



**CHANGHONG MEILING CO., LTD.**

**Semi-Annual Report 2024**

**August 2024**

## Section I. Important Notice, Contents and Interpretation

Board of Directors, Supervisory Committee, all directors, supervisors and senior executives of Changhong Meiling Co., Ltd. (hereinafter referred to as the Company) hereby confirm that there are no any fictitious statements, misleading statements, or important omissions carried in this report, and shall take all responsibilities, individual and/or joint, for the reality, accuracy and completion of the whole contents.

Mr. Wu Dinggang, Chairman of the Company, Mr. Pang Haitao, person in charge of accounting work and Mr. Yang Jun, person in charge of accounting organ (accountant in charge) hereby confirm that the Financial Report of 2024 Semi- Annual Report is authentic, accurate and complete.

The Company did not have directors, supervisors and senior executives of the Company could not guarantee the reality, accuracy and completion of the whole contents or have objections.

All the directors attended the board meeting to review this report in person.

Modified audit opinions notes

Applicable  Not applicable

Risk warning of concerning the forward-looking statements with future planning involved in semi-annual report

Applicable  Not applicable

Concerning the forward-looking statements with future planning involved in the Report, they do not constitute a substantial commitment for investors, investors and the person concerned should maintain adequate risk awareness, furthermore, differences between the plans, forecast and commitments should be comprehended. Investors are advised to exercise caution of investment risks.

Investors are advised to read the full text of semi-annual report, and pay particular attention to the following risk factors:

More details about the possible risks and countermeasures in the operation of the Company are described in the report “X. Risks and countermeasures” of “Section III Management Discussion and Analysis”, investors are advised to read the relevant content.

*Securities Times*, *China Securities Journal* and Juchao Website (www.cninfo.com.cn) are the media for information disclosure for year of 2024 that appointed by the Company. All public information under the name of the Company disclosed on the above said media and website shall prevail, and investors are advised to exercise caution.

Does the Company need to comply with disclosure requirements of the special industry: No

Profit distribution pre-plan or capitalizing of common reserves pre-plan deliberated by the Board in the semi-annual period

Applicable Not applicable

The Company has no plans of cash distribution, bonus shares and capitalizing of common reserves either.

Directors, supervisor and senior executives of the Company respectively signed Written Confirmation Opinions for 2024 Semi-Annual Report.

Supervisory Committee of the Company formed Written Examination Opinions for 2024 Semi-Annual Report.

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## Documents Available for Reference

I. Financial statement carrying the signatures and seals of the Chairman, principal of the accounting works and person in charge of accounting organ;

II. Original documents of the Company and manuscripts of public notices that disclosed in the website designated by CSRC in the report period;

## Definition

Terms to be defined	Refers to	Definition
Company, The Company, Changhong Meiling or Meiling Electric	Refers to	CHANGHONG MEILING CO.,LTD.
Sichuan Changhong or controlling shareholder	Refers to	Sichuan Changhong Electric Co., Ltd.
Changhong Group	Refers to	Sichuan Changhong Electronics Holding Group Co., Ltd.
Hong Kong Changhong	Refers to	CHANGHONG (HK) TRADING LIMITED
Meiling Group	Refers to	Hefei Meiling Group Holdings Limited
Changhong Air-conditioner	Refers to	Sichuan Changhong Air-conditioner Co., Ltd.
Zhongke Meiling	Refers to	Zhongke Meiling Cryogenic Technology Co., Ltd.
Mianyang Meiling	Refers to	Mianyang Meiling Refrigeration Co., Ltd.
Mianyang Meiling	Refers to	Mianyang Meiling Refrigeration Co., Ltd.
Jiangxi Meiling	Refers to	Jiangxi Meiling Electric Appliance Co., Ltd.
Wulian Technology	Refers to	Hefei Meiling Wulian Technology Co., Ltd
Zhongshan Changhong	Refers to	Zhongshan Changhong Electric Co., Ltd.
Changmei Life Appliances	Refers to	Hefei Changhong Meiling Life Appliances Co., Ltd.
Changhong Huayi	Refers to	Changhong Huayi Compressor Co., Ltd.
Shine Wing	Refers to	Shine Wing Certified Public Accountants (LLP)
CSRC	Refers to	China Securities Regulatory Commission
Anhui Securities Bureau	Refers to	China Securities Regulatory Commission, Anhui Province Securities Regulatory Bureau
SSE	Refers to	Shenzhen Stock Exchange

## II. Company Profile and Main Financial Indexes

### I. Company Profile

Short form of the stock	Changhong Meiling, Hongmeiling B	Stock code	000521,200521
Short form of the Stock after changed (if applicable)	N/A		
Stock exchange for listing	Shenzhen Stock Exchange		
Name of the Company (in Chinese)	长虹美菱股份有限公司		
Short form of the Company (in Chinese)	长虹美菱		
Foreign name of the Company (if applicable)	CHANGHONG MEILING CO.,LTD.		
Abbr. of English name of the Company (if applicable)	CHML		
Legal representative	Wu Dinggang		

### II. Person/Way to contact

	Secretary of the Board
Name	Li Xia
Contact add.	No. 2163, Lianhua Road, Economic and Technology Development Zone, Hefei
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### III. Others

#### (I) Way of contact

Whether registrations address, offices address and codes as well as website and email of the Company changed in reporting period or not

Applicable  Not applicable

Registrations address, offices address and codes as well as website and email of the Company has no change in reporting period, found more details in Annual Report 2023.

#### (II) Information disclosure and preparation place

Whether information disclosure and preparation place changed in reporting period or not

Applicable  Not applicable

The newspaper appointed for information disclosure, website for semi-annual report publish appointed by CSRC and preparation place for semi-annual report have no change in reporting period, found more details in Annual Report 2023.

**(III) Other relevant information**

Whether other relevant information has changed in reporting period or not

Applicable Not applicable

**IV. Main accounting data and financial indexes**

Whether it has retroactive adjustment or re-statement on previous accounting data or not

Yes No

	Current period	Same period last year	Changes in the current reporting period compared with the same period of the previous year (+,-)
Operating income (RMB)	14,947,670,291.70	12,828,694,323.57	16.52%
Net profit attributable to shareholders of the listed company (RMB)	415,033,415.88	358,054,844.74	15.91%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB)	432,504,456.37	381,989,843.82	13.22%
Net cash flow arising from operating activities (RMB)	2,728,225,876.60	1,410,519,809.81	93.42%
Basic earnings per share (RMB/Share)	0.4030	0.3477	15.90%
Diluted earnings per share (RMB/Share)	0.4030	0.3477	15.90%
Weighted average ROE	6.88%	6.69%	Increase by 0.19 percentage points
	End of current period	End of last year	Changes at the end of the reporting period compared with the end of the previous year (+,-)
Total assets (RMB)	23,844,271,479.92	19,391,604,526.19	22.96%
Net assets attributable to shareholder of listed company (RMB)	5,932,872,702.91	5,824,782,654.09	1.86%

**V. Accounting data difference under domestic and foreign accounting standards****(I) Difference of the net profit and net assets disclosed in financial report, under both IAS (International Accounting Standards) and Chinese GAAP (Generally Accepted Accounting Principles)**

Applicable Not applicable

The Company has no difference of the net profit and net assets disclosed in financial report, under both IAS



(International Accounting Standards) and Chinese GAAP (Generally Accepted Accounting Principles) in reporting period.

## (II) Difference of the net profit and net assets disclosed in financial report, under both foreign accounting rules and Chinese GAAP (Generally Accepted Accounting Principles)

Applicable  Not applicable

In RMB

	Net profit attributable to shareholders of listed company		Net assets attributable to shareholders of listed company	
	Current period	Previous period	Ending amount	Opening amount
Chinese GAAP	415,033,415.88	358,054,844.74	5,932,872,702.91	5,824,782,654.09
Items and amount adjusted by foreign accounting rules				
Foreign accounting rules	415,033,415.88	358,054,844.74	5,932,872,702.91	5,824,782,654.09

The Company had no difference of the net profit or net assets disclosed in financial report, under either foreign accounting rules or Chinese GAAP (Generally Accepted Accounting Principles) in the period.

## (III) Reasons for the differences of accounting data under accounting rules in and out of China

Applicable  Not applicable

The “Notice of Relevant Issues of Audit for Company with Domestically Foreign Shares Offering” was issued from CSRC dated 12 September 2007, since the day issuing, cancel the previous “dual audit” requirement for companies who offering domestically listed foreign shares (B-share enterprise) while engaging securities practice qualification CPA for auditing. The Company did not compile financial report under foreign accounting rules since 2007, the financial report of the Company is complying on the “Accounting Standard for Business Enterprise” in China, and therefore, there are no differences of accounting data under accounting rules in and out of China at period-end.

## VI. Items and amounts of non-recurring profit (gains)/losses

Applicable  Not applicable

In RMB

Item	Amount	Note
Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	36,334.95	Found more in “Income from assets disposal” and “Non-operation income/expenses”
Governmental subsidy calculated into current gains and losses(while closely related with the normal business of the Company, the government subsidy that accord with the provision of national policies and are continuously enjoyed in line with a certain standard quota or quantity are excluded)	25,786,292.09	Found more in “Other income”
Gains/losses of fair value changes arising from holding of the trading financial asset, trading financial liability and investment earnings obtained from disposing the trading financial asset, trading financial liability, and financial assets available for sale, except for the effective hedging business related to normal operation of the Company	-65,274,314.20	Found more in “Financial cost”, “Investment income” and “Income of fair value changes”
Switch back of the impairment for receivables that has	20,809,004.37	Found more in “Account receivable”

impairment test independently		
Other non-operating income and expenses other than the above	-1,926,547.40	Found more in "Non-operation income" and " Non-operation expenses"
Less: impact on income tax	-7,066,269.14	
Impact on minority shareholders' equity (post-tax)	3,968,079.44	
Total	-17,471,040.49	

Details of other gains/losses items that meets the definition of non-recurring gains/losses:

Applicable  Not applicable

There are no other gains/losses items that meet the definition of non-recurring gains/losses in the Company.

Explain the items defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public ---

Extraordinary Profit/loss (revised in 2023).

Applicable  Not applicable

There are no items defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public ---

Extraordinary Profit/loss (revised in 2023).

### III. Management Discussion & Analysis

#### I. Main businesses of the company engaged in during the Period

The Company is one of China's major electric appliance manufacturers, possesses four major domestic manufacturing bases in Hefei, Mianyang, Jingdezhen and Zhongshan, and two overseas manufacturing bases in Indonesia and Pakistan.

The Company carefully builds the core competitiveness of the enterprise with technological innovation and product innovation. With the advanced R&D team and advanced technology accumulation, Meiling has made continuous breakthroughs in terms of frequency conversion, intelligence, preservation, thin wall, odourlessness, energy saving, air cooling, deep cooling, simulation, ultra-thin, cleaning and clothing protection. The Company has established the first RoHS public testing center in Anhui Province, and it has a national enterprise technology center, a national industrial design center, a national post-doctoral research center and a 5G industrial Internet innovation and application laboratory.

In recent years, the Company has successively won many national honorary titles such as "Intelligent Manufacturing Pilot Demonstration Project for Smart Refrigerators", "National Green Factory", "National Quality Leading Enterprise in Home Appliance Industry", "National Technology Innovation Demonstration Enterprise" and "China Industry-University-Research Cooperation Innovation Demonstration Enterprise". At the same time, the Company has won a number of technology and product innovation honors by virtue of its strong innovation, products and brand, and a number of Meiling products have repeatedly won multiple domestic awards, constantly demonstrating Meiling's ability and strength in intelligent innovation technology. The Frozen Fresh refrigerator 506WP9BDZ won the AWE Award "Innovation Award" for its "Fresh" technology - roof-top constant temperature fresh freezing technology, which was pioneered by Changhong Meiling in the industry, completely solving the sore point of repeated freezing in the freezer with subversive technological innovation, and promoting the upgrading of fresh-keeping consumption in the refrigerator industry; Meiling 10KG "Blue Oxygen as Hand Washing" drum washing machine LRS1H100D set a world record of "Drum washing machine with the least stain residue after rinsing in the world" in world record association. Through the "stain residue removal technology by blue oxygen", the product features of "Cleanliness and Care" of the "Blue Oxygen as Hand Washing" series was established, which promoted the R&D of washing machines to the level of "Care" and "Cleanliness" and brought more health and science to users' life; Meiling household gas-fired quick water heaters (JSQ30-MR-BS16516, JSQ30-MR-BS616Q3) won the "Boiling Quality Award" in 2024; Zhongke Meiling large-scale ultra-low temperature automatic biological sample bank technology won the "First Prize for Hefei Workers' Innovation".

After more than 40 years of development, the Company has developed from single refrigerator products to a new pattern of coordinated development of refrigerators (freezers), air conditioners, washing machines, kitchen and bathroom products, small home appliances and biomedical cryogenic storage equipment. Through continuous innovation, it has successively introduced a series of industry-leading products, such as the M-fresh refrigerator with the best fresh-keeping effect in the industry, the industry's first all-dust-free fresh air conditioner, the "Blue Oxygen as Hand Washing" drum washing machine with the least stain residue after rinsing in the world, the

industry's first intelligent tea bar machine, and the ultra-low temperature medical refrigerator with a refrigeration temperature up to minus 180°C, which has constantly brought consumers a fresher lifestyle with fresher products.

In the future, based on the direction of digitalization and intelligence, the Company will adhere to the value orientation and comprehensive efficiency improvement, enhance six capabilities around one goal, deepen internal and external coordination, strengthen compliance and risk control, promote sustained and high-quality development of the industry, and make the white goods industry bigger and stronger with excellent performance as the leading force. The Company will further improve the overall layout of smart homes, continue to develop 5G complete sets of home appliances based on the smart home system (consisting of IoT platform and App interactive software), and strive to become a smart home solution provider. In the meanwhile, it will strengthen digital transformation and continue to strengthen digital and intelligent transformation around intelligent manufacturing (digital manufacturing and intelligent quality), 5G quantum cooperation and network security, and C+3 customer order system, so as to further promote the high-quality development of the enterprise.

During the reporting period, main income of the Company coming from refrigerator (freezer), air conditioner, washing machine, small home appliances, kitchen & toilet products and biomedical etc., total amounting to 14.848 billion yuan, a 99.33% of the operating income.

## II. Core Competitiveness Analysis

### (1) Brand capacity

The Company is one of the well-known electrical appliance manufacturers in China, with products such as refrigerators, freezers, air conditioners, washing machines, kitchen and bathroom products, small home appliances, and biomedical products. In order to achieve brand revitalization, the Company establishes four support points of market, product, service and brand around brands that are strongly related to consumer behaviors, and makes joint efforts to form a brand revitalization plan.

In the first half of 2024, the Company planted the "Fresh" seeds into consumers' hearts through measures such as marketing, product experience, service upgrade and brand statement, molded the brand feature of "Meiling = Fresh" in consumers' hearts, and enhanced brand awareness, reputation and loyalty.

The Company adhered to differentiated innovation measures such as technology innovation, product innovation and service innovation, and constantly accelerated the development of new quality productivity of the enterprise, accelerated the transformation and upgrading to intelligent manufacturing, and helped high-quality development of the enterprise. In the first half of this year, the Company aimed at "new" and "quality" improvement, pursued "new" and "intelligence", which triggered People's Daily Online, Xinhua News Agency and Guangming Net to report competitively.

In the future, the Company will adhere to the cultural spirit of "be a strong enterprise with innovation and achievements", adhere to the core values of "dedication, accountability, co-creation and sharing", constantly improve its core competitiveness, and constantly develop products to meet consumers' requirements, and strive to jointly create "Beautiful China, Fresh Meiling" with fresher products, fresher technologies and fresher services,

realize the corporate mission of "Meiling, may the happiness come" and accompany hundreds of millions of families around the world in their beautiful life.

## **(2) Product capacity**

The Company has built a number of national R&D platforms with strong R&D capabilities, established extensive and close Industry-University-Research cooperation with domestic and foreign research associations, enterprises and institutions, universities or scientific research institutions in various fields, continuously promoted technology and product innovation from an open perspective, and carefully built the core competitiveness of the enterprise. The Company has authoritative certifications such as "National Enterprise Technology Center", "National Industrial Design Center", "National Intellectual Property Demonstration Enterprise", "National Industrial Product Green Design Demonstration Enterprise", "National Technological Innovation Demonstration Enterprise" and "China Industry-University-Research Cooperative Innovation Demonstration Enterprise" as a strong guarantee. Over the years, with the mode of independent innovation and cooperative innovation, it has achieved fruitful results in multiple fields such as refrigerator (freezer), washing machine, air conditioner, kitchen and bathroom product, small home appliances, and biomedicine.

In terms of refrigerator (freezer) products, the Company has been deeply involved in the field of professional refrigeration for more than 40 years. Through the accurate control of market trends and the study of consumer preferences, it has persisted in promoting the continuous improvement of product competitiveness around the product upgrading idea of "fresh, thin, narrow and embedded", and continued to strengthen the product business cards of "Meiling Fresh", "Meiling Thin", "Meiling Narrow" and "Meiling Embedded" in 2024. In terms of refrigerator products, the Company has released the third generation of "M-Fresh Series" refrigerators, continuously supplemented the best new French five-door of "Frozen Fresh Series" in the industry, and continuously strengthened the features of "Meiling Fresh". In order to comply with the trade-in trend of the industry, it fully upgraded the 400/600BT "Big Narrow Door" series and rode the wave of "zero flat embedding" and "dual system" to continuously strengthen the layout of "Worry-free Embedded PRO" and "Seamless PRO" second-generation series embedded refrigerators; In terms of freezer products, it has developed frost-free series freezers, thin-walled defrosting and bacteriostatic freezers, -40°C deep-cooling intelligent electric control freezers, intelligent round-screen display DTEB series freezers, large commercial freezers with variable frequency and great cryogenic ability, -40°C quick-frozen and fresh-locked vertical air-cooled freezers, export vertical air-cooled freezers, SC-270WE single-door refrigerated vertical display cabinets and commercial kitchen cabinets, and continuously built "the freezers with the best fresh-keeping effect in the industry" for freezer products in the market.

In terms of washing machine products, the Company has a deep insight into the users' needs, its strength in the core technology field has been rapidly improved, and its product layout has become more complete. On the basis of as hand washing series drums, it pioneered the "stain residue removal technology by blue oxygen" in the industry, and released the "Blue Oxygen as Hand Washing" series products. With the triple technology of as hand washing plus the stain residue removal technology by blue oxygen, the stain residue removal was more thorough at the same time of cleaning, which laid the product features of "Cleanliness and Care" of the "Blue Oxygen as Hand Washing" series. In terms of pulsator products, it has further enriched the product lineup of "Hercules" series and created

characteristic products with more product features.

Air conditioning products are user centered, based on actual usage scenarios, constantly iterating and upgrading products, and creating a series of "fully dust-free, guest dining cabinets" as two business cards. In the first half of 2024, new products such as Q7D "fully dust-free and free air" hanging air conditioner and Q7V "Juneng Province" cabinet air conditioner will be launched, further meeting user needs in terms of health and comfort. Adhering to quality control, improving efficiency, and strengthening user service have greatly enhanced product confidence and brand influence at the user and channel levels.

In terms of kitchen and bathroom products and small home appliance products, it has focused on core product lines, takes market demand as the guide, strengthened the R&D capabilities, and optimized the product structure. In terms of small home appliances, it continued to tap into the core category. In the first half of the year, it launched N10 fresh water series tea bar machine, which is equipped with industry-leading strontium-rich mineralization technology and trace element equipment technology to achieve scientific proportion, thus realizing strontium-rich mineralization of drinking water. In terms of kitchen and bathroom appliances, the Company insists on user orientation, focuses on users' sore points, constantly optimizes the product structure to meet the different needs of the market. In the first half of the year, it launched the second-generation honeycomb shaped gas-fired water heater product, and improved the corrosion resistance and scale prevention ability of the water tank in hard water areas by optimizing the pipe diameter, pipe running mode and turbulence structure.

In terms of biomedicine, the Company adheres to the brand concept of "taking products as the main carrier and delivering core values to users", focuses on the field of life sciences, and continuously promotes product innovation iteration and quality upgrade based on users' scenario demand, providing users with professional full-scenario solutions, thus shaping a safe and stable brand image and continuously enhancing the brand influence. Focusing on the needs of users, it has further improved the diversified layout of products, accelerated the R&D of new products and the iterative upgrading of existing products, developed clean workbench and automatic ultra-low temperature refrigerated storage box products that meet good manufacturing practice standards, and at the same time, successfully iteratively upgraded a series of large-volume blood box products. In addition, it has also developed three laboratory centrifuge products, namely, desktop low-speed, desktop high and low-speed and floor-type high-speed, to continuously promote the diversified and all-round development of products.

### **(3) Operation capacity**

The Company continues to carrying out bench-marking activities to improve the operation and management standards and competitiveness of the Company. At the same time, the internal management capability has been continuously improved by continuing to carry out the improvement work in "human efficiency, money efficiency and material efficiency". The company established a hierarchical sharing system with clear goals, quantitative indicators, performance-oriented performance appraisal and incentives to activate internal productivity. Taking value chain management as the main line, continued to carry out value creation work, and enhanced the company's competitiveness. At the same time, continuously improved the internal control system and improved the ability to prevent risks.

### **(4) Marketing ability**

The Company has established a relatively complete sales network and service system, which can provide users with high-quality services covering all categories of white goods. The domestic market is actively accelerated to realize the marketing transformation from product line-oriented sales management to channel- and user-oriented business services, from single-category marketing to full-category marketing, quickly building an operation management system with reasonable commercial inventory management as the core and a value management system core with terminal retail price; through determined bench marking match, achieved products leading and efficiency improvement and builds the capability for marketing system and development potential for long period of time.

In overseas markets, the Company has always adhered to business-oriented and customer-centered principles, and based on "product collaboration, internal and external collaboration and channel expansion", it explores into market demand, focuses on key markets and core quality customers, and improves marketing capabilities; It strengthens scientific and technological innovation, adheres to quality first, and constantly improves the quality and performance of products; It focuses on customer satisfaction, continuously improves customer service ability and customer satisfaction by improving delivery rate, strengthening accessory management and quickly responding to pre-sales and after-sales technical support needs. Based on the whole value chain, it enhances its operational capability, links up "marketing, production and research", promotes "money efficiency and material efficiency", and continuously enhances its international logistics capability in combination with the new shipping form. Through product collaboration and team empowerment, it builds a team with the business ability of ice washing double industry line, with the refrigerator cabinet and washing machine industry driven by two wheels; It develops brand business, focuses on key markets and core channels of key markets, industrial structure balance and product structure improvement, as well as resources to strengthen brand building, deepens channel expansion, continuously expands business scale and improves business quality.

### III. Main Business Analysis

#### (1) Overview

Yes No

In the first half of 2024, The demand of domestic home appliance industry is insufficient. According to the total data of AVC, the retail sales of white goods market in the first half of the year was RMB 231.9 billion, with a year-on-year decrease of 7.0%; The overseas market for home appliance exports continued to maintain a steady growth trend. In the face of fierce stock competition in the traditional home appliance market, the Company adheres to value orientation and comprehensively improves efficiency, strengthens industrial coordination and internal and external coordination, and steadily improves its business quality. In the first half of the year, the Company's revenue scale achieved year-on-year growth, profitability improved, and achieved benign development.

#### (2) Progress of the company's development strategy and business plan during the reporting period

During the reporting period, the Company carried out work around the business idea of "adhering to the guidance of party building, adhering to the value orientation, comprehensively improving efficiency, focusing on one goal, improving six capabilities, deepening internal and external coordination, strengthening compliance and risk control, and promoting the company's sustained and high-quality development", and actively promoted the



implementation of the business plan.

### **1. Refrigerator industry**

Domestically, it adheres to the business idea of "value-orientation and comprehensive efficiency improvement", focuses on promoting quality products, strengthening channels, enhancing coordination, improving efficiency, controlling risks and improves market construction in base areas, improves marketing management and service capabilities, makes full use of a relatively complete sales network and service system to provide customers with high-quality services. On the research and production end, it is user-centered, to solve the users' sore points, create users' value, and promote the intelligent and high-end transformation and upgrading of the Company's products. On the market end, it adheres to the product strategy of "grasping retail, promoting quality products and improving efficiency", enlarges the product layout around M-Fresh, Frozen Fresh, Zero-embedded Refrigerators and Frost-free Freezers, and creates phenomenal hot products through product packaging planning, online and offline integrated promotion, new product launch conference, recommendation by networking platform, etc., thus continuously improving the ability of middle and high-end products, and promoting product structure improvement and benign industrial operation.

Overseas, the Company continues to promote the business strategy of "product leading, ice-washing dual-drive, brand strength and KA speed-up", and carries out work around high-quality scale growth. By strengthening the upgraded product planning and differentiated product design, it mainly promotes air-cooling, frequency conversion, multi-door and drum products to improve product structure; It develops brand business, develops key markets and make breakthrough in key core channels; It accelerates the increase of KA customer scale and strengthens the matching of key resources such as R&D and manufacturing; It focuses on energy efficiency upgrading and upgrades the European market, deepens the Asian and African markets with good business foundation, focuses on large customers to expand the markets in Latin America and the Middle East, actively explores the potential of emerging markets in developing countries, and achieves sustained and benign growth in scale.

During the reporting period, the Company's refrigerator (freezer) business realized an income of about RMB 4.607 billion, with a year-on-year increase of 12.42%.

### **2. Air conditioning industry**

Domestic air conditioning is guided by goals, problem oriented, quickly responds to the market, consolidates basic management, and strengthens compliance and risk control. In terms of products, we focus on Q7D "fully dust-free and free air" hanging machines and Q7V "giant energy saving" cabinet machines, continuously meeting users' health, comfort, and energy-saving needs, and enhancing brand image; In terms of marketing, the C-end is promoting channel expansion, focusing on key regional markets to increase scale and market share; B-end continues to deepen strategic cooperation with core customers, pursuing maximum scale while controlling profits and losses.

In terms of overseas air conditioning, it carries out work around the business policy of "brand momentum, product upgrading, quality remolding, regional balance and digital empowerment" to continuously promote the benign development of business. It adheres to the principle of prioritizing brand development and deeply cultivates



the base market; It promotes high, new and frequency conversion products, and actively adjusts the product structure to meet the market demand for energy-efficient products; It optimizes channels and focuses on key markets in Latin America and the Middle East; It focuses on big customers and increases the customer scale; It makes breakthrough in new markets and new customer channels, accelerates the expansion of new markets and new customer channels, and continuously injects momentum into business development, and achieves good results.

During the reporting period, the Company's air-conditioning business realized an income of about RMB 8.50 billion, with a year-on-year increase of 21.47%.

### **3. Washing machine industry**

In the washing machine industry, it adheres to the business idea of "value orientation and comprehensive efficiency improvement", adheres to the differentiated competition strategy, continuously optimizes and adjusts the product structure, actively promotes the timely delivery of products, comprehensively improves product quality and enhances customer service satisfaction. In the domestic market, it focuses on the base market, infrastructure and e-commerce channels, promotes the breakthrough of outlets through key products, deepens the transformation and construction of key stores and benchmark areas, and achieves scale improvement; At the same time, around the needs of users, it gives full play to the competitive advantages of product differentiation, expands the "Blue Oxygen as Hand Washing" drum and the "Hercules" pulsator products, enhances the competitiveness of Meiling's mid- to high-end products, and further consolidates the cleaning features. In terms of foreign markets, it has rapidly promoted the expansion of business layout around the world and achieved breakthroughs in core customers in key regions; It emphasizes ultra-thin drums, focuses on resource investment, completes the product layout in the core area by enriching the product matrix, and improves the scale and profitability of washing machines.

During the reporting period, the Company's washing machine business realized an income of about RMB 784 million, with a year-on-year increase of 40.65%.

### **4. Kitchen, bathroom and household appliance industry**

In the kitchen and bathroom product and small home appliance industry, in the first half of the year, it focused on its core business, promoted the update and iteration of product technology, promoted the successful launch of new products, and continuously improved its brand influence; It accelerated the upgrading of product structure, promoted the optimization of product efficiency, gradually eliminated the categories with poor market performance and poor consumer feedback, and output the category planning outline; It continuously optimized the marketing strategy, channel construction layout, and control of core business links, enhanced the business capabilities, and helped the high-quality development of the industry.

During the reporting period, the Company's kitchen, bathroom and household appliance business realized an income of about RMB 745 million, with a year-on-year increase of 12.69%.

### **5. Biomedical**

In the domestic market, it focuses on the field of life sciences, continuously implements the reform and

reconstruction of user-centered channel organization, co-ordinates the platform resources, promotes the horizontal expansion and vertical deepening of market segment channel system, deeply explores the user demand, further enhances the product strength and service strength, expands the user coverage, and enhances the market competitiveness and market share. In overseas markets, it adheres to the strategy of "expanding scales for old customers, and strengthening distribution for new customers", consolidates the foundation of overseas channels in terms of quality and quantity, builds a comprehensive and sound channel distribution network, and maintains a strong momentum of market development in key regions; It adheres to "inviting in and going out", actively participates in well-known international exhibitions, and appears in overseas markets with new products such as centrifuges; It constantly upgrades the after-sales service system, be close to customers, approach users and serve users, and effectively improve the customer satisfaction.

During the reporting period, the Company's biomedical business realized an income of about RMB 132 million, with a year-on-year increase of 4.5%.

### (3) Y-o-y changes in the key financial data

In RMB

	Current Period	Same period last year	Y-o-y changes (+,-)	Causes
Operation income	14,947,670,291.70	12,828,694,323.57	16.52%	No major changes
Operation cost	13,261,806,565.80	11,178,914,075.83	18.63%	No major changes
Sales expense	834,329,749.56	786,493,259.32	6.08%	No major changes
Administrative expense	157,436,505.99	182,962,865.60	-13.95%	No major changes
Financial expense	-101,700,926.74	-115,013,926.27	11.58%	No major changes
Income tax expenses	53,105,204.51	925,010.04	5,641.04%	It is mainly due to the increase in income tax expenses caused by the increase in taxable income of the Company in this period
R&D investment	315,380,860.98	279,474,680.96	12.85%	No major changes
Net cash flow from operation activity	2,728,225,876.60	1,410,519,809.81	93.42%	It is mainly due to the year-on-year increase in cash received by the Company in selling goods and providing services in this period
Net cash flow from investment activity	-2,185,864,480.54	-471,423,480.69	-363.67%	It is mainly due to the year-on-year increase in structured deposits purchased by the Company in this period
Net cash flow from financing activity	-337,831,777.09	187,731,430.13	-279.95%	It is mainly due to the year-on-year increase in the Company's repayment of short-term loans and dividend distribution
Net increased amount of cash and cash equivalent	221,968,930.27	1,132,355,171.56	-80.40%	It is mainly due to the decrease in net cash flow generated by the Company's investment activities in this period
Taxes and surcharges	53,110,913.19	98,025,766.62	-45.82%	It is mainly due to the payment of waste electrical and electronic product disposal fund in the previous period, which is not caused in this period
Other income	81,307,947.62	32,328,256.66	151.51%	It is mainly due to the Company's

				recognition of value-added tax deduction in this period
Investment income	2,933,725.87	14,377,940.05	-79.60%	It is mainly due to the year-on-year increase in the Company's factoring expenses in this period
Credit impairment loss	12,475,890.64	-41,081,589.83	-130.37%	It is mainly due to the reversal of the Company's bad debt losses of accounts receivable in this period
Assets impairment loss	-29,258,587.16	-18,167,335.89	61.05%	It is mainly due to the year-on-year increase in the provision for inventory depreciation loss of the Company in this period
Non-operating income	2,550,542.70	10,704,019.80	-76.17%	It is mainly due to the reduction of liquidated damages received by the Company in this period
Non-operating expenses	4,477,090.10	3,014,799.22	48.50%	It is mainly due to the increase in the Company's relocation expenses in this period

#### (4) Major changes on profit composition or profit resources in reporting period

Applicable  Not applicable

No major changes on profit composition or profit resources occurred in reporting period

#### (5) Constitute of operation revenue/income

In RMB

	Current Period		Same period last year		Y-o-y changes (+,-)
	Amount	Ratio in operation revenue	Amount	Ratio in operation revenue	
Total operation revenue	14,947,670,291.70	100%	12,828,694,323.57	100%	16.52%
On industry					
Manufacture of household	14,847,789,922.86	99.33%	12,734,698,313.84	99.27%	16.59%
Other business	99,880,368.84	0.67%	93,996,009.73	0.73%	6.26%
On products					
Refrigerator, freezer	4,739,349,946.80	31.71%	4,224,670,444.64	32.93%	12.18%
Air-conditioning	8,499,905,660.36	56.86%	6,997,497,159.24	54.55%	21.47%
Washing machine	783,936,724.28	5.24%	557,352,305.32	4.34%	40.65%
Small appliance and	744,514,913.93	4.98%	852,703,435.92	6.65%	-12.69%
Other products	80,082,677.49	0.54%	102,474,968.72	0.80%	-21.85%
Other business	99,880,368.84	0.67%	93,996,009.73	0.73%	6.26%
On Area					
Domestic	10,130,279,475.77	67.77%	8,930,940,864.80	69.62%	13.43%
Foreign	4,817,390,815.93	32.23%	3,897,753,458.77	30.38%	23.59%

#### (6) The industries, products or regions that accounting for over 10% of the Company's operating revenue or operating profit

Applicable  Not applicable

In RMB

	Operating revenue	Operating cost	Gross profit ratio	Increase/decrease of operating revenue y-o-y	Increase/decrease of operating cost y-o-y	Increase/decrease of gross profit ratio y-o-y
On Industry						
Manufacture of household	14,847,789,922.86	13,208,737,884.37	11.04%	16.59%	18.72%	-1.59%
On Products						
Refrigerator, freezer	4,739,349,946.80	3,927,763,612.83	17.12%	12.18%	13.76%	-1.15%
Air-conditioning	8,499,905,660.36	7,916,263,677.05	6.87%	21.47%	24.00%	-1.90%
On Area						
Domestic	10,035,812,723.99	8,872,341,855.56	11.59%	13.49%	15.49%	-1.53%
Foreign	4,811,977,198.87	4,336,396,028.81	9.88%	23.64%	25.93%	-1.65%

Under circumstances of adjustment in reporting period for statistic scope of main business data, adjusted main business based on latest one year's scope of period-end

Applicable  Not applicable

#### IV. Analysis of the non-main business

Applicable  Not applicable

	Amount	Ratio in total profit	Note	In RMB Whether be sustainable (Y/N)
Investment income	2,933,725.87	0.61%	It is mainly due to the income from the Company's creditor's rights investment and other non-current financial asset investment in this period	N
Gains/losses from change of fair value	-42,719,405.68	-8.94%	It is mainly due to the evaluated loss of the Company's forward foreign exchange contracts and unrecognized firm commitments in this period	N
Asset impairment	-29,258,587.16	-6.12%	It is mainly due to the provision for inventory depreciation loss of the Company in this period	N
Non-operating income	2,550,542.70	0.53%	It is mainly due to the liquidated damages received by the Company in this period	N
Non-operating expense	4,477,090.10	0.94%	It is mainly due to the relocation expenses paid by the Company in this period	N
Other income	81,307,947.62	17.01%	It is mainly due to the Company's recognition of value-added tax deduction in this period	N
Credit impairment loss	12,475,890.64	2.61%	It is mainly due to the reversal of the Company's bad debt losses of accounts receivable in this period	N

#### V. Analysis of assets and liability

##### (1) Major changes of assets composition

In RMB

	End of current period		Year-end of last year		Ratio changes	Notes of major changes
	Amount	Ratio in total assets	Amount	Ratio in total assets		
Monetary fund	9,049,689,291.78	37.95%	8,840,685,525.71	45.59%	-7.64%	It is mainly due to the decrease in the proportion caused by the increase in the total assets of the Company in this period
Account receivable	2,167,372,348.82	9.09%	1,633,706,889.06	8.42%	0.67%	It is mainly due to the increase in the Company's operating income in this period
Contract assets	10,193,150.12	0.04%	13,261,690.62	0.07%	-0.03%	No major changes
Inventory	3,570,153,407.57	14.97%	2,022,738,412.97	10.43%	4.54%	It is mainly due to the increase in production of the company in this period
Investment real estate	49,948,104.52	0.21%	50,920,487.71	0.26%	-0.05%	No major changes
Long-term equity investment	112,836,567.94	0.47%	112,745,811.75	0.58%	-0.11%	No major changes
Fix assets	2,155,971,273.86	9.04%	2,136,912,034.28	11.02%	-1.98%	It is mainly due to the decrease in the proportion caused by the increase in the total assets of the Company in this period
Construction in progress	69,381,313.71	0.29%	69,920,839.20	0.36%	-0.07%	No major changes
Right-of-use assets	115,425,096.53	0.48%	49,993,400.61	0.26%	0.22%	It is mainly due to the Company's new factory lease in this period
Short-term loans	1,145,550,587.35	4.80%	1,134,102,419.03	5.85%	-1.05%	It is mainly due to the decrease in the proportion caused by the increase in the total assets of the Company in this period
Contract liability	394,822,462.19	1.66%	405,698,756.02	2.09%	-0.43%	It is mainly due to the decrease in the Company's advance payment in this period
Long-term loans	89,058,089.90	0.37%	108,000,000.00	0.56%	-0.19%	It is mainly due to the reclassification of the company's long-term loans to non-current liabilities due within one year
Lease liability	104,173,573.28	0.44%	43,488,292.70	0.22%	0.22%	It is mainly due to the Company's new factory lease in this period
Creditor's rights	1,231,537,871.00	5.16%	420,537,485.54	2.17%	2.99%	It is mainly due to the increase in the

	End of current period		Year-end of last year		Ratio changes	Notes of major changes
	Amount	Ratio in total assets	Amount	Ratio in total assets		
investment						Company's large deposit certificates in this period

**(2) Main overseas assets**

Applicable  Not applicable

**(3) Assets and liability measured by fair value**

Applicable  Not applicable

In RMB

Item	Amount at the beginning period	Changes of fair value gains/losses in this period	Accumulative changes of fair value reckoned into equity	Devaluation of withdrawing in the period	Amount of purchase in the period	Sales in the period	Other changes	Amount at end of the period
Financial assets								
1.Trading financial assets (derivative financial assets excluded)	39,236,447.63	- 28,216,454. 50			2,380,000,000. .00	1,300,000,000. 00.00		1,091,019,993.13
2.Receivable financing	1,641,858,740.34						- 41,485,382.47	1,600,373,357.87
3.Other non-current financial assets	674,139,515.48							674,139,515.48
Subtotal of financial assets	2,355,234,703.45	- 28,216,454. 50			2,380,000,000. .00	1,300,000,000. 00.00	- 41,485,382.47	3,365,532,866.48
Subtotal of financial assets	2,355,234,703.45	- 28,216,454. 50			2,380,000,000. .00	1,300,000,000. 00.00	- 41,485,382.47	3,365,532,866.48
Financial liabilities	32,229,012.86	14,677,745. 70						46,906,758.56

Other changes:

Other change of Trading financial assets mainly due to the provision of income from financial products; other change of receivable financing due to the decrease in note receivable with the objective of both collecting contractual cash flow (collections) and selling (endorsement or discounting)

Whether there have major changes on measurement attributes for main assets of the Company in report period or not

Yes  No

#### (4) Assets right restricted ended as reporting period

Ended as the reporting period, the Company has no major assets been closed down, detain, freeze or pledge and guarantee. As for other assets have restriction on rights found more in relevant content of “25. Assets with restricted ownership or use rights” in “V. Note of consolidate financial statement” carried under Section X. Financial Report

### VI. Investment analysis

#### (1) Overall situation

Applicable  Not applicable

Investment in the reporting (RMB)	Investment in the same period of last year ( RMB)	Changes
100,000,000	0	100%

#### (2) The major equity investment obtained during the reporting period

Applicable  Not applicable

In RMB

Name of invested	Principal business	Method of investment	Amount of investment	Share holding ratio	Capital sources	Partners	Term of investment	Type of products	Status as of the balance sheet date	Expected return	Current investment profit and loss	Whether involved in a lawsuit (Y/N)	Date of disclosure (if applicable)	Index of disclosure (if applicable)
Sichuan Changhong Intelligent Air Conditioning Technology Co., Ltd.	General items: Technical service, technical development, technical consultation, technical exchange, technology transfer and technology popularization; Software development; Software sales; Information technology consulting services; Industrial Internet data service; Information system integration service; Electronic component manufacturing; R&D of special electronic materials; Integrated circuit manufacturing; R&D of home appliances; Manufacturing of home appliances; Sales of home appliances; Installation service of home appliances; Sales of refrigeration and air conditioning equipment; Manufacturing of refrigeration and air conditioning equipment; Sales of electronic products; Manufacturing of special electronic materials; Sales of spare parts for home appliances; Sales of metal materials; Manufacturing of communication equipment; Non-residential real estate lease; General cargo storage services (excluding dangerous chemicals and other items that need permission and approval); Import and export of goods. (Except for items that are subject to approval according to law, business activities shall be independently carried out according to law by virtue of business license)	Newly established	100,000,000	100%	Self-fund	N/A	Long-term	Manufacturing and sales of frequency conversion drive control panel in air conditioning industry (including special air conditioners)	During the reporting period, it invested RMB 100 million	Not applicable	4,243,922.62	No	March 15, 2024	www.cninfo.com.cn (2024-006)
Total	--	--	100,000,000	--	--	--	--	--	--	--	--	--	--	--



			00								4,243,922			
											.62			

**(3)The material non-equity investment during the reporting period**

Applicable  Not applicable

The Company invested RMB 88 million in the refrigerator front-end capacity improvement project of Hefei manufacturing base. For details, please refer to Section VI "XIII. Explanation of Other Important Matters".

