

Ticker: 002242

Stock Abbreviation: Joyoung

# Joyoung Co., Ltd.

## Abstract of the Semi-Annual Report 2024

### Section I Important Statements

This is an abstract of the Semi-Annual Report 2024. Investors are kindly reminded to read the complete version of Semi-annual Report 2024 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

The Company plans not to distribute cash dividends, not to issue bonus shares, and not to increase capital through the conversion of capital reserves.

**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 Yin Hai Street, Qiantang New District, Hangzhou, Zhejiang Province		
Tel.	0571-81639178		
E-mail	002242@joyoung.com		

#### 2. Management's Discussion and Analysis

According to the National Bureau of Statistics (NBS), China's Gross Domestic Product (GDP) amounted to 61.7 trillion yuan in the first half of this year, representing a year-on-year growth of 5.0%; of which, GDP in the second quarter saw a year-on-year growth of 4.7%(www.gov.cn). Since the beginning of this year, despite some fluctuations in global economy, frequent geopolitical conflicts and international trade frictions, etc., domestic macroeconomic operation was generally stable as domestic demand was picking up gradually.

Although China is in a critical period of transforming the mode of development, optimizing the economic structure and transforming the growth engine, high-quality development is still the core of the new era. As the domestic consumer goods industry continues to experience technology upgrading, structural adjustment and market segmentation, players in the industry proactively adapt to changes in the consumption environment, demonstrating the strong resilience and development potential of the domestic consumer market.

During the reporting period, the Central Committee of the Communist Party of China, the State Council and relevant ministries and commissions also successively proposed the policy of “supporting the trade-in of household appliances and other durable consumer goods”, supporting the construction of a recycling system for used household appliances and furniture, and other renewable resources, assisting local governments in promoting the trade-in of household appliances and other durable consumer goods, actively expanding domestic demand, and leveraging the fundamental role of consumption in driving economic growth.

Although the competition in the small household appliance industry, in which the Company operates, continues to intensify, the market concentration of leading brands is still relatively high. At the same time, new brands are rapidly emerging by virtues of innovative technology and Internet marketing, promoting rapid iteration and change in the industry. Consumers are willing to pay a reasonable premium for high quality, high value, cost-effective small household electrical appliances with health and wellness, especially those personalization, intelligence, environmental protection and environmental friendliness.

### **Space Technology: Quality Technology Leading to New Life**

This April, Joyoung launched the space technology 3.0 series of products including the 0-coating non-stick rice cooker 40N9U Pro, the water purifier with heating function R5 Pro, and the multi-functional high-speed blender Y8 at its new product launch event in Shanghai celebrating the 30th anniversary of the starting of Joyoung.

#### **Space Technology 3.0: 0-Coating Non-stick Rice Cooker 40N9U Pro**

To make great rice, Joyoung upgraded its new dual-core air-cooling system and added far-infrared top heating, which can better achieve precise temperature control of the rice. It can also adjust rice texture from soft to hard to meet the personalized needs, and currently supports “one-touch” intelligent customized cooking for 8 types of rice, all in the pursuit of returning to the “original intention” of a bowl of rice - “delicious”!

From the air-cooling water film technology to the dot-matrix micro-pit technology, and now to rice grain activation suspension chamber technology, Joyoung’s 0-coating non-stick rice cooker has gone through three iterations of technology. 40N9U Pro achieves a better non-stick effect than the 2023 model, allowing rice to “levitate” on the inner liner. The surface of the inner liner has been upgraded with 8k mirror stainless steel, which is smoother and easier to clean. The hardness of ultra-hard stainless steel used is 3.5 times that of 316L stainless steel, and after 200,000 times of machine tool wear-resistance test, it is equivalent to maintain non-stick after 30 years of use.

#### **Space Technology 3.0: Water Purifier with Heating Function R5 Pro**

Joyoung is committed to promoting the technical implementation and upgrading of space technology in household water purifier products with antibacterial zinc oxide material. Considering that flowing water still carries the risk of bacterial growth, The Company’s newly released water purifier with heating function R5 Pro adds up an extra barrier - pasteurized circulation sterilization technology, to achieve a “three-in-one” whole chain antibacterial system including the filter, pipeline, and pasteurized cycle sterilization, effectively solving the potential risk of bacterial growth in water purifier pipeline.

Not only that, R5 Pro also adopts the latest generation of instant large flow heating technology, capable of filling a 150ml cup with boiling water in just 6 seconds, and with warm water in less than 2 seconds. R5 Pro also provides a 6-year long-lasting filter, superimposed on the AI intelligent filter life monitoring system. In areas of good water quality, filter’s life could be extended to 7 to 8 years. R5 Pro may be a product that can change the business model of the water purifier industry.

