

Stock code:002508

Abbreviation of securities: Robam

Announcement No.:2019-039

# **Hangzhou Robam Appliances Co., Ltd.**

## **2019 Third Quarter Report Text**

## **Section 1: Important Notes**

**The board of directors, the board of supervisors and the directors, supervisors and senior management of the Company shall guarantee that the contents of the quarterly report are authentic, accurate and complete, free from false records, misleading statements Or major omissions, and shall bear individual and joint legal liabilities.**

**All directors of the Company personally attended the board meeting to review this quarterly report.**

**Ren Jianhua, the head of the Company, Zhang Guofu, the head of accounting work, and Zhang Guofu, the head of accounting body (accountant in charge), guarantee the authenticity, accuracy and completeness of the Financial statements in the quarterly report.**

## Section 2: Basic status of company

### I. Major Accounting Data and Financial Indicators

Whether the Company needs to retroactively adjust or restate the accounting data of the previous years

Yes No

	End of the reporting period	End of previous year	Increase/decrease at the end of this reporting period compared to the end of the previous year	
Total assets (yuan)	10,073,735,527.84	9,455,361,508.83	6.54%	
Net assets attributable to shareholders of listed companies (yuan)	6,375,359,070.29	6,045,384,387.57	5.46%	
	Reporting period	Increase/decrease this year compared to the previous year	From the beginning of the year to the end of the reporting period	Increase/decrease at the end of the reporting period from the beginning of the year compared to the previous year
Operating income (yuan)	2,097,606,924.30	10.56%	5,625,020,807.26	4.29%
Net profits attributable to shareholders of listed companies (yuan)	415,223,408.27	18.20%	1,085,627,402.47	7.31%
Net profits attributable to shareholders of the listed company after deduction of non-recurring profits and losses (yuan)	410,778,645.33	22.23%	1,033,318,224.34	11.36%
Net cash flow from operating activities (yuan)	376,523,778.18	381.97%	1,035,214,862.76	-13.78%
Basic EPS (yuan/share)	0.44	18.92%	1.14	6.54%
Diluted EPS (yuan/share)	0.44	18.92%	1.14	6.54%
Weighted average return on net assets	6.86%	0.36%	17.37%	-1.19%

Non-recurring Profit and Loss Items and Amount

Applicable  Not applicable

Unit: CNY

Item	Amount from the beginning of the year to the end of the reporting period	Description
Profits and losses on the disposal of non-current assets (including the write-off part of the provision for asset impairment)	-1,171,725.00	
Government subsidies included into the current profits and losses, except those government subsidies, which are closely related to the business of a company and enjoyed in accordance with a certain standard quota or quantity of the state	61,921,866.87	
Profits and losses from investment or management assets entrusted to others	4,971,538.56	
Income and expenditure other than those mentioned above	-915,346.81	
Less: Amount affected by income tax	10,663,221.28	
Amount of minority shareholders' equity affected (after tax)	1,833,934.21	
Total	52,309,178.13	--

Explain the non-recurrent profit and loss items defined by the Company according to the *Interpretative Announcement No. 1 on Information Disclosure of Public Securities Issuing Companies - Non-recurrent Profits and Losses* and defined from the non-recurrent profit and loss items enumerated in the *Interpretative Announcement No. 1 on Information Disclosure of Public Securities Issuing Companies - Non-recurrent Profits and Losses*

Applicable  Not applicable

No definition of non-recurrent profit and loss items defined and enumerated in the *Interpretative Announcement No. 1 on Information Disclosure of Public Securities Issuing Companies - Non-recurrent Profits and Losses* as non-recurrent profit and loss items during the reporting period.