**(4)Financial assets investment**

**1. Securities investment**

Applicable  Not applicable

The Company had no securities investment in the reporting period.

**2. Derivative investment**

Applicable  Not applicable

**(1) Derivatives investment for hedging purposes during the reporting period**

Applicable  Not applicable

In RMB 10,000

Type	Initial investment	Amount at the beginning period	Profit and loss of fair value change in the current period	Changes in the cumulative fair value included in the equity	Amount purchased in the reporting period	Amount sales in the reporting period	Investment amount at period-end	Ratio of investment amount at period-end in net assets of the Company at period-end
Forward foreign exchange contract	630,614.02	332,515.07	-4,516.01	0	469,175.88	470,831.56	331,426.99	55.86%
Total	630,614.02	332,515.07	-4,516.01	0	469,175.88	470,831.56	331,426.99	55.86%
Specific principle of the accounting policy and calculation for derivatives in the Period compared	Not applicable							

with last period in aspect of major changes	
Description of actual profit and loss during the reporting period	During the reporting period, the Company confirmed the income from derivatives investment of RMB -5.6759 million
Description of hedging effect	During the reporting period, the Company adhered to the principle of exchange rate risk neutrality, used forward foreign exchange contracts as hedging tools, and signed forward foreign exchange contracts according to the foreign exchange receipt amount predicted by sales and the target cost exchange rate. The delivery period matched with the predicted return amount, and the agreed delivery amount matched with the predicted return amount to avoid the risks caused by exchange rate fluctuations. The cash flow changes in the hedging tools during the reporting period can offset the cash flow changes in the hedged items caused by exchange rate fluctuations, which met the requirements of hedging effectiveness and achieved the hedging objectives.
Capital resource	Own fund
Risk analysis and controlling measures for derivatives holdings in the Period (including but not limited to market risk, liquidity risk, credit risks, operation risk and law risks etc.)	<p>Risk analysis:</p> <ol style="list-style-type: none"> <li>1. Market risk: domestic and international economic situation changes may lead to exchange rate fluctuations, forward foreign exchange transactions are under certain market risk. Forward foreign exchange business is aiming to reducing impact on corporate profits by foreign exchange settlement and sale prices, exchange rate fluctuations. The Company will follow up the exchange fluctuation, on the basis of target rate determined from the business, relying on the research of the foreign currency exchange rates, combined with prediction of consignments, and burdening ability to price variations due to exchange rate fluctuations, then determine the plan of forward foreign exchange contracts, and make dynamic management to the business, to ensure reasonable profit level.</li> <li>2. Liquidity risk: all foreign exchange transactions are based on a reasonable estimate of the future import and export business, to meet the requirements of the trade authenticity. In addition, forward foreign exchange transactions are processed with bank credit, will not affect liquidity of company funds.</li> <li>3. Bank default risk: if cooperative banks collapse within the contract time, the Company will not be able to transact the original foreign exchange contracts with contract price, which leads the risk of income uncertainty. So the Company chose five state-owned banks, the Chinese-funded banks in shareholding enterprise as Everbright Bank, Industrial Bank and the foreign-funded banks as UOB, OCBC, BEA etc. to conduct the trading of foreign exchange capital. These banks share a solid strength and management whose failure and the risk of loss may bring to the Company is very low.</li> <li>4. Operational risk: improper operation of the person in charge of forward foreign exchange transactions may cause related risk also. The Company has formulated related management system which defines the operation process and responsibility to prevent and control risks.</li> <li>5. The legal risks: unclear terms based in contract signed with banks for related transactions may lead legal risks when forward foreign exchange transactions are processing. The Company will strengthen legal review, and choose good bank to carry out this kind of business as to risk control.</li> </ol>
Invested derivative products have changes in market price or fair value in the Period, as for analysis of the fair value of derivatives, disclosed specific applied methods and correlation assumption and parameter setting	The Company determines fair value in accordance with the Chapter VII “Determination of Fair Value” carried in the Accounting Standards for Business Enterprises No.22 - Recognition and Measurement of Financial Instruments. Fair-value is basically obtained according to prices offered by bank and other pricing services. While fair-value of derivatives is mainly obtained according to the balance between prices given by outstanding contracts and forward prices given by contracts signed during the reporting period with bank. The differences are identified as trading financial assets and liabilities.
Lawsuit involved (if applicable)	Not applicable

Disclosure date for approval from the Board for investment of derivatives (if applicable)	March 30,2024
Disclosure date for approval from board of shareholders for investment of derivatives (if applicable)	April 26,2024

**(2) Derivative investments for speculation during the reporting period**

Applicable  Not applicable

The Company had no derivative investment in the reporting period.

**(5).Application of raised proceeds**

Applicable  Not applicable

The Company had no Application of raised proceeds in the reporting period.

**VII. Sales of major assets and equity**

**(i) Sales of major assets**

Applicable  Not applicable

No major assets are sold in the period

**(ii) Sales of major equity**

Applicable  Not applicable

**VIII. Analysis of main holding company and stock-jointly companies**

Applicable  Not applicable

**(1) Particular about main subsidiaries and stock-jointly companies net profit over 10%**

In RMB

Company name	Type	Main business	Register capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Zhongke Meiling Cryogenic Technology Co., Ltd.	Subsidiary	Research and development, manufacturing and sales of ultra-low temperature freezer	96,730,934	737,697,341.25	603,039,962.52	147,052,294.25	10,339,671.79	10,426,784.69

Company name	Type	Main business	Register capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Jiangxi Meiling Electric Appliance Co., Ltd.	Subsidiary	Manufacturing of refrigeration and freezer	50,000,000	388,537,580.99	164,424,780.67	452,727,042.33	8,065,880.44	8,070,080.44
Mianyang Meiling Refrigeration Co., Ltd.	Subsidiary	Manufacturing of refrigeration and freezer	100,000,000	188,261,484.31	121,564,226.19	144,161,250.48	226,435.20	225,729.28
Sichuan Changhong Air-conditioner Co., Ltd.	Subsidiary	R&D, manufacturing and domestic sales of air-conditioning	850,000,000	7,669,854,642.67	1,387,607,623.09	5,980,606,189.78	197,430,766.90	169,983,588.43
Zhongshan Changhong Electric Co., Ltd.	Subsidiary	R&D, manufacturing and foreign sales of air-conditioning	334,000,000	3,084,772,990.34	397,811,423.40	2,646,258,855.57	54,017,058.03	48,293,893.96
Hefei Meiling Group Holdings Limited	Subsidiary	Sales of white goods	80,000,000	1,224,041,101.51	-232,062,180.44	2,725,785,206.35	60,437,448.54	60,074,232.62
Hefei Changhong Meiling Life Appliances Co., Ltd.	Subsidiary	R&D and sales of household appliances, kitchen appliances and small home appliances	50,000,000	681,337,829.37	153,568,317.80	680,109,991.85	16,904,169.89	13,774,801.74

**(2) Subsidiary obtained and disposed in the period**

Applicable  Not applicable

Company name	The method of obtaining and disposing subsidiaries during the report period	The influence to the whole production and performance
Sichuan Changhong Intelligent Air Conditioning Technology Co., Ltd.	Established by investment	Changhong Air Conditioning, a wholly-owned subsidiary of the Company, invested RMB 100 million to set it up. The establishment of the company aims to further enhance the key core technical capabilities and asset utilization rate, improve the processing services and quality assurance capabilities of electronic products, and at the same time to engage in related businesses centered on manufacturing and sales of frequency conversion drive control panels in the air conditioning industry (including special air conditioners). It has little impact on the company's overall production, operation and performance.

**(3) Description of the holding company and stock-jointly companies**

Applicable  Not applicable

Nil

**IX. Structured entity controlled by the Company**

Applicable  Not applicable

## X. Risks and countermeasures

### (1) Risks and countermeasures

In the first half of 2024, the domestic economy rebounded as a whole, but the domestic home appliance market demand was weak, and the industry competition became more intense. At the same time, the global political and economic environment was complicated, and the business situation still faced severe challenges. In the second half of 2024, the Company will face risks such as intensified industry competition, exchange rate fluctuation, price fluctuation of bulk materials, trade friction and geopolitical influence.

#### 1. Risk of intensified industry competition

The home appliance industry market in which the Company is engaged has entered the stock market competition, and the growth rate of the industry scale has slowed down, and the channel fragmentation and price competition have intensified. The Company will actively explore new channels such as integration, pre-installation and Tik Tok, and at the same time, it will seize the opportunities such as upgrading the structure of home appliances, and driving policy of replacing old ones with new ones to achieve growth.

#### 2. Risk of exchange rate fluctuation

In the first half of 2024, the Company was influenced by the international situation and the exchange rate fluctuated greatly. It carefully operated the exchange from the perspective of steady operation and risk control, and will pay close attention to exchange rate changes in the future to avoid adverse effects caused by exchange rate fluctuations.

#### 3. Risk of price fluctuation of bulk materials

The main raw materials of the company's products are steel, copper, aluminum, plastics and chemical materials, etc. If the prices of bulk raw materials fluctuate greatly, the related costs of the company will also change accordingly, which will have a certain impact on the company's operating performance.

#### 4. Influence of trade friction and geopolitics

The Company pays close attention to the impact of uncertain factors such as international trade friction and geopolitics on its global business.

In view of the above risks, combined with the industry situation in the second half of the year and the shortage in the first half of the year, in the second half of 2024, the Company will seize the opportunity, turn crisis into opportunity, and implement the business plan from the following aspects in part (II).

### (2) Operation plan for second half of the year

In the second half of 2024, the Company will continue to carry out work around the business idea of "adhering to the guidance of Party building, adhering to the value orientation and comprehensively efficiency improvement, focusing on one goal, improving six capabilities, deepening internal and external coordination, strengthening compliance and risk control, and promoting the company's sustained and high-quality development". Under the

premise of continuous improvement in profits and losses, the Company will strive to achieve scale growth higher than the industry average. The main work is as follows:

### **1. Refrigerator industry**

In the domestic market, it continues to adhere to the business idea of "value-orientation and comprehensive efficiency improvement", and faces the stock market competition, product structure upgrade and channel structure change based on "goal-orientation and problem-orientation". In terms of product promotion, it focuses on the layout of "fresh, thin, narrow and embedded", adheres to the product strategy of "ensuring retail, promoting quality products and improving efficiency", and well ensures customer-centered product operation and user-centered brand operation to provide consumers with unique value products; In terms of product R&D, it continues to adhere the user-centered principle, gain insight into consumer demand and technology development trend, build a three-tier R&D system, implement the product manager responsibility system, form the competitive advantage of "excellent products + hot products" on the basis of refined management of product structure, and continuously improve product quality, enhance product competitiveness and create user value; In terms of channel reform, it continues to consolidate basic channels, win retail channels, expand incremental channels and make breakthrough in emerging channels to improve the quality and scale of channel operation; In terms of terminal marketing, it strengthens terminal marketing capacity building, enhances terminal image competitiveness, focuses on new media content marketing, and enhances user operation and diversion & transformation; It continues to carry out benchmarking and strengthen the continuous improvement of internal efficiency.

In the overseas market, it actively improves the product structure, adjusts the market structure, optimizes the customer structure, improves the efficiency internally and continuously improves the operating quality in combination with the development trend of industry demand. On the product end, it carries out product innovation in terms of air cooling, frequency conversion and energy saving, and enhances the promotion of multi-door refrigerators; It focuses on improving competitiveness, quality and value, deepens the construction of key resources, improves the manufacturing efficiency of middle and low-end products, and increases the refinement and manufacturing capacity of high-end refrigerators. On the market end, it accelerates brand business, increases the development of emerging markets, and focuses on ToC promotion, training and terminal capacity building; It increases the proportion of big customers and enhances the support ability of big customers. It deepens efficiency improvement, builds CIF shipping capacity, strengthens the connection between production, marketing and supply through the mode of "production by cabinets", improves R&D efficiency through digital construction, and strictly controls overdue inventory and overdue accounts receivable by "controlling time and abnormality" to achieve a steady improvement in operating quality.

### **2. Air conditioning industry**

In the domestic market, the Company adheres to the science and technology strategy, focuses on core technologies and empowers products with technology. It insists on innovation leading, and continues to deepen technical R&D around core technologies such as frequency conversion and simulation, and has established key projects such as intelligent, efficient and comfortable brand-new "Winning" frequency conversion technology platform, preventive technology of explosion and combustion of refrigeration system, digital holographic parameter



commercial inspection technology, five-constant air conditioner and AI air conditioner to maintain its competitiveness in the industry. Further strengthen the dual circulation of ToC and ToB, strengthens strategic cooperation at B-end, and promotes multi-channel and diversified B-end business; At the C-end, it promotes channel co-creation and direct access to users, comprehensively covers all online and offline channels, and promotes the efficiency improvement with commercial inventory as the core and the integration of "delivery, loading, service and collection" services.

In overseas markets, it continues to implement the core concept of "scale growth with profit and profit growth with cash flow". It adheres to the brand priority strategy and deepens the development of the base market. It focuses on regional markets with core advantages, actively seeks growth opportunities, focuses on strengthening advantageous channels and opening up new markets, and is committed to in-depth cooperation with key customers. It keeps up with the market development trend and constantly introduces high-end, innovative and frequency conversion products; It adheres to the business-oriented and customer-centered principle, and continuously improves product quality and customer service capabilities to enhance customer satisfaction; It adheres to the digital empowerment business, builds a digital factory, strengthens the integrated operation of production, supply, marketing, research and logistics planning, and continuously improves the efficiency of the Company.

### **3. Washing machine industry**

In terms of washing machine industry products, the Company will continue to upgrade and optimize the product appearance, function and washing effect in the second half of 2024, and comprehensively enhance its product competitiveness. As for drum products, it mainly promotes the expansion of "As Hand Washing" product series, enhances the competitiveness of waist products, and helps drum products in the domestic market to achieve rapid scale breakthrough; Its pulsator products are continuously upgraded to improve profitability; It completes the launch of the heat pump dryer, builds a set of washing machine and dryer products, and further improves the product line layout. As for market, in terms of domestic sales, it continues to consolidate the construction of basic channels, focuses on resources to achieve breakthrough development of e-commerce channels, and ensure the steady growth of domestic sales. In terms of export, it realizes the coordination of refrigerator washing machines in the whole product line, focuses on key areas, key customers and key products, and gradually completes the layout of drum products at all levels to achieve sustained and rapid growth in scale.

### **4. Kitchen, bathroom product and home appliance industry**

While stabilizing the market position of tea products, it continues to expand the market influence and further enhance the brand influence around single products. At the same time, it strengthens brand building and marketing, improves brand awareness and reputation, and lays a solid foundation for the sustainable development of the industry. Guided by market demand and driven by technological innovation, it continues to increase investment in R&D and continuously introduce innovative and competitive products to meet the increasingly diversified needs of consumers. It continues to promote the category focus strategy, strengthen the product effect analysis, reduce the number of categories and SKUs, and improve operational efficiency; It improves the efficiency of inter-departmental coordination, optimizes management processes, improves the quality of employees, and helps the high-quality development of the industry.

## 5. Biomedical industry

The Company unswervingly promotes the product collaboration strategy of "diversification based on biomedical field", focuses on the field of life sciences, promotes channel innovation and upgrading, product R&D innovation based on the improvement of overall operational capacity, deepens the business, and comprehensively improves service capacity and management level, so as to enhance market user coverage and product market share. It always adheres to the business philosophy of "technology-founded, product-based, market-oriented and customer-centered", and continues to operate steadily around the business principles of deepening channels, innovating products, optimizing quality and improving efficiency.

### **XI. The implementation of the action plan of "Double improvement of quality and return".**

Whether the Company has disclosed the action plan of "Double improvement of quality and return".

Yes No

## Section IV Corporate Governance

### I. AGM(Annual General Meeting) and extraordinary general meeting

#### (1)AGM held in the period

Meeting	Type	Participation ratio for investors	Meeting date	Disclosure date	Resolution
2023 AGM	Annual General Meeting	44.8860%	April 25,2024	April 26,2024	The General Meeting have approved 14 proposals in total, including “Annual Report of 2023 and Its Summary”, “Report on Works of BOD for year of 2023”, “Report on Works of BOS for year of 2023”, “Financial Statement Report for year of 2023”, “Plans of Profit Distribution for year of 2023”, “Proposal on Changing 2024 Annual Financial Report and Internal Control Auditing Organization” found more in the “Resolution of 2023 Annual General Meeting” (No.: 2024-024) released on Juchao Website <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a>
First Extraordinary General Meeting of 2023	Extraordinary General Meeting	42.7763%	June 18,2024	June 19,2024	The General Meeting have approved 9 proposals in total, including the Proposal on Providing Guarantee for the Company's Wholly-owned Subsidiaries, the Proposal on Amending Some Clauses of "Articles of Association", the Proposal on Amending Some Clauses of the Company's "Authorization Management System", the Proposal on Increasing the Use of the Company's Own Idle Funds to Invest in Wealth Management Products and the Proposal on Amending Some Clauses of the Company's "Rules of Procedure for the Board of Supervisors". found more in the “Resolution of 2023 First Temporary General Meeting” (No.: 2024-036) released on Juchao Website <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a>

#### (2) Request for extraordinary general meeting by preferred stockholders with rights to vote

Applicable Not applicable

### II. Changes of directors, supervisors and senior executives

Applicable Not applicable

Name	Title	Types	Date	Reason
Wu Dinggang	Chairman	Elected	June 18,2024	<p>After review and approval at the First Extraordinary General Meeting of Shareholders in 2024, it was agreed to elect Mr. Wu Dinggang as a non-independent director of the 11th Board of Directors of the Company, with a term of office of three years, which will take effect from the date of review and approval at the General Meeting of Shareholders;</p> <p>According to the resolution of the first meeting of the 11th Board of Directors of the Company, it was agreed to elect Mr. Wu Dinggang as the chairman of the 11th Board of Directors of the Company,</p>

				with a term of office from the date of review and approval by the Board of Directors of the Company to the date of expiration of his term of office in the current Board of Directors.
Zhong Ming	Director	Elected	June 18,2024	According to the resolution of the first meeting of the 11th Board of Directors of the Company, it was agreed to elect Mr.Zhong Ming as a non independent director of the 11th Board of Directors of the Company, with a term of office from the date of review and approval by the Board of Directors of the Company to the date of expiration of his term of office in the current Board of Directors.
	President	Appoint	June 18,2024	According to the resolution of the first meeting of the 11th Board of Directors of the Company, it was agreed to elect Mr. Zhong Ming as the president of the 11th Board of Directors of the Company, with a term of office from the date of review and approval by the Board of Directors of the Company to the date of expiration of his term of office in the current Board of Directors.
Yi Suqin	Director	Elected	June 18,2024	After review and approval at the First Extraordinary General Meeting of Shareholders in 2024, it was agreed to elect Ms. Yi Suqin as a non-independent director of the 11th Board of Directors of the Company, with a term of office of three years, which will take effect from the date of review and approval at the General Meeting of Shareholders;
Cheng Ping	Director	Elected	June 18,2024	After review and approval at the First Extraordinary General Meeting of Shareholders in 2024, it was agreed to elect Mr. Cheng Ping as a non-independent director of the 11th Board of Directors of the Company, with a term of office of three years, which will take effect from the date of review and approval at the General Meeting of Shareholders.
Fang Wei	Director	Elected	June 18,2024	After review and approval at the First Extraordinary General Meeting of Shareholders in 2024, it was agreed to elect Mr. Fang Wei as a non-independent director of the 11th Board of Directors of the Company, with a term of office of three years, which will take effect from the date of review and approval at the General Meeting of Shareholders.
Mu Wen	Independent director	Elected	June 18,2024	After review and approval at the First Extraordinary General Meeting of Shareholders in 2024, it was agreed to elect Ms.Mu Wen as the independent director of the 11th Board of Directors of the Company, with a term of office of three years, which will take effect from the date of review and approval at the General Meeting of Shareholders.
Hong Yuanjia	Independent director	Elected	June 18,2024	After review and approval at the First Extraordinary General Meeting of Shareholders in 2024, it was agreed to elect Mr.Hong Yuanjia as the independent director of the 11th Board of Directors of the Company, with a term of office of three years, which will take effect from the date of review and approval at the General Meeting of Shareholders.

Cheng Wenlong	Independent director	Elected	June 18,2024	After review and approval at the First Extraordinary General Meeting of Shareholders in 2024, it was agreed to elect Mr.Cheng Wenlong as the independent director of the 11th Board of Directors of the Company, with a term of office of three years, which will take effect from the date of review and approval at the General Meeting of Shareholders.
Qiu Jian	Supervisor	Elected	June 18,2024	After review and approval at the First Extraordinary General Meeting of Shareholders in 2024, it was agreed to elect Mr.Qiu Jian as the shareholder representative supervisor of the 11th Board of supervisors of the Company, with a term of office of three years, which will take effect from the date of review and approval at the General Meeting of Shareholders.
	Chairman of Supervisory	Elected	June 18,2024	According to the resolution of the first meeting of the 11th Board of Supervisors of the Company, it was agreed to elect Mr. Qiu Jin as the chairman of the 11th Board of supervisors of the Company, with a term of office of three years, The term of office is consistent with the term of office of the current Board of Supervisors.
Ma Yu	Supervisor	Elected	June 18,2024	After review and approval at the First Extraordinary General Meeting of Shareholders in 2024, it was agreed to elect Mr. Ma Yu as the shareholder representative supervisor of the 11th Board of Supervisors of the Company, with a term of office of three years, which will take effect from the date of review and approval at the General Meeting of Shareholders.
Ji Ge	Staff supervisor	Elected	June 17,2024	After democratic election by 2nd session of the 9th employee representative meeting, Ms.Ji Ge was elected as the employee supervisor of the 11th board of supervisors, with a term of office of three years, The term of office is consistent with the term of office of the current Board of Supervisors.
Tang Youdao	Vice president	Appoint	June 18,2024	According to the resolution of the first meeting of the 11th Board of Directors, it was agreed to appoint Mr. Tang Youdao as the Company's vice president. with a term of office from the date of review and approval by the Board of Directors of the Company to the date of expiration of his term of office in the current Board of Directors.
Kou Huameng	Director	Dimission	June 18,2024	When the Board of Directors changes, he will resign at the expiration of his term of office.
	Vice president	Appoint	June 18,2024	According to the resolution of the first meeting of the 11th Board of Directors, it was agreed to appoint Mr. Kou Huameng as the Company's vice president. with a term of office from the date of review and approval by the Board of Directors of the Company to the date of expiration of his term of office in the current Board of Directors.

Hu Zhaogei	Director	Dimission	June 18,2024	When the Board of Directors changes, he will resign at the expiration of his term of office.
	Vice president	Appoint	June 18,2024	According to the resolution of the first meeting of the 11th Board of Directors, it was agreed to appoint Mr. Huu Zhaogui as the Company's vice president. with a term of office from the date of review and approval by the Board of Directors of the Company to the date of expiration of his term of office in the current Board of Directors.
Li Xia	Vice president	Appoint	June 18,2024	According to the resolution of the first meeting of the 11th Board of Directors, it was agreed to appoint Ms. Li Xia as the Company's vice president. with a term of office from the date of review and approval by the Board of Directors of the Company to the date of expiration of his term of office in the current Board of Directors.
	Secretary of the Board	Appoint	June 18,2024	According to the resolution of the first meeting of the 11th Board of Directors, it was agreed to appoint Ms. Li Xia as the Company's secretary of the board. with a term of office from the date of review and approval by the Board of Directors of the Company to the date of expiration of his term of office in the current Board of Directors.
Pang Haitao	CFO	Appoint	June 18,2024	According to the resolution of the first meeting of the 11th Board of Directors, it was agreed to appoint Mr.Pang Haitao as the Company's CFO. with a term of office from the date of review and approval by the Board of Directors of the Company to the date of expiration of his term of office in the current Board of Directors.
Yong Fengshan	Director	Dimission	June 18,2024	When the Board of Directors changes, he will resign at the expiration of his term of office.
Zhao Gang	Director	Dimission	June 18,2024	When the Board of Directors changes, he will resign at the expiration of his term of office.
Shao Min	Chairman of Supervisory	Dimission	June 18,2024	When the Board of Supervisors changes, he will resign at the expiration of his term of office.
He Xintan	Supervisor	Dimission	June 18,2024	When the Board of Supervisors changes, he will resign at the expiration of his term of office.
Huang Hong	Supervisor	Dimission	June 18,2024	When the Board of Supervisors changes, he will resign at the expiration of his term of office.
Sun Hongying	Supervisor	Dimission	June 18,2024	When the Board of Supervisors changes, he will resign at the expiration of his term of office.
Huang Danian	Chairman of Supervisory	Dimission	June 18,2024	He will resign at the expiration of his term of office.

### III. Profit distribution plan and capitalizing of common reserves in the period

Applicable  Not applicable

There are no cash dividend, bonus and capitalizing of common reserves carried out in the semi-annual

**IV. Implementation of the company's stock incentive plan, employee stock ownership plan or other employee incentives**

Applicable  Not applicable

The Company has no implementation of the company's stock incentive plan, employee stock ownership plan or other employee incentives in the period.

## Section V Environmental and Social Responsibility

### I. Major environmental

(1) The listed Company and its subsidiary whether belongs to the key sewage units released from environmental protection department

Yes  No

Administrative penalties for environmental issues during the reporting period

Name	Cause	Violation of the situation	Result	Impact on the production and operation of listed companies	The company's rectification measures
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

### (2) .Refer to other environmental information disclosed by key pollutant discharge units

Not applicable。

### (3) .Measures taken to reduce carbon emissions and their effectiveness during the reporting period

Applicable  Not applicable

Combined with the characteristics and special requirements of carbon emissions, the Company has set up a management committee for carbon peaking and carbon neutrality to set carbon reduction targets, promote the Company's overall carbon emission work, and at the same time to help save energy and reduce carbon emission by continuously improving the Company's energy management system. During the reporting period, the Company vigorously promoted and applied the advanced energy-saving equipment and technology in the industry, and implemented energy-saving renovation projects such as depressurization operation of air compressor, renovation of combined control system of nitrogen generator, automatic control of steam valve, energy-saving renovation of container packed oven dryer, application research on waste heat recovery of air compressor, and application of solar street lamp. In addition, the Company actively upgraded its energy management system, realized interoperability with production systems, further improved the refined level of energy management of the Company, and effectively reduced energy consumption and carbon dioxide emissions. In order to improve the use of green energy, the Company has also purchased some green electricity, and will continue to expand the proportion of green energy in the future. Under the guidance of the carbon peaking and carbon neutrality committee, the Company will further improve the management and cooperation of the supply chain, promote suppliers and partners to jointly reduce carbon emissions, optimize logistics and transportation modes, improve the use of green vehicles, and pay attention to the use of recyclable packaging and transshipment materials to reduce carbon emissions in the whole production and transportation process.

### (4) .Reasons for not disclosing other environmental information

Neither the Company nor its subsidiaries belong to the key pollutant discharge units announced by the



environmental protection department. The Company advocates the development concept of green environmental protection, strictly abides by environmental protection laws and regulations such as the *Environmental Protection Law of People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Water Pollution* and the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, promotes green production, enhances energy conservation and emission reduction, and earnestly fulfills its environmental protection responsibilities.

## II. Social responsibility

The Company continues to promote win-win development with its stakeholders, earnestly fulfills its social responsibilities, pays close attention to the voices of all stakeholders, and actively gives back and improves, and is determined to become an enterprise that is respected by the society and loved by its employees. While achieving sound development, it pays attention to protecting the interests of its shareholders, employees, suppliers, customers and consumers, and actively engages in public welfare undertakings, thus promoting the harmonious development of the Company and the whole society.

### 1. Protection of the rights and interests of shareholders and creditors

The company strictly follows the provisions and requirements formulated by the Articles of Association and the Rules of Procedure for the General Meeting of Shareholders, regulates the convening, holding and voting procedures of the general meeting of shareholders, equally treats all shareholders, especially small and medium shareholders equally, and ensures that all shareholders enjoy equal status and fully exercise their own rights. Under the premise of strictly implementing the Administrative Measures for Information Disclosure of Listed Companies, the company actively communicates and exchanges information with investors on the company's operations and management, financial status, etc. through annual performance briefings, Anhui service week for investors by SZSE, investor telephone hotline, e-mails, and the investor relations interactive platform of the Shenzhen Stock Exchange, and discloses information to all investors in a truthful, accurate, complete, concise and clear, and easy-to-understand manner; further, the company attaches great importance to the shareholder return mechanism, According to the Return Plan for Shareholders of Changhong Meiling Co., Ltd. for the Next Three Years (2024 -2026), It guides investors to establish the concept of long-term investment and rational investment, and maintains the continuity and stability of the profit distribution policy. During the reporting period, combined with its own operating conditions and other factors, the Company implemented the 2023 profit distribution plan and made cash dividends, accounting for 41.70% of the net profit attributable to shareholders of listed companies in 2023, offered shareholders a reasonable return on investment.

In addition, in order to establish a variety of shareholder return mechanisms and thank investors for their long-term concern and support for the Company, during the reporting period, the Company held the "Meiling Shareholder Thanksgiving Festival" to give back to all shareholders with sincerity.

### 2. Protection of the rights and interests of employees

In accordance with relevant laws, regulations and policies, and in light of its own actual situation, the company has established a relatively complete employment management system, including labor contract system, salary and

performance appraisal system, welfare management system, training management system, employee vacation management system, etc..The company attaches importance to the vital interests of employees, protects the legitimate rights and interests of employees to the maximum extent, establishes harmonious labor relations, and strives to form a good mechanism for the company and employees to create and share together. At the same time, the company creates a people-oriented cultural atmosphere by providing various holidays, allowances, condolences and organizing diversified employee activities, benchmarking personnel selection, carnivals, etc., and continuously improves employee satisfaction.

### 3. Protection of the rights and interests of suppliers, customers and consumers

The company has established a relatively complete procurement management system, optimized and revised system documents in a timely manner, unified information system tools, strictly controlled every link of the procurement business, cultivated core and strategic suppliers, and established a high-end supply chain cultivation plan for component suppliers of high-end products, so as to form a synergy, cooperation and win-win situation between the company and its suppliers.

The Company has a perfect product development process, advanced R&D system, and constantly develops products with leading technology. The Company attaches great importance to product quality, has strong quality control ability, reliable product performance and a refined quality management system, and has passed the management system certifications such as ISO9001, ISO14001 and ISO45001. The Company's testing center has CNAS accreditation qualification, complete test items and strong testing ability, which meets the requirements of strict and high-level testing of products. At the same time, it has built one of the few RoHS and intelligent IoT laboratories in the industry. The Company adheres to the user-centered principle and attaches importance to user reputation. In the domestic market, it increases its attention and support in terminal construction, user experience and product training to increase the sales of products; In the export market, it fully recognizes the requirements of local laws and regulations, strictly certifies products, and fully verifies the reliability and environmental adaptability of products to ensure the reliability of products in the target market. Its export products have covered more than 100 countries or regions. According to different types of customers, it implements classification and system management through the information system, and timely feeds back the demands put forward by customers, continuously improves quality services and enhances brand image; It also tracks the market performance by customer satisfaction and user net recommendation value.

For the protection of consumers' rights and interests, the company has a relatively advanced closed-loop management system for user service. In order to meet users' service needs, it gradually improves the function construction of official channel service platforms such as 400 service hotline, brand official website, WeChat official account and Zhihuijia APP, attaches importance to and strengthens the user interaction and experience of social platforms such as Tik Tok, Xiaohongshu, Weibo, Bilibili and Zhihu, and understands and handles users' needs and questions in time. In view of user demand processing, it promotes the process visualization management and user evaluation system management of work order processing timeline. In addition, the company pays attention to improving consumers' product guarantee service ability, and has created Meiling's exclusive characteristic guarantee service measures, and upgraded and launched the services such as unconditional return within 180 days for Meiling

M fresh refrigerator because of dissatisfaction in preservation, and unconditional return within 180 days for Meiling clean refrigerator because of dissatisfaction in disinfection and sterilization, so as to effectively meet users' needs and enhance consumer satisfaction.

Changhong household air conditioner enjoys the 10-year warranty policy of the whole unit, which effectively meets the needs of users and enhances consumer satisfaction.

#### 4. Social welfare

Over the years, the company has been actively participating in social welfare undertakings and various social welfare activities. The Company actively carries out actions such as helping employees with serious illness or difficulties, advocating voluntary donations from employees, paying attention to occupational disease prevention and control, and organizing safety education and training. During the reporting period, the Company took the initiative to assume social responsibilities, rushed to the flood-stricken areas in Xixian County, Huangshan, and provided free testing and cleaning services for home appliances. The Party Committee of the Company actively participated in the third party building project of Micro-philanthropy venture capital in the Jinxiu Community Social Organization Incubation Park in Hefei Economic Development Zone. During the reporting period, it organized six activities, including popular science popularization experiment, safety education and psychological salon, to enhance the happiness of the community and family. The Company also helped many primary and secondary schools in Hefei to carry out 26 study tours, gave full play to the advantages of national intelligent manufacturing demonstration enterprises, set up labor practice classes on the production line, received nearly 3,000 primary and secondary school students, and sowed the "made in China" seeds in the hearts of every teenager through interesting experiment classes, creative labor classes and brand history classes.

## Section VI Important Events

**I. Commitments that the actual controller, shareholders, related party, the buyer and the company have fulfilled during the reporting period and have not yet fulfilled by the end of reporting period**

Applicable  Not applicable

The Company has no commitments that the actual controller, shareholders, related party, the buyer and the company have fulfilled during the reporting period and have not yet fulfilled by the end of reporting period

**II. Non-operational fund occupation from controlling shareholders and its related party**

Applicable  Not applicable

No non-operational fund occupation from controlling shareholders and its related party in period.

**III. External guarantee out of the regulations**

Applicable  Not applicable

No external guarantee out of the regulations occurred in the period.

**IV. Appointment and non-reappointment (dismissal) of CPA**

Whether the semi-annual financial report had been audited

Yes  No

The semi-annual report was not audited

**V. Explanation on “non Qualified Opinion” from CPA by the Board and Supervisory Committee**

Applicable  Not applicable

**VI. Explanation from the Board for “non Qualified Opinion” of last year’s**

Applicable  Not applicable

**VII. Bankruptcy reorganization**

Applicable  Not applicable

No bankruptcy reorganization for the Company in reporting period

**VIII. Lawsuit**

**(i) Major Litigation and Arbitration Matters**

Applicable  Not applicable

Basic situation of litigation(arbitration)	Amount involved	Whether to	Litigation(arbitration)	Litigation(arbitration)trial	Implementation of	Disclosure	Disclosure

	(Ten thousand yuan)	form estimated liabilities	tion)progress	results and impact	litigation(arbitration)judgments	date	index
Zhiyijia, an affiliated enterprise of the company, signed a sales contract with the defendant, Tianjin Pengsheng Logistics Co., Ltd. (hereinafter referred to as "Tianjin Pengsheng"). After the contract was signed, Zhiyijia, the plaintiff, supplied the goods to Tianjin Pengsheng, the defendant as agreed, but Tianjin Pengsheng, the defendant, failed to fulfill the payment obligation to Zhiyijia as agreed. As of November 30, 2022, according to statistics, Tianjin Pengsheng, the defendant, still owed Zhiyijia a payment of RMB 96,174,308.42. Based on this, Zhiyijia, the plaintiff brought a lawsuit against Tianjin Pengsheng, the defendant to the People's Court of Mianyang High-tech Industrial Development Zone, and requested the court to order Tianjin Pengsheng to immediately pay the plaintiff RMB 96,174,308.42 and the corresponding liquidated damages for overdue payment, and bear the related litigation costs and property preservation guarantee fees.	9,617.43	No	The judgment of the first instance has come into effect.	The court ordered the defendant Tianjin Pengsheng to immediately pay the plaintiff RMB 96,174,308.42 and the corresponding liquidated damages for overdue payment, and bear the related litigation costs and property preservation guarantee fees.	Under execution	December 24, 2022, October 20, 2023	( <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> )(2022-101a and 2023-057)
Meiling Group, a subsidiary of the Company, signed a sales contract with Gome Electrical Appliances Co., Ltd. (hereinafter referred to as "Gome"). After the contract was signed, Meiling Group, the plaintiff, fulfilled the supply obligation according to the contract, while Gome and its affiliated companies, the defendant, failed to fulfill the payment obligation to Meiling Group according to the contract. According to statistics, the defendant Gome and its affiliated companies owe Meiling Group RMB 9,841,267.21 for purchase payment and RMB 1,018,820.55 for liquidated damages for overdue payment, totaling RMB 10,860,087.76. Based on this, the plaintiff Meiling Group filed a lawsuit against the defendant Gome and its affiliated companies in the People's Court of Hefei High-tech Industry Development Zone. It requested the court to order the defendant Gome to immediately pay the plaintiff Meiling Group the purchase payment and the liquidated damages for overdue payment, totaling RMB	1,086.01	No	The case has been accepted and is in the formal trial stage or pre-litigation mediation stage.	No trial result yet	No trial result yet	October 20, 2023	( <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> )(2023-058)

10,860,087.76.							
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Notes: The Company's shareholding in Zhiyijia is 50%, and the products are sold through Zhiyijia's smart trading platform. The customers, channels and sales transactions corresponding to the products sold are controlled and docked by the company itself, and the external transaction object is Zhiyijia, and related transactions are formed between the Company and Zhiyijia. In terms of payment settlement, the Company and Zhiyijia follow the principle of "external customer account period is Zhiyijia's account period to the Company, and external customer payment is Zhiyijia's payment to the Company, which is not allowed to be remained or transited at Zhiyijia". The amounts involved in this case are all accounts receivable and liquidated damages for overdue payment caused by the Company's sales through the smart trading platform of Zhiyijia, but the subject of the agreement is Zhiyijia, and this lawsuit will be filed by Zhiyijia. The Company and its affiliated enterprise Zhiyijia will claim their legitimate rights and interests according to law and actively take relevant measures to safeguard the legitimate rights and interests of the Company, Zhiyijia and the investors.

**(ii) Other litigation matters**

Applicable  Not applicable

**IX. Penalty and rectification**

Applicable  Not applicable

During the reporting period, the Company had no Penalty and rectification.

