

## Financial Analysis

		<b>Y2020</b>	<b>Y2019</b>
		<b>Q1</b>	<b>Q1</b>
Financial Structure Analysis	Liabilities/Assets Ratio (%)	50.62	47.37
	Long-term Funds to Property, Plant and Equipment Ratio (%)	479.83	517.99
Solvency Analysis	Current Ratio (%)	173.89	193.75
	Quick Ratio (%)	121.69	137.58
	Times Interest Earned Ratio (Times)	12.54	16.81
Operating Performance Analysis	Average Collection Turnover (Times)	4.65	4.91
	Average Collection Days(Days)	77.40	73.32
	Average Inventory Turnover (Times)	5.73	6.02
	Average Inventory Days(Days)	62.83	59.84
	Property, Plant and Equipment Turnover (Times)	13.81	16.57
	Total Assets Turnover (Times)	1.43	1.68
Profitability Analysis	Return on Total Assets (%)	3.79	4.94
	Return on Equity (%)	7.24	9.39
	Profit to Sales (%)	2.48	2.91
	Earnings Per Share (CNY\$)	0.09	0.10

## **Financial Analysis – Continued**

### **Glossary:**

#### **1. Financial Structure Analysis**

(1) Liabilities/Assets Ratio = Total Liabilities / Total Assets

(2) Long-term Funds to Property, Plant and Equipment Ratio = (Shareholders' Equity + Noncurrent Liabilities) / Net Property, Plant and Equipment

#### **2. Solvency Analysis**

(1) Current Ratio = Current Assets / Current Liabilities

(2) Quick Ratio = (Current Assets - Inventories - Prepaid Expenses) / Current Liabilities

(3) Times Interest Earned Ratio = Earnings before Interest and Taxes / Interest Expenses

#### **3. Operating Performance Analysis**

(1) Average Collection Turnover = Net Sales / Average Trade Receivables

(2) Average Collection Days (Quarterly) = 360/ Average Collection Turnover

(3) Average Inventory Turnover = Cost of Sales / Average Inventory

(4) Average Inventory Days (Quarterly) = 360/ Average Inventory Turnover

(5) Property, Plant and Equipment Turnover = Net Sales / Average Net Property, Plant and Equipment

(6) Total Assets Turnover = Net Sales / Average Total Assets

#### **4. Profitability Analysis**

(1) Return on Total Assets = (Net Income + Interest Expenses \* (1 - Effective Tax Rate)) / Average Total Assets

(2) Return on Equity = Net Income Attributable to Shareholders of the Parent / Average Equity Attributable to Shareholders of the Parent

(3) Profit to Sales = Net Income / Net Sales

(4) Earnings Per Share = (Net Income Attributable to Shareholders of the Parent - Preferred Stock Dividend) / Weighted Average Number of Shares Outstanding