#### **Space Technology 3.0: Multi-functional High-speed Blender Y8**

Joyoung independently developed the BlenderX grinding system, which is equipped with frequency conversion brushless motor with strong

power, accompanied with sound insulation cabin space technology, to achieve a better light sound effect. The Company also pioneered fully automatic “wash and dry” function including high-pressure spray washing, high-temperature steam washing, high-speed stirring washing and high-temperature cycle drying, to achieve immediate dry and cleanliness after wash. Under the premise of a sterilization rate as high as 99.99%, it can effectively inhibit bacteria for 72 hours.

Y8 can not only make the rough texture of cereal milk become silky smooth-like milk, but also achieve stepless adjustable grinding direction and speed, so that the food retains its granularity and high fiber to meet the needs of different people in the family. The Company's independently-developed “new wise pupil remote sensing technology” allows the machine to continuously simmer without overflowing while rapidly heating up, so that the food continues to boil at the optimal extraction temperature.

### **Going with the Flow: The New Standard for Content Scenarios**

As young people gradually became the mainstream consumer group of the new era, the Company's brand positioning, communication methods and experience scenes in stores also became more and more youthful, fitting for the mainstream consumers. And the active, accurate and efficient communication of the whole chain can help the Company reach more target groups which is beneficial for improving the conversion rate of the chain, and introduce original intelligent technology products to more families.

According to data from the National Bureau of Statistics, in the first half of the year, total retail sales of consumer goods amounted to 23.60 trillion yuan, an increase of 3.7% year-on-year. Among them, household electrical appliances and audio-visual equipment increased by 3.1% year on-year, 2.1 percentage points higher than that of the same period of the previous year. With the steady increase in residents' income, consumer goods trade-in policy guided the orderly release of residents' consumption potential, playing a certain “catalytic” role in promoting the growth of durable consumer goods such as automobiles, home appliances, and continuously enhancing the people's sense of happiness and fulfillment.

Domestic retail channels are changing rapidly, and the online and offline channels are ever-changing. The Company continues to actively layout and expand emerging channels, coordinates the development of shelf e-commerce and content e-commerce, Shopping Mall new retail and markets in lower-tier cities, grasps the opportunity of content e-commerce, focuses on the development of content e-commerce platforms such as Xiaohongshu and Douyin, and establishes professional teams such as user research, data analysis, content creation, live video broadcasting, and editing, directing, and filming, etc., and gradually forms the complete live broadcasting matrix and the closed loop of “interested - purchase – share”. By these ways, the Company accumulated more new users and new customer as the NPS lifted.

At the same time, the Company has also strengthened the construction of retail terminals such as training shopping guide teams to carry out scenario-based demonstrations and do live streaming. Relying on self-developed digital platform, the Company has built a more comprehensive, efficient and accurate O2O digitalized marketing and operation system covering omni channels, especially emerging channels, which will comprehensively enhance the ability of its retail sales.

In order to better reach users, serve consumers and comply with the market development trend, during the reporting period, the Company also focused on the development of online direct-to-consumer channel, which not only brings the Company closer to consumers, users and followers, but also contributes to the Company's long-term sustainable and high-quality development.

### **Insist on Innovation: Never Forget the Original Intention of Health**

In 1994, Joyoung invented the first fully-automatic home soymilk maker. Over the past 30 years, Joyoung has accumulated 13,181 patents, among which more than 700 are invention patents. Every technological breakthrough and product innovation represents Joyoung's deep understanding of consumers' need for a healthy life and the craftsmanship of its products. Joyoung has entered more and more families with its products as a good helper for people's healthy life.

As a leading brand in the domestic small home appliance industry, Joyoung is full of confidence in its future development prospects and strives to enhance its professional and efficient operational capabilities to keep pace with the times. While continuously launching innovative technology products that lead the industry development trend, the Company has also increased its investment in innovative technologies in the entry-level price segment to differentiate itself from the competition and strive to increase the NPS value of the company's brand, market share, category penetration and product penetration rate.

"Health" and "innovation" are not only the DNA of the Joyoung brand, but also the inheritance of the Company's values. Through continuous technology and product innovation, efficient digital user communication and product implementation, and fast and precise marketing strategies, the Company captures new market demands in a timely manner and responds quickly to meet the user's needs for high-quality small home appliance products.

Insisting on providing innovative products with healthy materials, the Company provided convenience for Joyoung users' "family kitchen", provided nutritional meals for more than 500,000 rural children in more than 1,500 "public welfare kitchens", improved the quality of food and water for astronauts in China's space station.

