

Stock code: 002508

Abbreviation of securities: Robam

Announcement No.:2019-032

Hangzhou Robam Appliances Co., Ltd. 2019 Semiannual Report Summary

I. Important Notes

This summary is extracted from the full semiannual report. In order to fully understand the financial status and future development plan, investors should read the full semiannual report carefully disclosed on the media designated by China Securities Regulatory Commission (CSRC).

Statement of objections by directors, supervisors and senior management

Notes of non-standard audit opinion

The plan for the common stock profit distribution or the plan for converting reserved funds into share capital during the reporting period was reviewed by the board meeting

The company plans not to distribute cash dividends, not to send bonus stocks, not to convert reserved funds into share capital.

The plan for the distribution of preferred stock profits during the reporting period is adopted by the board of directors through resolution

II. Basic status of company

1. Company profile

Stock abbreviation	Robam	Stock code	002508
Stock exchange for stock listing	Shenzhen Stock Exchange		
Contact person and contact information	Secretary to the board of directors	Securities affairs representative	
Name	Wang Gang		
Office address	No. 592 Linping Av., Yuhang Economic Development Zone, Hangzhou, China		
Tel	0571-86187810		
Email	wg@robam.com		

2. Major Accounting Data and Financial Indicators

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

	Reporting period	Amount for corresponding period last year	Increase / decrease this year compared to the previous year
Operating income (yuan)	3,527,413,882.96	3,496,662,565.47	0.88%
Net profits attributable to shareholders of listed companies	670,403,994.20	660,339,506.06	1.52%

(yuan)			
Net profits attributable to shareholders of the listed company after deduction of non-recurring profits and losses (yuan)	622,539,579.01	596,465,164.81	4.37%
Net cash flow from operating activities (yuan)	658,691,084.58	1,121,788,027.98	-41.28%
Basic EPS (yuan/share)	0.71	0.70	1.43%
Diluted EPS (yuan/share)	0.71	0.70	1.43%
Weighted average return on net assets	10.51%	12.07%	-1.56%
End of the reporting period			

Hangzhou Yinchuang Investment Co., Ltd.	Domestic non-state legal person	0.74%	7,020,000			
GIC	Overseas legal person	0.68%	6,449,837			
Description of the above-mentioned shareholder association or concerted action		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.				

4. Changes in controlling shareholder or actual controller

Change of controlling shareholders during the reporting period

No change in controlling shareholders during the reporting period.

Changes in actual controller during the reporting period

No change in actual controller during the reporting period.

5. shareholdings of the Company

During the reporting period, the Company did not have preferred shareholders holding shares.

6. Corporate Bond

Whether the Company has bonds publicly issued and listed on the stock exchange that have not expired or expired but not paid in full on the date of approval of the semiannual report

No

III. Discussion and Analysis of Operation

1. Overview of Business Operation during the Reporting Period

Does the Company need to follow the disclosure requirements of special industries

No

In the first half of 2019, the international political and geopolitical situation was complicated, the domestic real estate industry was affected by the increasingly strict regulatory policy of "one policy for one city", and the kitchen appliance industry as a whole continued depression. According to the retail monitoring report published by The Yee, the sales amount of range hoods, gas stoves and disinfection cabinets, as the main kitchen appliances, was increased by -5.86%, -4.09% and -17.72% respectively.

In the face of the sluggish market, the company, as the leading enterprise in the kitchen appliance industry, established the working policy of "practicing internal skills to keep out the winter and seeking improvement in stability to promote growth" for 2019 at the end of last year, and strove to ensure the company's stable performance and steady increase of market share. During the reporting period, the company achieved the operating income of 3,527,413,882.96 yuan, an increase of 0.88%, and realized the net profits attributable to shareholders of listed companies of 670,403,994.20 yuan, an increase of 1.52%.

