

Ticker: 002242

Stock Abbreviation: Joyoung

# Joyoung Co., Ltd.

## Abstract of the Semi-Annual Report 2022

### Section I Important Statements

This is an abstract of the Semi-Annual Report 2022. Investors are kindly reminded to read the complete version of Semi-annual Report 2022 on the website, which is designated by the China Securities Regulatory Commission to get complete information about operational results, financial statements, and future plans of the Company.

All directors attended the board meeting that reviewed the Semi-Annual Report.

#### Modified Audit Opinion

Applicable N/A

**The preliminary plan for dividend distribution and converting capital reserves into share capital for common shareholders which were considered and approved by the Board**

Applicable N/A

Convert capital reserves into share capital

Yes  No

The Board has considered and approved the following dividend payout plan for the Reporting Period: based on the Company's total shares of 767,017,000, and deducting the 10,800,000 shares repurchased by the Company, it is proposed that, based on a total of 756,217,000 shares, the Company should distribute a cash dividend of RMB 5.0 (tax inclusive) and 0 stock dividend (tax inclusive) per 10 shares to all the shareholders and should not convert capital reserves into share capital.

**The preliminary plan for dividend distribution for preferred shares in the reporting period was approved by the Board**

Applicable N/A

### Section II Company Profile

#### 1. Company Information

Stock Abbreviation	Joyoung	Ticker	002242
Stock Exchange Where the Shares of the Company are Listed	Shenzhen Stock Exchange		
Contact Us	Board Secretary	Securities Representative	
Name	Minxin MIAO		
Address	No.760 Yinhai Street, Qiantang New District, Hangzhou, Zhejiang Province		
Tel.	0571-81639178		
E-mail	002242@joyoung.com		

## 2. Management's Discussion and Analysis

In the first half of this year, gross domestic product (GDP) was 56.26 trillion yuan, up 2.5% year-on-year; of which, GDP in the second quarter was 29.25 trillion yuan, up 0.4% year-on-year. Under the strong leadership of the Party and the government, all regions efficiently coordinated the epidemic prevention and control and focused on the economic and social development. With a series of policies to stabilize growth and promote consumption taking effect, consumption continued to recover in general.

The current global epidemic continues to evolve, the external environment is complex and severe, the United States and the euro zone CPI continued to rise, especially the recent increase in the rate of expansion, record highs. The sustained high international commodity prices put pressure on the business efficiency of enterprises.

### Space technology empowered high-quality small appliance

In the first half of the year, the company focused on the space series products and mid and high-end products, launched cell-wall breaking blender with anti-bacteria material, three-dimensional hot air heating technology non-flip air fryer, 0 coating rice cooker with water film technology, water purifier with heating function and anti-bacteria material, Damowang frying pan and other products, which enhanced the brand awareness.

The self-cleaning function of small appliances has become a necessary option for product optimization and upgrading, from the kitchen to the whole house, from the "hand washing free" cell-wall breaker to the "one key self-cleaning" Joyoung floor scrubber, the company did well in consumer insight, grasped the mainstream upgrading direction of the scrubber - sterilization, anti-bacteria and anti-odor, added automatic drying function and electrolysis of water to remove bacteria function.

From small kitchen appliances to small cleaning appliances, from making consumers eat healthy to live healthy, this is not only category expansion and technological innovation, but also the inheritance of brand genes "health and innovation" and company values to meet the people's aspirations for a better life.

Through continuous technology and product innovation, efficient digital user communication and product upgrading, and fast and accurate marketing strategies, the company has been able to capture new market demands and respond quickly, and continue to lead the industry.

### Deep integration across omni-channels

The company adheres to the brand concept of "Healthy and Enjoyable" and continues to promote the brand rejuvenation. As young people of Generation Z gradually become the mainstream consumer group in the new era, the company's brand positioning and communication methods are becoming more and more youthful, and the active and precise communication method of the whole chain can reach more target groups and improve the conversion rate of the chain, so that the original intelligent technology products can enter the lives of more young consumers.

In the first half of the year, the company continued to actively layout and expand new channels online and offline, coordinate the development of traditional e-commerce and content e-commerce, O2O new retail and lower-tier markets, grasp the opportunity of the development of content e-commerce including tiktok and Kuaishou, build a comprehensive live broadcast matrix in the industry; At the same time, the company has been actively investing in the construction of space technology stores, increase the sales team's incentive, encourage more experienced sales to carry out live broadcast, to build a more comprehensive, flexible and accurate O2O digital marketing operation system, to explore a better way of operating among high-cost, high-flow and high-value offline channels, and to comprehensively enhance the main consumers' awareness, loyalty and willingness to buy from the company.

Relying on the company's self-built digital platform, the company gradually improves digital operation, actively adapts to the general trend of omnichannel development, explores the integration of online and offline development to the greatest extent, dilutes and blurs the definition and division of traditional channels, builds omnichannel development strategy, builds and completes the closed loop of new retail O2O shopping experience, and strives to achieve comprehensive digital transformation of business.