## II. Total number of shareholders at the end of the reporting period and shareholding of top 10 shareholders

### 1. Number of common shareholders and preferred shareholders with voting rights restored, and shareholdings of the top 10 shareholders

Unit: share

Total number of common shareholders at the end of the reporting period	60,911	Total number of preferred shareholders with voting rights restored at the end of the reporting period (if any)	0
Shareholdings of the top 10 shareholders			

Shareholder's name	Shareholder nature	Shareholding ratio	Number of shares held	Number of shares held with limited sales conditions	Pledge or freeze	
					Status of shares	Quantity
Hangzhou Robam Industrial Group Co., Ltd.	Domestic non-state legal person	49.68%	471,510,000	0	-	0
Hong Kong Securities Clearing Co. Ltd.	Overseas legal person	11.45%	108,623,698	0	-	0
Shen Guoying	Domestic natural person	1.29%	12,240,000	0	-	0
China Construction Bank Co., Ltd. - Anxin Value Selected Stock Securities Investment Fund	Other	1.19%	11,336,419	0	-	0
Hangzhou Jinchuang Investment Co., Ltd.	Domestic non-state legal person	1.00%	9,451,985	0	-	0
Shenzhen Guoshi Capital Management Co., Ltd. - Guoshi Capital - Robam Agent Holding Stage 2 Structured Private Equity Fund	Other	0.88%	8,311,165	0	-	0
Aberdeen Standard Investments (Asia) Limited - Aberdeen Global - China A-Shares Fund	Overseas legal person	0.75%	7,079,528	0	-	0
Hangzhou Yinchuang Investment Co., Ltd.	Domestic non-state legal person	0.74%	7,020,000	0	-	0
Ren Jianhua	Domestic natural person	0.62%	5,923,150	0	-	0
Central Huijin Investment Ltd.	State legal person	0.60%	5,685,810	0	-	0
Shareholding of top 10 shareholders with unlimited sales conditions						

Shareholder's name	Number of shares held with unlimited sales conditions	Share type	
		Share type	Quantity
Hangzhou Robam Industrial Group Co., Ltd.	471,510,000	RMB common share	471,510,000
Hong Kong Securities Clearing Co. Ltd.	108,623,698	RMB common share	108,623,698
Shen Guoying	12,240,000	RMB common share	12,240,000
China Construction Bank Co., Ltd. – Anxin Value Selected Stock Securities Investment Fund	11,336,419	RMB common share	11,336,419
Hangzhou Jinchuang Investment Co., Ltd.	9,451,985	RMB common share	9,451,985
Shenzhen Guoshi Capital Management Co., Ltd. - Guoshi Capital - Robam Agent Holding Stage 2 Structured Private Equity Fund	8,311,165	RMB common share	8,311,165
Aberdeen Standard Investments (Asia) Limited – Aberdeen Global – China A-Shares Fund	7,079,528	RMB common share	7,079,528
Hangzhou Yinchuang Investment Co., Ltd.	7,020,000	RMB common share	7,020,000
Ren Jianhua	5,923,150	RMB common share	5,923,150
Central Huijin Investment Ltd.	5,685,810	RMB common share	5,685,810
Description of the above-mentioned shareholder association or concerted action	The actual controller of the Company's controlling shareholder Hangzhou Robam Industrial Group Co., Ltd. and the shareholder Hangzhou Jinchuang Investment Co., Ltd. is Mr. Ren Jianhua, and the natural person shareholder Shen Guo Ying is the wife of Ren Jianhua. The above shareholders have the possibility of acting in unison.		
Securities margin trading business attended by top 10 shareholders (if any)	Not applicable		

Whether the Company's top 10 common shareholders and top 10 common shareholders with unlimited sales conditions agreed on a repurchase transaction during the reporting period

Yes  No

The Company's top 10 common shareholders and top 10 common shareholders with unlimited sales conditions did not agree on a repurchase transaction during the reporting period