Efficiency and Energy Efficiency Grades for Electric Ovens, Zhejiang Manufacturing Standard for Dishwashers and Electric Steam Ovens, in which, the *Zhejiang Manufacturing Standard for Dishwashers* won the standard innovation award. Moreover, the company actively created the second type of Chinese style steam ovens, such as SZ01 lower built-in steam oven, ST01 desktop steam oven and C906/905 steam oven-oven, to meet different customer needs with diverse product forms, inherit and carry forward China's excellent cooking and food culture, and meet the people's demand for health, nutrition and cooking efficiency of high-quality life.

In the first half of 2019, the production sector strove to build a first-class manufacturing benchmark in three directions: "comprehensively build the industry-leading supply chain system", "technology-driven comprehensive innovation", "deepen lean production and build a sustainable and efficient organization", improved the delivery consistency and timeliness and promoted supply chain collaboration projects; reduced WIP and sluggish inventory, started pull production projects, formed a systematic and scientific control system, and promoted the efficient operation capacity of production system informatization. Moreover, Maoshan Intelligent Manufacturing Park project of the company was constructed smoothly and, after its completion, it will promote the iteration of the company's intelligent and integrated high-end kitchen electric appliances and upgrading of the intelligent manufacturing, laying a solid foundation for the company's long-term development.

In the first half of 2019, the brand sector fully implemented the concept of "creating a new Chinese kitchen", creating a high-tech, high-end, professional and young brand image. The company participated

Robam exclusively sponsors the CCTV column Chinese Flavor and serves as the food creator of *Chinese Restaurant 3* to transmit Chinese cooking culture; held the press conference of "Steamed flavor of China. Exploring flavor of ten cities" and offline activities such as "Lei Jiayin, a high-power player in the kitchen, is challenged to cook 100 steamed dishes", invited cooking masters and intangible cultural heritage inheritors to create a steam culture tour of "one city, one flavor and one inheritor", published *- 100 Steamed Dishes, Long Volume of China's Steaming Feast*, etc and cooperated with local TV stations, print media and local transportation media (high-speed rail, airport, subway, etc.) to occupy the commanding heights of brand communication, continuously interact with consumers, enhance brand exposure, and convey brand value.

cooperation, engineering layout and home decoration integration" based on the core channel idea of "strengthening counties, piloting cities and digging towns"; with "focus on the oven, expand Shuangshui and innovate new retail of integrated stove" as the new category promotion model, the company shipped up to 14% gas heaters and purifiers in the first half of the year and won TOP10 integrated stove in online and offline activities of Jingdong 618; promoted and completed more than a thousand light blasting activities around the "monthly activities and weekly blasting" and created a new high sales volume of

In the first half of 2019, the company continued to be recognized by the capital market in terms of

corporate governance, internal management and shareholder returns, and won the "Best Board Award", "Best New Media Operator A - The 10th China listed company value selection "Top 50 SMEs Board Value", "Excellent SMEs Board Secretary", "Outstanding Board Secretary of Information Disclosure" and other awards at the 13th Chinese Listed Companies Value Appraisal.

2. Matters related to financial statements

(1) Explanation of changes in accounting policy, accounting estimates and accounting methods when compared to the financial statements of the previous accounting period

The 12th meeting of the 4th Board of Directors reviewed and adopted the *Proposal on Changing Some Accounting Standards*. Relevant accounting policies were implemented according to the *Notice on Revising and Issuing the Format of Financial Statements for Ordinary Enterprises in 2019* (CK [2019] No.6) released by the Ministry of Finance. This change of accounting policies is conducted according to the laws, administrative regulations or unified national accounting system requirements, only involves the presentation and adjustment of financial statements, and has no substantial impact on the operating income and net profit.

(2) Explanation of rectification of major accounting error in the reporting period which needs to be tracked and restated

No rectification of major accounting error in the reporting period which needs to be tracked and restated.

(3) Explanation of changes in the scope of combined financial statements when compared with financial statements of the previous accounting period

No changes in the scope of combined financial statements in the reporting period.