**X. Integrity of the company and its controlling shareholders and actual controllers**

Applicable  Not applicable

**XI. Major related party transaction**

**(i) Related party transaction with routine operation concerned**

√ Applicable □ Not applicable

Serial	Related party	Relationship	Type of related transaction	Content of related transaction	Pricing principle	Related transaction price (in 10 thousand Yuan)	Related transaction amount (in 10 thousand Yuan)	Proportion in similar transactions (%)	Trading limit approved (in 10 thousand Yuan)	Whether over the approved limited or Not (Y/N)	Clearing form for related transaction	Available similar market price	Date of disclosure	Index of disclosure
1	Sichuan Changhong Electric Co., Ltd.	Controlling shareholder	Commodity purchase	Pressure regulator, integrated circuit, transistors, steel plate, plastic parts, etc	Marketing price	6,217.87	6,217.87	0.45%	23,000.00	N	Spot exchange, Bank acceptance	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
2	Sichuan Changhong Electric Holdings Group Co., Ltd.	Controlling shareholder	Commodity purchase	Steel plate and plastic particles, etc	Marketing price	116,368.5	116,368.5	8.51%	280,000.00	N	Spot exchange, Bank acceptance	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
3	Changhong Huayi Compressor Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchase	Compressor, Energy	Marketing price	29,660.37	29,660.37	2.17%	80,000.00	N	Spot exchange, Bank acceptance	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.

4	Sichuan Changhong Mold Plastic Tech. Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchase	Components, plastic parts and lining accessories etc.	Marketing price	59,341.49	59,341.49	4.34%	130,000.00	N	Spot exchange, Bank acceptance	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
5	Sichuan Changhong Jijia Fine Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchase	Base plate assembly, black plate, bracket etc.	Marketing price	40,976.08	40,976.08	3.00%	65,000.00	N	Spot exchange, Bank acceptance	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.: 2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
6	Sichuan Changhong Package Printing Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchase	Packing boxes, foam, fixed support block etc.	Marketing price	8,727.99	8,727.99	0.64%	20,000.00	N	Bank acceptance	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.: 2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
7	Sichuan Changhong Precision Electronics Tech. Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchase	Printed board machine insertion machine paste assembly	Marketing price	1,976.06	1,976.06	0.14%	4,000.00	N	Spot exchange, Bank acceptance	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.



8	Guangdong Changhong Electronics Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchased	Foam and carton	Marketing price	542.44	542.44	0.04%	6,000.00	N	Spot exchange, Bank acceptance	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
9	Sichuan Changhong Intelligence Manufacturing Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchased	Outside cover parts	Marketing price	0.49	0.49	0.00%	5,000.00	N	Bank acceptance	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
10	Sichuan Hongwei Technology Co., Ltd	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchased	Electric toothbrush, body fat weighing, smart watches, etc	Marketing price	1.42	1.42	0.00%	6,000.00	N	Bank acceptance	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
11	Hefei Changhong Industrial Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchased	Energy	Marketing price	403.79	403.79	0.03%	6,000.00	N	Bank acceptance	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
12	Sichuan Changhong New	Other enterprise control	Commodity purchased	Batteries	Marketing price	41.58	41.58	0.00%	5,000.00	N	Spot exchange, Bank acceptance	-	December 5,2023,December 22,2023, March	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-

	Energy Technology Co., Ltd.	under the same controlling shareholder and ultimate controller											30,2024, April 26, 2024	066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
13	Sichuan Zhiyijia Network Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchased	Air conditioner, LCD TV	Marketing price	160.02	160.02	0.01%	6,000.00	N	Spot exchange	-	December 5, 2023, December 22, 2023, March 30, 2024, April 26, 2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
14	Changhong International Holdings (Hong Kong) Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchased	Television	Marketing price	432.77	432.77	0.03%	16,000.00	N	Spot exchange	-	December 5, 2023, December 22, 2023, March 30, 2024, April 26, 2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
15	Sichuan Changhong Device Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchased	printed board	Marketing price	454.57	454.57	0.03%	6,000.00	N	Bank acceptance	-	December 5, 2023, December 22, 2023, March 30, 2024, April 26, 2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
16	Sichuan Changhong Electronic	Other enterprise control under the same controlling	Commodity purchased	Remote controls, switching transformers, printed boards, electronic components, etc.	Marketing price	1,485.08	1,485.08	0.11%	5,000.00	N	Spot exchange, Bank acceptance	-	December 5, 2023, December 22, 2023, March 30, 2024, April 26, 2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.

	Products Co., Ltd.	shareholder and ultimate controller												
17	Sichuan Ailian Science & Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchased	Internet access modules, electronic components, etc	Marketing price	777.61	777.61	0.06%	3,000.00	N	Spot exchange, Bank acceptance	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
18	Sichuan Aichuang Science & Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchased	Inverter integrated board	Marketing price	7,397.51	7,397.51	0.54%	30,000.00	N	Spot exchange, Bank acceptance	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
19	Sichuan Aoku Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchased	Inverter integrated board , Electronic control components	Marketing price	1,458.92	1,458.92	0.11%	8,000.00	N	Spot exchange, Bank acceptance	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
20	Sichuan Changhong Electronics Holding Group Co., Ltd.	Controlling shareholder and ultimate controller	Accept labor service	Shuttle transportation fee, training fee	Marketing price	66.74	66.74	0.07%	280,000.00	N	Spot exchange	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.

21	Sichuan Changhong Electric Co., Ltd.	Controlling shareholder	Accept labor service	Software usage fee, information consultation fee, inspection and certification fee	Marketing price	189.23	189.23	0.21%	5,000.00	N	Spot exchange	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
22	Sichuan Changhong Minsheng Logistics Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Accept labor service	Transportation costs, storage and handling charges, freight and miscellaneous charges etc.	Marketing price	45,670.31	45,670.31	50.08%	75,000.00	N	Spot exchange	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
23	Sichuan Changhong Mold Plastic Tech. Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Accept labor service	commission processing fee, Change the mold service	Marketing price	2,237.63	2,237.63	2.45%	5,000.00	N	Spot exchange, Bank acceptance	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
24	Sichuan Service Exp. Appliance Service Chain Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Accept labor service	Three packages, equipment repair, miscellaneous fees, installation fee etc.	Marketing price	19,691.13	19,691.13	21.59%	51,000.00	N	Spot exchange	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
25	Sichuan Hongxin Software Co., Ltd.	Other enterprise control under the same controlling	Accept labor service	Software usage fee, service supporting fee and information	Marketing price	114.75	114.75	0.13%	5,000.00	N	Spot exchange	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-

		shareholder and ultimate controller		service fee										014,2024-024.
26	Guangdong Changhong Electronics Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Accept labor service	Service support fee, network service fee etc.	Marketing price	16.97	16.97	0.02%	5,000.00	N	Spot exchange	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
27	Sichuan Jiahong Industrial Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Accept labor service	Meals, property management fees etc.	Marketing price	344.91	344.91	0.38%	5,000.00	N	Spot exchange	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
28	Sichuan Changhong International Hotel Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Accept labor service	Meetings fee, accommodation, Travel service	Marketing price	88.38	88.38	0.10%	5,000.00	N	Spot exchange	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
29	Sichuan Changhong Property Services Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Accept labor service	property management fees	Marketing price	5.83	5.83	0.01%	5,000.00	N	Spot exchange	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.

30	Sichuan Zhiyijia Network Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Accept labor service	Design service fee and platform usage fee	Marketing price	7.71	7.71	0.01%	5,000.00	N	Spot exchange	-	December 5,2023,December 22,2023, March 30,2024,April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
31	Sichuan Changhong Network Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Accept labor service	Network maintenance services	Marketing price	0.07	0.07	0.00%	5,000.00	N	Spot exchange	-	December 5,2023,December 22,2023, March 30,2024,April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
32	Mianyang High-tech Zone Hongfu Technology Co., Ltd.	Companies where the supervisor of the controlling shareholder serves as a director	Accept labor service	Traffic services	Marketing price	68.24	68.24	0.07%	120.00	N	Spot exchange	-		
33	Sichuan Changhong Jijia Fine Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Accept labor service	commission processing fee	Marketing price	125.35	125.35	0.14%	5,000.00	N	Bank acceptance	-	December 5,2023,December 22,2023, March 30,2024,April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
34	Sichuan Changhong Gerun Environment	Other enterprise control under the	Accept labor service	Environmental protection service	Marketing price	5.41	5.41	0.01%	5,000.00	N	Spot exchange	-	December 5,2023,December 22,2023, March 30,2024,April	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-

	ntal protection Technology Co., Ltd.	same controlling shareholder and ultimate controller											26,2024	080,2024-007,2024-008,2024-014,2024-024.
35	Sichuan Changhong Electronic Products Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Accept labor service	Labor serves	Marketing price	3.41	3.41	0.00%	5,000.00	N	Spot exchange	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
36	Sichuan Aichuang Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Accept labor service	Warehouse management service	Marketing price	-6	-6	-0.01%	5,000.00	N	Spot exchange	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
37	Sichuan Qiruike Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Accept labor service	Technology development service fee, instrument repair fee, inspection and certification fee, etc.	Marketing price	691.92	691.92	0.76%	5,000.00	N	Spot exchange	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
38	Sichuan Changhong Device Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Service	Marketing price	17.81	17.81	0.02%	5,000.00	N	Spot exchange	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.

39	Sichuan Changhong Electric Co., Ltd.	Controlling shareholder	Sales of goods	Air conditioner, Kitchen and bathroom, small appliances	Marketing price	49.79	49.79	0.00%	1,000.00	N	Spot exchange	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
40	Sichuan Changhong Jijia Fine Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Air conditioner, Kitchen and bathroom, small appliances	Marketing price	84.74	84.74	0.01%	3,000.00	N	Spot exchange	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
41	Sichuan Changhong Mold Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Plastic pressure parts	Marketing price	38.38	38.38	0.00%	3,000.00	N	Spot exchange	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
42	Sichuan Zhiyijia Network TechNlogy Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	washing machine, Refrigerator, freezer, Air conditioner, small appliances	Marketing price	381,470.5	381,470.5	25.69%	880,000.00	N	Spot exchange, Bank acceptance	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
43	Sichuan Changhong Device	Other enterprise control under the same controlling	Sales of goods	Air conditioner, Energy	Marketing price	80.9	80.9	0.01%	3,000.00	N	Spot exchange	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-



	Technology Co., Ltd.	shareholder and ultimate controller												014,2024-024.
44	Sichuan Changhong Minsheng Logistics Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Refrigerator	Marketing price	77.98	77.98	0.01%	3,000.00	N	Spot exchange	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
45	Sichuan Service Exp. Appliance Service Chain Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Air conditioners, inverter integrated boards, components etc.	Marketing price	217.07	217.07	0.01%	3,000.00	N	Spot exchange	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
46	Sichuan Changhong Real Estate Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Kitchen and bathroom, small home appliances	Marketing price	1.44	1.44	0.00%	3,000.00	N	Spot exchange	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
47	Sichuan Changhong Network Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Air conditioner	Marketing price	7.54	7.54	0.00%	3,000.00	N	Spot exchange,	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.

48	Sichuan Aoku Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Refrigerator	Marketing price	19.23	19.23	0.00%	3,000.00	N	Spot exchange,	-	December 5,2023,December 22,2023, March 30,2024,April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
49	Sichuan Changhong Source Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Small home appliances	Marketing price	0.3	0.3	0.00%	3,000.00	N	Spot exchange,	-	December 5,2023,December 22,2023, March 30,2024,April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
50	Sichuan Ailian Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Electric device	Marketing price	4.95	4.95	0.00%	3,000.00	N	Spot exchange,	-	December 5,2023,December 22,2023, March 30,2024,April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
51	Sichuan Changhong Jiahua Information Product Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Air-conditioner	Marketing price	43.24	43.24	0.00%	3,000.00	N	Spot exchange,	-	December 5,2023,December 22,2023, March 30,2024,April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
52	Sichuan Changhong	Other enterprise control	Sales of goods	Small home appliances	Marketing price	0.11	0.11	0.00%	3,000.00	N	Spot exchange,	-	December 5,2023,December 22,2023, March	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-

	International Hotel Co., Ltd.	under the same controlling shareholder and ultimate controller											30,2024, April 26, 2024	066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
53	CHANGHONG(HK) TRADING LIMITED	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Air conditioner and part	Marketing price	23,462.8	23,462.8	1.58%	140,000.00	N	Spot exchange,	-	December 5, 2023, December 22, 2023, March 30, 2024, April 26, 2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
54	CHANGHONGELECTRIC(AUSTRALIA)PTY.LTD.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Refrigerator, freezers, washing machine and part	Marketing price	13,731.67	13,731.67	0.92%	140,000.00	N	Spot exchange,	-	December 5, 2023, December 22, 2023, March 30, 2024, April 26, 2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
55	Orion.PDP Co.,Ltd	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Refrigerator	Marketing price	2,058.89	2,058.89	0.14%	6,500.00	N	Spot exchange,	-	December 5, 2023, December 22, 2023, March 30, 2024, April 26, 2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
56	Changhong Europe Electronics.r.o	Other enterprise control under the same controlling	Sales of goods	Refrigerator	Marketing price	3,386.81	3,386.81	0.23%	12,000.00	N	Spot exchange,	-	December 5, 2023, December 22, 2023, March 30, 2024, April 26, 2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.

		shareholder and ultimate controller												
57	Changhong International Holdings (Hong Kong) Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Refrigerator, freezers, Air conditioner, kitchen utensils	Marketing price	7,047.95	7,047.95	0.47%	30,000.00	N	Spot exchange,	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
58	Sichuan Aichuang Science & Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Kitchen and bathroom, small home appliances	Marketing price	0.53	0.53	0.00%	3,000.00	N	Spot exchange,	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
59	Mianyang Huafeng Hulian Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Air conditioner	Marketing price	41.59	41.59	0.00%	3,000.00	N	Spot exchange,	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
60	Sichuan Changhong Mold Plastic Tech. Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Providing services	Labor cost	Marketing price	82.82	82.82	4.08%	10,000.00	N	Spot exchange,	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.

61	Sichuan Changhong Jijia Fine Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Providing services	Labor cost	Marketing price	14.1	14.1	0.69%	3,000.00	N	Bank acceptance	-	December 5,2023,December 22,2023, March 30,2024,April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
62	Sichuan Aichuang Science & Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Providing services	Technical service fee, Labor cost	Marketing price	-9.71	-9.71	-0.48%	3,000.00	N	Spot exchange,	-	December 5,2023,December 22,2023, March 30,2024,April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
63	Sichuan Huafeng Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Providing services	Labor cost	Marketing price	-1.12	-1.12	-0.06%	3,000.00	N	Spot exchange,	-	December 5,2023,December 22,2023, March 30,2024,April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
64	Sichuan Zhiyijia Network Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Providing services	Service fee	Marketing price	7.02	7.02	0.35%	5,000.00	N	Spot exchange,	-	December 5,2023,December 22,2023, March 30,2024,April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
65	Sichuan Changhong Electric	Controlling shareholder	Providing services	Labor cost	Marketing price	-5.25	-5.25	-0.26%	5,000.00	N	Spot exchange,	-	December 5,2023,December 22,2023, March	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-

	Co., Ltd.												30,2024, April 26, 2024	066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
66	Sichuan Changhong Device Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Providing services	Technical service fee	Marketing price	54.5	54.5	2.69%	5,000.00	N	Spot exchange,	-	December 5, 2023, December 22, 2023, March 30, 2024, April 26, 2024	Juchao Website (www.cninfo.com.cn) Announcement No.: 2023-066, 2023-067, 2023-068, 2023-080, 2024-007, 2024-008, 2024-014, 2024-024.
67	Sichuan Changhong Network Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Providing services	Repair Service	Marketing price	17.35	17.35	0.85%	5,000.00	N	Spot exchange,	-	December 5, 2023, December 22, 2023, March 30, 2024, April 26, 2024	Juchao Website (www.cninfo.com.cn) Announcement No.: 2023-066, 2023-067, 2023-068, 2023-080, 2024-007, 2024-008, 2024-014, 2024-024.
68	Mianyang Huafeng Hulian Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Providing services	Repair Service	Marketing price	395.44	395.44	19.48%	3,000.00	N	Spot exchange,	-	December 5, 2023, December 22, 2023, March 30, 2024, April 26, 2024	Juchao Website (www.cninfo.com.cn) Announcement No.: 2023-066, 2023-067, 2023-068, 2023-080, 2024-007, 2024-008, 2024-014, 2024-024.
69	Changhong Huayi Compressor Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Providing services	Labor cost	Marketing price	27.65	27.65	1.36%	200.00	N	Spot exchange,	-	December 5, 2023, December 22, 2023, March 30, 2024, April 26, 2024	Juchao Website (www.cninfo.com.cn) Announcement No.: 2023-066, 2023-067, 2023-068, 2023-080, 2024-007, 2024-008, 2024-014, 2024-024.

70	Sichuan Changhong Minsheng Logistics Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Providing services	Labor cost	Marketing price	1.14	1.14	0.06%	5,000.00	N	Spot exchange,	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
71	Sichuan Ailian Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Providing services	Warehousing services	Marketing price	0.16	0.16	0.01%	3,000.00	N	Spot exchange,	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
72	Sichuan Service Exp. Appliance Service Chain Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Providing services	Labor cost	Marketing price	86.77	86.77	4.28%	5,000.00	N	Spot exchange,	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
73	Sichuan Aoku Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Providing services	Labor cost	Marketing price	5.09	5.09	0.25%	3,000.00	N	Spot exchange,	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
74	Sichuan Changhong	Other enterprise control	Providing services	Maintenance fees	Marketing price	2.63	2.63	0.13%	3,000.00	N	Spot exchange,	-	December 5,2023,December 22,2023, March	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-

	International Hotel Co., Ltd.	under the same controlling shareholder and ultimate controller											30,2024, April 26, 2024	066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
75	Sichuan Changhong Xinwang Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Providing services	Labor cost	Marketing price	-10.14	-10.14	-0.50%	5,000.00	N	Spot exchange,	-	December 5, 2023, December 22, 2023, March 30, 2024, April 26, 2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
76	Sichuan Changhong Electronic Products Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Providing services	Labor cost	Marketing price	0.09	0.09	0.00%	5,000.00	N	Spot exchange,	-	December 5, 2023, December 22, 2023, March 30, 2024, April 26, 2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
77	Sichuan Qiruike Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Providing services	Labor cost	Marketing price	0.14	0.14	0.01%	3,000.00	N	Spot exchange,	-	December 5, 2023, December 22, 2023, March 30, 2024, April 26, 2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
78	Yuanxin Finance Lease Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Providing services	Consultation service	Marketing price	48.94	48.94	2.41%	5,000.00	N	Spot exchange,	-	December 5, 2023, December 22, 2023, March 30, 2024, April 26, 2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.



		controller												
79	Sichuan Changhong Property Service Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Providing services	Technical service fee	Marketing price	8.58	8.58	0.42%	3,000.00	N	Spot exchange,	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
80	Sichuan Changhong Jiechuang Lithium technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Providing services	Installation service	Marketing price	1.09	1.09	0.05%	3,000.00	N	Spot exchange,	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
81	Sichuan Aoku Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Rent to the related party	Rental apartment,	Marketing price	0.59	0.59	0.03%	3,000.00	N	Spot exchange,	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
82	Sichuan Service Exp. Appliance Service Chain Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Rent to the related party	Rental apartment, office	Marketing price	12.67	12.67	0.57%	4,000.00	N	Spot exchange,	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
83	Sichuan Qiruike	Other enterprise	Rent to the	Lease of factory	Marketing price	4.73	4.73	0.21%	3,000.00	N	Spot exchange,	-	December 5,2023,December	Juchao Website (www.cninfo.com.cn)

	Technology Co., Ltd.	control under the same controlling shareholder and ultimate controller	related party										22,2023, March 30,2024, April 26,2024	Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
84	Sichuan Changhong Electric Co., Ltd.	Controlling shareholder	Rent to the related party	Lease of factory, equipment	Marketing price	42.94	42.94	1.92%	4,000.00	N	Spot exchange,	-	December 5,2023, December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
85	Sichuan Changhong Jijia Fine Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Rent to the related party	Rental apartment, warehouses, plants, equipment	Marketing price	227.04	227.04	10.15%	4,000.00	N	Spot exchange,	-	December 5,2023, December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
86	Sichuan Changhong Minsheng Logistics Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Rent to the related party	Serviced apartment, office, etc.	Marketing price	14.61	14.61	0.65%	4,000.00	N	Spot exchange,	-	December 5,2023, December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
87	Sichuan Changhong Mold Plastic Tech. Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Rent to the related party	Serviced apartment, warehouse, workshop, equipment and living quarters	Marketing price	437.05	437.05	19.54%	4,000.00	N	Spot exchange,	-	December 5,2023, December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.

		controller												
88	Sichuan Changhong Device Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Rent to the related party	Lease of factory	Marketing price	107.36	107.36	4.80%	4,000.00	N	Spot exchange,	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
89	Sichuan Zhiyijia Network Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Rent to the related party	Rental apartment	Marketing price	9.41	9.41	0.42%	4,000.00	N	Spot exchange,	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
90	Chengdu Changhong Electronic Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Leasing from related party	Leasing office	Marketing price	32.92	32.92	1.47%	4,000.00	N	Spot exchange,	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
91	Guangdong Changhong Electronics Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Leasing from related party	Lease of staff dormitory, plant	Marketing price	8	8	0.36%	4,000.00	N	Spot exchange,	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
92	Hefei Changhong	Other enterprise	Leasing from	lease of plant	Marketing price	113.02	113.02	5.05%	4,000.00	N	Spot exchange,	-	December 5,2023,December	Juchao Website (www.cninfo.com.cn)

	g Industrial Co., Ltd.	control under the same controlling shareholder and ultimate controller	related party									22,2023, March 30,2024, April 26,2024	Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.	
93	Sichuan Jiahong Industrial Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Leasing from related party	Lease of staff dormitory	Marketing price	28.73	28.73	1.28%	5,000.00	N	Spot exchange,	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
94	Sichuan Changhong Electric Co., Ltd.	Controlling shareholder	Leasing from related party	Lease laboratory workshop of and	Marketing price	198.34	198.34	8.87%	4,000.00	N	Spot exchange,	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
95	Sichuan Changhong Electronics Holding Group Co., Ltd.	Controlling shareholder and ultimate controller	Leasing from related party	Lease shop	Marketing price	9.76	9.76	0.44%	280,000.00	N	Spot exchange,	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
96	Changhong Huayi Compressor Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Leasing from related party	Lease of staff dormitory	Marketing price	5.7	5.7	0.25%	200.00	N	Spot exchange,	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.

97	Sichuan Changhong Intelligent Manufacturing Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Purchase and construction of fixed assets	assembly body line	Marketing price	35.24	35.24	0.17%	500.00	N	Spot exchange,	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
98	Sichuan Changhong Electric Co., Ltd.	Controlling shareholder	Purchase and construction of fixed assets	Relocation and renovation equipment	Marketing price	61.07	61.07	0.29%	3,000.00	N	Spot exchange,	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
99	Sichuan Zhiyijia Network Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Purchase of fixed assets	TV	Marketing price	7.88	7.88	0.04%	3,000.00	N	Spot exchange,	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
100	081 Electronic Group Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Purchase of fixed assets	Finished warehouse	Marketing price	18.46	18.46	0.09%	3,000.00	N	Spot exchange,	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-014,2024-024.
101	Yuanxin Financial Lease Co., Ltd.	Other enterprise control under the same controlling	Financing business	Financing business	Marketing price	56,792.49	56,792.49		80,000.00	N	Spot exchange,	-	December 5,2023,December 22,2023, March 30,2024, April 26,2024	Juchao Website (www.cninfo.com.cn) Announcement No.:2023-066,2023-067,2023-068,2023-080,2024-007,2024-008,2024-

	shareholder and ultimate controller												014,2024-024.
Total		--	--	836,486.07	--	1,982,320	--	--	--	--	--	--	--
Detail of sales return with major amount involved		Not applicable											
Report the actual implementation of the daily related transactions which were projected about their total amount by types during the reporting period (if applicable)		<p>1. It is estimated that the related transaction amount resulted by purchasing goods (including door shell and plastic products etc.) and accepting fuel and power from Sichuan Changhong and its subsidiary by the Company for year of 2024 was 2,690 million yuan at most (tax-excluded), actually 1,207.1958 million yuan occurred in reporting period.</p> <p>2. It is estimated that the related transaction amount resulted by purchasing compressors, Sell goods, accept or provide services with Changhong Huayi and its subsidiary by the Company for year of 2024 was 802 million yuan at most (tax-excluded), actually 296.9372 million yuan occurred in reporting period.</p> <p>3. It is estimated that the related transaction amount resulted by purchasing or selling equipment, software, maintenance and spare parts and molds etc. from Sichuan Changhong and its subsidiary by the Company for year of 2024 was 30 million yuan at most (tax-excluded), actually 874,100 yuan occurred in reporting period.</p> <p>4. It is estimated that the related transaction amount resulted by selling goods and providing fuel and power to Sichuan Changhong and its subsidiary by the Company for year of 2024 was 10,660 million yuan at most (tax-excluded), actually 4,297.0111 million yuan occurred in reporting period.</p> <p>5. It is estimated that the related transaction amount resulted by leasing business to Sichuan Changhong and its subsidiary by the Company for year of 2024 was 40 million yuan at most (tax-excluded), actually 12.0336 million yuan occurred in reporting period.</p> <p>6. It is estimated that the related transaction amount from domestic finished goods logistic business outsourcing to Sichuan Changhong Minsheng Logistics Co., Ltd. by the Company for year of 2024 was 750 million yuan at most (tax-excluded), actually 456.7031 million yuan occurred in reporting period.</p> <p>7. It is estimated that the related transaction amount from after sales service of domestic goods outsourcing to Sichuan Service Exp. Appliance Service Chain Co., Ltd. by the Company for year of 2024 was 510 million yuan at most actually 196.9113 million yuan occurred in reporting period.</p> <p>8. It is estimated that the related transaction amount resulted by accepting other service and labor service etc. or providing other service and labor service etc. to Sichuan Changhong and its subsidiary by the Company for year of 2024 was 180 million yuan at most (tax-excluded), actually 30.1027 million yuan occurred in reporting period.</p> <p>9. It is estimated that the related transaction amount resulted by selling goods and leasing business from Sichuan Changhong Electronics Holding Group Co., Ltd and its subsidiary by the Company for year of 2024 was 95 million yuan at most (tax-excluded), actually 25.3292 million yuan occurred in reporting period</p> <p>10. It is estimated that the related transaction amount resulted by purchasing goods and receiving labor services, fuel power, leasing and purchasing equipment etc. from Sichuan Changhong Electronics Holding Group Co., Ltd. and its subsidiary by the Company for year of 2024 was 3,265 million yuan at most (tax-excluded), actually 1,273.1602 million yuan occurred in reporting period.</p> <p>11. It is estimated that the related transaction amount resulted by received the financing lease, commercial factoring and bill financing from Yuanxin Financial Lease Co., Ltd was 800 million yuan at most, actually 567.9249 million yuan occurred in reporting period.</p>											

Reasons for major differences between trading price and market reference price (if applicable)	Not applicable
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Note: According to the Shenzhen Stock Exchange's "Listing Rules" and the company's "Authorization Management System" and other relevant regulations, related party transactions between the company and related parties with an amount less than 3 million yuan (including 3 million yuan) shall be implemented with the approval of the company's president. Therefore, during the reporting period, the related-party transactions between the company and its related party Mianyang High-tech Zone Hongfu Technology Co., Ltd. were within 3 million yuan , and has been approved by the company's president.

**(ii) Related transactions by assets acquisition and sold**

Applicable  Not applicable

There are no related transactions by assets acquisition and sold in the period

**(iii) Related party transaction of joint foreign investment**

Applicable  Not applicable

There are no related transactions by joint foreign investment in the period

**(iv) Connect of related liability and debt**

Applicable  Not applicable

Whether has non-operational contact of related liability and debts or not

Yes  No

No non-operational contact of related liability or debts in Period

**(v) Contact with the related finance companies**

Applicable  Not applicable

**Deposit business**

Related party	Relationship	Maximum daily deposit limit (In 10 thousand yuan)	Deposit interest rate range	Opening balance (In 10 thousand yuan)	Amount for the Period		Ending Balance (In 10 thousand yuan)
					Total deposit amount for the Period (In 10 thousand yuan)	The total amount withdrawn in the Period (In 10 thousand yuan)	
Sichuan Changhong Group Finance Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	450,000.00	0.42%-3.3%	432,748.97	2,322,987.15	2,358,403.52	397,332.59

**Credit extension or other financial business**

Related party	Relationship	Type of business	Total amount ( in 10 thousand yuan)	Actual amount ( in 10 thousand yuan)
Sichuan Changhong Group Finance Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Other financial services - note issuance	300,000.00	78,625.86
Sichuan Changhong Group Finance Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Other financial services - note discounting	300,000.00	41,515.60
Sichuan Changhong Group Finance Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controller	Other financial services - Guarantee issued	100,000.00	130.72

Note 1: As of June 30,2024, registered capital of Changhong Finance Company is 2,693,938,365.84 yuan. The Company and Changhong Huayi holds 14.96% equity of Chonghong Finance Company respectively, and controlling shareholder of the Company -Sichuan Changhong Electric Co., Ltd and its controlling shareholder Sichuan Changhong Electronics Holding Group Co., Ltd holds 35.04% equity of Changhong Finance Company respectively.

Note 2: After deliberated and approved by the 35th session of 9<sup>th</sup> BOD and 2<sup>th</sup>extraordinary shareholders general meeting of 2020 held on 16 October 2023 and 3 November , it is agreed to continue the financial services cooperation between the Company and Changhong Finance Company and renew the “Financial Service Agreement” for a period of three years. Changhong Finance Company will provides a series of financial services such as deposit and loans within scope of operation according to the requirements of Company and its subsidiaries(Excluding Zhongke Meiling and its subsidiaries).



**(vi) Transactions between the finance company controlled by the Company and related parties**

Applicable  Not applicable

**(vii) Other related party transactions**

Applicable  Not applicable

On March 28,2024 and April 25, 2024, it was reviewed and approved by the 42nd meeting of the Tenth Board of Directors and the 30th meeting of the Tenth Board of Supervisors, and it was agreed that the amount of daily related transactions between the Company and its subsidiaries and Changhong Group and its subsidiaries on purchase of commodities and raw materials in 2024 should not exceed RMB 1,138. million (excluding tax); After this increase estimation, the Company and its subsidiaries expect that the total amount of daily related-party transactions with Changhong Group, such as in purchasing goods, accepting labor services and renting, will not exceed RMB 2,938 million (excluding tax) in 2024.

Related searches for disclosure website of interim report with major related transaction concerned

Interim report	Disclosure date	Website for disclosure
Resolution Notice of the 42nd session of 10 <sup>th</sup> BOD (2024-007) Resolution Notice of the 30 <sup>th</sup> session of 10 <sup>th</sup> BOS (2024-008)	March 30,2024, April 26,2024	www.cninfo.com.cn
Announcement on Increasing the Daily Related Party Transactions in 2024 (2024-014)		
Announcement of the Resolution of the general meeting of 2023 (2024-024)		

**XII. Significant contract and implementations**

**(i) Entrust, contract and leasing**

**1. Entrust**

Applicable  Not applicable

No entrust in Period.

**2. Contract**

Applicable  Not applicable

No contract in Period.

**3. Leasing**

Applicable  Not applicable

Lease situation description

The details of the company's operating leases can be found in the notes to the financial statements, including "investment real estate", "fixed assets", "right of use assets", "related party leasing", and "related party leasing".

Projects that bring profits or losses to the company exceeding 10% of the total profit for the reporting period

Applicable  Not applicable

During the reporting period, there were no leasing projects that resulted in a profit or loss for the company exceeding 10% of the total profit for the reporting period.

**(ii) Major guarantee**

Applicable  Not applicable

In 10 thousand yuan

Particulars about the external guarantee of the Company and subsidiaries (Barring the guarantee for subsidiaries)										
Name of the Company guaranteed	Related Announcement disclosure date	Guarantee limit	Actual date of happening	Actual guarantee limit	Guarantee type	Collateral (if applicable)	Counter guarantee (if applicable)	Guarantee term	Complete implementation or not	Guarantee for related party
-	-	-	-	-	-	-	-	-	-	-
Total approving external guarantee in report period (A1)			0	Total actual occurred external guarantee in report period (A2)			0			
Total approved external guarantee at the end of report period (A3)			0	Total actual balance of external guarantee at the end of report period (A4)			0			
Guarantee between the Company and the subsidiaries										
Name of the Company guaranteed	Related Announcement disclosure date	Guarantee limit	Actual date of happening	Actual guarantee limit	Guarantee type	Collateral (if applicable)	Counter guarantee (if applicable)	Guarantee term	Complete implementation or not	Guarantee for related party
Zhongshan Changhong Electric Co., Ltd.	Announcement No.: 2023-091, 2021-092, 2021-096 and 2021-109 released on 7 December 2021 and 24 December 2021 respectively.	140,000.00	October 11,2022	15,000.00	Joint liability guaranty		Yes	1 year	Yes	No
	Announcement No.: 2022-087, 2022-088, 2022-091 and 2022-100 released on 7 December 2022 and 23 December 2022 respectively.	150,000.00	April 7,2023	6,000.00	Joint liability guaranty		Yes	1 year	Yes	No
			April 24,2023	10,000.00	Joint liability guaranty		Yes	1 year	Yes	No
			June 8,2023	10,000.00	Joint liability guaranty		Yes	1 year	No	No
			June 27,2023	7,000.00	Joint liability guaranty		Yes	1 year	Yes	No
			July 4,2023	10,000.00	Joint liability guaranty		Yes	1 year	No	No

			July 10,2023	20,000.00	Joint liability guaranty	Yes	1 year	No	No
			July 28,2023	5,000.00	Joint liability guaranty	Yes	1 year	No	No
			August 29,2023	15,000.00	Joint liability guaranty	Yes	1 year	No	No
			November 2,2023	5,000.00	Joint liability guaranty	Yes	1 year	No	No
	Announcember No.: 2023-066,2023-067,2023-070 and 2023-080 released on December 5 2023 andDecember 22, 2023	130,000.00	-	-	-	-	-	-	-
Changhong MeilingRidian Technology Co., Ltd.	Announcement No.: 2021-091, 2021-092, 2021-096 and 2021-109 released on 7 December 2021 and 24 December 2021 respectively.	16,000.00	December 8,2022	3,500.00	Joint liability guaranty	Yes	11.2 months	Yes	No
	Announcement No.: 2022-087, 2022-088, 2022-091 and 2022-100 released on 7 December 2022 and 23 December 2022 respectively.	16,000.00	ULY 10,2023	4,000.00	Joint liability guaranty	Yes	1 year	No	No
	Announcement No.: 2023-066, 2023-067, 2023-070 and 2023-080 released on 5 December 2023 and 22 December 2023 respectively.	14,500.00	March 19,2024	3,500.00	Joint liability guaranty	Yes	10.7 months	No	No
ZhongkeMeiling Cryogenic Technology Co., Ltd.	Announcement No.: 2023-066, 2023-067, 2023-070 and 2023-080 released on 5 December 2023 and 22 December 2023 respectively.	10,000.00	-	-	-	-	-	-	-

Sichuan Changhong Air-conditioner Co., Ltd.	Announcement No.: 2022-087, 2022-088, 2022-091 and 2022-100 released on 7 December 2022 and 23 December 2022 respectively.	250,000.00	January 17,2023	10,000.00	Joint liability guaranty	Yes	9 months	Yes	No
			January 17,2023	5,000.00	Joint liability guaranty	Yes	1 year	No	No
			February 27,2023	16,000.00	Joint liability guaranty	Yes	1 year	Yes	No
			March 16,2023	30,000.00	Joint liability guaranty	Yes	1 year	No	No
			March 24,2023	60,000.00	Joint liability guaranty	Yes	1 year	Yes	No
			April 14,2023	12,000.00	Joint liability guaranty	Yes	1 year	No	No
			July 5,2023	1,500.00	Joint liability guaranty	Yes	5.4 months	Yes	No
	Announcement No.: 2023-066, 2023-067, 2023-070 and 2023-080 released on 5 December 2023 and 22 December 2023 respectively.	262,000.00	-	-	-	-	-	-	-
	Announcement No.: 2024-020, 2024-021, 2024-023 and 2024-036 released on 20 April 2024 and 19 June 2024 respectively.	60,000.00	-	-	-	-	-	-	-
Jiangxi Meiling Electric Appliance Co., Ltd.	Announcement No.: 2023-066, 2023-067, 2023-070 and 2023-080 released on 5 December 2023 and 22 December 2023 respectively.	15,000.00	-	-	-	-	-	-	-
Hefei Meiling Nonferrous Metal Products Co., Ltd.	Announcement No.: 2023-066, 2023-067, 2023-070 and 2023-080 released on 5 December 2023 and 22	3,000.00	-	-	-	-	-	-	-

	December 2023 respectively.									
Hefei Meiling Group Holdings Limited	Announcement No.: 2022-087, 2022-088, 2022-091 and 2022-100 released on 7 December 2022 and 23 December 2022 respectively.	60,000.00	May 11,2023	4,500.00	Joint liability guaranty		Yes	1 year	Yes	No
			July 12,2023	8,000.00	Joint liability guaranty		Yes	1 year	No	No
	Announcement No.: 2023-066, 2023-067, 2023-070 and 2023-080 released on 5 December 2023 and 22 December 2023 respectively.	25,000.00		-	-	-		-	-	-
Hefei Changhong Meiling Life Appliances Co., Ltd.	Announcement No.: 2021-091, 2021-092, 2021-096 and 2021-109 released on 7 December 2021 and 24 December 2021 respectively.	35,000.00	November 21,2022	5,000.00	Joint liability guaranty		Yes	1 year	Yes	No
			March 22,2023	8,000.00	Joint liability guaranty		Yes	11 months	Yes	No
	Announcement No.: 2022-087, 2022-088, 2022-091 and 2022-100 released on 7 December 2022 and 23 December 2022 respectively.	35,000.00	April 24,2023	2,000.00	Joint liability guaranty		Yes	1 year	Yes	No
			May 4,2023	5,000.00	Joint liability guaranty		Yes	1 year	No	No
			October 19,2023	2,000.00	Joint liability guaranty		Yes	1 year	No	No
			December 1,2023	10,000.00	Joint liability guaranty		Yes	1 year	No	No
			December 15,2023	4,000.00	Joint liability guaranty		Yes	5.7 months	No	No
Announcement No.: 2023-040, 2023-041, 2023-043 and 2023-065 released on 18 August 2023 and 4 November 2023 respectively.	8,000.00		-	-	-		-	-	-	-

	Announcement No.: 2023-066, 2023-067, 2023-070 and 2023-080 released on 5 December 2023 and 22 December 2023 respectively.	50,000.00	March 6,2024	5,000.00	Joint liability guaranty		Yes	8.4 months	No	No
March 26,2024			8,000.00	Joint liability guaranty		Yes	1 year	No	No	
Total amount of approving guarantee for subsidiaries in report period (B1)			60,000.00	Total amount of actual occurred guarantee for subsidiaries in report period (B2)				310,000.00		
Total amount of approved guarantee for subsidiaries at the end of reporting period (B3)			1,088,500.00	Total balance of actual guarantee for subsidiaries at the end of reporting period (B4)				161,500.00		
Guarantee of the subsidiaries for the subsidiaries										
Name of the Company guaranteed	Related Announcement disclosure date	Guarantee limit	Actual date of happening	Actual guarantee limit	Guarantee type	Collateral (if applicable)	Counter guarantee (if applicable)	Guarantee term	Complete implementation or not	Guarantee for related party
Anhui Tuoxing Technology Co., Ltd.	Announcement No.: 2022-087, 2022-088, 2022-091 and 2022-100 released on 7 December 2022 and 23 December 2022 respectively.	8,000.00	June 20,2023	1,000.00	Joint liability guaranty			1 year	No	No
			August 15,2023	400.00	Joint liability guaranty			1 year	No	No
			October 25,2023	1,000.00	Joint liability guaranty			1 year	No	No
	Announcement No.: 2023-066, 2023-067, 2023-070 and 2023-080 released on 5 December 2023 and 22 December 2023 respectively.	5,000.00	-	-	-	-	-	-	-	-
Anhui Ling'an Medical Equipment Co., Ltd.	Announcement No.: 2022-087, 2022-088, 2022-091 and 2022-100 released on 7 December 2022 and 23 December 2022 respectively.	12,000.00	August 25,2023	1,000.00	Joint liability guaranty			1 year	No	No
			October 20,	1,000.00	Joint liability guaranty			1 year	No	No

	Announcement No.: 2023-066, 2023-067, 2023-070 and 2023-080 released on 5 December 2023 and 22 December 2023 respectively.	10,000.00	-	-	-	-	-	-	-	
Total amount of approving guarantee for subsidiaries in report period (C1)		0	Total amount of actual occurred guarantee for subsidiaries in report period (C2)				4,400.00			
Total amount of approved guarantee for subsidiaries at the end of reporting period (C3)		35,000.00	Total balance of actual guarantee for subsidiaries at the end of reporting period (C4)				4,400.00			
Total amount of guarantee of the Company (total of three above mentioned guarantee)										
Total amount of approving guarantee in report period (A1+B1+C1)		60,000.00	Total amount of actual occurred guarantee in report period (A2+B2+C2)				314,400.000			
Total amount of approved guarantee at the end of report period (A3+B3+C3)		1,123,500.00	Total balance of actual guarantee at the end of report period (A4+B4+C4)				165,900.00			
Ratio of actual guarantee (A4+B4+C4) in net assets of the Company						27.96%				
Including:										
Amount of guarantee for shareholders, actual controller and its related parties (D)						0				
The debts guarantee amount provided for the guaranteed parties whose assets-liability ratio exceed 70% directly or indirectly (E)						154,000				
Proportion of total amount of guarantee in net assets of the Company exceed 50% (F)						0				
Total amount of the aforesaid three guarantees (D+E+F)						154,000				
Explanations on possibly bearing joint and several liquidating responsibilities for undue guarantees (if applicable)						N/A				
Explanations on external guarantee against regulated procedures (if applicable)						N/A				

The above-mentioned guarantee objects are the wholly-owned and holding subsidiaries of the Company, and these wholly-owned and holding subsidiaries are in normal production and operation, there are no overdue loans, and the guarantee risks are controllable.