### Flexible strategies towards new categories

The international situation is complicated and changeable, the epidemic prevention and control has become normalized, the production cost of enterprises is rising, and the competition environment is still fierce, but all the gloom will eventually dissipate, and a better future is coming as expected while a much more efficient operation is required. In the context of the in-depth development of digital economy, the competitive advantage of enterprises will also be converted from the single advantage to industrial chain advantage, product innovation advantage, and business efficiency advantage, etc.

As a leading company in the domestic small home appliance industry, the company researches and innovates more new products to meet the market demand, and locates them in the middle end, fully enters the small cleaning appliances market, and achieves full category coverage in the field of small home appliances.

The company will continue to expand and strengthen the brand asset value of "Family Kitchen" + "Hope Kitchen" + "Space Kitchen", actively adapt to the changing market environment, play the advantage of insight into consumer needs, adhere to the retail sales-driven model, fully develop new channels, to build the company into a full category of high-quality small household appliances leader.

### 3. Core Competence Analysis

During the reporting period, there were no significant changes in the core competencies of the company. The company has three brand assets of "Home Kitchen" + "Hope Kitchen" + "Space Kitchen": hundreds of millions of products are providing convenience for users' "Home Kitchen", thousands of "Hope Kitchens" provide meals for over 500,000 rural children every day, and "Space Kitchen" provides better diet and water for astronauts on the Chinese space station.

The company did well in consumer insight, focused on the core mainstream category innovation, comprehensively developed the mid-end product line, timely captured the new market demand and responded quickly, and continued to lead the industry development direction. The company built nationwide online and offline sales network, especially the new offline retail channels represented by Shopping Mall and Space Technology stores, achieving O2O integration development and high value conversion of users, and achieving accurate coverage of different circles of consumers with a three-dimensional multi-level sales network; With the self-built digital center network, the company continuously strengthened and improved its digital operation advantages, and accumulated valuable big data foundation for the future in-depth mining of digital economy, creating value for the company and shareholders; please refer to the 2021 Annual Report for details.

### 4. Key Accounting Data and Financial Indicators

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

Applicable N/A

	H1 2022	H1 2021	Flux
Operating revenues (RMB Yuan)	4,710,448,144.61	4,743,532,346.81	-0.70%
Net profits attributable to shareholders of the Company (RMB Yuan)	346,406,390.76	451,454,511.23	-23.27%
Net profits attributable to shareholders of the Company before non-recurring gains and losses (RMB Yuan)	299,028,193.10	348,957,572.66	-14.31%
Net cash flow from operating activities (RMB Yuan)	464,033,063.69	-332,426,945.14	239.59%
Basic earnings per share (RMB Yuan /share)	0.45	0.58	-22.41%
Diluted earnings per share (RMB Yuan /share)	0.45	0.58	-22.41%
Weighted average return on net assets	8.32%	10.30%	-1.98%
	30 June 2022	31 December 2021	Flux
Total assets (RMB Yuan)	7,090,645,917.50	8,516,380,670.95	-16.74%
Net assets attributable to shareholders of the Company (RMB Yuan)	3,692,205,500.83	4,263,662,880.72	-13.40%

### 5. Number of Shareholders of the Company and Their Shareholdings

Unit: share

Total number of common shareholders at the end of the Reporting Period	44,811	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	50.13%	384,523,746		Pledged	307,618,897
BILTING DEVELOPMENTS LIMITED	Foreign corporation	16.94%	129,924,090		Pledged	103,939,172
Hong Kong Securities Clearing Co., Ltd.	Foreign corporation	8.82%	67,651,802			
Central Huijin Investment Ltd.	State-owned corporation	1.46%	11,201,233			
Basic Pension Insurance Fund Portfolio No. 1001	Others	0.91%	7,001,435			
Bank of China-Invesco Great Wall Strategic Selection and Flexible Allocation Mixed Securities Investment Fund	Others	0.40%	3,089,769			
China Universal Asset Management Co.,Ltd - Social Security Fund 423 Portfolio	Others	0.40%	3,045,400			
China Universal Asset Management Co.,Ltd-Social Security Fund 1103 Portfolio	Others	0.27%	2,041,100			
National Social Security Fund 101 Portfolio	Others	0.25%	1,940,292			
Guosen Securities Co.	State-owned corporation	0.24%	1,860,776			
Related or acting-in-concert parties among shareholders above	<p>In April 2019, the shareholding structure of Bilting Developments Limited changed. MR. Xuning WANG, the actual controller of the Company, became the actual controller of Bilting 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 Bilting Developments Limited, both controlled by Mr. Xuning WANG, are defined as acting-in-concert parties by the Administrative Measures for the Takeover of Listed Companies.</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 common shareholders participating in securities margin trading (if any)	N/A					

## 6. Change in controlling shareholders or actual controllers

### Change in controlling shareholder during the reporting period

Applicable  N/A

### Change in actual controller during the reporting period

Applicable  N/A

## 7. Total Number of Preferred Shareholders and TOP 10 Preferred Shareholders and Their Shareholdings

Applicable  N/A

## 8. Relevant Information on Corporate Bonds

Applicable  N/A

## Section III. Important Matters

None