue (RMB)	2,242,694,899.52	1,702,037,045.29	31.77%
Net Profit attributable to shareholders of the Company (RMB)	180,103,795.09	146,873,325.81	22.63%
Net profit attributable to shareholders of the Company before non-recurring gains and losses (RMB)	161,576,890.20	143,533,461.10	12.57%
Net cash flows from operating activities (RMB)	-179,932,954.23	143,106,492.72	-225.73%
Basic earnings per share (RMB / share)	0.24	0.19	26.32%
Diluted earnings per share (RMB / share)	0.23	0.19	21.05%
Weighted average return on net assets	4.12%	3.84%	Increased by 0.28 percentage point
	31 March 2021	31 December 2020	Flux
Total assets (RMB)	8,621,160,146.97	9,134,826,691.51	-5.62%
Net assets attributable to shareholders of the Company (RMB)	4,465,160,802.75	4,283,761,519.10	4.23%

Non-recurring gain and loss items and amounts thereof

Unit: RMB

Item	From 1 January 2021 to 31 March 2021	Note
Profit or loss from disposal of non-current assets (including the write off of the provision for impairment of assets)	108,899.57	
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)	5,076,094.43	
Gains or losses from changes in fair value arising from the holding of trading financial assets, derivative financial assets, trading financial liabilities and derivative financial liabilities and investment income from the disposal of trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liabilities and other debt investments, excluding the effective hedging business related to the Company's normal business operations	19,838,743.14	
Other non-operating income or expenses except the above items	-1,291,305.36	
Less: Impact of income taxes	5,042,204.03	
Impact of minority interests (after tax)	163,322.86	

Total	18,526,904.89	--
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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	29,452	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	8.62%	66,147,139			
Central Huijin Investment Ltd.	State-owned corporation	4.99%	38,310,500			
E Fund Management Co., Ltd. - Social Insurance Fund Portfolio No.1104	Others	1.43%	11,000,114			
Agricultural Bank of China Co., Ltd. - E Fund Consumer Industry Securities Investment Fund	Others	1.25%	9,619,185			
Bank of China Co., Ltd. - Dacheng Preferred Hybrid Securities Investment Fund (LOF)	Others	0.73%	5,613,851			
Basic Pension Insurance Fund Portfolio No. 1001	Others	0.51%	3,897,821			
National Social Security Fund Portfolio No. 101	Others	0.29%	2,228,692			
PICC Property and Casualty Company Limited - Traditional - General Insurance Products	Others	0.29%	2,189,905			

Top 10 non-restricted common shareholders			
Name of shareholder	Number of non-restricted shares held	Type of shares	
		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.	66,147,139	RMB common stock	66,147,139
Central Huijin Investment Ltd.	38,310,500	RMB common stock	38,310,500
E Fund Management Co., Ltd. - Social Insurance Fund Portfolio No. 1104	11,000,114	RMB common stock	11,000,114
Agricultural Bank of China Co., Ltd. - E Fund Consumer Industry Securities Investment Fund	9,619,185	RMB common stock	9,619,185
Bank of China Co., Ltd. - Dacheng Preferred Hybrid Securities Investment Fund (LOF)	5,613,851	RMB common stock	5,613,851
Basic Pension Insurance Fund Portfolio No. 1001	3,897,821	RMB common stock	3,897,821
National Social Security Fund Portfolio No. 101	2,228,692	RMB common stock	2,228,692
PICC Property and Casualty Company Limited - Traditional - General Insurance Products	2,189,905	RMB common stock	2,189,905
Related or acting-in-concert parties among shareholders above	<p>In April 2019, the shareholding structure of Building Developments Limited changed. MR. Xuning WANG, the controlling shareholder of the Company, became the controlling shareholder of Building Developments Limited (See Report No. 2019-027 of the Company on www.chinainfo.com.cn.). As a result, Shanghai Lihong Enterprise Management Co., Ltd. and Building 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>.</p> <p>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.</p>		
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	31 March 2021	31 December 2020	Flux	Notes
Accounts receivable	522,763,903.50	212,481,359.50	146.03%	Mainly due to the increase of product sales in the reporting period
Receivables financing	333,370,502.19	758,694,902.66	-56.06%	Mainly due to the endorsement of notes receivable in the period-end
Advances to suppliers	88,690,682.37	16,243,257.44	446.02%	Mainly due to prepayments to suppliers to secure the price of materials in the reporting period
Construction in progress	23,338,512.88	11,012,005.02	111.94%	Mainly due to the expansion of plant
Right-of-use assets	29,957,802.04		100.00%	Mainly due to the recognition of right-of-use assets and lease liabilities
Lease liability	26,264,669.73		100.00%	etc. in the current period as a result of the implementation of the new
Current portion of non-current liabilities	5,811,628.54		100.00%	leasing standards
Notes payable	2,392,728,071.83	1,227,524,091.85	94.92%	Mainly due to the increase of notes payable issued in the reporting period
Accounts payable	1,031,043,215.04	2,445,262,708.10	-57.84%	Mainly due to the payment in the period-end
Contractual liabilities	294,278,193.79	568,863,419.80	-48.27%	Mainly as a result of recognition of prior period advance from customers in the current period
Employee benefits payable	71,254,761.77	239,440,390.99	-70.24%	Mainly due to the yearly bonus payment
Minority interests	18,536,799.25	-1,269,760.66	1559.87%	Mainly as a result of the minority shareholder's capital increase received by SharkNinja (China) in the reporting period
Item	From 1 January 2021 to 31 March 2021	From 1 January 2020 to 31 March 2020	Flux	Notes
Credit impairment losses	-11,723,977.88	-6,469,206.43	-81.23%	Mainly due to the increase in accounts receivable balance during the period and the corresponding credit impairment loss provision
Selling expenses	353,355,791.17	236,972,214.32	49.11%	Mainly due to the increase on factoring expenses
Mainly due to the increase in labour costs and investment in advertising and promotional activities during the period	55,864,365.17	30,216,691.30	84.88%	Mainly due to the receipt of bill security in the reporting period
Payments of taxes and surcharges	167,391,566.79	78,640,320.48	112.86%	Mainly due to increased tax payments during the period
Net cash flows from operating activities	-179,932,954.23	143,106,492.72	-225.73%	Mainly due to payment for goods
Cash paid to acquire fixed assets, intangible assets and other long-term assets	15,066,714.96	2,008,000.25	650.33%	Mainly as a result of increased investment in construction in progress during the period
Cash paid to acquire investments	21,000,000.00	5,202,789.49	303.63%	Mainly as a result of the purchase of equity instruments during the period

Cash received relating to other financing activities	66,400,000.00	275,000,000.00	-75.85%	Mainly due to less financing bank acceptance bills in the reporting period
Cash payments relating to other financing activities		210,000,000.00	-100.00%	Mainly due to outstanding financing bank acceptance bills in the reporting period
Cash received from capital contributions	24,500,000.00		100.00%	Mainly as a result of the minority shareholder's capital increase received by SharkNinja (China) 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 January to June, 2021

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: RMB 10,000

Type	Source of fund for trust investment	Amount of recorded trust investment	Premature balance	Overdue balance
Bank financial products	Self-owned capital	53,800	135,125	0
Total		53,800	135,125	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 guarantee

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.

Applicable Not applicable