During the reporting period, there were no external guarantees for the Company and its subsidiaries, but there were guarantees from the Company to its subsidiaries, or from such subsidiaries to their subsidiaries.

By the end of the reporting period, the total approved amount of the Company's guarantee provided to its subsidiaries and the guarantee provided by such



subsidiaries to their subsidiaries was RMB11235 million, the actual amount was RMB3144 million, and the actual guarantee balance was RMB 1,659 million, accounting for 27.96% of the Company's latest net assets.

Explanation on guarantee with composite way: Not applicable

**(iii) Trust financing**

√ Applicable □ Not applicable

					In 10 thousand yuan
Type	Capital resources	Amount for entrust	Undue balance	Overdue amount	Impairment amount for overdue financial management
Bank financing products	Idle own funds	183,000	83,000	0	0
Total		183,000	83,000	0	0

Details of the single major amount, or high-risk trust investment with low security, poor fluidity

□ Applicable √ Not applicable

During the reporting period, the bank wealth management products with high safety, good liquidity, low risk and stability purchased by the Company within one year are as follows:

														In 10 thousand yuan		
Trustee institution (or name of trustee)	Trustee type	Product type	Amount	Source of funds	Start date	Expiry date	Capital investment purpose	Criteria for fixing reward	Reference annual rate of return	Anticipated income (if applicable)	Actual gains/losses in period	Actual collected gains/losses in period	Amount of reserve for devaluation of withdrawal in the year(if applicable)	Whether approved by legal procedure (Y/N)	Whether has entrust finance plan in the future	Summary of the items and related query index (if applicable)

China Everbright Bank Co., Ltd., Hefei Branch	Bank	Principal-guaranteed with floating income	30,000.00	Idle own funds	January 16, 2024	April 6, 2024	This product is a RMB structured deposit product with embedded financial derivatives. Banks invest the raised structured deposit funds in bank time deposits, and at the same time invest in financial derivative transactions (including but not limited to derivative transactions such as options and swaps) in domestic or international financial markets within the upper limit of the income of such time deposits. The sum of the investment gains and losses of financial derivative transactions and the interest of bank deposits jointly constitutes the income of structured deposit products.	Agreement	2.60%	Not applicable	183.96	183.96	N/A	Yes	Not applicable	(www.cninfo.com.cn)(2024-001)
China Everbright Bank Co., Ltd., Hefei Branch	Bank	Principal-guaranteed with floating income	5,000.00	Idle own funds	January 18, 2024	April 8, 2024	This product is a RMB structured deposit product with embedded financial derivatives. Banks invest the raised structured deposit funds in bank time deposits, and at the same	Agreement	2.60%	Not applicable	32.5	32.5	N/A	Yes	Not applicable	(www.cninfo.com.cn)(2024-002)

							time invest in financial derivative transactions (including but not limited to derivative transactions such as options and swaps) in domestic or international financial markets within the upper limit of the income of such time deposits. The sum of the investment gains and losses of financial derivative transactions and the interest of bank deposits jointly constitutes the income of structured deposit products.									
Zhongshan branch of Bank of Communications Co., Ltd	Bank	Principal-guaranteed with floating income	3,000.00	Idle own funds	March 29, 2024	May 31, 2024	Bank of Communications operates the funds raised by structured deposit products in a unified manner and manages them in accordance with the principle of separating basic deposits from derivative transactions. The raised principal will be included in the internal fund of Bank of Communications for unified operation and management, and	Agreement	2.35%	Not applicable	12.17	12.17	N/A	Yes	Not applicable	(www.cninfo.com.cn) (2024-017)

							will be included in the payment scope of deposit reserve fund and deposit insurance. The embedded derivative part of products will be linked to the exchange rate, interest rate, commodity and index, etc									
Industrial Bank Co., Ltd., Hefei Branch	Bank	Principal-guaranteed with floating income	15,000.00	Idle own funds	May 27,2024	August 27,2024	This deposit product is a RMB capital-guaranteed non-fixed income product, and the product income is divided into two parts: fixed income and non-fixed income, in which the non-fixed income is associated with the fluctuation of the observed target.	Agreement	1.15% Or 2.65%	Not applicable	-	-	N/A	Yes	Not applicable	-
Industrial Bank Co., Ltd., Hefei Branch	Bank	Principal-guaranteed with floating income	5,000.00	Idle own funds	May 27,2024	August 28,2024	This deposit product is a RMB capital-guaranteed non-fixed income product, and the product income is divided into two parts: fixed income and non-fixed income, in which the non-fixed income is associated with the fluctuation of the observed target.	Agreement	1.15% Or 2.65%	Not applicable	-	-	N/A	Yes	Not applicable	-

Bank of Hangzhou Co., Ltd. Hefei Branch	Bank	Principal-guaranteed with floating income	12,000.00	Idle own funds	May 29, 2024	November 25, 2024	The principal of this product is invested in bank deposits and derivative financial instruments. Derivative financial instruments include but are not limited to credit goods, foreign exchange, interest rate options and other derivative financial instruments.	Agreement	1.5% or 2.82% or 3.02%	Not applicable	-	-	N/A	Yes	Not applicable	-
Bank of China	Bank	Principal-guaranteed with floating income	15,000.00	Idle own funds	May 30, 2024	August 30, 2024	This deposit product is a RMB capital-guaranteed non-fixed income product, and the product income is divided into two parts: fixed income and non-fixed income, in which the non-fixed income is associated with the fluctuation of the observed target.	Agreement	1. Or 2.6 4%	Not applicable	-	-	N/A	Yes	Not applicable	-
Dongguan Bank Co., Ltd. Hefei Branch	Bank	Principal-guaranteed with floating income	13,000.00	Idle own funds	May 30, 2024	November 28, 2024	The principal part of structured deposits is included in the in-statement accounting, and it is included in the scope of deposit reserve and deposit insurance premium payment according to the deposit management. The relevant	Agreement	2% or 2.95% or 3.0%	Not applicable	-	-	N/A	Yes	Not applicable	-

							assets are accrued with capital and provisions according to the relevant regulations of the State Council's Banking Regulatory Authority; The final actual income of structured deposits depends on the market performance of the linked target and is influenced by many factors in the market.									
Dongguan Bank Co., Ltd. Hefei Branch	Bank	Principal-guaranteed with floating income	3,000.00	Idle own funds	May 31, 2024	November 29, 2024	The principal part of structured deposits is included in the in-statement accounting, and it is included in the scope of deposit reserve and deposit insurance premium payment according to the deposit management. The relevant assets are accrued with capital and provisions according to the relevant regulations of the State Council's Banking Regulatory Authority; The final actual income of structured deposits depends on the market performance of the linked target	Agreement	2% or 2.95% or 3%	Not applicable	-	-	N/A	Yes	Not applicable	-

							and is influenced by many factors in the market.										
Bank of Hangzhou Co., Ltd. Hefei Branch	Bank	Principal-guaranteed with floating income	20,000.00	Idle own funds	June 3,2024	June 30,2024	The principal of this product is invested in bank deposits and derivative financial instruments. Derivative financial instruments include but are not limited to credit goods, foreign exchange, interest rate options and other derivative financial instruments.	Agreement	2.90%	Not applicable	43.50	43.50	N/A	Yes	Not applicable	-	
Bank of Hangzhou Co., Ltd. Hefei Branch	Bank	Principal-guaranteed with floating income	5,000.00	Idle own funds	June 5,2024	June 29,2024	The principal of this product is invested in bank deposits and derivative financial instruments. Derivative financial instruments include but are not limited to credit goods, foreign exchange, interest rate options and other derivative financial instruments.	Agreement	2.60%	Not applicable	8.19	8.19	N/A	Yes	Not applicable	-	
Bank of Hangzhou Co., Ltd. Hefei Branch	Bank	Principal-guaranteed with floating income	27,000.00	Idle own funds	June 5,2024	June 28,2024	The principal of this product is invested in bank deposits and derivative financial instruments. Derivative financial instruments include but are not limited to credit goods, foreign exchange, interest rate options and other	Agreement	2.90%	Not applicable	49.34	49.34	N/A	Yes	Not applicable	-	

							derivative financial instruments.										
Bank of Hangzhou Co., Ltd. Hefei Branch	Bank	Principal-guaranteed with floating income	10,000.00	Idle own funds	June 6,2024	June 28,2024	The principal of this product is invested in bank deposits and derivative financial instruments. Derivative financial instruments include but are not limited to credit goods, foreign exchange, interest rate options and other derivative financial instruments.	Agreement	2.90%	Not applicable	17.48	17.48	N/A	Yes	Not applicable	-	
China Everbright Bank Co., Ltd., Hefei Branch	Bank	Principal-guaranteed with floating income	20,000.00	Idle own funds	June 26,2024	September 26,2024	This product is a RMB structured deposit product with embedded financial derivatives. Banks invest the raised structured deposit funds in bank time deposits, and at the same time invest in financial derivative transactions (including but not limited to derivative transactions such as options and swaps) in domestic or international financial markets within the upper limit of the income of such time deposits. The sum of the investment gains and losses of financial derivative transactions	Agreement	1.5% or 2.35% or 2.45%	Not applicable	-	-	N/A	Yes	Not applicable	-	



							and the interest of bank deposits jointly constitutes the income of structured deposit products.									
Total			<b>183,000.00</b>	--	--	--	--	--	--	-	<b>317.89</b>	--	-	--	--	--

Note: Zhongke Meiling, a subsidiary of the Company, is a listed company of the Beijing Stock Exchange. For details of its entrusted financial management, please refer to Zhongke Meiling's 2024 Semi-annual Report.

Entrust financial expected to be unable to recover the principal or impairment might be occurred

Applicable  Not applicable

**(iv) Other material contracts**

Applicable  Not applicable

No other material contracts in the period.

**XIII. Explanation on other significant events**

Applicable  Not applicable

1. According to the resolution of the 40th meeting of the 10th Board of Directors of the Company, it was agreed that the Company should set up an ESG management organization structure, and an ESG management committee under the Board of Directors of the Company, consisting of six directors of the Board of Directors, namely Mr. Wu Dinggang, Mr. Zhong Ming, Mr. Zhao Qilin, Mr. Kou Huameng, Mr. Hu Zhaogui and Ms. Mu Wen (independent directors), and the chairman of Mr. Wu Dinggang, which will take effect from the date of review and approval by the Board of Directors. The term of office of the above members is the same as that of the Board of Directors. Found more on appointed media “Securities Times”, “China Securities Journal” and Juchao Website (www.cninfo.com.cn) that the Company disclosed in the form of announcement (Announcement No. 2024-004 and 2024-005 )on 20 February 2024 .

2. According to the resolution of the 40th meeting of the 10th Board of Directors, it was agreed that the Company will invest RMB 88 million to transform the front-end refrigerator production line of Hefei manufacturing base, in order to enhance the refrigerator manufacturing capacity of Hefei base and improve the market competitiveness of products. Found more on appointed media “Securities Times”, “China Securities Journal” and Juchao Website (www.cninfo.com.cn) that the Company disclosed in the form of announcement (Announcement No. 2024-004 )on 20 February 2024 .

3. According to the resolutions of the 42nd meeting of the 10th Board of Directors, the 30th meeting of the 10th Board of Supervisors and the 2023 Annual General Meeting of Shareholders, it was agreed to pass the Company's 2023 profit distribution plan: based on the Company's total share capital of 1,029,923,715 shares on December 31, 2023, it will distribute a cash dividend of RMB 3 (including tax) to all shareholders for every 10 shares, with no bonus shares or share capital increase by reserve fund conversion. It is expected to distribute a cash dividend of RMB 308,977,114.50 (including tax), accounting for 41.70% of the net profit attributable to shareholders of listed companies in 2023. Found more on appointed media “Securities Times”, “China Securities Journal” and Juchao Website (www.cninfo.com.cn) that the Company disclosed in the form of announcement (Announcement No. 2024-007,2024-008, 2024-010 and 2024-024 )on 30 March 2024 and 26 April 2024. .

4. According to the resolution of the 42nd meeting of the 10th Board of Directors and the 2023 Annual General Meeting of Shareholders, it was agreed to appoint Pan-China Certified Public Accountants (special general partnership) AS appointed as the auditor of the Company's 2024 annual financial report and internal control for a period of one year. Found more on appointed media “Securities Times”, “China Securities Journal” and Juchao Website (www.cninfo.com.cn) that the Company disclosed in the form of announcement (Announcement No. 2024-

007,2024-011 and 2024-024 )on 30 March 2024 and 26 April 2024.

5. According to the resolution of the 42nd meeting of the 10th Board of Directors and the 2023 Annual General Meeting of Shareholders, it was agreed that the Company and its subsidiaries will conduct forward foreign exchange fund trading business from July 1, 2024 to June 30, 2025, with a transaction balance not exceeding USD 1.199 billion (mainly including USD, AUD and EUR, and all other foreign exchange will be converted into USD), and a longest delivery period of a single business of no more than one year. Found more on appointed media "Securities Times", "China Securities Journal" and Juchao Website (www.cninfo.com.cn) that the Company disclosed in the form of announcement (Announcement No. 2024-007,2024-013 and 2024-024 )on 30 March 2024 and 26 April 2024. .

6. According to the resolutions of the 42nd meeting of the 10th Board of Directors, the 30th meeting of the 10th Board of Supervisors and the 2023 Annual General Meeting of Shareholders, it was agreed to pass the *Company's Return Plan for Shareholders for the Next Three Years (2024 -2026)*. Found more on appointed media "Securities Times", "China Securities Journal" and Juchao Website (www.cninfo.com.cn) that the Company disclosed in the form of announcement (Announcement No. 2024-007,2024-008 and 2024-024 )on 30 March 2024 and 26 April 2024. .

7. According to the resolution of the 42nd meeting of the 10th Board of Directors and the 2023 Annual General Meeting of Shareholders, it was agreed that the Company and its subsidiaries apply to Hefei Branch of Industrial Bank Co., Ltd. for a special credit line of up to RMB 400 million for bill pool; and apply to Hefei Branch of Ping An Bank Co., Ltd. for a special credit line of up to RMB 500 million for bill pool. Found more on appointed media "Securities Times", "China Securities Journal" and Juchao Website (www.cninfo.com.cn) that the Company disclosed in the form of announcement (Announcement No. 2024-007,2024-015 and 2024-024 )on 30 March 2024 and 26 April 2024. .

8. According to the 43rd meeting of the 10th Board of Directors, the 31st meeting of the 10th Board of Supervisors and the First Extraordinary General Meeting of Shareholders in 2024, it was agreed to provide a total guarantee amount of no more than RMB 600 million for raw materials purchased by Changhong Air Conditioning, a wholly-owned subsidiary of the Company, with a guarantee period of one year, starting from the date of review and approval by the Company's General Meeting of Shareholders. Found more on appointed media "Securities Times", "China Securities Journal" and Juchao Website (www.cninfo.com.cn) that the Company disclosed in the form of announcement (Announcement No. 2024-020,2024-021,2024-023 and 2024-036 )on 20 April 2024 and 19 June 2024. .

9. In order to establish a variety of shareholder return mechanisms, thank shareholders for their long-term concern and support, and at the same time to allow shareholders to experience the Company's new products and services, and improve investors' understanding and recognition of the Company's intrinsic value, the Company held the "Changhong Meiling Shareholder Thanksgiving Festival" from May 18, 2024 to May 26, 2024. Found more on appointed media "Securities Times", "China Securities Journal" and Juchao Website (www.cninfo.com.cn) that the Company disclosed in the form of announcement (Announcement No. 2024-025 )on 17 May 2024 a.

10. According to the resolutions of the 44th meeting of the 10th Board of Directors and the First Extraordinary General Meeting of Shareholders in 2024, it was agreed to amend some clauses of the Company's *Articles of Association* according to relevant provisions of laws and regulations and combined with the actual situation of the Company. Found more on appointed media “Securities Times”, “China Securities Journal” and Juchao Website (www.cninfo.com.cn) that the Company disclosed in the form of announcement (Announcement No. 2024-026, 2024-028 and 2024-036) on 1 June 2024 and 19 June 2024. .

11. According to the resolution of the 44th meeting of the 10th Board of Directors and the First Extraordinary General Meeting of Shareholders in 2024, it was agreed to amend some clauses of the Company's *Authorization Management System* according to the relevant provisions of laws and regulations and combined with the actual situation of the Company. Found more on appointed media “Securities Times”, “China Securities Journal” and Juchao Website (www.cninfo.com.cn) that the Company disclosed in the form of announcement (Announcement No. 2024-026, 2024-028 and 2024-036) on 1 June 2024 and 19 June 2024. .

12. According to the resolutions of the 44th meeting of the 10th Board of Directors, the 32nd meeting of the 10th Board of Supervisors and the First Extraordinary General Meeting of Shareholders in 2024, it was agreed that the Company and its subsidiaries (excluding Zhongke Meiling Cryogenic Technology Co., Ltd. and its subsidiaries) would increase the use of their own idle funds of no more than RMB 1.85 billion (which can be used in a rolling way) to invest in and purchase bank wealth management products with high safety, good liquidity, low risk and stability within one year. The authorization period is valid within one year from the date of deliberation and approval by the General Meeting of Shareholders of the Company. Found more on appointed media “Securities Times”, “China Securities Journal” and Juchao Website (www.cninfo.com.cn) that the Company disclosed in the form of announcement (Announcement No. 2024-026, 2024-027, 2024-030 and 2024-036) on 1 June 2024 and 19 June 2024. .

13. In view of the expiration of the term of the 10th Board of Directors of the Company, according to relevant regulations, the Board of Directors of the Company needs to be re-elected. It was agreed that the 11th Board of Directors of the Company should have 9 directors, including 6 non-independent directors and 3 independent directors. According to the resolutions of the 44th meeting of the 10th Board of Directors and the First Extraordinary General Meeting of Shareholders in 2024, it was agreed to appoint Mr. Wu Dinggang, Mr. Zhong Ming, Mr. Zhao Qilin, Ms. Yi Suqin, Mr. Cheng Ping and Mr. Fang Wei as the non-independent directors of the 11th Board of Directors, and Ms. Mu Wen, Mr. Hong Yuanjia and Mr. Cheng Wenlong as the independent directors of the 11th Board of Directors. Found more on appointed media “Securities Times”, “China Securities Journal” and Juchao Website (www.cninfo.com.cn) that the Company disclosed in the form of announcement (Announcement No. 2024-026, 2024-031 and 2024-036) on 1 June 2024 and 19 June 2024. .

14. According to the resolution of the 32nd meeting of the 10th Board of Supervisors and the First Extraordinary General Meeting of Shareholders in 2024, in order to optimize the enterprise supervision system, combined with the revision of the Articles of Association, it was agreed to amend some clauses of the Rules of Procedure of the Board of Supervisors, and adjust the member number of the Board of Supervisors from 5 to 3. Found more on appointed media “Securities Times”, “China Securities Journal” and Juchao Website (www.cninfo.com.cn)

that the Company disclosed in the form of announcement (Announcement No. 2024-027,2024-029 and 2024-036 )on 1 June 2024 and 19 June 2024. .

15. In view of the expiration of the term of the 10th Board of Supervisors of the Company, according to relevant regulations, the Board of Supervisors of the Company needs to be re-elected. It was agreed that the 11th Board of Supervisors of the Company should have 3 supervisors, including 2 shareholder representative supervisors and 1 employee supervisor. According to the resolution of the 32nd meeting of the 10th Board of Supervisors and the First Extraordinary General Meeting of Shareholders in 2024, it was agreed to appoint Mr. Qiu Jin and Mr. Ma Yu as the shareholder representative supervisors of the 11th Board of Supervisors; After voting at the second meeting of the Ninth Workers' Congress, it was agreed to elect Ms. Ji Ge as the employee supervisor of the 11th Board of Supervisors. Found more on appointed media “Securities Times”, “China Securities Journal” and Juchao Website (www.cninfo.com.cn) that the Company disclosed in the form of announcement (Announcement No. 2024-027,2024-032, 2024-036 and 2024-037)on 1 June 2024 and 19 June 2024. .

16. According to the resolution of the first meeting of the 11th Board of Directors, it was agreed to elect Mr. Wu Dinggang as the chairman of the 11th Board of Directors, to elect members of the strategy, audit, nomination, remuneration and assessment and ESG management committees under the 11th Board of Directors, to re-appoint Mr. Tang Youdao, Mr. Kou Huameng and Mr. Hu Zhaogui as the Company's vice presidents, to employ Ms. Li Xia as the Company's vice president and concurrently the secretary of the Board of Directors, and to re-appoint Mr. Pang Haitao as the Company's financial director, with a term of office from the date of review and approval by the Board of Directors to the Company to the date of expiration of the term of office of the current Board of Directors. Found more on appointed media “Securities Times”, “China Securities Journal” and Juchao Website (www.cninfo.com.cn) that the Company disclosed in the form of announcement (Announcement No. 2024-038 and 2024-040 )on 19 June 2024 and 20 June 2024. .

17. According to the resolution of the first meeting of the 11th Board of Supervisors of the Company, it was agreed to elect Mr. Qiu Jin as the chairman of the 11th Board of Supervisors of the Company, with a term of office the same as that of the 11th Board of Supervisors of the Company. Found more on appointed media “Securities Times”, “China Securities Journal” and Juchao Website (www.cninfo.com.cn) that the Company disclosed in the form of announcement (Announcement No. 2024-038 and 2024-040 )on 19 June 2024 and 20 June 2024. .

#### **XIV. Major event of the subsidiary**

Applicable  Not applicable

1. According to the resolution of the 41st meeting of the 10th Board of Directors of the Company, it was agreed that Sichuan Changhong Air Conditioning Co., Ltd., a subsidiary of the Company, would invest RMB 100 million with its own funds to set up a wholly-owned subsidiary, Sichuan Changhong Intelligent Air Conditioning Technology Co., Ltd., to engage in related business centered on manufacturing and sales of frequency conversion drive control panels in the air conditioning industry (including special air conditioners). Found more on appointed media “Securities Times”, “China Securities Journal” and Juchao Website (www.cninfo.com.cn) that the Company disclosed in the form of announcement (Announcement No. 2024-006 )on 15 March 2024. .

2. According to the resolution of the 42nd meeting of the 10th Board of Directors and the 30th meeting of the 10th Board of Supervisors, it was agreed that Hefei Meiling Nonferrous Metal Products Co., Ltd., a subsidiary of the Company, would write off some unrecoverable accounts receivable totaling RMB 3,092,614.56. Found more on appointed media “Securities Times”, “China Securities Journal” and Juchao Website (www.cninfo.com.cn) that the Company disclosed in the form of announcement (Announcement No. 2024-007,2024-008 and 2024-012 )on 30 March 2024. .

## Section VII Changes in Shares and Particular about Shareholders

## I. Changes in Share Capital

## (i) Changes in Share Capital

	Before the Change		Increase/Decrease in the Change (+, -)					After the Change	
	Amount	Proportion	New shares issued	Bonus shares	Public reserve transfer into share capital	Others	Subtotal	Amount	Proportion
I. Restricted shares	7,688,842	0.75%	0	0	0	-1,178,307	-1,178,307	6,510,535	0.63%
1. State-owned shares	0	0.00%	0	0	0	0	0	0	0.00%
2. State-owned legal person's shares	1,141,053	0.11%	0	0	0	0	0	1,141,053	0.11%
3. Other domestic shares	5,280,369	0.52%	0	0	0	+89,113	+89,113	5,369,482	0.52%
Including: Domestic legal person's shares	3,363,539	0.33%	0	0	0	0	0	3,363,539	0.33%
Domestic natural person's shares	1,916,830	0.19%	0	0	0	+89,113	+89,113	2,005,943	0.19%
4. Foreign shares	1,267,420	0.12%	0	0	0	-1,267,420	-1,267,420	0	0.00%
Including: Foreign legal person's shares	0	0.00%	0	0	0	0	0	0	0.00%
Foreign natural person's shares	1,267,420	0.12%	0	0	0	-1,267,420	-1,267,420	0	0.00%
II. Unrestricted shares	1,022,234,873	99.25%	0	0	0	+1,178,307	+1,178,307	1,023,413,180	99.37%
1. RMB ordinary shares	875,312,459	84.99%	0	0	0	-89,113	-89,113	875,223,346	84.98%
2. Domestically listed foreign shares	146,922,414	14.26%	0	0	0	+1,267,420	+1,267,420	148,189,834	14.39%
3. Overseas listed foreign shares	0	0.00%	0	0	0	0	0	0	0.00%
4. Others	0	0.00%	0	0	0	0	0	0	0.00%

III. Total shares	1,029,923,715	100.00%	0	0	0	0	0	1,029,923,715	100.00%
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### 1. Reasons for share changed

Applicable  Not applicable

(1) On June 18, 2024, the Company held the first meeting of the 11th Board of Directors, and held a general election for senior managers. Mr. Huang Danian no longer served as the Company's vice president. According to the relevant provisions of the Guideline No.18 on Self-regulation of Listed Companies of Shenzhen Stock Exchange - Reduction of Shares held by Shareholders and Directors, Supervisors and Senior Managers, 75% of Mr. Huang Danian's shares, namely 267,337 shares, were restricted shares of senior managers before he left office. During the reporting period, as Mr. Huang Danian left office less than six months ago, the remaining 25% of the total shares held by him, that is, 89,113 shares, were locked. At present, the Meiling shares held by Mr. Huang Danian are locked in full.

(2) On May 25, 2023, Mr. Liu Hongwei, the former Executive Vice President of the Company, resigned as the executive vice president of the Company for personal reasons, and his original term of office expired on June 18, 2024. According to the relevant provisions of the Guideline No.18 on Self-regulation of Listed Companies of Shenzhen Stock Exchange - Reduction of Shares held by Shareholders and Directors, Supervisors and Senior Managers, all the shares of Mr. Liu Hongwei were locked six months after his resignation, but on December 31, 2023, 75% of the shares held by Mr. Liu Hongwei, that is, 1,267,420 shares, were locked because his original term of office did not expire. During the reporting period, as it had been six months since Mr. Liu Hongwei left office and his original term expired, 75% of the shares held by him, that is, 1,267,420 shares, were lifted from restricted sale.

### 2. Approval of share changed

Applicable  Not applicable

### 3. Ownership transfer of share changed

Applicable  Not applicable

### 4. Implementation progress of shares buy-back

Applicable  Not applicable

### 5. Implementation progress of reducing holdings of shares buy-back by centralized bidding

Applicable  Not applicable

### 6. Influence on the basic EPS and diluted EPS as well as other financial indexes of net assets per share attributable to common shareholders of Company in latest year and period

Applicable  Not applicable

### 7. Other information necessary to disclose or need to disclosed under requirement from security regulators



Applicable  Not applicable

## (ii) Changes of lock-up stocks

Applicable  Not applicable

In: Shares

Shareholders	Opening shares restricted	Shares released in Period	Restricted shares increased in Period	Ending shares restricted	Restricted reasons	Date for released
Huang Danian	267,337	0	89,113	356,450	Top management lock-in stock	On June 18, 2024, the Company held the first meeting of the 11th Board of Directors, and held a general election for senior managers. Mr. Huang Danian no longer served as the Company's vice president. According to the relevant provisions of the Guideline No.18 on Self-regulation of Listed Companies of Shenzhen Stock Exchange - Reduction of Shares held by Shareholders and Directors, Supervisors and Senior Managers, 75% of Mr. Huang Danian's shares, namely 267,337 shares, were restricted shares of senior managers before he left office. During the reporting period, as Mr. Huang Danian left office less than six months ago, the remaining 25% of the total shares held by him, that is, 89,113 shares, were locked. At present, the Meiling shares held by Mr. Huang Danian are locked in full.
Liu Hongwei	1,267,420	1,267,420	0	0	Top management lock-in stock	According to the relevant provisions of the Guideline No.18 on Self-regulation of Listed Companies of Shenzhen Stock Exchange - Reduction of Shares held by Shareholders and Directors, Supervisors and Senior Managers, all the shares of Mr. Liu Hongwei were locked six months after his resignation, but on December 31, 2023, 75% of the shares held by Mr. Liu Hongwei, that is, 1,267,420 shares, were locked because his original term of office did not expire. During the reporting period, as it had been six months since Mr. Liu Hongwei left office and his original term expired, 75% of the shares held by him, that is, 1,267,420 shares, were lifted from restricted sale.
Total	1,534,757	1,267,420	89,113	356,450	--	--

## II. Securities issuance and listing

Applicable  Not applicable

## III. Amount of shareholders of the Company and particulars about shares holding

In Shares

Total shareholders at end of the Period	51,072	Total preference shareholders with voting rights recovered at end of reporting period (if	0
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				any)( See Note 8)				
Particulars about common shares held above 5% by shareholders or top ten common shareholders(Excludes shares lent through refinancing)								
Full name of Shareholders	Nature of shareholder	Proportion of shares held	Amount of common shares held at the end of reporting period	Changes in report period	Amount of restricted common shares held	Amount of common shares held without restriction	Information of shares pledged, tagged or frozen	
							State of share	Amount
Sichuan Changhong Electric Co., Ltd.	State-owned legal person	24.12%	248,457,724	0	0	248,457,724	-	-
HKSCC	Foreign legal person	6.52%	67,198,211	+62,479,597	0	67,198,211	-	-
The National Social Security Fund 101 portfolio	Domestic non-state-owned legal person	3.44%	35,423,661	+12,640,925	0	35,423,661	-	-
Hefei Industry Investment Holding (Group) Co., Ltd.	State-owned legal person	2.71%	27,920,220	-19,903,181	0	27,920,220	-	-
CHANGHONG (HK) TRADING LIMITED	Foreign legal person	2.63%	27,077,797	0	0	27,077,797	-	-
CAOSHENGCHUN	Foreign nature person	1.43%	14,766,086	0	0	14,766,086	-	-
Industrial Bank – Southern Xingrun value one-year holding period of hybrid securities investment fund	Domestic non-state-owned legal person	1.34%	13,797,353	+4,635,753	0	13,797,353	-	-
ICBC – South Excellent Growth Stock Securities Investment Fund	Domestic non-state-owned legal person	1.25%	12,823,000	+2,180,000	0	12,823,000	-	-
China Construction Bank Co., Ltd.- Jiashixin Consumer Stock Securities Investment Fund	Domestic non-state-owned legal person	1.18%	12,182,400	+100,300	0	12,182,400	-	-
ICBC – Guangfa Jiyuan bond securities investment fund	Domestic non-state-owned legal person	0.68%	7,000,000	+7,000,000	0	7,000,000	-	-
Strategy investors or general legal person becomes top 10 shareholders due to rights issued (if applicable)(See note 3)	Not applicable							
Explanation on associated relationship among the aforesaid shareholders	Among the above shareholders, CHANGHONG (HK) TRADING LIMITED (hereinafter referred to as Hong Kong Changhong) is the wholly-owned subsidiary of Sichuan Changhong Electric Co., Ltd., the foregoing shareholders constitute persons of uniform action. There existed no associated relationship or belong to the concerted actors as specified in the Measures for the Administration of Information Disclosure of Shareholder Equity Changes of Listed Companies among Sichuan Changhong Electric Co., Ltd, Hong Kong Changhong and other top 8 shareholders, The company neither knows whether there is any association among other shareholders, nor knows whether other shareholders belong to the persons acting in concert that is stipulated in the “Administrative Measures on Information Disclosure of Changes in Shareholding of Listed Companies”.							
Description of the above shareholders in relation to delegate/entrusted voting rights and abstention from voting rights.	Not Applicable							
Special note on the repurchase account among the top 10 shareholders (if applicable)(See Note 11)	Not Applicable							
Particular about top ten shareholders with un-restrict shares held(Excluding shares lent through refinancing and Top management lock-in stock)								

Shareholders' name	Amount of unrestricted shares held at end of Period	Type of shares	
		Type	Amount
Sichuan Changhong Electric Co., Ltd.	248,457,724	Common shares in RMB	248,457,724
HKSCC	67,198,211	Common shares in RMB	67,198,211
The National Social Security Fund 101 portfolio	35,423,661	Common shares in RMB	35,423,661
Hefei Industry Investment Holding (Group) Co., Ltd.	27,920,220	Common shares in RMB	27,920,220
CHANGHONG (HK) TRADING LIMITED	27,077,797	Foreign shares in domestic market	27,077,797
CAOSHENGCHUN	14,766,086	Foreign shares in domestic market	14,766,086
Industrial Bank – Southern Xingrun value one-year holding period of hybrid securities investment fund	13,797,353	Common shares in RMB	13,797,353
ICBC – South Excellent Growth Stock Securities Investment Fund	12,823,000	Common shares in RMB	12,823,000
China Construction Bank Co., Ltd.- Jiashixin Consumer Stock Securities Investment Fund	12,182,400	Common shares in RMB	12,182,400
ICBC – Guangfa Jiyuan bond securities investment fund	7,000,000	Common shares in RMB	7,000,000
Expiation on associated relationship or consistent actors within the top 10 un-restrict shareholders and between top 10 un-restrict shareholders and top 10 shareholders	Found more in “Particulars about shares held above 5% by shareholders or top 10 shares holding”		
Explanation on top ten common shareholders involving margin business (if any)	Not applicable		

Information of shareholders holding more than 5% of the shares, the top 10 shareholders and the top 10 shareholders of unrestricted tradable shares participating in the lending of shares in securities lending and borrowing business

Applicable  Not applicable

The top 10 shareholders and the top 10 shareholders of unrestricted tradable shares have changed compared with the previous period due to the securities lending/returning,

Applicable  Not applicable

Whether top ten common shareholders or top ten common shareholders with un-restrict shares held have a buy-back agreement dealing in reporting period.

Yes  No

The top ten common shareholders or top ten common shareholders with un-restrict shares held of the Company have no buy –back agreement dealing in reporting period.

**IV. Changes of shares held by directors, supervisors and senior executives**

Applicable  Not applicable

The shareholding of directors, supervisors and senior managers of the Company has not changed during the reporting period. For details, please refer to the 2023 annual report

**V. Changes in controlling shareholders or actual controllers**

**(i) Controlling shareholder changes in reporting period**

Applicable  Not applicable

Controlling shareholder stays the same in Period.

**(ii) Changes of actual controller in Period**

Applicable  Not applicable

Actual controller stays the same in Period

## Section VIII Preferred Stock

Applicable  Not applicable

The Company had no preferred stock in the Period

## Section IX Corporate Bonds

Applicable  Not applicable

## Section X Financial Report

### I Audit report

Has the semi annual report been audited

Yes  No

The company's semi annual financial report has not been audited.

### II. Financial Statement

Statement in Financial Notes are carried in RMB/CNY

#### 1. Consolidated Balance Sheet

Prepared by CHANGHONG MEILING CO., LTD.