In the future, the Company will continue to strengthen the brand asset value of "Family Kitchen" + "Hope Kitchen" + "Space Kitchen" and adhere to the development of small household appliances such as kitchen appliances, water appliances, cleaning appliances, personal care appliances and cookware, actively embrace the changing market environment, continue to give full play to the advantages of insight into consumer demand and quick respond, adhere to the retail sales-driven, comprehensive development of emerging channels, and is committed to building the Company into a leader in high quality small home appliances in all categories.

### 3. Core Competence Analysis

For details, please refer to the 2023 Annual Report.

### 4. Key Accounting Data and Financial Indicators

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

Yes  No

	H1 2024	H1 2023	Flux
Operating revenues (RMB Yuan)	4,386,653,704.23	4,317,600,554.64	1.60%
Net profits attributable to shareholders of the Company (RMB Yuan)	175,392,648.58	247,159,357.70	-29.04%
Net profits attributable to shareholders of the Company before non-recurring gains and losses (RMB Yuan)	211,300,336.32	226,146,160.01	-6.56%
Net cash flow from operating activities (RMB Yuan)	227,260,930.12	336,547,705.76	-32.47%
Basic earnings per share (RMB Yuan /share)	0.23	0.33	-30.30%
Diluted earnings per share (RMB Yuan /share)	0.23	0.33	-30.30%
Weighted average return on net assets	4.96%	7.33%	Decrease by 2.37 pct.
	As of 30 June, 2024	As of 31 December, 2023	Flux
Total assets (RMB Yuan)	7,672,617,856.82	7,612,080,030.42	0.80%
Net assets attributable to shareholders of the Company (RMB Yuan)	3,565,341,465.31	3,471,347,161.90	2.71%

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

Unit: share

Total number of common shareholders at the end of the Reporting Period	43,030	Total number of preferred shareholders with resumed voting rights at the end of the Reporting Period (if any)	0
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Top 10 common shareholders (excluding lending and transfer of shares business)						
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 Co., Ltd.	Domestic non-state-owned corporation	50.13%	384,523,746	0	N/A	0
BILTING DEVELOPMENTS LIMITED	Foreign corporation	16.94%	129,924,090	0	N/A	0
Joyoung ESOP Plan (Phase 1)	Others	2.09%	16,000,000	0	N/A	0
Hong Kong Securities Clearing Co., Ltd.	Foreign corporation	1.81%	13,872,582	0	N/A	0
Central Huijin Investment Ltd.	State-owned corporation	1.46%	11,201,233	0	N/A	0
China Universal Asset Management Co.,Ltd - Social Security Fund Portfolio No.423	Others	1.09%	8,361,510	0	N/A	0
China Life Insurance Co., Ltd.-Traditional-General Insurance Product - 005L - CT001 SH	Others	1.02%	7,798,088	0	N/A	0
CPIC-Dividend-Personal Dividend	Others	0.40%	3,045,512	0	N/A	0
PICC P&C-Traditional-General Insurance Products	Others	0.33%	2,512,340	0	N/A	0
National Social Security Fund Portfolio No. 101	Others	0.26%	2,031,792	0	N/A	0
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 <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> <p>In July 2024, BILTING DEVELOPMENTS LIMITED changed its name to JS Global Capital Management Limited, which is still a party acting in concert with the controlling shareholder of the Company, Shanghai Lihong Enterprise Management Co., Ltd. The aforementioned change does not involve any equity change of the Company's controlling shareholder and has no impact on the Company's operating activities, and there has been no change in the Company's controlling shareholder and de facto controller.</p>					
Explanation on common shareholders participating in securities margin trading (if any)	N/A					
Notes on the existence of repurchase specialized accounts among the top 10 shareholders (if any)	The number of ordinary shares held in the repurchase specialized account of Joyoung Co., Ltd. at the end of the reporting period was 4,000,000 shares, accounting for 0.52% of the total share capital of the Company.					

**Shareholders holding more than 5% of shares, top 10 shareholders and top 10 shareholders with non-restricted shares outstanding participating in the lending and transfer of shares business**

Applicable  Not applicable

**Top 10 shareholders and top 10 shareholders with non-restricted shares outstanding changed from the previous period due to lending/repatriation in the lending and transfer of shares business**

Applicable  Not applicable

## **6. Change in Controlling Shareholders or Actual Controllers**

### **Change in controlling shareholder during the reporting period**

Applicable     N/A

There was no change in controlling shareholder of the Company during the reporting period.

### **Change in actual controller during the reporting period**

Applicable     N/A

There was no change in actual controller of the Company during the reporting period.

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

Applicable     N/A

The Company had no preferred shareholders holding shares during the reporting period.

## **8. Bonds in Existence at the Date of Approval for Filing of the Semi-annual Report**

Applicable     N/A

## **Section III. Important Matters**

None