**2. Total number of preferred shareholders and the top 10 preferred shareholders' shareholdings of the Company**

Applicable  Not applicable

## Section 5: Important Matters

### I. Cases and causes for the change in the main financial data and financial indexes during the reporting period

Applicable  Not applicable

#### 1. Balance sheet items

- The monetary capital increased by 47.74% at the end of the reporting period compared to the beginning of the year, which was mainly caused by the increase of the company's payment collection and the decrease of the amount of money to purchase the bank financial products.
- The advances to suppliers increased by 38.22% at the end of the reporting period compared to the beginning of the year, which was mainly caused by the increase in the purchase of raw materials.
- Other current assets decreased by 35.91% at the end of the reporting period compared to the beginning of the year, which was mainly caused by the decrease of the bank financing in the current period.
- Available-for-sale financial assets decreased by 100% at the end of the reporting period compared to the beginning of the year and other equity instrument investments increased by 100% compared to last year, which were caused by the change in the reclassification of items.
- The long-term equity investment increased by 81.34% at the end of the reporting period compared to the beginning of the year, which was mainly caused by the profit increase of De Dietrich Trade (Shanghai) Co., Ltd. invested by the company in the current period.
- The construction in progress increased by 36.58% at the end of the reporting period compared to the beginning of the year, which was mainly caused by the infrastructure investment in Maoshan Intelligent Manufacturing Park in the current period.
- The long-term unamortized expenses decreased by 80.94% at the end of the reporting period compared to the beginning of the year, which was mainly caused by the amortization of long-term deferred expenses in previous period.
- The accounts payable increased by 31.88% at the end of the reporting period compared to the beginning of the year, which was mainly caused by the increase in the purchase transactions with the sales revenue in the current period.
- The payroll payable decreased by 90.93% at the end of the reporting period compared to the beginning of the year, which was mainly caused by the payment of employee salaries and bonuses last year.
- The tax payable increased by 64.30% at the end of the reporting period compared to the beginning of the year, which was mainly caused by the increase in the income tax expenses in the current period.

#### 2. Income statement items

- The non-operating income decreased by 52.49% in the reporting period compared to the last year, which was mainly caused by the decrease of the government subsidies in the current period.
- The non-operating expenditure increased by 217.58% in the reporting period compared to the last year, which was mainly caused by the increase of the donation outlay and the scrap of some products in the current period.

#### 3. Cash flow statement items

- The net cash flow from investment activities decreased by 227.81% in the reporting period compared to the last year, which was mainly caused by the company's payment for the investment fund for merger and acquisition of Kinde last



year and no major investment projects in current period.

## II. Progress of important matters and their impact and solution analysis

Applicable  Not applicable

Implementation progress of share repurchase

Applicable  Not applicable

Implementation progress of reducing repurchased shares by centralized competitive bidding

Applicable  Not applicable

## III. Commitments not fully fulfilled by the Company's actual controller, shareholders, related parties, acquirer and other commitment parties during the reporting period

Applicable  Not applicable

No commitments not fully fulfilled by the Company's actual controller, shareholders, related parties, acquirer and other commitment parties during the reporting period

## IV. Estimate of annual business performance for 2019

It is estimated that the change rate of the net profits attributable to shareholders of listed companies in 2019 ranges from 2% to 10%

## V. Financial assets measured with fair value

Applicable  Not applicable

## VI. Illegal external guarantee

Applicable  Not applicable

No illegal external guarantee of the Company during the reporting period.

## VII. Non-operating occupation of funds of listed companies by controlling shareholders and their related parties

Applicable  Not applicable

No non-operating occupation of funds of listed companies by controlling shareholders and their related parties during the reporting period.

## VIII. Entrusted financing

Applicable  Not applicable

Unit: 10,000 yuan

Specific type	Source of funds for entrusted financing	Amount incurred in entrusted financing	Outstanding balance	Overdue amount not recovered
Bank financial products	Owned fund	213,000	150,000	0
Total		213,000	150,000	0

Specific circumstance of high-risk entrusted financing with significant single amount or with low security, poor liquidity and not break-even

Applicable  Not applicable

The entrusted financing is expected not to recover the principal or has other circumstances that may cause impairment

Applicable  Not applicable

### IX. Registration form of reception, research, communication, interview and other activities during the reporting period

Applicable  Not applicable

Reception time	Reception way	Type of received object	Basic information index of the survey
July 01, 2019	Field survey	Organization	See the <i>Record Chart of Investor Relation Activities on July 1 and 2, 2019</i> in cninfo
September 18, 2019	Field survey	Organization	See the <i>Record Chart of Investor Relation Activities on July 18 and 19, 2019</i> in cninfo
September 16, 2019	Field survey	Organization	See the <i>Record Chart of Investor Relation Activities on September 16 and 17, 2019</i> in cninfo
September 18, 2019	Field survey	Organization	See the <i>Record Chart of Investor Relation Activities on September 18-23, 2019</i> in cninfo
September 25, 2019	Field survey	Organization	See the <i>Record Chart of Investor Relation Activities on September 25, 2019</i> in cninfo