June 30, 2024

In RMB

Item	June 30, 2024	January 1, 2024
Current assets:		
Monetary funds	9,049,689,291.78	8,840,685,525.71
Settlement provisions		
Capital lent		
Trading financial assets	1,091,019,993.13	39,236,447.63
Derivative financial assets		
Note receivable		267,174.50
Account receivable	2,167,372,348.82	1,633,706,889.06
Receivable financing	1,600,373,357.87	1,641,858,740.34
Accounts paid in advance	26,026,323.72	45,738,805.90
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Other account receivable	80,790,579.55	82,953,808.97
Including: Interest receivable		
Dividend receivable		
Buying back the sale of financial assets		
Inventories	3,570,153,407.57	2,022,738,412.97
Including: Data resources		
Contractual assets	10,193,150.12	13,261,690.62
Assets held for sale		
Non-current asset due within one year		122,294,027.78

Other current assets	634,179,060.52	225,419,883.07
Total current assets	18,229,797,513.08	14,668,161,406.55
Non-current assets:		
Loans and payments on behalf		0.00
Debt investment	1,231,537,871.00	420,537,485.54
Other debt investment		0.00
Long-term account receivable		0.00
Long-term equity investment	112,836,567.94	112,745,811.75
Investment in other equity instrument		0.00
Other non-current financial assets	674,139,515.48	674,139,515.48
Investment real estate	49,948,104.52	50,920,487.71
Fixed assets	2,155,971,273.86	2,136,912,034.28
Construction in progress	69,381,313.71	69,920,839.20
Productive biological asset		0.00
Oil and gas asset		0.00
Right-of-use assets	115,425,096.53	49,993,400.61
Intangible assets	889,031,727.48	886,455,434.73
Including: Data resources		
Expense on Research and Development	110,820,740.92	97,177,535.34
Including: Data resources		
Goodwill		0.00
Long-term expenses to be apportioned	33,215,466.40	35,698,465.62
Deferred income tax asset	158,259,901.69	162,340,495.03
Other non-current asset	13,906,387.31	26,601,614.35
Total non-current asset	5,614,473,966.84	4,723,443,119.64
Total assets	23,844,271,479.92	19,391,604,526.19
Current liabilities:		
Short-term loans	1,145,550,587.35	1,134,102,419.03
Loan from central bank		0.00
Capital borrowed		0.00
Trading financial liability	46,906,758.56	32,229,012.86
Derivative financial liability		0.00
Note payable	7,438,928,526.00	5,904,387,089.98
Account payable	6,482,294,160.76	3,882,303,908.89
Accounts received in advance	847,417.67	55,949.90
Contractual liability	394,822,462.19	405,698,756.02
Selling financial asset of repurchase		0.00
Absorbing deposit and interbank deposit		0.00
Security trading of agency		0.00
Security sales of agency		0.00



Wage payable	445,960,283.15	443,612,216.56
Taxes payable	76,400,837.31	91,917,751.71
Other account payable	1,039,236,170.68	884,714,721.30
Including: Interest payable		0.00
Dividend payable	6,005,989.72	5,384,407.44
Commission charge and commission payable		0.00
Reinsurance payable		0.00
Liability held for sale		0.00
Non-current liabilities due within one year	59,795,173.12	48,822,798.47
Other current liabilities	17,855,988.67	19,172,541.50
Total current liabilities	17,148,598,365.46	12,847,017,166.22
Non-current liabilities:		
Insurance contract reserve		0.00
Long-term loans	89,058,089.90	108,000,000.00
Bonds payable		0.00
Including: Preferred stock		0.00
Perpetual capital securities		0.00
Lease liability	104,173,573.28	43,488,292.70
Long-term account payable	627,878.52	800,347.84
Long-term wages payable	10,530,588.34	11,417,181.82
Accrual liability	35,570,774.19	32,054,790.39
Deferred income	119,482,607.70	132,977,494.33
Deferred income tax liabilities	28,890,023.41	21,814,466.43
Other non-current liabilities		0.00
Total non-current liabilities	388,333,535.34	350,552,573.51
Total liabilities	17,536,931,900.80	13,197,569,739.73
Owner's equity:		
Share capital	1,029,923,715.00	1,029,923,715.00
Other equity instrument		0.00
Including: Preferred stock		0.00
Perpetual capital securities		0.00
Capital public reserve	2,805,503,457.77	2,805,503,457.77
Less: Inventory shares		0.00
Other comprehensive income	-21,877,980.74	-20,704,362.05
Reasonable reserve	14,454,178.04	11,246,811.91
Surplus public reserve	477,053,194.82	477,053,194.82
Provision of general risk		0.00
Retained profit	1,627,816,138.02	1,521,759,836.64
Total owner's equity attributable to parent company	5,932,872,702.91	5,824,782,654.09

Minority interests	374,466,876.21	369,252,132.37
Total owner's equity	6,307,339,579.12	6,194,034,786.46
Total liabilities and owner's equity	23,844,271,479.92	19,391,604,526.19

Legal Representative: Wu Dinggang

Person in charge of accounting works: Pang Haitao

Person in charge of accounting institute: Yang Jun

## 2. Balance Sheet of Parent Company

In RMB

Item	June 30, 2024	January 1, 2024
Current assets:		
Monetary funds	3,726,975,756.84	4,809,758,761.19
Trading financial assets	755,898,224.23	18,729,757.94
Derivative financial assets		
Note receivable		38,674.50
Account receivable	1,238,008,121.72	1,451,795,533.72
Receivable financing	1,172,289,956.04	1,497,014,392.88
Accounts paid in advance	38,578,600.05	57,223,852.86
Other account receivable	67,480,000.95	61,841,221.91
Including: Interest receivable		
Dividend receivable		
Inventories	733,760,107.85	563,055,688.46
Data resources		
Contractual assets	37,408.05	37,408.05
Assets held for sale		
Non-current assets maturing within one year		122,294,027.78
Other current assets	338,807,851.70	117,873,746.80
Total current assets	8,071,836,027.43	8,699,663,066.09
Non-current assets:		
Debt investment	741,391,902.78	185,038,444.44
Other debt investment		
Long-term receivables		
Long-term equity investments	1,858,536,438.74	1,857,475,810.90
Investment in other equity instrument		
Other non-current financial assets	639,796,405.98	639,796,405.98
Investment real estate	3,230,606.15	3,335,032.47
Fixed assets	1,094,447,507.55	1,129,605,191.26
Construction in progress	47,182,435.42	23,067,134.99
Productive biological assets		

Oil and natural gas assets		
Right-of-use assets	13,900,722.96	14,847,119.40
Intangible assets	451,229,552.02	450,919,869.65
Data resources		
Research and development costs	53,940,097.24	59,134,989.07
Data resources		
Goodwill		
Long-term deferred expenses	16,968,304.60	18,688,725.10
Deferred income tax assets	91,953,130.46	112,630,572.62
Other non-current assets	638,649.57	638,649.57
Total non-current assets	5,013,215,753.47	4,495,177,945.45
Total assets	13,085,051,780.90	13,194,841,011.54
Current liabilities:		
Short-term borrowings	827,328,642.91	1,128,097,377.36
Trading financial liability	21,726,469.38	13,310,995.04
Derivative financial liability		
Notes payable	3,289,284,464.26	2,697,168,522.01
Account payable	2,085,829,995.33	2,296,410,046.78
Accounts received in advance		
Contractual liability	86,009,211.06	107,529,353.67
Wage payable	159,344,814.67	159,773,962.41
Taxes payable	7,955,060.25	25,137,168.64
Other accounts payable	1,014,893,542.38	951,772,428.91
Including: Interest payable		
Dividend payable	5,405,989.72	4,784,407.44
Liability held for sale		
Non-current liabilities due within one year	47,410,970.58	42,339,541.12
Other current liabilities	4,402,429.73	4,875,594.29
Total current liabilities	7,544,185,600.55	7,426,414,990.23
Non-current liabilities:		
Long-term loans	83,000,000.00	108,000,000.00
Bonds payable		
Including: Preferred stock		
Perpetual capital securities		
Lease liability	13,730,549.88	14,511,484.16
Long-term account payable		
Long term employee compensation payable	5,945,685.56	6,554,481.48
Accrued liabilities	8,758,265.23	8,758,265.23
Deferred income	70,196,628.90	75,130,950.40
Deferred income tax liabilities	10,223,883.79	13,589,235.48

Other non-current liabilities		
Total non-current liabilities	191,855,013.36	226,544,416.75
Total liabilities	7,736,040,613.91	7,652,959,406.98
Owners' equity:		
Share capital	1,029,923,715.00	1,029,923,715.00
Other equity instrument		
Including: Preferred stock		
Perpetual capital securities		
Capital public reserve	2,740,508,510.57	2,740,508,510.57
Less: Inventory shares		
Other comprehensive income		
Special reserve	1,330,778.37	505,111.75
Surplus reserve	476,835,029.14	476,835,029.14
Retained profit	1,100,413,133.91	1,294,109,238.10
Total owner's equity	5,349,011,166.99	5,541,881,604.56
Total liabilities and owner's equity	13,085,051,780.90	13,194,841,011.54

Legal Representative: Wu Dinggang

Person in charge of accounting works: Pang Haitao

Person in charge of accounting institute: Yang Jun

### 3. Consolidated Profit Statement

In RMB

Item	Semi-annual of 2024	Semi-annual of 2023
I. Total operating income	14,947,670,291.70	12,828,694,323.57
Including: Operating income	14,947,670,291.70	12,828,694,323.57
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	14,492,584,406.08	12,396,558,239.03
Including: Operating cost	13,261,806,565.80	11,178,914,075.83
Interest expense		
Commission charge and commission expense		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expense		
Tax and extras	53,110,913.19	98,025,766.62
Sales expense	834,329,749.56	786,493,259.32
Administrative expense	157,436,505.99	182,962,865.60

R&D expense	287,601,598.28	265,176,197.93
Financial expense	-101,700,926.74	-115,013,926.27
Including: Interest expenses	12,799,719.70	13,185,503.15
Interest income	98,725,551.34	83,240,562.07
Add: Other income	81,307,947.62	32,328,256.66
Investment income (Loss is listed with “-”)	2,933,725.87	14,377,940.05
Including: Investment income on affiliated company and joint venture	7,391,368.30	12,544,969.44
The termination of income recognition for financial assets measured by amortized cost	-24,604,289.53	-14,192,040.21
Exchange income (Loss is listed with “-”)		
Net exposure hedging income (Loss is listed with “-”)		
Income from change of fair value (Loss is listed with “-”)	-42,719,405.68	-56,428,183.43
Loss of credit impairment (Loss is listed with “-”)	12,475,890.64	-41,081,589.83
Losses of devaluation of asset (Loss is listed with “-”)	-29,258,587.16	-18,167,335.89
Income from assets disposal (Loss is listed with “-”)	36,334.95	
III. Operating profit (Loss is listed with “-”)	479,861,791.86	363,165,172.10
Add: Non-operating income	2,550,542.70	10,704,019.80
Less: Non-operating expense	4,477,090.10	3,014,799.22
IV. Total profit (Loss is listed with “-”)	477,935,244.46	370,854,392.68
Less: Income tax expense	53,105,204.51	925,010.04
V. Net profit (Net loss is listed with “-”)	424,830,039.95	369,929,382.64
(i) Classify by business continuity		
1.continuous operating net profit (net loss listed with ‘-’)	424,830,039.95	369,929,382.64
2.termination of net profit (net loss listed with ‘-’)		
(ii) Classify by ownership		
1.Net profit attributable to owner’s of parent company	415,033,415.88	358,054,844.74
2.Minority shareholders’ gains and losses	9,796,624.07	11,874,537.90
VI. Net after-tax of other comprehensive income	-1,142,407.83	2,267,837.82
Net after-tax of other comprehensive income attributable to owners of parent company	-1,173,618.69	2,021,916.55
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1.Changes of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5. Other		
(ii) Other comprehensive income items which will be reclassified subsequently to profit or loss	-1,173,618.69	2,021,916.55
1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of other debt investment		
3.Amount of financial assets re-classify to other comprehensive income		

4.Credit impairment provision for other debt investment		
5.Cash flow hedging reserve		
6.Translation differences arising on translation of foreign currency financial statements	-1,173,618.69	2,021,916.55
7.Other		
Net after-tax of other comprehensive income attributable to minority shareholders	31,210.86	245,921.27
VII. Total comprehensive income	423,687,632.12	372,197,220.46
Total comprehensive income attributable to owners of parent Company	413,859,797.19	360,076,761.29
Total comprehensive income attributable to minority shareholders	9,827,834.93	12,120,459.17
VIII. Earnings per share:		
(i) Basic earnings per share	0.4030	0.3477
(ii) Diluted earnings per share	0.4030	0.3477

In the current period, if there is a merger of enterprises under the same control, the net profit realized by the merged party before the merger is 0 yuan, and the net profit realized by the merged party in the previous period is 0 yuan.

Legal Representative: Wu Dinggang

Person in charge of accounting works: Pang Haitao

Person in charge of accounting institute: Yang Jun

#### 4. Profit Statement of Parent Company

In RMB

Item	Semi-annual of 2024	Semi-annual of 2023
I. Operating income	4,969,902,647.32	4,338,699,541.92
Less: Operating cost	4,525,131,724.21	3,954,954,574.25
Taxes and surcharge	23,478,425.44	36,432,651.42
Sales expenses	150,916,822.25	94,839,586.49
Administration expenses	50,816,647.13	49,060,555.60
R&D expenses	133,895,567.76	118,815,372.05
Financial expenses	-41,115,313.08	-36,066,516.62
Including: Interest expenses	9,051,889.42	12,503,638.74
Interest income	50,681,932.56	39,678,411.29
Add: Other income	7,598,647.10	10,946,996.56
Investment income (Loss is listed with "-")	26,670,093.50	68,376,405.75
Including: Investment income on affiliated Company and joint venture	6,158,368.75	11,539,929.52
The termination of income recognition for financial assets measured by amortized cost (Loss is listed with "-")	-2,635,478.39	-4,223,097.22
Net exposure hedging income (Loss is listed with "-")		
Changing income of fair value (Loss is listed with "-")	-21,247,008.05	-20,365,050.80
Loss of credit impairment (Loss is listed with "-")	-168,300.27	-7,182,062.31
Losses of devaluation of asset (Loss is listed with "-")	-5,947,448.04	-808,792.91
Income on disposal of assets (Loss is listed with "-")	3,044.16	

II. Operating profit (Loss is listed with “-”)	133,687,802.01	171,630,815.02
Add: Non-operating income	165,605.98	496,859.54
Less: Non-operating expense	1,260,307.21	2,712,957.69
III. Total Profit (Loss is listed with “-”)	132,593,100.78	169,414,716.87
Less: Income tax	17,312,090.47	-1,667,121.35
IV. Net profit (Net loss is listed with “-”)	115,281,010.31	171,081,838.22
(i) continuous operating net profit (net loss listed with “-”)	115,281,010.31	171,081,838.22
(ii) termination of net profit (net loss listed with “-”)		
V. Net after-tax of other comprehensive income		
(i) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1.Changes of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5. Other		
(ii) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of other debt investment		
3.Amount of financial assets re-classify to other comprehensive income		
4.Credit impairment provision for other debt investment		
5.Cash flow hedging reserve		
6.Translation differences arising on translation of foreign currency financial statements		
7.Other		
VI. Total comprehensive income	115,281,010.31	171,081,838.22
VII. Earnings per share:		
(i) Basic earnings per share	0.1119	0.1661
(ii) Diluted earnings per share	0.1119	0.1661

Legal Representative: Wu Dinggang

Person in charge of accounting works: Pang Haitao

Person in charge of accounting institute: Yang Jun

## 5. Consolidated Cash Flow Statement

In RMB

Item	Semi-annual of 2024	Semi-annual of 2023
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	15,308,589,791.30	12,198,688,836.73
Net increase of customer deposit and interbank deposit		
Net increase of loan from central bank		

Net increase of capital borrowed from other financial institution		
Cash received from original insurance contract fee		
Net cash received from reinsurance business		
Net increase of insured savings and investment		
Cash received from interest, commission charge and commission		
Net increase of capital borrowed		
Net increase of returned business capital		
Net cash received by agents in sale and purchase of securities		
Write-back of tax received	563,109,006.37	335,722,174.27
Other cash received concerning operating activities	37,974,186.47	45,885,272.47
Subtotal of cash inflow arising from operating activities	15,909,672,984.14	12,580,296,283.47
Cash paid for purchasing commodities and receiving labor service	11,525,479,789.40	9,633,823,103.98
Net increase of customer loans and advances		
Net increase of deposits in central bank and interbank		
Cash paid for original insurance contract compensation		
Net increase of capital lent		
Cash paid for interest, commission charge and commission		
Cash paid for bonus of guarantee slip		
Cash paid to/for staff and workers	1,058,061,492.06	969,995,100.78
Taxes paid	201,465,905.00	220,348,189.39
Other cash paid concerning operating activities	396,439,921.08	345,610,079.51
Subtotal of cash outflow arising from operating activities	13,181,447,107.54	11,169,776,473.66
Net cash flows arising from operating activities	2,728,225,876.60	1,410,519,809.81
II. Cash flows arising from investing activities:		
Cash received from recovering investment	1,420,000,000.00	530,000,000.00
Cash received from investment income	28,412,801.63	29,194,568.79
Net cash received from disposal of fixed, intangible and other long-term assets	200,791.00	2,580,708.68
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities	101,996,559.35	83,960,584.77
Subtotal of cash inflow from investing activities	1,550,610,151.98	645,735,862.24
Cash paid for purchasing fixed, intangible and other long-term assets	149,362,697.07	112,867,755.64
Cash paid for investment	3,580,000,000.00	990,000,000.00
Net increase of mortgaged loans		
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities	7,111,935.45	14,291,587.29
Subtotal of cash outflow from investing activities	3,736,474,632.52	1,117,159,342.93
Net cash flows arising from investing activities	-2,185,864,480.54	-471,423,480.69
III. Cash flows arising from financing activities:		



Cash received from absorbing investment		
Including: Cash received from absorbing minority shareholders' investment by subsidiaries		
Cash received from loans	1,127,882,556.92	738,227,027.56
Other cash received concerning financing activities	72,296,545.79	246,707,138.50
Subtotal of cash inflow from financing activities	1,200,179,102.71	984,934,166.06
Cash paid for settling debts	1,131,967,080.14	543,000,000.00
Cash paid for dividend and profit distributing or interest paying	325,527,935.72	94,160,552.96
Including: Dividend and profit of minority shareholder paid by subsidiaries	5,083,093.40	16,677,010.63
Other cash paid concerning financing activities	80,515,863.94	160,042,182.97
Subtotal of cash outflow from financing activities	1,538,010,879.80	797,202,735.93
Net cash flows arising from financing activities	-337,831,777.09	187,731,430.13
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	17,439,311.30	5,527,412.31
V. Net increase of cash and cash equivalents	221,968,930.27	1,132,355,171.56
Add: Balance of cash and cash equivalents at the period - begin	8,391,128,635.87	6,113,222,069.76
VI. Balance of cash and cash equivalents at the period -end	8,613,097,566.14	7,245,577,241.32

Legal Representative: Wu Dinggang

Person in charge of accounting works: Pang Haitao

Person in charge of accounting institute: Yang Jun

## 6. Cash Flow Statement of Parent Company

In RMB

Item	Semi-annual of 2024	Semi-annual of 2023
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	5,280,211,025.34	3,881,403,178.06
Write-back of tax received	293,706,672.31	105,626,324.39
Other cash received concerning operating activities	14,519,557.10	11,635,429.61
Subtotal of cash inflow arising from operating activities	5,588,437,254.75	3,998,664,932.06
Cash paid for purchasing commodities and receiving labor service	4,180,482,491.50	3,259,367,184.55
Cash paid to/for staff and workers	291,758,151.83	253,472,494.63
Taxes paid	43,581,975.81	49,530,385.16
Other cash paid concerning operating activities	115,440,944.47	89,990,627.33
Subtotal of cash outflow arising from operating activities	4,631,263,563.61	3,652,360,691.67
Net cash flows arising from operating activities	957,173,691.14	346,304,240.39
II. Cash flows arising from investing activities:		
Cash received from recovering investment	620,000,000.00	
Cash received from investment income	27,533,505.78	74,682,585.15
Net cash received from disposal of fixed, intangible and other long-term assets	202,186.00	2,534,831.90
Net cash received from disposal of subsidiaries and other units		

Other cash received concerning investing activities	53,882,098.29	38,996,739.61
Subtotal of cash inflow from investing activities	701,617,790.07	116,214,156.66
Cash paid for purchasing fixed, intangible and other long-term assets	85,678,643.57	76,197,096.37
Cash paid for investment	2,100,000,000.00	180,000,000.00
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities		13,796,171.19
Subtotal of cash outflow from investing activities	2,185,678,643.57	269,993,267.56
Net cash flows arising from investing activities	-1,484,060,853.50	-153,779,110.90
III. Cash flows arising from financing activities:		
Cash received from absorbing investment		
Cash received from loans	809,669,129.02	738,227,027.56
Other cash received concerning financing activities	150,450,083.63	95,587,946.50
Subtotal of cash inflow from financing activities	960,119,212.65	833,814,974.06
Cash paid for settling debts	1,131,967,080.14	518,000,000.00
Cash paid for dividend and profit distributing or interest paying	316,626,529.97	76,787,308.98
Other cash paid concerning financing activities	7,491,686.80	48,994,977.36
Subtotal of cash outflow from financing activities	1,456,085,296.91	643,782,286.34
Net cash flows arising from financing activities	-495,966,084.26	190,032,687.72
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	-1,950,942.84	2,973,726.15
V. Net increase of cash and cash equivalents	-1,024,804,189.46	385,531,543.36
Add: Balance of cash and cash equivalents at the period - begin	4,746,147,736.99	3,086,968,775.61
VI. Balance of cash and cash equivalents at the period -end	3,721,343,547.53	3,472,500,318.97

Legal Representative: Wu Dinggang

Person in charge of accounting works: Pang Haitao

Person in charge of accounting institute: Yang Jun

7. Statement of Changes in Owners' Equity (Consolidated)

This Period

In RMB

Item	Semi-annual of 2024														Minority interests	Total owners' equity
	Owners' equity attributable to the parent Company												Subtotal			
	Share capital	Other equity instrument			Capital reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surplus reserve	Provision of general risk	Retained profit	Other				
	Preferred stock	Perpetual capital securities	Other													
I. The ending balance of the previous year	1,029,923,715.00				2,805,503,457.77		-20,704,362.05	11,246,811.91	477,053,194.82		1,521,759,836.64		5,824,782,654.09	369,252,132.37	6,194,034,786.46	
Add: Changes of accounting policy																
Error correction of the last period																
Other																
II. The beginning balance of the current year	1,029,923,715.00				2,805,503,457.77		-20,704,362.05	11,246,811.91	477,053,194.82		1,521,759,836.64		5,824,782,654.09	369,252,132.37	6,194,034,786.46	
III. Increase/Decrease in the period (Decrease is listed with "-")							-1,173,618.69	3,207,366.13			106,056,301.38		108,090,048.82	5,214,743.84	113,304,792.66	
(i) Total comprehensive income							-1,173,618.69				415,033,415.88		413,859,797.19	9,827,834.93	423,687,632.12	
(ii) Owners' devoted and decreased																

capital															
1.Common shares invested by shareholders															
2. Capital invested by holders of other equity instruments															
3. Amount reckoned into owners equity with share-based payment															
4. Other															
(iii) Profit distribution										308,977,114.50		-308,977,114.50		-5,083,093.40	-314,060,207.90
1. Withdrawal of surplus reserves															
2. Withdrawal of general risk provisions															
3. Distribution for owners (or shareholders)										308,977,114.50		-308,977,114.50		-5,083,093.40	-314,060,207.90
4. Other															
(iv) Carrying forward internal owners' equity															
1. Capital reserves converted to capital (share capital)															
2. Surplus reserves converted to capital (share															

capital)															
3. Remediating loss with surplus reserve															
4. Carry-over retained earnings from the defined benefit plans															
5. Carry-over retained earnings from other comprehensive income															
6. Other															
(v) Reasonable reserve								3,207,366.13				3,207,366.13	470,002.31	3,677,368.44	
1. Withdrawal in the report period								17,312,570.32				17,312,570.32	878,578.37	18,191,148.69	
2. Usage in the report period								14,105,204.19				14,105,204.19	408,576.06	14,513,780.25	
(vi) Others															
IV. Balance at the end of the period	1,029,923,715.00				2,805,503,457.77		-21,877,980.74	14,454,178.04	477,053,194.82		1,627,816,138.02	5,932,872,702.91	374,466,876.21	6,307,339,579.12	

Legal Representative: Wu Dinggang  
Last Period

Person in charge of accounting works: Pang Haitao

Person in charge of accounting institute: Yang Jun

In RMB

Item	Semi-annual of 2023														Minority interests	Total owners' equity	
	Owners' equity attributable to the parent Company																
	Share capital	Other equity instrument			Capital reserve	Les: Inventory shares	Other comprehensive income	Reasonable reserve	Surplus reserve	Provision of general risk	Retained profit	Other	Subtotal				
	Preferred stock	Perpetual capital	Other														

			al sec uri tie s												
I. The ending balance of the previous year	1,029,923,715.00				2,806,493,904.30		-20,881,462.63	2,467,205.78	441,201,471.98		909,082,037.66		5,168,286,872.09	370,748,395.26	5,539,035,267.35
Add: Changes of accounting policy									17,219.50		167,328.13		184,547.63	-8,145.54	176,402.09
Error correction of the last period															
Other															
II. The beginning balance of the current year	1,029,923,715.00				2,806,493,904.30		-20,881,462.63	2,467,205.78	441,218,691.48		909,249,365.79		5,168,471,419.72	370,740,249.72	5,539,211,669.44
III. Increase/Decrease in the period (Decrease is listed with "-")							2,021,916.55	9,648,600.83			265,361,710.39		277,032,227.77	-3,634,481.73	273,397,746.04
(i) Total comprehensive income							2,021,916.55				358,054,844.74		360,076,761.29	12,120,459.17	372,197,220.46
(ii) Owners' devoted and decreased capital															
1. Common shares invested by shareholders															
2. Capital invested by holders of other equity instruments															
3. Amount reckoned into owners equity with share-based															

payment														
4. Other														
(iii) Profit distribution														
1. Withdrawal of surplus reserves														
2. Withdrawal of general risk provisions														
3. Distribution for owners (or shareholders)														
4. Other														
(iv) Carrying forward internal owners' equity														
1. Capital reserves converted to capital (share capital)														
2. Surplus reserves converted to capital (share capital)														
3. Remediating loss with surplus reserve														
4. Carry-over retained earnings from the defined benefit plans														
5. Carry-over retained earnings from other comprehensive income														
6. Other														

(v) Reasonable reserve							9,648,600.83					9,648,600.83	922,069.73	10,570,670.56
1. Withdrawal in the report period							15,558,156.14					15,558,156.14	1,133,609.06	16,691,765.20
2. Usage in the report period							5,909,555.31					5,909,555.31	211,539.33	6,121,094.64
(vi) Others														
IV. Balance at the end of the period	1,029,923,715.00				2,806,493,904.30	-18,859,546.08	12,115,806.61	441,218,691.48		1,174,611,076.18		5,445,503,647.49	367,105,767.99	5,812,609,415.48

Legal Representative: Wu Dinggang

Person in charge of accounting works: Pang Haitao

Person in charge of accounting institute: Yang Jun

### 8. Statement of Changes in Owners' Equity (Parent Company)

This Period

In RMB

Item	Semi-annual of 2024											
	Share capital	Other equity instrument			Capital reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surplus reserve	Retained profit	Other	Total owners' equity
		Preferred stock	Perpetual capital securities	Other								
I. The ending balance of the previous year	1,029,923,715.00				2,740,508,510.57			505,111.75	476,835,029.14	1,294,109,238.10		5,541,881,604.56
Add: Changes of accounting policy												
Error correction of the last period												
Other												
II. The beginning balance of the current year	1,029,923,715.00				2,740,508,510.57			505,111.75	476,835,029.14	1,294,109,238.10		5,541,881,604.56
III. Increase/ Decrease in the period (Decrease is listed with "-")								825,666.62		-193,696,104.19		-192,870,437.57
(i) Total comprehensive income										115,281,010.31		115,281,010.31
(ii) Owners' devoted and												



decreased capital												
1.Common shares invested by shareholders												
2. Capital invested by holders of other equity instruments												
3. Amount reckoned into owners equity with share-based payment												
4. Other												
(iii) Profit distribution										-308,977,114.50		-308,977,114.50
1. Withdrawal of surplus reserves												
2. Distribution for owners (or shareholders)										-308,977,114.50		-308,977,114.50
3. Other												
(iv) Carrying forward internal owners' equity												
1. Capital reserves converted to capital (share capital)												
2. Surplus reserves converted to capital (share capital)												
3. Remedying loss with surplus reserve												
4. Carry-over retained earnings from the defined benefit plans												
5. Carry-over retained earnings from other comprehensive income												
6. Other												
(v) Reasonable reserve							825,666.62					825,666.62
1. Withdrawal in the report period							4,842,286.80					4,842,286.80
2. Usage in the report period							4,016,620.18					4,016,620.18
(vi) Others												
IV. Balance at the end of the period	1,029,923,715.00				2,740,508,510.57		1,330,778.37	476,835,029.14	1,100,413,133.91			5,349,011,166.99

Legal Representative: Wu Dinggang  
Last period

Person in charge of accounting works: Pang Haitao

Person in charge of accounting institute: Yang Jun

In RMB

Item	Semi-annual of 2023											
	Share capital	Other equity instrument			Capital reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surplus reserve	Retained profit	Other	Total owners' equity
		Preferred stock	Perpetual capital securities	Other								

I. The ending balance of the previous year	1,029,923,715.00				2,740,508,510.57			687,069.38	440,983,306.30	1,064,136,866.98		5,276,239,468.23
Add: Changes of accounting policy									17,219.50	154,975.45		172,194.95
Error correction of the last period												
Other												
II. The beginning balance of the current year	1,029,923,715.00				2,740,508,510.57			687,069.38	441,000,525.80	1,064,291,842.43		5,276,411,663.18
III. Increase/ Decrease in the period (Decrease is listed with "-")								1,544,823.02		78,388,703.87		79,933,526.89
(i) Total comprehensive income										171,081,838.22		171,081,838.22
(ii) Owners' devoted and decreased capital												
1. Common shares invested by shareholders												
2. Capital invested by holders of other equity instruments												
3. Amount reckoned into owners equity with share-based payment												
4. Other												
(iii) Profit distribution										-92,693,134.35		-92,693,134.35
1. Withdrawal of surplus reserves												
2. Distribution for owners (or shareholders)										-92,693,134.35		-92,693,134.35
3. Other												
(iv) Carrying forward internal owners' equity												
1. Capital reserves conversed to capital (share capital)												
2. Surplus reserves conversed to capital (share capital)												
3. Remedying loss with surplus reserve												
4. Carry-over retained earnings from the defined benefit plans												

5. Carry-over retained earnings from other comprehensive income											
6. Other											
(v) Reasonable reserve							1,544,823.02				1,544,823.02
1. Withdrawal in the report period							4,278,881.39				4,278,881.39
2. Usage in the report period							2,734,058.37				2,734,058.37
(vi) Others											
IV. Balance at the end of the period	1,029,923,715.00				2,740,508,510.57		2,231,892.40	441,000,525.80	1,142,680,546.30		5,356,345,190.07

Legal Representative: Wu Dinggang

Person in charge of accounting works: Pang Haitao

Person in charge of accounting institute: Yang Jun

## Annotations of Financial Statements of Changhong Meiling Co., Ltd.

From 1 January 2024 to 30 June 2024

(Unless otherwise specified, RMB for record in the Statement)

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### I. Company profile

Changhong Meiling Co., Ltd (hereinafter referred to as “the Company”) , originally named as Hefei Meiling Co., Ltd. is an incorporated Company established and reorganized by Hefei Meiling Refrigerator General Factory and approved on June 12<sup>th</sup> 1992 through [WanTiGaiHanZi (1992) No.039] issued by original Mechanism Reform Committee of Anhui Province. On August 30<sup>th</sup> 1993, through Anhui Provincial Government [Wanzhenmi (1993) No.166] and re-examination of China Securities Regulatory Commission, the Company made first public issue for 30 million A shares and the Company was listed on Oct. 18<sup>th</sup>, 1993 in Shenzhen Stock Exchange. On August 13<sup>th</sup>, 1996, the Company was approved to issue 100 million B shares to investors abroad through [ZhengWeiFa (1996) No.26] issued by China Securities Regulatory Commission. The Company went public in Shenzhen Stock Exchange on August 28<sup>th</sup>, 1996.

State-owned Assets Supervision & Administration Commission of the State Council approved such transfers with Document Guozi Chanquan (2007) No.253 Reply on Matters of Hefei Meiling Group Holdings Limited Transferring Partial State-owned Ownership, Hefei Meiling Group Holdings Limited (hereinafter referred to as Meiling Group) transferred its holding 37,852,683 shares in 82,852,683 state-owned shares of the Company to Sichuan Changhong Electronic Group Co., Ltd (hereinafter referred to as Changhong Group), other 45,000,000 shares to Sichuan Changhong Electric Co. Ltd (hereinafter referred to as Sichuan Changhong). On Aug 15, 2007, the above ownership was transferred and Cleaning Corporation Limited.

On 27 August 2007, State-owned Assets Supervision & Administration Commission of Anhui Provincial Government replied with Document [WGZCQH (2007) No.309] Reply on “Related Matters of Share Merger Reform of Hefei Meiling Co., Ltd.”, agreed the Company’s ownership split reform plan. The Company made consideration that non-tradable share holders deliver 1.5 shares to A share holders per 10 shares, and original Meiling Group made prepayment 3,360,329 shares for some non-tradable share holders as consideration for split reform plan.

On 29 May 2008, concerning 34,359,384 state-owned shares (including 3,360,329 shares paid for other non-tradable shareholders by original Meiling Group in share reform) held by original Meiling Group, the “Notice of Freely Transfer of Meiling Electrics Equity held by Meiling Group”[HGZCQ(2008) No. 59] issued from State-owned Assets Supervision & Administration Commission of Hefei Municipal, agrees to transfer the above said shares to Hefei Xingtai Holding Group Co., Ltd.(“Xingtai Holding Co.,”) for free. On 7 August 2008, the “Reply of Transfer Freely of Part of the Shares of Hefei Meiling Co., Ltd. held by State-owned shareholders” [GZCQ (2007) No. 752] issued by SASAC, agrees the above said transferring.

On October 29, 2008, Changhong Group signed Agreement on Equity Transfer of Hefei Meiling Co., Ltd with Sichuan Changhong, in which 32,078,846 tradable A-shares with conditional subscription of the Company (accounting for 7.76% in total shares) held by Changhong Group. On 23 December 2008, “Reply of Transfer Freely of Part of the Shares of Hefei Meiling Co., Ltd. held by State-owned shareholders” [GZCQ (2008) No.

## Annotations of Financial Statements of Changhong Meiling Co., Ltd.

From 1 January 2024 to 30 June 2024

(Unless otherwise specified, RMB for record in the Statement)

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1413] issued by SASAC agrees the above said share transferring.

On 24 December 2010, being deliberated and approved in 32<sup>nd</sup> Session of 6<sup>th</sup> BOD and 2<sup>nd</sup> Extraordinary Shareholders' General Meeting of 2010 as well as approval of document [ZJXK (2010) No. 1715] from CSRC, totally 116,731,500 RMB ordinary shares (A stock) were offering privately to target investors with issue price of RMB 10.28/share. Capital collecting amounting to RMB 1,199,999,820 after issuing expenses RMB 22,045,500 deducted, net capital collected amounting to RMB 1,177,954,320, and paid-in capital (share capital) increased RMB 116,731,500 with capital reserve (share premium) RMB 1,061,106,088.5 increased. The increasing capital has been verified by Capital Verification Report No.: [XYZH2010CDA6021] issued from Shin Wing CPA Co., Ltd.

On 20 June 2011, the general meeting of the Company considered and approved the 2010 profit distribution plan, namely to distribute cash dividends of RMB0.5 (tax included) plus two shares for every ten shares held by shareholders to all shareholders, based on the total share capital of 530,374,449 shares as of 31 December 2010. The total share capital of the Company upon profit distribution increased to 636,449,338 shares. The capital increase was verified by Anhui Huashen Zhengda Accounting Firm with the verification report WHSZDKYZ (2011) No.141.

On 26 June 2012, the general meeting of the Company considered and approved the 2011 profit distribution and capitalization of capital reserve plan, namely to distribute cash dividends of RMB0.5 (tax included) plus two shares for every ten shares to all shareholders capitalized from capital reserve, based on the total share capital of 636,449,338 shares as of 31 December 2011. The total share capital of the Company upon implementation of capitalization of capital reserve increased to 763,739,205 shares from 636,449,338 shares, and was verified by Anhui Anlian Xinda Accounting Firm with the verification report WALXDYZ (2012) No.093.

On November 18, 2015, considered and approved by the 12<sup>th</sup> Session of the 8<sup>th</sup> BOD of the company and the first extraordinary general meeting in 2016, and approved by the document of China Securities Regulatory Commission [CSRC License No. (2016) 1396] "Reply to the approval of non-public offering of shares of Hefei Meiling Co., Ltd.", the company has actually raised funds of 1,569,999,998.84 yuan by non-public offering of no more than 334,042,553 new shares at face value of 1 yuan per share and with issue price no less than 4.70 yuan per share, after deducting the issue costs of 29,267,276.08 yuan, the net amount of raised funds is 1,540,732,722.76 yuan, the increased paid-in capital (share capital) of 280,858,676.00 yuan, increased capital reserve (share premium) of 1,259,874,046.76 yuan. This capital increase has been verified by No. [XYZH2016CDA40272] capital verification report of Shine Wing Certified Public Accountants (LLP).

Since the first repurchase of shares on November 4, 2020, the company had cumulatively repurchased 14,674,166 shares of the company (B shares) in centralized bidding transactions through the special securities account for repurchase until February 18, 2022, and completed the cancellation procedures of the repurchased shares at the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. on March 2, 2022, a total of 14,674,166 shares of the company (B shares) were cancelled, accounting for 1.4048% of the company's total

## Annotations of Financial Statements of Changhong Meiling Co., Ltd.

From 1 January 2024 to 30 June 2024

(Unless otherwise specified, RMB for record in the Statement)

share capital before cancellation. After the cancellation, the total share capital of the company was reduced from 1,044,597,881 shares to 1,029,923,715 shares.

Ended as June 30, 2024, total share capital of the Company amounting to 1,029,923,715 shares with ordinary shares in full. Among which, 881,733,881 shares of A-share accounting 85.61% in total shares while B-share with 148,189,834 shares accounting 14.39% in total shares. Specific capital structure is as follows:

Type of stock	Quantity	Proportion
<b>(I)Restricted shares</b>	<b>6,510,535</b>	<b>0.63</b>
1. State-owned shares		
2. State-owned legal person' s shares	1,141,053	0.11
3. Other domestic shares	5,369,482	0.52
Including: Domestic legal person' s shares	3,363,539	0.33
Domestic natural person' s shares	2,005,943	0.19
4. Foreign shares		
<b>(II)Unrestricted shares</b>	<b>1,023,413,180</b>	<b>99.37</b>
1. RMB Ordinary shares	875,223,346	84.98
2. Domestically listed foreign shares	148,189,834	14.39
3. Overseas listed foreign shares		
4. Others		
<b>Total shares</b>	<b>1,029,923,715</b>	<b>100.00</b>

The Company belongs to the manufacture of light industry, and engaged in the production and sale of refrigerator, freezer and air-conditioner. Unified social credit code of the Company: 9134000014918555XK; Address: No.2163, Lianhua Road, Economy and Technology Development Zone, Hefei City; Legal Representative: Wu Dinggang; register capital (paid-in capital): 1,029,923,715 yuan; type of company: limited liability company(joint venture and listed of Taiwan, Hong Kong and Macao).

This financial statement was approved by the Board of Directors of the Company on August 15, 2024.

### II. Basis for preparation of financial statement

#### 1. Basis for preparation

According to the actual transactions and matters, the Company's financial statements are prepared in accordance with the *Accounting Standards for Business Enterprises* and its application guidelines, explanations and other relevant provisions (hereinafter referred to as "Accounting Standards for Business Enterprises") promulgated by the Ministry of Finance, as well as the disclosure-related provisions of *No.15 Rules on Information Disclosure and Compilation of Companies Offering Securities to the Public - General Provisions on Financial Reports* (revised in 2023) issued by China Securities Regulatory Commission (hereinafter referred to as "CSRC").

## Annotations of Financial Statements of Changhong Meiling Co., Ltd.

From 1 January 2024 to 30 June 2024

(Unless other wise specified, RMB for record in the Statement)

### 2. Continuous operation

The Company recently has a history of profitability operation and has financial resources supporting, and prepared the financial statement on basis of going concern is reasonable.

### III. Significant Accounting Policy and accounting Estimation

Specific accounting policies and accounting estimates tips: The specific accounting policies and accounting estimates formulated by the company according to the actual production and operation characteristics include receivables provisions for bad debts, inventory depreciation provisions, capitalization conditions of R & D expenses, revenue recognition and measurement, etc.

#### 1. Statement on observation of accounting standards for enterprise

The financial statements prepared by the Company meet the requirements of the Accounting Standards for Business Enterprises, and truly, accurately and completely reflect the financial status of the Company on June 30, 2024, as well as the operating results and cash flow first half-year of 2024 .

#### 2. Accounting period

The accounting period of the Company is the calendar date from 1 January to 31 December.

#### 3. Operation cycle

Operation cycle of the Company was 12 months, and it is the standard of flow classification for assets and liabilities.

#### 4. Standard currency for accounting

The Company takes RMB as the standard currency for accounting.

#### 5. Determination method and selection basis of importance standard

The Company follows the principle of materiality in preparing and disclosing financial statements. The matters disclosed in the notes to the financial statements involving judgement by materiality standard, and the determination method and selection basis of materiality standard are as follows:

<b>Matters disclosed involving the judgment by materiality standards</b>	<b>Determination method and selection basis of importance standard</b>
Recovery or reversal of important accounts receivable bad debt reserves	The individual recovery or reversal amount accounts for more than 10% of the total recovery or reversal amount of accounts receivable, and the amount is greater than RMB 10 million
Actual write off of important accounts receivable	The single item write off amount accounts for more than 10% of the total bad debt write off amount of various receivables, and the amount is greater than 5 million yuan
Important accounts receivable with single provision for bad debt reserves	The single provision amount accounts for 10% of the total bad debt provision for various accounts receivable and is greater than RMB 50 million
Important debt investment	Single debt investment accounts for 5% of the total debt investment and the amount is greater than RMB 20 million
Significant changes in the book value of contract assets	The change in the book value of contract assets accounts for more than 30% of the initial balance of contract assets
Material construction in progress	The budget of a single project is more than RMB 50 million
Material capitalized R&D projects	The budget of a single project is more than RMB 20 million
Material contractual liabilities with an age of more than one year	Contractual liabilities with a single aging of more than one year account for more than 10% of the total contractual liabilities and are more than RMB 50 million

## Annotations of Financial Statements of Changhong Meiling Co., Ltd.

From 1 January 2024 to 30 June 2024

(Unless other wise specified, RMB for record in the Statement)

<b>Matters disclosed involving the judgment by materiality standards</b>	<b>Determination method and selection basis of importance standard</b>
Significant changes in the book value of contractual liabilities	The change in the book value of contractual liabilities accounts for more than 30% of the initial balance of contractual liabilities
Important accounts payable	Accounts payable with a single account age exceeding 1 year account for more than 5% of the total accounts payable and with an amount greater than RMB 100 million
Important other payables	Other payables with a single account age exceeding 1 year account for more than 5% of the total other payables and an amount greater than RMB 50 million
Important non wholly-owned subsidiaries	Subsidiary net assets account for over 1% of the company's net assets
Important joint ventures or associates	The book value of long-term equity investments in a single invested entity accounts for more than 1% of the company's net assets and the amount is greater than RMB 50 million, or the investment gains and losses under the equity method account for more than 1% of the company's consolidated net profit
Important investment activities	Individual investment activities account for more than 10% of the total cash inflows or outflows related to received or paid investment activities, and the amount is greater than RMB 100 million
Significant activities that do not involve current cash inflows and outflows	Not involving current cash inflows and outflows, with an impact on the current financial statements greater than 10% of net assets

### 6.Accountant arrangement method of business combination under common control and not under common control

As acquirer, the Company measures the assets and liabilities acquired through business combination under common control at their carrying values as reflected in the consolidated financial statement of the ultimate controller as of the combination date. Capital reserve shall be adjusted in respect of any difference between carrying value of the net assets acquired and carrying value of the combination consideration paid. In case that capital reserve is insufficient to offset, the Company would adjust retained earnings.

The acquiree's net identifiable assets, liabilities or contingent liabilities acquired through business combination not under common control shall be measured at fair value as of the acquisition date. The cost of combination represents the fair value of the cash or non-cash assets paid, liabilities issued or committed and equity securities issued by the Company as at the date of combination in consideration for acquiring the controlling power in the acquiree, together with the sum of any directly related expenses occurred during business combination(in case of such business combination as gradually realized through various transactions, the combination cost refers to the sum of each cost of respective separate transaction). Where the cost of the combination exceeds the acquirer's interest in the fair value of the acquirer's identifiable net assets acquired, the difference is recognized as goodwill; where the cost of combination is lower than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the Company shall firstly make further review on the fair values of the net identifiable assets, liabilities or contingent liabilities acquired as well as the fair value of the non-cash assets portion of combination consideration or the equity securities issued by the Company. In case that the Company finds the cost of combination is still lower than the acquirer's interest in the fair value of the acquiree's identifiable net assets after such further review, the difference is recognized in non-operating income for the current period when combination occurs.

### 7.Criteria for Control and Preparation Method of Consolidated Financial Statements

Control means that the Company has the power over the investee, enjoys variable returns by participating in the related activities of the investee, and has the ability to influence the amount of returns by using the power



## Annotations of Financial Statements of Changhong Meiling Co., Ltd.

From 1 January 2024 to 30 June 2024

(Unless otherwise specified, RMB for record in the Statement)

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over the investee.

The Company shall put all the subsidiaries controlled and main body structured into consolidated financial statements.

Any difference arising from the inconformity of accounting year or accounting policies between the subsidiaries and the Company shall be adjusted in the consolidated financial statements.

All the material inter-company transactions, non-extraordinary items and unrealized profit within the combination scope are written-off when preparing consolidated financial statement. Owners' equity of subsidiary not attributable to parent company and current net gains and losses, other comprehensive income and total comprehensive income attributable to minority shareholders are recognized as non-controlling interests, minority interests, other comprehensive income attributable to minority shareholders and total comprehensive income attributable to minority shareholders in consolidated financial statement respectively.

As for subsidiary acquired through business combination under common control, its operating results and cash flow will be included in consolidated financial statement since the beginning of the period when combination occurs. When preparing comparative consolidated financial statement, the relevant items in previous years financial statement shall be adjusted as if the reporting entity formed upon combination has been existing since the ultimate controller commenced relevant control.

As for equity interests of the investee under common control acquired through various transactions which eventually formed business combination, the Company shall supplement disclosure of the accounting treatment in consolidated financial statement in the reporting period when controlling power is obtained. For example, as for equity interests of the investee under common control acquired through various transactions which eventually formed business combination, adjustments shall be made as if the current status had been existing when the ultimate controller commenced control in connection of preparing consolidated financial statement; in connection with preparing comparative statement, the Company shall consolidate the relevant assets and liabilities of the acquiree into the Company's comparative consolidated financial statement to the extent not earlier than the timing when the Company and the acquiree are all under control of the ultimate controller, and the net assets increased due to combination shall be used to adjust relevant items under owners' equity in comparative statement. In order to prevent double computation of the value of the acquiree's net assets, the relevant profits and losses, other comprehensive income and change of other net assets recognized during the period from the date when the Company acquires original equity interests and the date when the Company and the acquiree are all under ultimate control of the same party (whichever is later) to the date of combination in respect of the long-term equity investment held by the Company before satisfaction of combination shall be utilized to offset the beginning retained earnings and current gains and losses in the period as the comparative financial statement involves, respectively.

As for subsidiary acquired through business combination not under common control, its operating results and cash flow will be included in consolidated financial statement since the Company obtains controlling power. When preparing consolidated financial statement, the Company shall adjust the subsidiary's financial statement based on the fair value of the various identifiable assets, liabilities or contingent liabilities recognized as of the acquisition date.

As for equity interests of the investee not under common control acquired through various transactions which eventually formed business combination, the Company shall supplement disclosure of the accounting treatment in consolidated financial statement in the reporting period when controlling power is obtained. For example, as for equity interests of the investee not under common control acquired through various transactions which eventually formed business combination, when preparing consolidated financial statement, the Company

## Annotations of Financial Statements of Changhong Meiling Co., Ltd.

From 1 January 2024 to 30 June 2024

(Unless otherwise specified, RMB for record in the Statement)

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would re-measure the equity interests held in the acquiree before acquisition date at their fair value as of the acquisition date, and any difference between the fair value and carrying value is included in current investment income. In case that the equity interests in acquiree held by the Company before the relevant acquisition date involves other comprehensive income at equity method and change of other owners' equity (other than net gains and losses, other comprehensive income and profit distribution), then the equity interests would transfer to investment gains and losses for the period which the acquisition date falls upon. The other comprehensive income arising from change of the net liabilities or net assets under established benefit scheme as acquiree's re-measured such scheme is excluded.

The transaction with non-controlling interest to dispose long-term equity investment in a subsidiary without losing control rights over the subsidiary, the difference between the proceeds from disposal of interests and the decrease of the shared net assets of the subsidiary is adjusted to capital premium (share premium). In case capital reserve is not sufficient to offset the difference, retained earnings will be adjusted.

As for disposal of part equity investment which leads to losing control over the investee, the Company would re-measure the remaining equity interests at their fair value as of the date when the Company loses control over the investee when preparing consolidated financial statement. The sum of consideration received from disposal of equity interest and fair value of the remaining equity interest, less the net assets of the original subsidiary attributable to the Company calculated based on the original shareholding proportion since the acquisition date or the date then consolidation commences, is included in investment gains and losses for the period when control is lost, meanwhile to offset goodwill. Other comprehensive income related to equity interest investment in original subsidiaries is transferred into current investment gains and losses upon loss of control.

If the disposal of the equity investment of subsidiary is realized through multi pletran section sunlit loss of control and is a pack age deal. the accounting treatment of the sterna sections should be dealt with as one transaction of disposal of the subsidiary until loss of control. However, before the Company loses total control of the subsidiary, the differences between the actual disposal price and the share of the net assets of the subsidiary disposed of in every transaction should be recognized as other comprehensive income in the consolidated financial statements, and transferred to profit or loss when losing control.

### 8. Accounting treatment for joint venture arrangement and joint controlled entity

The joint venture arrangement of the Company consists of joint controlled entity and joint venture. As for jointly controlled entity, the Company determines the assets held and liabilities assumed separately as a party to the jointly controlled entity, recognizes such assets and liabilities according to its proportion, and recognizes relevant income and expense separately under relevant agreement or according to its proportion. As for asset transaction relating to purchase and sales with the jointly controlled entity which does not constitute business activity, part of the gains and losses arising from such transaction attributable to other participators of the jointly controlled entity is only recognized.

### 9. Cash and cash equivalents

Cash in the cash flow statement comprises the Group's cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are short-term, highly liquid investments held by the Group, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### 10. Foreign currency business and foreign currency financial statement conversion

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### (1) Foreign currency business

As for the foreign currency business, the Company converts the foreign currency amount into RMB amount pursuant to the spot exchange rate as of the business day. As at the balance sheet date, monetary items expressed by foreign currency are converted into RMB pursuant to the spot exchange rate as of the balance sheet date. The conversion difference occurred is recorded into prevailing gains and losses, other than the disclosure which is made according to capitalization rules for the exchange difference occurred from the special foreign currency borrowings borrowed for constructing and producing the assets satisfying condition of capitalization. As for the foreign currency non-monetary items measured by fair value, the amount is then converted into RMB according to the spot exchange rate as of the confirmation day for fair value. And the conversion difference occurred during the procedure is recorded into prevailing gains and losses directly as change of fair value. As for the foreign currency non-monetary items measured by historical cost, conversion is made with the spot exchange rate as of the business day, with no change in RMB amount.

### (2) Conversion of foreign currency financial statement

Spot exchange rate as of the balance sheet date is adopted for conversion of assets and liabilities in foreign currency balance sheet; as for the items in statement of owners' equity except for "Retained profit", conversion is made pursuant to the spot exchange rate of business day; income and expense items in income statement then are also converted pursuant to the spot exchange rate of transaction day. Difference arising from the aforementioned conversions shall be listed separately in items of owners' equity. Spot exchange rate as of the occurrence date of cash flow is adopted for conversion of foreign currency cash flow. The amount of cash affected by exchange rate movement shall be listed separately in cash flow statement.

## 11. Financial assets and liabilities

A financial asset or liability is recognized when the group becomes a party to a financial instrument contract. The financial assets and financial liabilities are measured at fair value on initial recognition. For the financial assets and liabilities measured by fair value and with variation reckoned into current gains/losses, the related transaction expenses are directly included in current gains or losses; for other types of financial assets and liabilities, the related transaction costs are included in the initial recognition amount.

### (1) Method for determining the fair value of financial assets and financial liabilities

Fair value refers to the price that a market participant can get by selling an asset or has to pay for transferring a liability in an orderly transaction that occurs on the measurement date. For a financial instrument having an active market, the Company uses the quoted prices in the active market to determine its fair value. Quotations in an active market refer to prices that are readily available from exchanges, brokers, industry associations, pricing services, etc., and represent the prices of market transactions that actually occur in an arm's length transaction. If there is no active market for a financial instrument, the Company uses valuation techniques to determine its fair value. Valuation techniques include reference to prices used in recent market transactions by parties familiar with the situation and through voluntary trade, and reference to current fair values of other financial instruments that are substantially identical, discounted cash flow methods, and option pricing models.

### (2) Category and measurement on financial assets

The group divided the financial assets as the follow while initially recognized: the financial assets measured at amortized cost; the financial assets measured at fair value and whose changes are included in other comprehensive income; and the financial assets measured by fair value and with variation reckoned into current

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gains/losses. The classification of financial assets depends on the business model that the Group's enterprises manage the financial assets and the cash flow characteristics of the financial assets.

### 1) The financial assets measured at amortized cost

Financial assets are classified as financial assets measured at amortized cost when they also meet the following conditions: The group's business model for managing the financial assets is to collect contractual cash flows; the contractual terms of the financial assets stipulate that cash flow generated on a specific date is only paid for the principal and interest based on the outstanding principal amount. For such financial assets, the effective interest method is used for subsequent measurement according to the amortized cost, and the gains or losses arising from amortization or impairment are included in current profits and losses. Such financial assets mainly include monetary funds, notes receivable, accounts receivable, other receivables, debt investment and long-term receivables, and so on. The Group lists the debt investment and long-term receivables due within one year (including one year) from the balance sheet date as non-current assets due within one year, and lists the debt investment with time limit within one year (including one year) when acquired as other current assets.

### 2) Financial assets measured at fair value and whose changes are included in other comprehensive income

Financial assets are classified as financial assets measured at fair value and whose changes are included in other comprehensive income when they also meet the following conditions: The Group's business model for managing the financial assets is targeted at both the collection of contractual cash flows and the sale of financial assets; the contractual terms of the financial asset stipulate that the cash flow generated on a specific date is only the payment of the principal and the interest based on the outstanding principal amount. For such financial assets, fair value is used for subsequent measurement. The discount or premium is amortized by using the effective interest method and is recognized as interest income or expenses. Except the impairment losses and the exchange differences of foreign currency monetary financial assets are recognized as the current profits and losses, the changes in the fair value of such financial assets are recognized as other comprehensive income until the financial assets are derecognized, the accumulated gains or losses are transferred to the current profits and losses. Interest income related to such financial assets is included in the current profit and loss. Such financial assets are listed as other debt investments, other debt investments due within one year (including one year) from the balance sheet date are listed as non-current assets due within one year; and other debt investments with time limit within one year (including one year) when acquired are listed as other current assets.

### 3) Financial assets measured at fair value and whose changes are included in current gains/losses

Financial assets except for the above-mentioned financial assets measured at amortized cost and financial assets measured at fair value and whose changes are included in other comprehensive income are classified as financial assets measured at fair value and whose changes are included in current profits and losses, which adopt fair value for subsequent measurement and all changes in fair value are included in current profits and losses. The Group classifies non-trading equity instruments as financial assets measured at fair value and whose changes are included in current profits and losses. Such financial assets are presented as trading financial assets, and those expire after more than one year and are expected to be held for more than one year are presented as other non-current financial assets.

### (3) Devaluation of financial instrument

On the basis of expected credit losses, the Group performs impairment treatment on financial assets measured at amortized cost and financial assets measured at fair value and whose changes are included in other

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comprehensive income and recognize the provisions for loss.

Credit loss refers to the difference between all contractual cash flows that the Company discounts at the original actual interest rate and are receivable in accordance with contract and all cash flows expected to be received, that is, the present value of all cash shortages. Among them, for the purchase or source of financial assets that have suffered credit impairment, the Company discounts the financial assets at the actual interest rate adjusted by credit.

The Group considers all reasonable and evidenced information, including forward-looking information, based on credit risk characteristics. When assessing the expected credit losses of receivables, they are classified according to the specific credit risk characteristics as follows:

1) For receivables and contractual assets and lease receivables (including significant financing components and not including significant financing components), the Group measures the provisions for loss based on the amount of expected credit losses equivalent to the entire duration.

① Evaluate expected credit losses based on individual items: credit notes receivable (including accepted letters of credit) of financial institutions in notes receivable and accounts receivable, and related party payments (related parties under the same control and significant related parties); dividends receivable, interest receivable, reserve funds, investment loans, cash deposits (including warranty), government grants (including dismantling subsidies) in other receivables, and receivables with significant financing components (i.e. long-term receivables);

② The Group considers all reasonable and evidenced information, including forward-looking information, when assessing expected credit losses. When there is objective evidence that its customer credit characteristics and ageing combination cannot reasonably reflect its expected credit loss, the current value of the expected future cash flow is measured by a single item, and the cash flow shortage is directly written down the book balance of the financial asset.

The Group considers all reasonable and evidenced information, including forward-looking information, when assessing expected credit losses. When there is objective evidence that its customer credit characteristics and ageing combination cannot reasonably reflect its expected credit loss, the current value of the expected future cash flow is measured by a single item, and the cash flow shortage is directly written down the book balance of the financial asset.

2) Assess the expected credit losses on a case-by-case basis for other assets to which the financial instruments are impaired, such as the loan commitments and financial guarantee contracts that are not measured at fair value through profit or loss, financial assets measured at fair value and whose changes are recognized in other comprehensive income; other financial assets measured at amortized cost (such as other current assets, other non-current financial assets, etc.).

(4) Reorganization basis and measure method for transfer of financial assets

The financial assets meet one of following requirements will be terminated recognition: ① The contract rights of collecting cash flow of the financial assets is terminated; ② The financial assets has already been transferred, and the Company has transferred almost all risks and remunerations of financial assets ownership to the transferee; ③ The financial assets has been transferred, even though the Company has neither transferred nor kept almost all risks and remunerations of financial assets ownership, the Company has given up controlling the financial assets.

If the enterprise has neither transferred or kept almost all risks and remunerations of financial assets ownership,

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nor given up controlling the financial assets, then confirm the relevant financial assets according to how it continues to involve into the transferred financial assets and confirm the relevant liabilities accordingly. The extent of continuing involvement in the transferred financial assets refers to the level of risk arising from the changes in financial assets value faced by the enterprise.

If the entire transfer of financial assets satisfies the demand for derecognition, reckon the balance between the book value of the transferred financial assets and the sum of consideration received from transfer and fluctuation accumulated amount of fair value formerly reckoned in other consolidated income in the current profits and losses.

If part transfer of financial assets satisfies the demand for derecognition, apportion the integral book value of the transferred financial assets between the derecognized parts and the parts not yet derecognized according to each relative fair value, and reckon the balance between the sum of consideration received from transfer and fluctuation accumulated amount of fair value formerly reckoned in other consolidated income that should be apportioned to the derecognized parts and the apportioned aforementioned carrying amounts in the current profits and losses.

When the Group sells financial assets adopting the mode of recourse, or endorses and transfers its financial assets, it is necessary to ensure whether almost all the risks and rewards of ownership of the financial assets have been transferred. If almost all the risks and rewards of ownership of the financial assets have been transferred to the transferee, the financial assets shall be derecognized; if almost all the risks and rewards of ownership of the financial assets are retained, the financial assets shall not be derecognized; if almost all the risks and rewards of ownership of the financial assets are neither transferred nor retained, continue to judge whether the company retains control over the assets, and conduct accounting treatment according to the principles described in the preceding paragraphs.

### (5) Category and measurement of financial liability

Financial liability is classified into financial liability measured by fair value and with variation reckoned into current gains/losses and other financial liability at initially measurement.

#### ① the financial liability measured by fair value and with variation reckoned into current gains/losses

The conditions to be classified as trading financial liabilities and as financial liabilities designated to be measured at fair value and whose changes are included in current profit or loss at the initial recognition are consistent with the conditions to be classified as trading financial assets and as financial assets designated to be measured at fair value and whose changes are included in current profit or loss at the initial recognition. Financial liabilities measured at fair value and whose changes are included in current profit or loss are subsequently measured at fair value, and the gain or loss arising from changes in fair value and the dividends and interest expense related to these financial liabilities are included in current profit or loss.

#### ② Other financial liability

It must go through the delivery of the derivative financial liabilities settled by the equity instrument to link to the equity instruments that are not quoted in an active market and whose fair value cannot be reliably measured, and the subsequent measurement is carried out in accordance with the cost. Other financial liabilities are subsequently measured at amortized cost by using the effective interest method. The gain or loss arising from derecognition or amortization is included in current profit or loss.

#### ③ Financial guarantee contract

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The financial guarantee contract of a financial liability which is not designated to be measured at fair value through profit or loss is initially recognized at fair value, and its subsequent measurement is carried out by the higher one between the amount confirmed in accordance with the Accounting Standards for Business Enterprises No. 13 — Contingencies after initial recognition and the balance after deducting the accumulated amortization amount determined in accordance with the principle of Accounting Standards for Business Enterprises No. 14—Revenue from the initial recognition amount.

### (6) Termination of recognition of financial liability

The financial liability or part of it can only be terminated for recognized when all or part of the current obligation of the financial liability has been discharged. The Group (debtor) and the creditor sign an agreement to replace the existing financial liabilities with new financial liabilities, and if the contract terms of the new financial liabilities are substantially different from the existing financial liabilities, terminated for recognized the existing financial liabilities and at the same time recognize the new financial liabilities. If the financial liability is terminated for recognized in whole or in part, the difference between the carrying amount of the part that terminated for recognized and the consideration paid (including the transferred non-cash assets or the assumed new financial liabilities) is included in current profits and losses.

### (7) Off-set between the financial assets and liabilities

When the Company has a legal right to offset a recognized financial asset and a financial liability and such legal right is currently enforceable, and the Company plans to settle the financial asset on a net basis or to realize the financial asset and settle the financial liability simultaneously, the financial asset and the financial liability are presented in the balance sheet at their respective offsetting amounts. In addition, the financial assets and financial liabilities are presented in the balance sheet separately, and are not offset against each other.

### (8) Derivatives and embedded derivatives

Derivatives are initially measured at fair value on the signing date of the relevant contract, and are subsequently measured at fair value. Except for derivatives that are designated as hedging instruments and are highly effective in hedging, the gains or losses arising from changes in fair value will be determined based on the nature of the hedging relationship in accordance with the requirements of the hedge accounting and be included in the period of profit and loss, other changes in fair value of derivatives are included in current profits and losses. For a hybrid instrument that includes an embedded derivative, if it is not designated as a financial asset or financial liability measured at fair value and whose changes are included in current profit or loss, the embedded derivative does not have a close relationship with the main contract in terms of economic characteristics and risks, and as with embedded derivatives, if the tools existing separately conform to the definition of the derivatives, the embedded derivatives are split from the hybrid instruments and are treated as separate derivative financial instruments. If it is not possible to measure the embedded derivative separately at the time of acquisition or subsequent balance sheet date, the whole hybrid instrument is designated as a financial asset or financial liability measured at fair value and whose changes are included in current profits and losses.

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### (9) Equity instrument

The equity instrument is the contract to prove the holding of the surplus stock of the assets with the deduction of all liabilities in the Group. The Company issues (including refinancing), repurchases, sells or cancels equity instruments as movement of equity. No fair value change of equity instrument would be recognized by the Company. Transaction costs associated with equity transactions are deducted from equity. The Group's various distributions to equity instrument holders (excluding stock dividends) reduce shareholders' equity.

### 12. Inventory

Inventories of the Company principally include raw materials, stock goods; work in process, self-made semi-finished product, materials consigned to precede, low-value consumption goods, goods in transit, goods in process, mould and contract performance costs.

Perpetual inventory system is applicable to inventories. For daily calculation, standard price is adopted for raw materials, low-value consumption goods and stock goods. Switch-back cost of the current month is adjusted by distribution price difference at the end of the month, the dispatched goods will share the cost differences of inventory while in settlement the business income; and low-value consumption goods is carried forward at once when being applied for use and the mould shall be amortized within one year after receipt.

Inventory at period-end is valued by the Lower-of-value between the cost and net realizable value. The provision for inventory depreciation shall be drawn from the difference between the book cost of a single inventory item and its net realizable value, and the provision for inventory depreciation shall be recorded into the current profit and loss.

### 13. Contract assets

#### (1) Confirmation methods and standards of contract assets

Contract assets refer to the right of the Company to receive consideration after transferring goods to customers, and this right depends on factors other than the passage of time. If the Company sells two clearly distinguishable commodities to a customer and has the right to receive payment because one of the commodities has been delivered, but the payment is also dependent on the delivery of the other commodity, the Company shall take the right to receive payment as a contract asset.

#### (2) Determination method and accounting treatment method of expected credit loss of contract assets

For the determination method for expected credit loss of contract assets, please refer to the above-mentioned Accounting treatment methods for financial instrument impairment. The Company calculates the expected credit loss of contract assets on the balance sheet date, if the expected credit loss is greater than the book value of provision for impairment of contract assets, the Company shall recognize the difference as an impairment loss, debiting the "asset impairment loss" and crediting the "contract asset impairment provision". On the contrary, the Company shall recognize the difference as an impairment gain and keep the opposite accounting records.

If the Company actually incurs credit losses and determines that the relevant contract assets cannot be recovered, for those approved to be written off, debit the "contract asset impairment reserve" and credit the "contracted asset" based on the approved write-off amount. If the written-off amount is greater than the provision for loss that has been withdrawn, the "asset impairment loss" is debited based on the difference.

### 14. Contract cost

#### (1) The method of determining the amount of assets related to the contract cost



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The Company's assets related to contract costs include contract performance cost and contract acquisition cost. The contract performance cost is the cost incurred by the Company for the performance of the contract, those that do not fall within the scope of other accounting standards and meet the following conditions at the same time are recognized as an asset as the contract performance cost: the cost is directly related to a current or expected contract, including direct labor, direct materials, manufacturing expenses (or similar expenses), costs clarified to be borne by the customer, and other costs incurred solely due to the contract; this cost increases the Company's future resources for fulfilling the contract's performance obligations; this cost is expected to be recovered.

Contract acquisition cost is the incremental cost incurred by the Company to obtain the contract, those that are expected to be recovered are recognized as the contract acquisition cost as an asset; if the asset amortization period does not exceed one year, it shall be included in the current profit and loss when it occurs. Incremental cost refers to the cost (such as sales commission, etc.) that will not incur if the Company doesn't obtain the contract. The Company's expenses (such as travel expenses incurred regardless of whether the contract is obtained) incurred for obtaining the contract other than the incremental costs expected to be recovered are included in the current profits and losses when they are incurred, except those are clarified to be borne by the customer.

### (2) Amortization of assets related to contract costs

The Company's assets related to contract costs are amortized on the same basis as the recognition of commodity income related to the asset and included in the current profit and loss.

### (3) Impairment of assets related to contract costs

When the Company determines the impairment loss of assets related to the contract cost, it first determines the impairment loss of other assets related to the contract that are confirmed in accordance with other relevant accounting standards for business enterprises; then based on the difference between the book value of which is higher than the remaining consideration that the Company is expected to obtain due to the transfer of the commodity related to the asset and the estimated cost of transferring the related commodity, the excess shall be provided for impairment and recognized as an asset impairment loss.

If the depreciation factors of the previous period changed later, causing the aforementioned difference to be higher than the book value of the asset, the original provision for asset impairment shall be reversed and included in the current profit and loss, but the book value of the asset after the reversal shall not exceed the book value of the asset on the reversal date under the assumption that no impairment provision is made.

## 15. Long-term equity investment

*Long-term equity investment of the Company is mainly about investment in subsidiary, investment in associates and investment in joint-ventures.*

For long-term equity investments acquired through business combination under common control, the initial investment cost shall be the acquirer's share of the carrying amount of net assets of the acquiree as of the combination date as reflected in the consolidated financial statement of the ultimate controller. If the carrying amount of net assets of the acquiree as of the combination date is negative, the investment cost of long-term equity investment shall be zero. For long-term equity investment acquired through business combination not under common control, the initial investment cost shall be the combination cost.

*Excluding the long-term equity investment acquired through business combination, there is also a kind of long-term equity investment acquired through cash payment, for which the actual payment for the purchase shall be*

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investment cost; If Long-term equity investments are acquired by issuing equity securities, fair value of issuing equity investment shall be investment cost; for Long-term equity investments which are invested by investors, the agreed price in investment contract or agreement shall be investment cost; and for long-term equity investment which is acquired through debt reorganization and non-monetary assets exchange, regulations of relevant accounting standards shall be referred to for confirming investment cost.

*The Company adopts cost method for investment in subsidiaries, makes calculation for investments in joint-ventures and associates by equity method.*

When calculated by cost method, long-term equity investment is priced according to its investment cost, and cost of the investment is adjusted when making additional investment or writing off investment; When calculated by equity method, current investment gains and losses represent the proportion of the net gains and losses realized by the invested unit in current year attributable to or undertaken by the investor. When the Company is believed to enjoy proportion of net gains and losses of invested unit, gains and losses attributable to the Company according to its shareholding ratio is to computer out according to the accounting policy and accounting period of the Company, on the basis of the fair value of various recognizable assets of the invested unit as at the date of obtaining of the investment, after offset of gains and losses arising from internal transactions with associates and joint-ventures, and finally to make confirmation after adjustment of net profit of the invested unit. Confirmation on gains and losses from the long-term equity investment in associates and joint-ventures held by the Company prior to the first execution day, could only stand up with the precedent condition that debit balance of equity investment straightly amortized according to its original remaining term has already been deducted, if the aforementioned balance relating to the investment do exist.

In case that investor loses joint control or significant influence over investee due to disposal of part equity interest investment, the remaining equity interest shall be calculated according to Accounting Standards for Business Enterprise No.22-Recognition and Measurement of Financial Instrument. Difference between the fair value of the remaining equity interest as of the date when loss of joint control or significant influence and the carrying value is included in current gains and losses. Other comprehensive income recognized in respect of the original equity interest investment under equity method should be treated according to the same basis which the investee adopts to directly dispose the relevant assets or liabilities when ceasing adoption of equity method calculation; and also switches to cost method for calculating the long-term equity investments which entitles the Company to have conduct control over the invested units due to its additional investments; and switches to equity method for calculating the long-term equity investments which entitles the Company to conduct common control or significant influence, while no control over the invested units due to its additional investments, or the long-term equity investments which entitles the Company with no control over the invested units any longer while with common control or significant influence.

When disposing long-term equity investment, the balance between it carrying value and effective price for obtaining shall be recorded into current investment income. When disposing long-term equity investment which is calculated by equity method, the proportion originally recorded in owners' equity shall be transferred to current investment income according to relevant ratio, except for that other movements of owners' equity excluding net gains and losses of the invested units shall be recorded into owners' equity

### 16. Investment real estate

The investment real estate of the Company includes leased houses and buildings, and is accounted value by its cost. Cost of purchased-in investment real estate consists of payment for purchase, relevant taxes and other expenditure which is attributable to the assets directly; while cost of self-built investment real estate is formed with all necessary expenditures occurred before construction completion of the assets arriving at the estimated

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utilization state.

Consequent measurement of investment estate shall be measured by cost method. Depreciation is provided with average service life method pursuant to the predicted service life and net rate of salvage value. The predicted service life and net rate of salvage value and annual depreciation are listed as follows:

Category	Depreciation term(Year)	Predicted rate of salvage value (%)	Depreciation rate per annual (%)
House and buildings	30-40 years	4%-5%	2.375%-3.20%

When investment real estate turns to be used by holders, it shall switch to fixed assets or intangible assets commencing from the date of such turning. And when self-used real estate turns to be leased out for rental or additional capital, the fixed assets or intangible assets shall switch to investment real estate commencing from the date of such turning. In situation of switch, the carrying value before the switch shall be deemed as the credit value after the switch.

When investment real estate is disposed, or out of utilization forever and no economic benefit would be predicted to obtain through the disposal, the Company shall terminate recognition of such investment real estate. The amount of income from disposal, transfer, discarding as scrap or damage of investment real estate after deducting the asset's carrying value and relevant taxation shall be written into current gains and losses.

### 17.Fixed assets

Fixed assets of the Company are tangible assets that are also held for the production of goods, provision of services, rental or management of operations, have a useful life of more than one year and have a unit value of more than 2,000 yuan.

Their credit value is determined on the basis of the cost taken for obtaining them. Of which, cost of purchased-in fixed assets include bidding price and import duty and relevant taxes, and other expenditure which occurs before the fixed assets arrive at the state of predicted utilization and which could be directly attributable to the assets; while cost of self-built fixed asset is formed with all necessary expenditures occurred before construction completion of the assets arriving at the estimated utilization state; credit value of the fixed assets injected by investors is determined based on the agreed value of investment contracts or agreements, while as for the agreed value of investment contracts or agreements which is not fair, it shall take its fair value as credit value; and for fixed assets which are leased in through finance leasing, credit value is the lower of fair value of leased assets and present value of minimized leasing payment as at the commencing date of leasing.

Consequent expenditure related to fixed assets consists of expenditures for repair and update reform. For those meeting requirements for recognition of fixed assets, they would be accounted as fixed asset cost; and for the part which is replaced, recognition of its carrying value shall cease; for those not meeting requirements for recognition of fixed assets, they shall be accounted in current gains and losses as long as they occur. When fixed asset is disposed, or no economic benefit would be predicted to obtain through utilization or disposal of the asset, the Company shall terminate recognition of such fixed asset. The amount of income from disposal, transfer, discarding as scrap or damage of fixed asset after deducting the asset's carrying value and relevant taxation shall be written into current gains and losses.

The Company withdraws depreciation for all fixed assets except for those which have been fully depreciated

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while continuing to use. It adopts average service life method for withdrawing depreciation which is treated respectively as cost or current expense of relevant assets according to purpose of use. The depreciation term, predicted rate of salvage value and depreciation rate applied to fixed assets of the Company are as follows:

No.	Category	Depreciation term	Predicted rate of salvage value	Depreciation rate per year
1	House and buildings	30-40 years	4%-5%	2.375%-3.20%
2	Machinery equipment	10-14 years	4%-5%	6.786%-9.60%
3	Transport equipment	5-12 years	4%-5%	7.92%-19.20%
4	Other equipment	8-12 years	4%-5%	7.92%-12.00%

End of each year, the Company makes re-examination on predicted service life, predicted rate of salvage value and depreciation method at each year-end. Any change will be treated as accounting estimation change.

### 18. Construction in progress

On the day when the construction in progress reaches the expected usable state, it will be carried forward to fixed assets according to the estimated value based on the construction budget, cost or actual construction cost, and depreciation will be accrued from the next month, and the difference in the original value of fixed assets shall be adjusted after the completion of the final accounting procedures.

### 19. Borrowing expense

For the incurred borrowing expense that can be directly attributable to fixed assets, investment real estate, and inventory which require more than one year of purchase, construction or production activities to reach the intended usable or saleable state, the capitalization begins when the asset expenditure has occurred, the borrowing expense have occurred, and the acquisition, construction or production activities necessary to make the asset reach the intended usable or saleable state have begun; when the acquisition, construction or production of assets that meet the capitalization conditions reaches the intended usable or saleable state, stop the capitalization, the borrowing expense incurred thereafter are included in the current profit and loss. If an asset that meets the capitalization conditions is abnormally interrupted during the acquisition, construction or production process, and the interruption lasts for more than 3 months, the capitalization of borrowing expense shall be suspended until the acquisition, construction or production activities of the asset restart.

Capitalization shall be exercised for interest expense actually occurred from special borrowings in current period after deduction of the interest income arising from unutilized borrowing capital which is saved in banks or deduction of investment income obtained from temporary investment; For recognition of capitalized amount of common borrowing, it equals to the weighted average of the assets whose accumulated expense or capital disburse is more than common borrowing times capitalization rate of occupied common borrowing. Capitalization rate is determined according to weighted average interest rate of common borrowing.

### 20. Right-of-use assets

Upon becoming a lessee under a lease contract, the Company is entitled to receive substantially all of the economic benefits, arising from the use of the identified assets during the period of use and is entitled to recognized the right-of-use assets at the sum of the present value of the lease liability, prepaid rent and initial direct costs, and to recognized the depreciation and interest expenses respectively, when the use of the identified assets dominates during that period of use.

When the Company becomes the lessee of a lease contract, for short-term leases of less than one year without

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a purchase option and leases with a value of less than 40000 yuan (excluding sublease or expected sublease assets), the Company elects to follow simplified treatment and record the related assets at cost or current gain/loss on a straight-line basis over the lease period.

### 21. Intangible assets

#### (1) Valuation method, service life and impairment test

The Company's intangible assets include land use rights, trademark rights and non-proprietary technology, which are measured at actual cost at the time of acquisition, of which, acquired intangible assets are stated at actual cost based on the price actually paid and related other expenditure; the actual cost of an intangible asset invested by an investor is determined at the value agreed in the investment contract or agreement, except where the agreed value in the contract or agreement is not fair, in which case the actual cost is determined at fair value.

The Company analyzes and judges the service life of intangible assets when acquiring them. Intangible assets with definite service life, such as land use rights, are amortized by the straight-line method during the service life from the time when the intangible assets are available for use until they are no longer recognized as intangible assets. Other intangible assets shall be amortized according to the service life stipulated in the contract or law. Intangible assets with uncertain service life shall not be amortized. Intangible assets developed by the Company shall be generally amortized on an average of 3-5 years according to the benefit period of the results of the project recognized in advance.

The service life and amortization method of intangible assets with limited service life shall be reviewed at the end of the year. If the estimated service life and amortization method of intangible assets are different from those previously estimated, the amortization period and amortization method shall be changed. The service life of intangible assets with uncertain service life shall be rechecked. If there is evidence that their service life is limited, estimate their service life and treat them as intangible assets with limited service life. If there is any change after the recheck, it will be regarded as the change of accounting estimate.

#### (2) Collection scope of R&D expenditure and related accounting treatment methods

The Company's R&D expenditure is directly related to the Company's R&D activities, including R&D staff salaries, direct input expenses, depreciation expenses and other expenses.

The R&D expenditure of the Company is divided into research stage expenditure and development stage expenditure according to its nature and whether there is great uncertainty in the final formation of intangible assets from R&D activities. Research stage expenditure is included in the current profits and losses when it occurs; Development stage expenditure is recognized as intangible assets if it meets the following conditions at the same time: (1) It is technically feasible to complete the intangible assets so that they can be used or sold; (2) It has the intention to complete the intangible assets and use or sell them; (3) The products produced by using the intangible assets exist in the market or the intangible assets themselves exist in the market; (4) It has sufficient technical, financial and other resources to support the development of the intangible assets, and has the ability to use or sell the intangible assets; (5) Expenditure attributable to the development stage of the intangible assets can be reliably measured.

-Expenditure attributable to development of the intangible assets could be reliably measured.

Expenditure arising during development not satisfying the above conditions shall be recorded in current gains and losses upon occurrence. Development expenditure which had been recorded in gains and losses in previous period would not be recognized as assets in later period. Expenditure arising during development phase which has been starting capitalization is listed in balance sheet as development expenditure, and transferred to intangible assets since the project reaches at predicted utilization state.

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### 22. Impairment of long-term assets

As at each balance sheet date, the Company has inspection on fixed assets, construction in process and intangible assets with limited service life. When the following indications appear, assets may be impaired, and the Company would have impairment test. As for goodwill and intangible assets which have uncertain service life, no matter there is impairment or not, impairment test shall be conducted at the end of every year. If it is hard to make test on recoverable amount of single asset, test is expected to make on the basis of the assets group or assets group portfolio where such asset belongs to.

Indications for impairment are as follows:

- (1) Market value of asset drops a lot in current period, the drop scope is obviously greater than the predicted drop due to move-on of times or normal utilization;
- (2) Economy, technology or law environment where enterprise operates or market where asset is located will have significant change in current or recent periods, which brings negative influence to enterprise;
- (3) Market interest rate or returning rate of other market investments have risen in current period, which brings influence in calculating discount rate of present value of predicted future cash flow of assets, which leads to a great drop in recoverable amount of such assets;
- (4) Evidence proving that asset is obsolete and out of time or its entity has been damaged;
- (5) Asset has been or will be keep aside, terminating utilization or disposed advance;
- (6) Internal report of enterprise shows that economic performance of asset has been or will be lower than prediction, such as that net cash flow created by asset or operation profit (or loss) realized by asset is greatly lower (or higher) than the predicted amount;
- (7) Other indications showing possible impairment of assets

After impairment test, if the carrying value exceeds the recoverable amount of the asset, the balance is recognized as impairment loss. As long as impairment loss of the aforementioned assets is recognized, it couldn't be switched back in later accounting periods. Recoverable amount of assets refers to the higher of fair value of assets net disposal expense and present value of predicted cash flow of the asset.

### 23. Contract liability

Contract liabilities reflect the Company's obligation to transfer goods to customers for consideration received or receivable from customers. Before the Company transfers the goods to the customer, if the customer has paid the contract consideration or the Company has obtained the right to unconditionally receive the contract consideration, the contract liability is recognized based on the received or receivable amount at the earlier time point of the actual payment by the customer and the payment due.

### 24. Goodwill

Goodwill represents balance between equity investment cost or business combination cost under no common control exceeding the attributable part or fair value of recognizable net assets of party invested or purchased (obtained through business combination) as of acquisition day or purchase day.

Goodwill relating to subsidiaries is separately listed in consolidated financial statement. And goodwill relating to associates and joint-ventures is included in carrying value of long-term equity investment.

### 25. Long-term deferred expenses

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The company's long-term deferred expenses refer to the expenses that have been paid, but should be borne by the current period and future periods with an amortization period of more than one year (excluding one year), and these expenses are amortized evenly during the benefit period. If the long-term deferred expense item cannot benefit the future accounting period, all the amortized value of the item that has not been amortized will be transferred into the current profit and loss.

### 26. Staff remuneration

Employee benefits mainly include all kinds of remuneration incurred in exchange for services rendered by employees or compensation to the termination of employment relationship such as short-term wages, post-employment benefits, compensation for the termination of employment relationship and other long-term employee welfare.

Short-term remuneration includes: staff salary, bonus, allowances and subsidies, staff benefits, social insurances like medical insurance, work-related injury insurance and maternity insurance, housing fund, labor union funds and staff education funds, short-term paid absence of duty, short-term profit sharing scheme, and non-monetary benefits as well as other short-term remuneration. During the accounting period when staff provides services, the short-term remuneration actually occurred is recognized as liabilities and shall be included in current gains and losses or related asset costs according to the beneficial items.

Retirement benefits mainly consist of basic pension insurance, unemployment insurance and early-retirement benefits, etc. retirement benefit scheme represents the agreement reached by the Company and its employees in respect of retirement benefits, or the rules or regulations established by the Company for providing retirement benefits to employees. In particular, defined contribution plan means a retirement benefit plan, pursuant to which, the Company makes fixed contribution to independent fund, upon which, and it is not obliged to make further payment. Defined benefit plan refers to retirement benefit scheme other than defined contribution plan.

The early retirement policy for staff and workers of the Company is the compensation for encouraging staff and workers to accept the reduction voluntarily. The employees make applications voluntarily, the two parties sign the compensation agreement after approved by the Company and calculate the compensation amount according to the compensation standard passed by the staff representative conference, and the Company confirms it as dismiss welfare and reckons it in current profits and losses. As the Company promises to adjust the treatment for early retiring staff and workers with the increase of social basic cost of living allowances, the discount elements will not be considered for calculating the dismiss welfare.

### 27. Lease liability

Upon becoming a lessee under a lease contract, the Company recognizes a lease liability for the leased-in asset at the present value of the unpaid lease payments, net of lease incentives (except for short-term leases and leases of low-value assets for which simplified treatment is elected), when it is entitled to receive substantially all of the economic benefits arising from the use of the identified asset during the period of use and is entitled to dominate the use of the identified asset during that period of use.

### 28. Accrual liability

If the business in connection with such contingencies as a security involving a foreign party, commercial acceptance bill discount, pending litigation or arbitration, product quality assurance, etc. meets all of the following conditions, the Company will confirm the aforesaid as liabilities: the obligation is an existing obligation of the Company; performance of the obligation is likely to cause economic benefits to flow out of

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the enterprise; the amount of the obligation is reliably measurable.

### 29. Special reserve

The work safety expense extracted according to the regulations will be included in the cost of related products or the current profit and loss, and also included in the special reserve; When used, it will be treated separately according to whether fixed assets are formed or not: if it is an expense expenditure, the special reserve will be directly offset; If the fixed assets are formed, the expenses incurred shall be collected, and the fixed assets shall be confirmed when the predetermined usable state is reached, and at the same time, the equivalent special reserve shall be offset and the equivalent accumulated depreciation shall be confirmed.

### 30. Revenue

The Company's sales revenue is mainly comprised of revenue from sale of goods, labor providing income and revenue from assignment of asset use rights.

The Company has fulfilled the performance obligations in the contract, that is, revenue is recognized when the customer obtains control of the relevant goods or services.

If the contract contains two or more performance obligations, the Company will allocate the transaction price to each individual performance obligation according to the relative proportion of the stand-alone selling price of the goods or services promised by each individual performance obligation on the date of the contract. The revenue is measured according to the transaction price of each individual performance obligation.

The transaction price is the amount of consideration that the Company expects to be entitled to receive due to the transfer of goods or services to customers, excluding payments on behalf of third parties. The transaction price confirmed by the Company does not exceed the amount at which the cumulatively recognized revenue will most likely not to undergo a significant switch back when the relevant uncertainty is eliminated. The money expected to be returned to the customer will be regarded as a return liability and not included in the transaction price. If there is a significant financing component in the contract, the Company shall determine the transaction price based on the amount payable on the assumption that the customer pays in cash when obtaining the control of the goods or services. The difference between the transaction price and the contract consideration shall be amortized by the effective interest method during the contract period. On the starting date of the contract, if the Company expects that the interval between the customer's acquisition of control of the goods or services and the customer's payment of the price doesn't exceed one year, the significant financing components in the contract shall be ruled out.

When meeting one of the following conditions, the Company is to perform its performance obligations within a certain period of time, otherwise, it is to perform its performance obligations at a certain point in time:

- 1) The customer obtains and consumes the economic benefits brought by the Company's performance at the same time as the Company's performance;
- 2) Customers can control the products under construction during the performance of the Company;
- 3) The goods produced by the Company during the performance of the contract have irreplaceable uses, and the Company has the right to collect payment for the accumulated performance part of the contract during the entire contract period.

For performance obligations performed within a certain period of time, the Company recognizes revenue in



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accordance with the performance progress during that period and determine the progress of performance in accordance with the output method. When the performance progress cannot be reasonably determined, if the cost incurred by the Company is expected to be compensated, the revenue shall be recognized according to the amount of the cost incurred until the performance progress can be reasonably determined.

For performance obligations performed at a certain point in time, the Company recognizes revenue at the point when the customer obtains control of the relevant goods or services. When judging whether a customer has obtained control of goods or services, the Company will consider the following signs:

- 1) The Company has the current right to collect payment for the goods or services;
- 2) The Company has transferred the goods in kind to the customer;
- 3) The Company has physically transferred the goods to the customer;
- 4) The Company has transferred the principal risks and rewards of ownership of the goods to the customer;
- 5) The customer has accepted the goods or services, etc.

The Company's right to receive consideration for goods or services that have been transferred to customers are presented as contractual assets, which are impaired on the basis of expected credit losses. The Company's unconditional right to receive consideration from customers is shown as an account receivable. The obligation to transfer goods or services to customers for which the Company has received consideration receivable from them is shown as a contractual liability.

### 31. Government subsidy

Government subsidy of the Company include project grants, financial subsidies and job stabilization subsidies. Of which, asset-related government subsidy are government subsidy acquired by the Company for the acquisition or other formation of long-term assets; government subsidy related to revenue are government subsidy other than those related to assets. If the government document does not clearly specify the subsidy object, the Company will judge according to the above-mentioned distinguishing principle. If it is difficult to distinguish, it will be overall classified as a government subsidy related to income.

If government subsidies are monetary assets, they are measured according to the amount actually received. For subsidies paid on the basis of a fixed quota standard, when there is conclusive evidence at the end of the year that it can meet the relevant conditions stipulated by the financial support policy and is expected to receive financial support funds, they are measured according to the amount receivable. If the government subsidy is a non-monetary asset, it shall be measured at its fair value, when the fair value cannot be obtained reliably, it shall be measured at its nominal amount (1 yuan).

Government subsidies related to assets are recognized as deferred income. Asset-related government subsidies that are recognized as deferred income are included in the current profit and loss in installments according to the average life method during the useful life of the relevant assets.

If the relevant asset is sold, transferred, scrapped or damaged before the end of its useful life, the undistributed deferred income balance shall be transferred to the current profit and loss of asset disposal.

### 32. Deferred Income Tax Assets and Deferred Income Tax Liabilities

A deferred tax asset and deferred tax liability shall be determined by a difference (temporary difference) between the carrying amount of an asset or liability and its tax base. The deferred tax asset shall be recognized

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for the carry forward of unused deductible losses that it is probable that future taxable profits will be available against which the deductible losses can be utilized. For temporary difference arising from initial recognition of goodwill, no corresponding deferred income tax liabilities will be recognized. For temporary difference arising from initial recognition of assets and liabilities occurred in the transaction related to non-business combination which neither affect accounting profit nor taxable income (or deductible losses), no corresponding deferred income tax assets and deferred income tax liabilities will be recognized. As of the balance sheet date, deferred income tax assets and deferred income tax liabilities are measured at the effective tax rate applicable to the period when recovery of assets or settlement of liabilities occur.

The Company recognizes deferred income tax assets to the extent of future taxable income tax which is likely to be obtained to offset deductible temporary difference, deductible losses and tax credits. For the confirmed deferred income tax assets.

### 33. Lease

When the Company becomes the lessee of the lease contract, has the right to obtain almost all the economic benefits arising from the use of the identified assets during the period of use, and has the right to lead the use of the identified assets during the period of use, the present value of unpaid lease payments of the lease assets after deducting lease incentives (except for short-term leases and leases of low-value assets for which simplified treatment is selected) is recognized as a lease liability, and a right-of-use asset is recognized based on the sum of the present value of the lease liability, prepaid rent, and initial direct costs, and depreciation and interest expenses are recognized separately.

When the Company becomes the lessee of a lease contract, for short-term leases of less than one year without a purchase option and leases with a value of less than 40,000 yuan (excluding sublease or expected sublease assets), the Company elects to follow simplified treatment and record the related assets at cost or current gain/loss on a straight-line basis over the lease period.

When the Company becomes the lessor of a lease contract, it classifies the lease into an operating lease and a finance lease at the lease commencement date. A finance lease is a lease that transfers substantially all the risks and rewards associated with the ownership of an asset. Operating leases are leases other than finance leases. Rentals under operating leases are recognized as income on a straight-line basis over the lease term. Finance leases are recorded at the net lease investment value of the finance lease receivable, which is the sum of the unguaranteed residual value and the present value of the lease receipts not yet received as of the commencement date of the lease term.

There are both leasing and non-leasing businesses in the contract and can be split, and the leasing business is financially accounted according to the lease standards. There are both leasing and non-leasing businesses in the contract and cannot be split, and the entire contract is included in the lease business for financial accounting according to the lease standards.

The lease change needs to be judged whether it can be recognized as a single leasing business, and it needs to be recognized separately if it meets the recognition conditions of a single lease; if it does not meet the recognition of a single leasing business, or there is a major event or change within the controllable range of the lessee, re-evaluate and measure the present value of lease liabilities, and adjust the book value of the right-of-use asset accordingly. If the book value of the right-of-use asset has been reduced to zero, but the lease liability still needs to be further reduced, the lessee shall include the remaining amount in the corresponding expenses for the current period.

When the Company becomes the lessor of a lease contract, the lease is divided into operating lease and finance

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lease on the start date of lease. A finance lease is a lease that transfers substantially all the risks and rewards associated with ownership of an asset. An operating lease refers to a lease other than finance leases. The rent of an operating lease is recognized as income on a straight-line basis during the lease term. For an finance lease, the net investment in the lease is regarded as the entry value of the finance lease receivables, and the net investment in the lease is the sum of the unguaranteed residual value and the present value of the lease receipts that have not been received on the start date of the lease term.

### 34. Income tax accounting

The Company accounted the income tax in a method of debit in balance sheet. The income tax expenses include income tax in the current year and deferred income tax. The income tax associated with the events and transactions directly included in the owners' equity shall be included in the owners' equity; and the deferred income tax derived from business combination shall be included in the carrying amount of goodwill, except for that above, the income tax expense shall be included in the profit or loss in the current period.

The income tax expense in the current year refers to the tax payable, which is calculated according to the tax laws on the events and transactions incurred in the current period. The deferred income tax refers to the difference between the carrying amount and the deferred tax assets and deferred tax liabilities at Current Year-end recognized in the method of debit in the balance sheet.

### 35. Segment information

Business segment was the major reporting form of the Company, which divided into four parts: air-conditioning, refrigerator & freezer & washing machine, small home appliance and others. The transfer price among the segments will recognize based on the market price, common costs will allocated by income proportion between segments except for the parts that without reasonable allocation.

### 36. Explanation on significant accounting estimation

The management of the Company needs to apply estimation and assumption when preparing financial statement which will affect the application of accounting policy and amounts of assets, liabilities, income and expense. The actual condition may differ from the estimation. Constant evaluation is conducted by the management in respect of the key assumption involved in the estimation and judgment of uncertainties. Effect resulting from change of accounting estimation is recognized in the period the change occurs and future periods.

The following accounting estimation and key assumption may result in material adjustment to the book value of assets and liabilities in future period.

#### (1) Inventory impairment provision

The Company's provision for impairment of inventories on the balance sheet date is the part of the net realizable value lower than the cost of inventories. The net realizable value of the inventory of goods that are directly used for sale, such as the goods in stock, the goods sent out, and the materials for sale, and the low-consumption goods, shall be determined by the amount of the estimated selling price of the inventory minus the estimated selling expenses and relevant taxes. The net realizable value of the material inventory held for production is determined by the amount of the estimated selling price of the finished product produced minus the estimated cost to be incurred at the time of completion, the estimated selling expenses and relevant taxes.

#### (2) Accounting estimation on long-term assets impairment provision

The Company makes impairment test on fixed assets such as buildings, machine and equipment which have impairment indication and long-term assets such as goodwill as at the balance sheet date. The recoverable

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amount of relevant assets and assets group shall be the present value of the projected future cash flow which shall be calculated with accounting estimation.

If the management amends the gross profit margin and discount rate adopted in calculation of future cash flow of assets and assets group and the amended gross profit margin is lower than the currently adopted one or the amended discount rate is higher than the currently adopted one, the Company needs to increase provision of impairment provision. If the actual gross profit margin is higher (or the discount rate is lower) than the estimation of management, the Company can not transfer back the long term assets impairment provision provided already.

### (3) Accounting estimation on realization of deferred income tax assets

Estimation on deferred income tax assets needs estimation on the taxable income and applicable tax rate for each future year. Realization of deferred income tax assets depends on whether a company is able to obtain sufficient taxable income in future. Change of future tax rate and switch back of temporary difference could affect the balance of income tax expense (gains) and deferred income tax. Change of the aforesaid estimation may result in material adjustment to deferred income tax.

### (4) Usable term and residual value rate of fixed assets and intangible assets

The Company, at least at the end of each accounting year, reviews the projected usable life and residual value rate of fixed assets and intangible assets. The projected usable life and residual value rate are determined by the management based on the historical experiences of similar assets by reference to the estimation generally used by the same industry with consideration on projected technical upgrade. If material change occurs to previous estimation, the Company shall accordingly adjust the depreciation expenses and amortization expenses for future period.

## 37. Other comprehensive income

Other comprehensive income represents various gains and losses not recognized in current gains and losses according to other accounting rules.

Other comprehensive income items shall be reported in the following two classes under other relevant accounting rules:

(1) Other comprehensive income items that can not be reclassified into gains and losses in future accounting periods, mainly including changes arising from re-measurement of net liabilities or net assets under defined benefit plan and interest in investee's other comprehensive income which are measured under equity method and which can not be reclassified into gains and losses in future accounting periods;

(2) Other comprehensive income items that will be reclassified into gains and losses in future accounting periods upon satisfaction of required conditions, mainly includes the share of other comprehensive income that is reclassified into profit and loss when the investee's subsequent accounting periods are accounted for in accordance with the equity method and meet the specified conditions, the fair value changes occurred by the debt investment that is measured at fair value and whose changes are included in other comprehensive income, the difference between the original book value included in other comprehensive income and the fair value when a financial asset measured at amortized cost is reclassified as a financial asset measured at fair value and its changes are included in other comprehensive income, the loss provisions for financial assets measured at fair value and whose changes are included in other comprehensive income, the gains or losses generated from cash flow hedging instruments are part of effective hedging, and the differences in conversion of foreign currency financial statements.

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(1) Change of significant accounting policy: N/A

(2) Change of significant accounting estimates: N/A

### IV. Taxation

#### 1. Major taxes and tax rates

Tax (expenses)	Tax (expenses) base	Tax (expenses) rate
VAT	Income from sales of goods and from processing	13%、9%、6%、5%、3%
Urban maintenance and construction tax	Turnover tax	5%或 7%
Education surcharge	Turnover tax	3%
Local education surcharge	Turnover tax	2%
Corporate income tax	Taxable income	25%/ See the table below
House Property Tax	Original Book value of house property×(1-30%)or annual rent income	1.2% or 12%
Land use tax	Actual land area used	1 yuan/M <sup>2</sup> to 15 yuan/M <sup>2</sup>

Description of taxpayers with different corporate income tax rates:

Name	Income tax rate
Changhong Meiling Co., Ltd.	15%
Zhongke Meiling Cryogenic Technology Co., Ltd.	15%
Zhongshan Changhong Electric Co., Ltd.	15%
Mianyang Meiling Refrigeration Co., Ltd.	15%
Sichuan Hongmei Intelligent Technology Co., Ltd.	15%
Changhong Meiling Ridian Technology Co., Ltd.	15%
Ground Energy Heat Pump Tech. (Zhongshan) Co., Ltd.	15%
Hefei Meiling Nonferrous Metal Products Co., Ltd.	15%
Jiangxi Meiling Electric Appliance Co., Ltd.	15%
Sichuan Changhong Air-conditioner Co., Ltd.	15%
Hebei Hongmao Daily Appliance Technology Co., Ltd.	20%
Anhui Tuoxing Technology Co., Ltd.	20%
Guangzhou Changhong Trading Co., Ltd.	20%
Hefei Meiling Wulian Technology Co., Ltd.	15%
CH-Meiling International (Philippines) Inc.	20%
Changhong Ruba Trading Company (Private) Limited	29%
CHANGHONG MEILING ELECTRIC INDONESIA,PT	22%

#### 2. Preferential tax

(1) On November 30, 2023, the Company passed the high-tech enterprise certification and obtained the high-tech enterprise certificate numbered GR2020340006385, and shall enjoy the national high-tech enterprise

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income tax rate of 15%, which is valid for three years.

(2) On October 16, 2023, the subsidiary Zhongke Meiling Cryogenic Technology Co., Ltd. obtained the high-tech enterprise certificate numbered GR202334003036 approved by the Anhui Provincial Department of Science and Technology, the Anhui Provincial Department of Finance, and the Anhui Provincial Taxation Bureau of the State Administration of Taxation, and shall enjoy the 15% enterprise income tax rate of the national high-tech enterprise, which is valid for three years.

(3) On December 28, 2023, the subsidiary Zhongshan Changhong Electric Appliance Co., Ltd. obtained a high-tech enterprise certificate with a certificate number of GR202344012950 approved by the Guangdong Provincial Department of Science and Technology, the Guangdong Provincial Department of Finance and the Guangdong Provincial Taxation Bureau of the State Administration of Taxation, and shall enjoy a national enterprise income tax rate of 15% for high-tech enterprises, which is valid for three years.

(4) Subsidiary Mianyang Meiling Refrigeration Co., Ltd., belongs to the encouraged industry in the *Industrial Structure Adjustment Guidance Catalog* and enjoys the preferential taxation policy of corporate income tax for the Western Development, and the corporate income tax is levied at a reduced tax rate of 15%, valid until December 31, 2030.

(5) The subsidiary Sichuan Hongmei Intelligent Technology Co., Ltd. has passed the qualification of high-tech enterprise certification on 9 October 2021, and enjoys 15% rate for the income tax for State Hi-Tech Enterprise for three years term.

(6) The subsidiary Guangdong Changhong Meiling Ridian Technology Co., Ltd. has passed the qualification of high-tech enterprise certification on 22 December 2022, and enjoys 15% rate for the income tax for State Hi-Tech Enterprise for three years term.

(7) The subsidiary Hong Yuan Ground Energy Heat Pump Tech. (Zhongshan) Co., Ltd. has passed the qualification of high-tech enterprise certification on 22 December 2022, and enjoys 15% rate for the income tax for State Hi-Tech Enterprise for three years term.

(8) The subsidiary Hefei Meiling Nonferrous Metal Products Co., Ltd. has passed the qualification of high-tech enterprise certification on 18 September 2021, and enjoys 15% rate for the income tax for State Hi-Tech Enterprise for three years term.

(9) The subsidiary Jiangxi Meiling Electric Appliance Co., Ltd. has passed the qualification of high-tech enterprise certification on 4 November 2022, and enjoys 15% rate for the income tax for State Hi-Tech Enterprise for three years term.

(10) The subsidiary Sichuan Changhong Air-conditioner Co., Ltd., has passed the qualification of high-tech enterprise certification on 29 November 2022, and enjoys 15% income tax rate for national payroll technology enterprise for three years term.

(11) The subsidiaries Anhui Tuoxing Technology Co., Ltd., Guangzhou Changhong Trading Co., Ltd. and

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Hebei Hongmao Daily Electrical Appliance Technology Co., Ltd., in accordance with the announcement of the Ministry of Finance and the State Administration of Taxation on further supporting the development of small and micro enterprises and individual industrial and commercial households (Announcement No. 12 of 2023 of the Ministry of Finance and the State Administration of Taxation), calculate the taxable income of small and low-profit enterprises at a reduced rate of 25% and pay enterprise income tax at a rate of 20%, which will be extended to December 31, 2027.

(12) The subsidiary Hebei Meiling Wulian Technology Co., Ltd. has passed the qualification of high-tech enterprise certification on 18 September 2021, and enjoys 15% income tax rate for national payroll technology enterprises for three years term.

### V. Notes to the major items in the consolidated financial statements

With respect to the financial statements' figures disclosed below, unless otherwise specified, "period-beginning" refers to Jan. 1, 2024; "period-end" refers to Jun. 30, 2024; "Current Period" refers to Jan. 1 to Jun. 30, 2023; "the last period" refers to Jan. 1 to Jun. 30, 2023; the currency is RMB.

#### 1. Monetary fund

Item	Ending balance	Beginning balance
Cash	30,445.27	12,727.56
Bank deposit	4,688,899,674.43	4,160,096,314.60
Other monetary fund	387,433,262.65	425,569,359.11
Interest receivable on deposit	3,973,325,909.43	4,255,007,124.44
<b>Total</b>	<b>9,049,689,291.78</b>	<b>8,840,685,525.71</b>
Including: total amount deposited in overseas	33,332,025.33	25,902,580.15

#### 2. Tradable financial assets

Item	Ending Balance	Beginning Balance
Financial assets measured at fair value and whose changes are included in current gains/losses	1,091,019,993.13	39,236,447.63
Including: Derivative financial assets	8,754,120.65	39,236,447.63
Principal and interest of wealth management products	1,082,265,872.48	

Transactional financial assets in this period are caused by forward foreign exchange contracts, unconfirmed firm commitment evaluation and new wealth management products.

#### 3. Note receivable

##### (1) Category of note receivable

Item	Ending Balance	Beginning Balance
Bank acceptance		228,500.00
Trade acceptance		38,674.50

## Annotations of Financial Statements of Changhong Meiling Co., Ltd.

From 1 January 2024 to 30 June 2024

(Unless other wise specified, RMB for record in the Statement)

Item	Ending Balance	Beginning Balance
Total		267,174.50

### (2) By accrual of bad debt provision

Category	Ending Balance				Book value
	Book balance		Bad debt provision		
	Amount	Ratio (%)	Amount	Ratio (%)	
With bad debt provision accrual on single item	267,174.50	100.00			267,174.50
Including: Bank acceptance	228,500.00	85.52			228,500.00
Trade acceptance	38,674.50	14.48			38,674.50
Total	267,174.50	100.00			267,174.50

### 1) Note receivable withdrawal bad debt provision on single item

Name	Beginning balance		Ending balance			
	Book balance	Bad debt provision	Book balance	Bad debt provision	Provision ratio (%)	Provision reason
Bank acceptance	228,500.00					Minimal risk, holding maturity acceptance
Trade acceptance	38,674.50					Endorsement is not due, Minimal risk.
Total	267,174.50				—	—

(2) Bad debt provision of note receivable that has been accrued, withdrawn, and reversed in the current period

(3) Notes receivable that have been pledged at the end of the year: N/A

(4) Notes endorsement or discount and undue on balance sheet date :N/A

(5) Notes receivable not yet due: N/A

(6) Notes receivable actually written off this year: N/A

## 4. Account receivable

### (1) Category of account receivable by aging

Account age	Ending Balance	Beginning Balance
Within 1 year (Including 1 year)	2,184,385,432.32	1,629,505,172.78
Including:		
Within 3 months (3 months included)	1,931,692,500.62	1,441,654,287.27
More than 3 months and less than 6 months (6 months included)	182,123,877.62	140,150,202.58
Over 6 months and within one year (One year included)	70,569,054.08	47,700,682.93
Over one year - within 2 years (2 years included)	81,064,638.11	131,340,766.08
Over 2 years - within 3 years (3 years included)	130,905,000.64	154,167,214.15
Over 3 years	93,752,969.30	53,619,387.00



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From 1 January 2024 to 30 June 2024

(Unless other wise specified, RMB for record in the Statement)

Account age	Ending Balance	Beginning Balance
Total	<b>2,490,108,040.37</b>	<b>1,968,632,540.01</b>

### (2) Category of account receivable by bad debt accrual

Category	Ending balance				Book value
	Book balance		Bad debt provision		
	Amount	Ratio (%)	Amount	Ratio (%)	
Account receivable that withdrawal bad debt provision by single item	<b>957,605,494.67</b>	<b>38.46</b>	<b>178,714,212.71</b>	<b>18.66</b>	<b>778,891,281.96</b>
Including: current payment with related party	683,176,319.68	27.44	136,438,304.70	19.97	546,738,014.98
Account receivable with letter of credit	227,542,803.55	9.14			227,542,803.55
Account receivable with single minor amount but withdrawal single item bad debt provision	46,886,371.44	1.88	42,275,908.01	90.17	4,610,463.43
Account receivable withdrawal bad debt provision by portfolio	<b>1,532,502,545.70</b>	<b>61.54</b>	<b>144,021,478.84</b>	<b>9.40</b>	<b>1,388,481,066.86</b>
Including: account receivable of engineering customers	203,565,098.94	8.17	41,990,000.26	20.63	161,575,098.68
Receivables other than engineering customers	1,328,937,446.76	53.37	102,031,478.58	7.68	1,226,905,968.18
<b>Total</b>	<b>2,490,108,040.37</b>	<b>100.00</b>	<b>322,735,691.55</b>	<b>12.96</b>	<b>2,167,372,348.82</b>

Continued

Category	Beginning balance				Book value
	Book balance		Bad debt provision		
	Amount	Ratio (%)	Amount	Ratio (%)	
Account receivable that withdrawal bad debt provision by single item	<b>682,942,277.48</b>	<b>34.69</b>	<b>195,578,324.84</b>	<b>28.64</b>	<b>487,363,952.64</b>
Including: current payment with related party	545,656,729.90	27.72	154,606,151.98	28.33	391,050,577.92
Account receivable with letter of credit	83,951,301.01	4.26			83,951,301.01
Account receivable with single minor amount but withdrawal single item bad debt provision	53,334,246.57	2.71	40,972,172.86	76.82	12,362,073.71
Account receivable withdrawal bad debt provision by portfolio	<b>1,285,690,262.53</b>	<b>65.31</b>	<b>139,347,326.11</b>	<b>10.84</b>	<b>1,146,342,936.42</b>
Including: account receivable of engineering customers	212,621,463.45	10.80	44,910,916.50	21.12	167,710,546.95
Receivables other than engineering customers	1,073,068,799.08	54.51	94,436,409.61	8.80	978,632,389.47
<b>Total</b>	<b>1,968,632,540.01</b>	<b>100.00</b>	<b>334,925,650.95</b>	<b>17.01</b>	<b>1,633,706,889.06</b>

1) Account receivable that withdrawal bad debt provision by single item

Account receivable with single minor amount but withdrawal bad debt provision singly, refers to the minor single receivables, and withdrawal bad debt provision by combination shows no risk characteristic of the receivables, 114 clients involved.

2) Account receivable withdrawal bad debt provision by portfolio

A.Account receivable of engineering customers

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From 1 January 2024 to 30 June 2024

(Unless other wise specified, RMB for record in the Statement)

Account age	Ending balance		
	Book balance	Bad debt provision	Provision ratio (%)
Within 3 months (3 months included)	33,139,378.12		
More than 3 months and less than 6 months (6 months included)	14,650,060.23		
Over 6 months and within one year (One year included)	52,784,102.22		
Over one year - within 2 years (2 years included)	48,455,733.79	9,691,146.76	20.00
Over 2 years - within 3 years (3 years included)	44,473,942.16	22,236,971.08	50.00
Over 3 years	10,061,882.42	10,061,882.42	100.00
<b>Total</b>	<b>203,565,098.94</b>	<b>41,990,000.26</b>	<b>—</b>

Continued

Account age	Beginning balance		
	Book balance	Bad debt provision	Provision ratio (%)
Within 3 months (3 months included)	33,502,386.39		
More than 3 months and less than 6 months (6 months included)	29,638,184.67		
Over 6 months and within one year (One year included)	29,724,507.75		
Over one year - within 2 years (2 years included)	71,526,399.70	14,305,279.94	20.00
Over 2 years - within 3 years (3 years included)	35,248,696.77	17,624,348.39	50.00
Over 3 years	12,981,288.17	12,981,288.17	100.00
<b>Total</b>	<b>212,621,463.45</b>	<b>44,910,916.50</b>	<b>—</b>

### B.Receivables other than engineering customers

Account age	Ending balance		
	Book balance	Bad debt provision	Provision ratio (%)
Within 3 months (3 months included)	1,156,716,570.15	11,567,165.70	1.00
More than 3 months and less than 6 months (6 months included)	68,643,701.60	6,864,370.16	10.00
Over 6 months and within one year (One year included)	8,285,316.34	1,657,063.27	20.00
Over one year - within 2 years (2 years included)	4,719,357.34	2,359,678.67	50.00
Over 2 years - within 3 years (3 years included)	54,946,502.73	43,957,202.18	80.00
Over 3 years	35,625,998.60	35,625,998.60	100.00
<b>Total</b>	<b>1,328,937,446.76</b>	<b>102,031,478.58</b>	<b>—</b>

Continued

Account age	Beginning balance		
	Book balance	Bad debt provision	Provision ratio (%)
Within 3 months (3 months included)	923,822,329.93	9,238,223.30	1.00
More than 3 months and less than 6 months (6 months included)	41,778,451.31	4,177,845.13	10.00

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Account age	Beginning balance		
	Book balance	Bad debt provision	Provision ratio (%)
Over 6 months and within one year (One year included)	9,463,055.00	1,892,611.00	20.00
Over one year - within 2 years (2 years included)	2,723,777.86	1,361,888.93	50.00
Over 2 years - within 3 years (3 years included)	87,576,718.61	70,061,374.88	80.00
Over 3 years	7,704,466.37	7,704,466.37	100.00
<b>Total</b>	<b>1,073,068,799.08</b>	<b>94,436,409.61</b>	<b>—</b>

### (3) Bad debt provision of accounts receivable in the current period

Category	Beginning balance	Changes this year				Ending Balance
		Accrual	Withdrawal or reversal	Resale or write-off	Other decreases	
Bad debt provision	334,925,650.95	8,380,959.36	20,809,004.37		238,085.61	322,735,691.55
<b>Total</b>	<b>334,925,650.95</b>	<b>8,380,959.36</b>	<b>20,809,004.37</b>		<b>238,085.61</b>	<b>322,735,691.55</b>

### (4) Provision for bad debts of accounts receivable actually recovered or reversed in the current period

Item	Written-off amount
Provision for bad debts of accounts receivable recovered or reversed	20,809,004.37

The important amount of bad debt provision recovered or reversed in the current period thereinto:

Name of the organization	Amount recovered or reversed	Reason of recovery	Method of recovery	The basis for determining the proportion of provision for bad debts and its reasonableness
Sichuan Zhiyijia Network Technology Co., Ltd	20,073,699.40	Payment recovered	Customer payment collection	
<b>Total</b>	<b>20,073,699.40</b>	<b>—</b>	<b>—</b>	<b>—</b>

(5) Account receivable actually written-off in the Current period: N/A.

(6) Top five receivables collected by arrears party amounting to 1,047,848,385.72 yuan in total, accounted for 41.9% of the receivables of current year-end, the bad debt provision accrual correspondingly amounting to 94,883,259.48yuan at year-end balance.

## 5. Receivables financing

### (1) Classification and listing of receivable financing

Item	Ending balance	Beginning balance
Bank acceptance	1,600,373,357.87	1,641,858,740.34
<b>Total</b>	<b>1,600,373,357.87</b>	<b>1,641,858,740.34</b>

(2) Receivable financing is classified and listed by bad debt accrual method

## Annotations of Financial Statements of Changhong Meiling Co., Ltd.

From 1 January 2024 to 30 June 2024

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Category	Ending balance				Book value
	Book balance		Bad debt provision		
	Amount	Ratio (%)	Amount	Ratio (%)	
Withdrawal bad debt provision by single item	<b>1,600,373,357.87</b>	<b>100.00</b>			<b>1,600,373,357.87</b>
Including: Bank acceptance	1,600,373,357.87	100.00			1,600,373,357.87
<b>Total</b>	<b>1,600,373,357.87</b>	<b>100.00</b>			<b>1,600,373,357.87</b>

Continued

Category	Beginning balance				Book value
	Book balance		Bad debt provision		
	Amount	Ratio (%)	Amount	Ratio (%)	
Withdrawal bad debt provision by single item	<b>1,641,858,740.34</b>	<b>100.00</b>			<b>1,641,858,740.34</b>
Including: Bank acceptance	1,641,858,740.34	100.00			1,641,858,740.34
<b>Total</b>	<b>1,641,858,740.34</b>	<b>100.00</b>			<b>1,641,858,740.34</b>

(3) There is no bad debt provision accrued, recovered or reversed in the Current period ;

(4) Financing of receivables that have been pledged at the end of the period

Item	Period-end pledged amount
Bank acceptance	743,380,533.32

Note: with purpose of improving the note utilization, the Company draw up bank acceptance by pledge parts of the outstanding notes receivable to the bank. For details of the pledge of bills receivable, see Note V. 25. Assets with restricted ownership or use rights.

(5) Notes endorsement or discount and undue on balance sheet date listed in receivables financing at the end of the period

Item	Amount derecognition at period-end	Amount without derecognition at period-end
Bank acceptance	709,516,249.45	
<b>Total</b>	<b>709,516,249.45</b>	

### 6. Accounts paid in advance

(1) Age of account paid in advance

Item	Ending balance		Beginning balance	
	Amount	Ratio (%)	Amount	Ratio (%)
Within one year	25,620,331.26	98.44	43,288,908.76	94.64
1-2 years	118,591.11	0.46	811,122.73	1.77
2-3 years	49,636.02	0.19	707,919.39	1.55
Over 3 years	237,765.33	0.91	930,855.02	2.04
<b>Total</b>	<b>26,026,323.72</b>	<b>100.00</b>	<b>45,738,805.90</b>	<b>100.00</b>

(2) Top 5 of account paid in advance in Ending balance amounting to 17,119,020.35 yuan, accounted for 65.78% of the account.

### 7. Other account receivable

## Annotations of Financial Statements of Changhong Meiling Co., Ltd.

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(Unless other wise specified, RMB for record in the Statement)

Item	Ending balance	Beginning balance
Other account receivable	80,790,579.55	82,953,808.97
<b>Total</b>	<b>80,790,579.55</b>	<b>82,953,808.97</b>

### (1) Category of other account receivable

Nature	Book Ending balance	Book Beginning balance
Export rebate	49,174,580.49	41,300,752.20
Cash deposit	11,383,392.77	20,927,726.52
Loans of employee's pretty cash	21,636,865.19	20,970,369.96
Related party not in consolidation statement	789,830.16	619,414.34
Advance money temporary	192,867.60	707,676.06
Other	624,972.15	1,488,175.37
<b>Total</b>	<b>83,802,508.36</b>	<b>86,014,114.45</b>

### (2) By account age

Account age	Ending balance	Beginning balance
Within 1 year (Including 1 year)	73,549,094.77	74,641,189.07
Including:		
Within 3 months (3 months included)	67,976,644.68	60,732,006.02
More than 3 months and less than 6 months (6 months included)	3,007,738.81	1,842,273.09
Over 6 months and within one year (One year included)	2,564,711.28	12,066,909.96
Over one year - within 2 years (2 years included)	2,198,771.08	3,017,092.43
Over 2 years - within 3 years (3 years included)	3,344,947.46	2,473,240.42
Over 3 years	4,709,695.05	5,882,592.53
<b>Total</b>	<b>83,802,508.36</b>	<b>86,014,114.45</b>

### (3) Category of Other account receivable bad debt reserves

Category	Amount at year-end				Book value
	Book balance		Bad debt provision		
	Amount	Ratio (%)	Amount	Ratio (%)	
That withdrawal bad debt provision by single item	<b>83,631,925.85</b>	<b>99.80</b>	<b>2,935,406.15</b>	<b>3.51</b>	<b>80,696,519.70</b>
In which: other receivables with no major individual amount but bad debt provision accrued individually	33,667,515.20	40.18	2,935,406.15	8.72	30,732,109.05
Export rebate	49,174,580.49	58.68			49,174,580.49
Related party funds	789,830.16	0.94			789,830.16
Bad debt provision accrued by portfolio	<b>170,582.51</b>	<b>0.20</b>	<b>76,522.66</b>	<b>44.86</b>	<b>94,059.85</b>
In which: other receivables accrued by aging portfolio	170,582.51	0.20	76,522.66	44.86	94,059.85
<b>Total</b>	<b>83,802,508.36</b>	<b>100.00</b>	<b>3,011,928.81</b>	<b>3.59</b>	<b>80,790,579.55</b>

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From 1 January 2024 to 30 June 2024

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Continued

Category	Beginning balance				Book value
	Book balance		Bad debt provision		
	Amount	Ratio (%)	Amount	Ratio (%)	
That withdrawal bad debt provision by single item	<b>85,098,646.43</b>	<b>99.63</b>	<b>2,945,873.36</b>	<b>3.44</b>	<b>82,752,773.07</b>
In which: other receivables with no major individual amount but bad debt provision accrued individually	43,778,479.89	50.90	2,945,873.36	6.73	40,832,606.53
Export rebate	41,300,752.20	48.01			41,300,752.20
Related party funds	619,414.34	0.72			619,414.34
Bad debt provision accrued by portfolio	<b>315,468.02</b>	<b>0.37</b>	<b>114,432.12</b>	<b>36.27</b>	<b>201,035.90</b>
In which: other receivables accrued by aging portfolio	315,468.02	0.37	114,432.12	36.27	201,035.90
Total	<b>86,014,114.45</b>	<b>100.00</b>	<b>3,060,305.48</b>	<b>3.56</b>	<b>82,953,808.97</b>

### 1) Accrual of bad debt provision for other receivables

Bad debt provision	First stage	Second stage	Third stage	Total
	Expected credit loss in next 12 months	Expected credit loss for the whole duration (no credit impairment)	Expected credit loss for the whole duration (credit impairment has occurred)	
Balance as at 1 Jan. 2024	<b>181.49</b>	<b>58,484.21</b>	<b>3,001,639.78</b>	<b>3,060,305.48</b>
Book balance of other account receivable in Current period as at 1 Jan. 2024	—	—	—	—
--Transfer to the second stage				
-- Transfer to the third stage				
-- Reversal to the second stage				
-- Reversal to the first stage	10,467.21	-10,467.21		
Provision in Current Year	530.26			530.26
Reversal in Current Year	358.89	48,017.00		48,375.89
Conversion in Current Year				
Write off in Current Year				
Other change	-531.04			-531.04
Balance as at 30 June. 2024	<b>10,289.03</b>		<b>3,001,639.78</b>	<b>3,011,928.81</b>

### (4) Bad debt provision for other receivables accrued, recovered or reversed in the current period

Category	Beginning balance	Amount of change this period				Ending balance
		Accrual	Recovery or reversal	Write-off or cancellation	Other	
Bad debt provision	3,060,305.48	530.26	48,375.89		-531.04	3,011,928.81
Total	<b>3,060,305.48</b>	<b>530.26</b>	<b>48,375.89</b>		<b>-531.04</b>	<b>3,011,928.81</b>

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(5) Other account receivable actually written-off in Current period: N/A

(6) Top 5 other receivables collected by arrears party at balance of period-end

Name	Nature	Ending balance	Account age	Proportion in total other receivables ending balance (%)	Bad debt provision Ending balance
Unit I	Export rebate	49,174,580.49	Within 1 year	58.68	
Unit II	Loans of employee's pretty cash	2,730,438.36	Within 1 year, 1-2 years, Over 2-3 years	3.26	
Unit III	Cash deposit	1,689,512.96	Within 1 year	2.02	
Unit IV	Loans of employee's pretty cash	1,497,437.88	1-2 years	1.78	
Unit V	Loans of employee's pretty cash	1,368,000.00	Within 1 year	1.63	
<b>Total</b>		<b>56,459,969.69</b>		<b>67.37</b>	

(7) There are no other receivables reported due to centralized management of funds.

### 8. Inventories

(1) Classification of inventories

Item	Ending Amount		
	Book balance	Inventory price decline provision/contract performance cost impairment provision	Book value
Raw materials	210,188,862.32	4,227,320.88	205,961,541.44
Stock commodities	1,829,456,156.17	62,088,588.75	1,767,367,567.42
Low value consumable articles	1,125,814.10	99,237.62	1,026,576.48
Goods in transit	1,508,762,043.38	8,188,477.80	1,500,573,565.58
Goods-in-process	11,081,108.74		11,081,108.74
Contract performance cost	20,015,002.85		20,015,002.85
Deferred expense for mould	64,128,045.06		64,128,045.06
<b>Total</b>	<b>3,644,757,032.62</b>	<b>74,603,625.05</b>	<b>3,570,153,407.57</b>

Continued

Item	Beginning amount		
	Book balance	Inventory price decline provision/contract performance cost impairment provision	Book value
Raw materials	150,806,222.67	4,061,217.23	146,745,005.44
Stock commodities	1,216,300,557.72	60,027,642.16	1,156,272,915.56
Low value consumable articles	3,141,564.20	143,306.82	2,998,257.38
Goods in transit	641,198,998.83	7,934,263.70	633,264,735.13
Goods-in-process	7,337,268.01		7,337,268.01
Contract performance cost	28,988,664.67		28,988,664.67
Deferred expense for mould	47,131,566.78		47,131,566.78

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Item	Beginning amount		
	Book balance	Inventory price decline provision/contract performance cost impairment provision	Book value
Total	<b>2,094,904,842.88</b>	<b>72,166,429.91</b>	<b>2,022,738,412.97</b>

### (2) Provision for inventory depreciation and contract performance cost impairment provision

Item	Amount at period-begin	Increase this period		Decrease this period		Amount at period-end
		Accrual	Other	Reversal or reselling	Other	
Raw materials	4,061,217.23	1,440,622.58		1,274,518.93		4,227,320.88
Stock commodities	60,027,642.16	22,159,109.58		20,082,201.00	15,961.99	62,088,588.75
Goods in transit	7,934,263.70	4,510,597.63		4,256,383.53		8,188,477.80
Low value consumable articles	143,306.82	2,634.77		46,703.97		99,237.62
Total	<b>72,166,429.91</b>	<b>28,112,964.56</b>		<b>25,659,807.43</b>	<b>15,961.99</b>	<b>74,603,625.05</b>

### (3) Accrual for inventory falling price reserves

Item	Specific basis for determining of net realizable value	Reasons for the reversal or reselling in Current Year
Raw materials	Cost is higher than net realizable value (The processed products are decline)	For production
Stock commodities	Cost is higher than net realizable value (The market price at period-end fell)	For sale
Goods in transit	Cost is higher than net realizable value (The market price at period-end fell)	For sale
Low value consumable articles	Cost is higher than net realizable value	Already used
Contract performance cost	Engineering construction Cost is higher than net realizable value (The processed products are decline)	Already used

## 9. Contract assets

### (1) Contract assets

Item	Ending balance			Beginning balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Warranty	10,769,071.52	575,921.40	10,193,150.12	13,879,087.90	617,397.28	13,261,690.62
Total	<b>10,769,071.52</b>	<b>575,921.40</b>	<b>10,193,150.12</b>	<b>13,879,087.90</b>	<b>617,397.28</b>	<b>13,261,690.62</b>

### (2) Contract assets are classified and listed according to the bad debt provision method

Category	Ending balance					
	Book balance		Bad debt provision		Book value	
	Amount	Ratio (%)	Amount	Ratio (%)		
Withdrawal bad debt provision by single	10,769,071.52	100.00	575,921.40	5.35	10,193,150.12	
Total	<b>10,769,071.52</b>	<b>100.00</b>	<b>575,921.40</b>	<b>5.35</b>	<b>10,193,150.12</b>	

Continued



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Category	Beginning balance				Book value
	Book balance		Bad debt provision		
	Amount	Ratio (%)	Amount	Ratio (%)	
Withdrawal bad debt provision by single	13,879,087.90	100.00	617,397.28	4.45	13,261,690.62
<b>Total</b>	<b>13,879,087.90</b>	<b>100.00</b>	<b>617,397.28</b>	<b>4.45</b>	<b>13,261,690.62</b>

### 1) Bad debt provisions are made individually for contract assets

Name	Beginning balance		Ending balance			Reason
	Book balance	Bad debt provision	Book balance	Bad debt provision	Ratio (%)	
Provision for bad debts of contract assets	13,879,087.90	617,397.28	10,769,071.52	575,921.40	5.35	Other party is expected to be at risk of default
<b>Total</b>	<b>13,879,087.90</b>	<b>617,397.28</b>	<b>10,769,071.52</b>	<b>575,921.40</b>	—	—

### (3) The provision, recovery or transfer of bad debt provisions for contract assets this year project

Item	Provision for this Period	Transferred this year	Write -off this year	Reason
Provision for bad debts of contract assets	94,052.32	135,528.20		
<b>Total</b>	<b>94,052.32</b>	<b>135,528.20</b>		—

## 10. Non-current assets coming due within one year

Item	Ending balance	Beginning balance
Creditor's right investment due within one year		122,294,027.78
<b>Total</b>		<b>122,294,027.78</b>

### (1) Creditor's right investment due within one year

#### 1) Creditor's right investment due within one year

Name	Ending balance			Beginning balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
large deposit certificates				122,294,027.78		122,294,027.78
<b>Total</b>				<b>122,294,027.78</b>		<b>122,294,027.78</b>

#### 2) .Creditor's right investment due within 1 year at the end of the period: N/A

## 11. Other current asset

Item	Ending balance	Beginning balance
Held to maturity fixed deposits	301,394,444.44	

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Item	Ending balance	Beginning balance
Held to maturity large deposit certificates	100,261,944.44	
VAT to be deducted	204,277,714.77	193,911,165.30
Advance payment of income tax	25,702,879.66	29,599,620.50
Contract acquisition cost	43,560.92	701,222.80
Local sales tax in Pakistan	740,153.42	511,584.19
Amortization expense	1,545,198.17	494,612.19
Other	213,164.70	201,678.09
<b>Total</b>	<b>634,179,060.52</b>	<b>225,419,883.07</b>

### 12. Creditors' right investment

#### (1) Other creditor's right investment

Item	Ending balance			Beginning balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
large deposit certificates	980,754,190.44		980,754,190.44	420,537,485.54		420,537,485.54
Fixed deposit	250,783,680.56		250,783,680.56			
<b>Total</b>	<b>1,231,537,871.00</b>		<b>1,231,537,871.00</b>	<b>420,537,485.54</b>		<b>420,537,485.54</b>

#### (2) Other important creditor's right investment

Item	Ending balance			
	Face value	Interest rate	Actual rate	Date of expiring
large deposit certificates	100,000,000.00	3.20%	3.20%	2026/1/31
large deposit certificates	80,000,000.00	3.35%	3.35%	2026/3/28
large deposit certificates	150,000,000.00	3.15%	3.15%	2027/5/16
Fixed deposit	250,000,000.00	3.05%	3.05%	2027/5/24
large deposit certificates	100,000,000.00	2.60%	2.60%	2027/6/20
<b>Total</b>	<b>680,000,000.00</b>	—	—	—

Continued

Item	Beginning balance			
	Face value	Interest rate	Actual rate	Date of expiring
large deposit certificates	100,000,000.00	3.20%	3.20%	2026/1/31
large deposit certificates	80,000,000.00	3.35%	3.35%	2026/3/28
large deposit certificates	30,000,000.00	3.20%	3.20%	2026/3/16
large deposit certificates	30,000,000.00	3.30%	3.30%	2026/5/31

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Item	Beginning balance			
	Face value	Interest rate	Actual rate	Date of expiring
large deposit certificates	50,000,000.00	3.30%	3.30%	2026/6/14
large deposit certificates	50,000,000.00	3.10%	3.10%	2026/6/26
large deposit certificates	20,000,000.00	3.15%	3.15%	2026/7/31
large deposit certificates	25,000,000.00	3.25%	3.25%	2025/8/30
large deposit certificates	25,000,000.00	3.30%	3.30%	2025/8/30
<b>Total</b>	<b>410,000,000.00</b>	—	—	—

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### 13. Long-term equity investment

Invested enterprise	Beginning balance	Impairment provision beginning balance	Changes in Current period							Ending balance	Balance at year-end of impairment	
			Additional investment	Disinvestment	Investment profit and loss confirmed by equity method	Other comprehensive income adjustment	Other changes of equity	Declaration of cash dividends or profits	Provision for impairment			Other
Associated companies												
1.Hefei Xingmei Assets Management Co., Ltd.	14,139,256.78				45,466.71						14,184,723.49	
2.Sichuan Zhiyijia Network Technology Co., Ltd. <sup>note1</sup>	68,854,162.70				5,998,850.59			5,097,740.91			69,755,272.38	
3. Sichuan Tianyou Guigu Technology Co., Ltd. <sup>note2</sup>	2,948,859.23				-81,933.93						2,866,925.30	
4. Chengdu Guigu Environmental Tech. Co., Ltd. <sup>note3</sup>	8,756,262.50				-887,937.72						7,868,324.78	
5.ChanghongRuba ElectricCompany(Private)Ltd. <sup>note4</sup>												
6. Hefei Xinmei Solar Energy Technology Co., Ltd. <sup>note5</sup>					2,202,871.20			2,202,871.20				
7. .Sichuan Hongyun Venture Investment Partnership (LP) <sup>note6</sup>	18,047,270.54				114,051.45						18,161,321.99	
<b>Total</b>	<b>112,745,811.75</b>				<b>7,391,368.30</b>			<b>7,300,612.11</b>			<b>112,836,567.94</b>	

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Note 1: on 16 December 2014, the Company executed a joint venture agreement with its controlling shareholder Sichuan Changhong Electric Co., LTD, targeting to jointly establish Sichuan Zhiyijia Network Technology Co., Ltd. On 5 January 2015, Sichuan Zhiyijia Network Technology Co., Ltd was officially incorporated with registered capital of 50 million yuan, among which, the Company made contribution of 15 million yuan with shareholding proportion of 30% and Sichuan Changhong Electric Co., LTD made contribution of 35 million yuan with shareholding proportion of 70%. In 2019, the Company increase capital of 29,087,040.00 yuan (of which: 20 million yuan reckoned in registered capital and 9,087,040 yuan reckoned in capital reserves) to Zhiyijia with shareholding ratio up to 50%.

Note 2: Sichuan Tianyou Guigu Technology Co., Ltd. was incorporated on 31 March 2015 with registered capital of 100 million yuan. Our subsidiary Changhong Air Conditioner made capital contribution of RMB 25 million in cash, accounting for 25% of the registered capital. Chengdu Jiaodao Property Development Company made capital contribution of 20 million yuan, accounting for 20% of the registered capital. Chengdu Southwest Jiaotong University Industry (Group) Co., Ltd made capital contribution of 20 million yuan, accounting for 20% of the registered capital. Mianyang Investment Holding (Group) Co., Ltd made capital contribution of 5 million yuan, accounting for 5% of the registered capital. Shanghai Zhongcheng Xindaya Financial Information Service Co., Ltd made capital contribution of 5 million yuan, accounting for 5% of the registered capital. Jiangsu Runye Investment Co., Ltd. made capital contribution of 10 million yuan, accounting for 10% of the registered capital. In November 2015, Jiangsu Runye Investment Co., Ltd. transferred all its 10% shares to Sichuan Shuye Jiachen Real Estate Development Co., Ltd.; Chengdu Dongyu Shangmao Co., Ltd made capital contribution of 15 million yuan, accounting for 15% of the registered capital. In November 2015, Chengdu Dongyu Shangmao Co., Ltd. transferred all its 15% shares to Chengdu Dongyu No. 1 Enterprise Management Consulting Partnership (Limited Partnership). In 2016, shareholders meeting of Sichuan Tianyou Guigu Technology Co., Ltd. agreed to reduce the 50 million Yuan capital, the shareholders are reducing the capital by ratio of share-holding. After capital reduction, subsidiary Changhong Air conditioner contributed 12.5 million Yuan, representing 25% of the registered capital.

Note 3: Chengdu Guigu Environmental Tech. Co., Ltd. was incorporated on 22 May 2013 with registered capital of 40 million yuan. Our subsidiary Changhong Air Conditioner made capital contribution of 10 million yuan, accounting for 25% of the registered capital. Chengdu Jiaodao Property Development Company made capital contribution of 8 million yuan, accounting for 20% of the registered capital. Chengdu Southwest Jiaotong University Industry (Group) Co., Ltd made capital contribution of 8 million yuan, accounting for 20% of the registered capital. Mianyang Investment Holding (Group) Co., Ltd made capital contribution of 2 million yuan, accounting for 5% of the registered capital. Shanghai Zhongcheng Xindaya Financial Information Service Co., Ltd made capital contribution of 2 million yuan, accounting for 5% of the registered capital. Sichuan Shuye Jiachen Property Development Company made capital contribution of 4 million yuan, accounting for 10% of the registered capital. Chengdu Dongyu Shangmao Co., Ltd made capital contribution of 6 million yuan, accounting for 15% of the registered capital

Note 4: Zhongshan Changhong, a subsidiary of the Company, entered into a supplemental joint venture agreement with RUBA Comprehensive Trading Company in 2017, pursuant to which, both parties agreed to increase capital contribution of US\$ 1,130,191.00, among which, Zhongshan Changhong subscribed to contribute US\$ 452,076.00 (equivalent to 3,001,649.02 yuan on the actual contribution date) according to the original shareholding proportion of 40% and RUBA Comprehensive Trading Company subscribed to contribute US\$ 678,115.00 according to the original shareholding proportion of

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60%.

Note 5: Hefei Xinmeitai Energy Technology Co., Ltd. was incorporated on April 18, 2002, with a registered capital of 10 million yuan. Subsidiary Hefei Meiling Group Holdings Limited invested 3.1114 million yuan, accounting for 31.114% of the registered capital; Hefei Huayi Investment Co., Ltd. invested 4.972 million yuan, accounting for 49.72% of the registered capital; Hefei Xingtai Asset Management Co., Ltd. invested 1.9166 million yuan, accounting for 19.166% of the registered capital.

Note 6. On May 5, 2023, the Company signed a partnership agreement with the controlling shareholder Sichuan Changhong Electric Co., Ltd., Sichuan Changhong Electronic (Group) Co., Ltd. and Sichuan Hongyun Venture Equity Investment Management Co., Ltd. to jointly establish Sichuan Hongyun Venture Capital Partnership (Limited Partnership) with a registered capital of RMB 148 million, of which RMB 45 million was subscribed by the Company, with a shareholding ratio of 304.1%. This year, the Company actually contributed RMB 18 million.

### 14. Other non-current financial assets

Item	Ending balance	Beginning balance
Sichuan Changhong Group Finance Co., Ltd.	554,145,436.29	554,145,436.29
Sichuan Hongyun New-Generation Information technology Venture Capital Fund Partnership (limited partnership)	36,507,860.19	36,507,860.19
Changhong Group Sichuan Shenwan Hongyuan Strategic New Industrial Parent Fund Partnership (limited partnership)	68,686,219.00	68,686,219.00
Huishang Bank Co., Ltd.	14,800,000.00	14,800,000.00
<b>Total</b>	<b>674,139,515.48</b>	<b>674,139,515.48</b>

### 15. Investment real estate

#### (1) Investment real estate measured at costs

Item	House and buildings	Total
I. Original book value		
1. Beginning balance	<b>62,361,143.47</b>	<b>62,361,143.47</b>
2. Increase in this year	<b>16,612.44</b>	<b>16,612.44</b>
(1) Other	16,612.44	16,612.44
3. Decrease in this year		
4. Ending balance	<b>62,377,755.91</b>	<b>62,377,755.91</b>
II. Accumulated depreciation and accumulated amortization		
1. Beginning balance	<b>11,440,655.76</b>	<b>11,440,655.76</b>
2. Increase in this year	<b>988,995.63</b>	<b>988,995.63</b>
(1) Withdrawal or amortization	988,995.63	988,995.63
3. Decrease in this year		
4. Ending balance	<b>12,429,651.39</b>	<b>12,429,651.39</b>
III. Impairment provision		
IV. Book value		

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Item	House and buildings	Total
1. Ending book value	<b>49,948,104.52</b>	<b>49,948,104.52</b>
2. Opening book value	<b>50,920,487.71</b>	<b>50,920,487.71</b>

(2) No investment real estate measured by fair value at year-end.

(3) Investment real estate without property certification held

Item	Book value	Reasons for failing to complete property rights certificate
J04workshop	26,125,205.32	Related property rights in procedure
J03workshop	18,069,680.82	Related property rights in procedure
J20 air compressor station workshop	1,290,044.18	Related property rights in procedure
J18 opening and closing office	624,284.91	Related property rights in procedure
Total	<b>46,109,215.23</b>	

### 16.Fixed assets

Item	Book value at year-end	Book value at year-begin
Fixed assets	2,123,123,749.75	2,104,618,850.52
Liquidation of fixed assets	32,847,524.11	32,293,183.76
Total	<b>2,155,971,273.86</b>	<b>2,136,912,034.28</b>

#### 16.1 Fixed assets

(1) Fixed assets

Item	House and buildings	Machinery equipment	Transport equipment	Other equipment	Total
I.Original book value					
1.Beginning balance	<b>1,737,673,105.29</b>	<b>1,842,041,115.75</b>	<b>35,510,533.61</b>	<b>271,253,897.93</b>	<b>3,886,478,652.58</b>
2.Increase in this year	<b>2,069,951.34</b>	<b>113,785,930.98</b>	<b>748,991.47</b>	<b>23,427,206.51</b>	<b>140,032,080.30</b>
(1)Purchase		5,609,968.51		1,590,847.59	<b>7,200,816.10</b>
(2)Construction in progress transfer-in	1,948,176.61	108,175,962.47	734,305.59	21,793,071.97	<b>132,651,516.64</b>
(3) Other increase	121,774.73		14,685.88	43,286.95	<b>179,747.56</b>
3.Decrease in this year	<b>130,121.94</b>	<b>19,813,175.36</b>	<b>117,578.79</b>	<b>4,043,072.20</b>	<b>24,103,948.29</b>
(1) Dispose or retirement		17,708,252.57	117,578.79	3,774,457.45	<b>21,600,288.81</b>
(2)Construction in progress transfer-in		2,104,387.40		233,972.85	<b>2,338,360.25</b>
(3) Other Decrease	130,121.94	535.39		34,641.90	<b>165,299.23</b>
4.Ending balance	<b>1,739,612,934.69</b>	<b>1,936,013,871.37</b>	<b>36,141,946.29</b>	<b>290,638,032.24</b>	<b>4,002,406,784.59</b>
II.Accumulated depreciation					
1.Beginning balance	<b>507,688,570.52</b>	<b>1,114,275,828.03</b>	<b>24,857,123.23</b>	<b>133,926,258.07</b>	<b>1,780,747,779.85</b>
2.Increase in this year	<b>28,021,024.61</b>	<b>72,096,021.50</b>	<b>1,345,744.16</b>	<b>16,096,306.74</b>	<b>117,559,097.01</b>
(1)Accrual	28,021,024.61	72,096,021.50	1,333,204.85	16,043,131.86	<b>117,493,382.82</b>

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Item	House and buildings	Machinery equipment	Transport equipment	Other equipment	Total
(2) Other increase			12,539.31	53,174.88	<b>65,714.19</b>
3. Decrease in this year		<b>16,311,354.13</b>	<b>111,699.85</b>	<b>3,710,645.96</b>	<b>20,133,699.94</b>
(1) Dispose or retirement		15,537,011.47	111,699.85	3,559,631.85	<b>19,208,343.17</b>
(2) Construction in progress transfer-in		774,342.66		151,014.11	<b>925,356.77</b>
4. Ending balance	<b>535,709,595.13</b>	<b>1,170,060,495.40</b>	<b>26,091,167.54</b>	<b>146,311,918.85</b>	<b>1,878,173,176.92</b>
III. Impairment provision					
1. Beginning balance		<b>113,462.70</b>		<b>998,559.51</b>	<b>1,112,022.21</b>
2. Increase in this year					
3. Decrease in this year				<b>2,164.29</b>	<b>2,164.29</b>
(1) Dispose or retirement				2,164.29	<b>2,164.29</b>
4. Ending balance		<b>113,462.70</b>		<b>996,395.22</b>	<b>1,109,857.92</b>
IV. Book value					
1. Ending book value	<b>1,203,903,339.56</b>	<b>765,839,913.27</b>	<b>10,050,778.75</b>	<b>143,329,718.17</b>	<b>2,123,123,749.75</b>
2. Opening book value	<b>1,229,984,534.77</b>	<b>727,651,825.02</b>	<b>10,653,410.38</b>	<b>136,329,080.35</b>	<b>2,104,618,850.52</b>

The new fixed assets in this year mainly due to the 132,651,516.64 yuan transfer from construction in process; decrease of the fixed assets in Current Year mainly including assets dispose for retirement.

(2) Fixed assets temporary idle at year-end. N/A

(3) Fixed assets leased through operating lease at year-end

Item	Original book value	Accumulated depreciation	Impairment provision	Book value
House and buildings	50,691,336.08	18,914,736.77		31,776,599.31
Machinery equipment	22,429,348.29	15,402,132.29		7,027,216.00
<b>Total</b>	<b>73,120,684.37</b>	<b>34,316,869.06</b>		<b>38,803,815.31</b>

(4) Fixed assets without property certificate

Item	Book value	Reason of not complete the property certificate
J07 electrical workshop	42,932,327.84	Related property rights in procedure
J02 workshop	27,617,073.32	Related property rights in procedure
J05 evaporator and condenser workshop	26,628,077.95	Related property rights in procedure
J01 workshop	25,597,448.16	Related property rights in procedure
J06 central air-conditioner workshop	18,062,009.85	Related property rights in procedure
J50 finished product warehouse	15,921,658.66	Related property rights in procedure
J51 finished product warehouse	15,448,457.60	Related property rights in procedure
J53 finished product warehouse	11,722,286.51	Related property rights in procedure
J52 finished product warehouse	11,203,657.15	Related property rights in procedure
J54 finished product warehouse	10,956,078.69	Related property rights in procedure
J55 finished product warehouse	10,101,083.52	Related property rights in procedure



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Item	Book value	Reason of not complete the property certificate
J56 finished product warehouse	10,101,083.52	Related property rights in procedure
J09raw material warehouse	6,122,522.20	Related property rights in procedure
J10raw material warehouse	4,731,618.22	Related property rights in procedure
J11raw material warehouse	4,661,225.90	Related property rights in procedure
J08 packing materials warehouse	4,248,874.06	Related property rights in procedure
J17 chemical storage	1,453,978.78	Related property rights in procedure
J15 house of refrigerant forklift	1,424,846.66	Related property rights in procedure
J16 chemical storage	1,173,465.56	Related property rights in procedure
J19 main guard room	348,086.85	Related property rights in procedure
J19A guard room	184,676.45	Related property rights in procedure
J19D guard room	135,795.39	Related property rights in procedure
J19E guard room	135,795.39	Related property rights in procedure
<b>Total</b>	<b>250,912,128.23</b>	

### 16.2 Disposal of fixed assets

Item	Ending balance	Beginning balance	Reasons for disposal transferred
Relevant assets disposal for reserved lands	32,293,183.76	32,293,183.76	Relocation for land reserve
Machinery equipment	554,340.35		For customer acceptance and treatment
<b>Total</b>	<b>32,847,524.11</b>	<b>32,293,183.76</b>	

Pursuant to the urban planning requirements of Hefei Municipal Government and the Government of Feidong county, the land reserve center of Feidong county will purchase and store the land use right of an economic development zone located at Feidong county, Hefei city, which is owned by the Company's subordinate companies, Equator Electric and Equator Home Appliance, respectively, with an area of 19,245.09 sq.m. (Approximately 28.87 mu, Land Use Right Certificate No.: Dong Guo Yong (2008) No. 0366, the stated use of the land is for industrial purpose) and an area of 46,161.9 sq.m. (Approximately 69.24 mu, Land Use Right Certificate No.: Dong Guo Yong (2008) No. 0367, the stated use of the land is for industrial purpose). The total consideration for purchasing and storage is approximately 36 million yuan, of which the consideration for the land use right owned by Equator Electric and Equator Home Appliance is approximately 10.59 million yuan and 25.41 million yuan, respectively. The Company has completed the relocation of occupants of the premises, and the net fixed assets in relation to the land will transfer as disposal, accounting treatment will be conduct in line with relevant rules upon receiving of the relocation compensation.

No impairment of relevant assets disposal for reserved lands at year-end.

### 17. Construction in progress

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Item	Ending balance	Beginning balance
Construction in progress	69,381,313.71	69,920,839.20
<b>Total</b>	<b>69,381,313.71</b>	<b>69,920,839.20</b>

### (1) Details of construction in progress

Items	Ending balance			Beginning balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Hefei manufacturing base refrigerator front-end production capacity promotion project	15,536,793.51		15,536,793.51			
Technical transformation project of Zhongshan Changhong	7,580,020.97		7,580,020.97	7,036,680.59		7,036,680.59
Investment projects to improve production and ensure supply	5,946,371.69		5,946,371.69			-
Industrial Internet Changhong Meiling Promotion Project	5,633,962.29		5,633,962.29	5,563,207.57		5,563,207.57
New flat color plate door shell line project	4,140,206.21		4,140,206.21	2,155,584.07		2,155,584.07
Extrusion and crushing capacity improvement demand project of Hefei refrigerator manufacturing company	3,299,034.71		3,299,034.71	1,033,130.00		1,033,130.00
Fixed assets project of 7 kg supporting production equipment	3,069,026.56		3,069,026.56	1,534,513.28		1,534,513.28
Transformation and maintenance project of large line for B-line shift recovery	2,632,393.75		2,632,393.75	2,048,088.46		2,048,088.46
Blister machine project	2,421,592.91		2,421,592.91	1,027,433.62		1,027,433.62
Air conditioning manufacturing system capacity improvement renovation project	1,361,215.39		1,361,215.39	24,062,124.83		24,062,124.83
415 series conversion project	1,038,128.20		1,038,128.20	648,083.64		648,083.64
Liquid nitrogen tank production line construction	580,864.94		580,864.94	680,956.02		680,956.02
23 years of Manufacturing System Automation Project	532,412.89		532,412.89	1,113,002.29		1,113,002.29
Commercial kitchen refrigerator cabinet project			-	1,894,989.00		1,894,989.00
Washing machine manufacturing company capacity and production efficiency improvement project in the first quarter			-	1,624,647.04		1,624,647.04
Large refrigerator efficiency improvement and transformation project			-	1,388,626.00		1,388,626.00
Rectification project of elevators and fire hazards in charging area of finished product warehouse			-	1,124,589.14		1,124,589.14
Laboratory investment projects			-	627,076.10		627,076.10
Supporting production equipment of washing machine			-	617,699.12		617,699.12

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Items	Ending balance			Beginning balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Meiling extrusion line relocation and capacity expansion project			-	339,115.04		339,115.04
Adaptability transformation project of fin stamping production line and its supporting equipment			-	2,634,632.94		2,634,632.94
Projects to be installed equipment			-	2,003,069.71		2,003,069.71
Other petty projects	15,609,289.69		15,609,289.69	10,763,590.74		10,763,590.74
<b>Total</b>	<b>69,381,313.71</b>	<b>-</b>	<b>69,381,313.71</b>	<b>69,920,839.20</b>	<b>-</b>	<b>69,920,839.20</b>

### (2) Changes in significant construction in progress

Name of the project	Budget	Beginning balance	Amount increased in the current period	Amount of fixed assets transferred in the current period	Other decreases for the period	Ending balance
Hefei manufacturing base refrigerator front-end production capacity improvement project	88,000,000.00		15,536,793.51			15,536,793.51

### Continued

The proportion of the cumulative investment of the project to the budget	Progress of the project	The accumulated amount of interest capitalization	Thereinto: the amount of interest capitalization in the current period	Capitalization rate of interest for the current period	Funds source
19.95%	50%				Self funds

### 18. Right-of-use assets

Item	House and buildings	Total
<b>I. Original book value</b>		
1.Beginning balance	62,005,148.15	62,005,148.15
2.Increase in this year	72,131,961.87	72,131,961.87
(1) Rent in	72,131,961.87	72,131,961.87
3. Decrease in this year		
4.Ending balance	134,137,110.02	134,137,110.02
<b>II.Accumulated depreciation</b>		
1.Beginning balance	12,011,747.54	12,011,747.54
2. Increase in this year	6,700,265.95	6,700,265.95
(1)Accrual	6,700,265.95	6,700,265.95

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Item	House and buildings	Total
3. Decrease in this year		
4. Ending balance	18,712,013.49	18,712,013.49
III. Impairment provision		
1. Beginning balance		
2. Increase in this year		
3. Decrease in this year		
4. Ending balance		
IV. Book value		
1. Ending book value	115,425,096.53	115,425,096.53
2. Opening book value	49,993,400.61	49,993,400.61

The Company accrual the depreciation on right-of-use assets from the commencement date of the lease period. Depending on use of the assets, amount of accrual will included in costs of relevant assets or current gain/loss.

### 19. Intangible assets

#### (1) Intangible assets

Item	Land use right	Trademark special right	Non-patent technology	Patent technology	Other	Total
I. Original book value						
1. Beginning balance	864,798,616.68	283,292,439.34	743,027,808.89	196,090,356.16	11,193,437.00	2,098,402,658.07
2. Increase in this year			49,878,953.27	25,301,221.76	379,622.64	75,559,797.67
(1) Internal research			49,878,953.27	25,301,221.76		75,180,175.03
(2) Other					379,622.64	379,622.64
3. Decrease in this year			379,622.64			379,622.64
(1) Disposal						
(2) Other decreases			379,622.64			379,622.64
4. Ending balance	864,798,616.68	283,292,439.34	792,527,139.52	221,391,577.92	11,573,059.64	2,173,582,833.10
II. Accumulated amortization						
1. Beginning balance	233,381,336.43	283,292,439.34	550,293,846.69	76,940,491.50	4,235,458.67	1,148,143,572.63
2. Increase in this year	9,206,326.39		45,782,698.32	17,042,208.15	857,366.38	72,888,599.24
(1) Accrual	9,206,326.39		45,782,698.32	17,042,208.15	572,649.42	72,603,882.28
(2) Other					284,716.96	284,716.96
3. Decrease in this year			284,716.96			284,716.96
(1) Other			284,716.96			284,716.96
4. Ending balance	242,587,662.82	283,292,439.34	595,791,828.05	93,982,699.65	5,092,825.05	1,220,747,454.91
III. Impairment provision						

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Item	Land use right	Trademark special right	Non-patent technology	Patent technology	Other	Total
1.Beginning balance			41,003,993.41	18,291,161.97	4,508,495.33	63,803,650.71
2.Increase in this year						
3.Decrease in this year						
4.Ending balance			41,003,993.41	18,291,161.97	4,508,495.33	63,803,650.71
IV.Book value						
1.Ending book value	622,210,953.86		155,731,318.06	109,117,716.30	1,971,739.26	889,031,727.48
2. Opening book value	631,417,280.25		151,729,968.79	100,858,702.69	2,449,483.00	886,455,434.73

The intangible assets resulted from internal research takes 3.46% of the balance of intangible assets at year-end

(2) No land use right without property certification done at year-end

(3) Impairment test of intangible assets:N/A

### 20. Development expense

#### (1) Detail

Item	Ending balance			Beginning balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Development expense	110,820,740.92		110,820,740.92	97,177,535.34		97,177,535.34
<b>Total</b>	<b>110,820,740.92</b>		<b>110,820,740.92</b>	<b>97,177,535.34</b>		<b>97,177,535.34</b>

#### (2) Other

Development expenditure are detailed in note VI to this financial statement..

### 21. Goodwill

#### (1) Original value of goodwill

Invested enterprise	Beginning balance	Increase this year		Decrease this year		Ending balance
		Formation from enterprise merger	Other	Formation from enterprise merger	Other	
Hefei Meiling Group Holdings Limited	3,553,367.77					3,553,367.77
<b>Total</b>	<b>3,553,367.77</b>					<b>3,553,367.77</b>

#### (2) Impairment loss of goodwill

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Invested enterprise	Beginning balance	Increase this year		Decrease this year		Ending balance
		Accrual	Other	Accrual	Other	
Hefei Meiling Group Holdings Limited	3,553,367.77					3,553,367.77
<b>Total</b>	<b>3,553,367.77</b>					<b>3,553,367.77</b>

Note: The Company's goodwill has been fully accrued for impairment reserves at year-end.

### 22. Long-term prepaid expenses

Item	Opening balance	Increase this period	Amortization for the period	Other decreases	Ending balance
Long-term prepaid expenses	35,698,465.62	4,577,809.12	7,060,808.34		33,215,466.40
<b>Total</b>	<b>35,698,465.62</b>	<b>4,577,809.12</b>	<b>7,060,808.34</b>		<b>33,215,466.40</b>

### 23. Deferred tax assets and deferred tax liabilities

#### (1) Deferred income tax assets without the offset

Item	Ending balance		Beginning balance	
	Deductible <i>temporary</i> difference	Deferred income tax assets	Deductible <i>temporary</i> difference	Deferred income tax assets
Deferred income tax assets recognized from ir-reparable losses	450,041,039.30	67,506,155.91	575,117,840.02	86,267,676.00
Deferred income tax assets recognized from assets impairment	329,143,252.73	49,760,008.05	312,522,821.29	47,114,940.66
Deferred income tax assets recognized from deferred income	76,103,886.35	11,415,582.96	89,179,865.35	13,376,979.81
Deferred income tax assets recognized by lease liabilities	112,468,629.53	17,357,210.62	52,138,935.61	7,287,948.90
Deferred income tax assets recognized from accrual liability	35,570,774.19	5,441,345.15	31,904,790.39	4,785,718.56
Deferred income tax assets recognized from Dismission welfare	12,886,850.40	1,933,027.56	13,940,576.25	2,091,086.44
Accrued income tax assets	7,676,622.07	1,655,300.91	6,464,906.83	1,367,611.03
Deferred income tax assets recognized by changes in fair value	21,275,136.81	3,191,270.53	323,557.50	48,533.63
<b>Total</b>	<b>1,045,166,191.38</b>	<b>158,259,901.69</b>	<b>1,081,593,293.24</b>	<b>162,340,495.03</b>

#### (2) Deferred income tax liabilities without the offset

Item	Ending balance		Beginning balance	
	Taxable <i>temporary</i> differences	Deferred income tax liability	Taxable <i>temporary</i> differences	Deferred income tax liability
Recognized by changes in fair value	54,610,621.34	7,512,564.33	72,922,565.81	10,938,384.87
Deferred income tax liabilities recognized by use asset	110,898,237.37	17,893,276.46	49,993,400.61	7,031,136.31
Recognized by fixed assets depreciation	23,213,429.66	3,484,182.62	25,632,968.47	3,844,945.25
<b>Total</b>	<b>188,722,288.37</b>	<b>28,890,023.41</b>	<b>148,548,934.89</b>	<b>21,814,466.43</b>

#### (3) Details of unrecognized deferred income tax assets

Item	Ending balance	Beginning balance
Deductible <i>temporary</i> difference	134,020,915.31	159,108,623.94

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Item	Ending balance	Beginning balance
Deductible loss	187,044,746.04	216,256,401.45
<b>Total</b>	<b>321,065,661.35</b>	<b>375,365,025.39</b>

### 24. Other non-current assets

Item	Ending balance			Beginning balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Prepaid equipment, engineering, etc.	2,446,254.28		2,446,254.28	15,299,373.85		15,299,373.85
Contract asset	12,083,853.03	623,720.00	11,460,133.03	11,955,960.50	653,720.00	11,302,240.50
<b>Total</b>	<b>14,530,107.31</b>	<b>623,720.00</b>	<b>13,906,387.31</b>	<b>27,255,334.35</b>	<b>653,720.00</b>	<b>26,601,614.35</b>

### 25. Assets with restricted ownership or use right

Item	Ending balance			
	Book Balance	Book value	Restriction type	Restriction information
Monetary funds	426,428,115.13	426,428,115.13	Frozen	Security deposit; Frozen for litigation
Receivable financing	743,380,533.32	743,380,533.32	Pledge	Pledge for issuing bank acceptance bills
Real estate investment	5,795,017.72	3,007,051.80	Mortgage	Loan mortgage
Fixed assets	478,767,594.24	313,432,156.44	Mortgage	Loan mortgage
Intangible assets	415,797,056.93	260,033,471.63	Mortgage	Loan mortgage
<b>Total</b>	<b>2,070,168,317.34</b>	<b>1,746,281,328.32</b>	—	—

Continued

Item	Beginning balance			
	Book Balance	Book value	Restriction type	Restriction information
Monetary funds	438,655,288.66	438,655,288.66	Frozen	Security deposit; Frozen for litigation
Receivable financing	997,291,535.93	997,291,535.93	Pledge	Pledge for issuing bank acceptance bills
Real estate investment	5,795,017.72	3,097,441.68	Mortgage	Loan mortgage
Fixed assets	478,732,601.33	321,209,491.52	Mortgage	Loan mortgage
Intangible assets	415,797,056.93	264,252,595.08	Mortgage	Loan mortgage
<b>Total</b>	<b>2,336,271,500.57</b>	<b>2,024,506,352.87</b>	—	—

### 26. Short-term loans

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### (1) Classification of short-term loans

Category	Ending balance	Beginning balance
Guaranteed loan	5,000,000.00	5,000,000.00
Loan in credit	1,140,328,642.91	1,128,967,080.14
Interest payable	221,944.44	135,338.89
<b>Total</b>	<b>1,145,550,587.35</b>	<b>1,134,102,419.03</b>

(2) Short-term loans overdue: N/A.

### 27. Trading financial liability

Item	Ending balance	Beginning balance
Trading financial liability	46,906,758.56	32,229,012.86
Including: Derivative financial liability	46,906,758.56	32,229,012.86

### 28. Note payable

Type	Ending balance	Beginning balance
Bank acceptance	6,991,196,515.00	5,604,059,289.98
Trade acceptance	447,732,011.00	300,327,800.00
<b>Total</b>	<b>7,438,928,526.00</b>	<b>5,904,387,089.98</b>

The total amount of notes payable due and unpaid at the end of the current period was RMB 192,000.00, and the reason for the non-payment was that the creditor did not make a reminder payment.

### 29. Account payable

#### (1) Account payable

Item	Ending balance	Beginning balance
<b>Total</b>	<b>6,482,294,160.76</b>	<b>3,882,303,908.89</b>
Including: Amount aged over 1 year	83,777,136.56	87,743,285.28

(2) Major account payable with over one year book age at year-end.: N/A

### 30. Received in advance.

Category	Ending balance	Beginning balance
<b>Total</b>	<b>847,417.67</b>	<b>55,949.90</b>
Including: Amount aged over 1 year		

### 31. Contract liabilities

#### (1) Contract liabilities

Item	Ending balance	Beginning balance
<b>Total</b>	<b>394,822,462.19</b>	<b>405,698,756.02</b>
Including: Amount aged over 1 year	25,237,697.74	42,798,796.43

(2) Major contract liabilities with over one year book age at year-end.: N/A



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(3) Significant changes in the book value in the current period: N/A

### 32. Wages payable

#### (1) Category

Item	Beginning balance	Increase this year	Decrease this year	Ending balance
Short-term compensation	437,396,328.78	1,005,378,642.55	1,002,610,695.88	440,164,275.45
After-service welfare- defined contribution plans	1,752,993.49	68,448,865.84	68,518,355.32	1,683,504.01
Dismiss welfare	4,462,894.29	2,371,709.84	2,722,100.44	4,112,503.69
<b>Total</b>	<b>443,612,216.56</b>	<b>1,076,199,218.23</b>	<b>1,073,851,151.64</b>	<b>445,960,283.15</b>

#### (2) Short-term compensation

Item	Beginning balance	Increase this year	Decrease this year	Ending balance
Wages, bonuses, allowances and subsidies	429,211,880.79	909,374,229.29	907,315,521.96	431,270,588.12
Welfare for workers and staff	557,735.88	27,360,479.50	27,271,065.89	647,149.49
Social insurance	1,701,031.21	29,402,367.32	29,488,156.68	1,615,241.85
Including: Medical insurance	1,588,055.26	27,036,608.58	27,042,248.98	1,582,414.86
Work injury insurance	29,219.11	2,360,749.61	2,357,141.73	32,826.99
Maternity insurance	83,756.84	5,009.13	88,765.97	-
Housing accumulation fund	5,412,345.24	36,574,105.36	36,383,051.19	5,603,399.41
Labor union expenditure and personnel education expense	513,335.66	2,667,461.08	2,152,900.16	1,027,896.58
<b>Total</b>	<b>437,396,328.78</b>	<b>1,005,378,642.55</b>	<b>1,002,610,695.88</b>	<b>440,164,275.45</b>

#### (3) Defined contribution plans

Item	Beginning balance	Increase this year	Decrease this year	Ending balance
Basic endowment insurance	598,361.39	66,096,945.88	66,167,060.91	528,246.36
Unemployment insurance	1,154,632.10	2,351,919.96	2,351,294.41	1,155,257.65
<b>Total</b>	<b>1,752,993.49</b>	<b>68,448,865.84</b>	<b>68,518,355.32</b>	<b>1,683,504.01</b>

### 33. Tax payable

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Item	Ending balance	Beginning balance
Value-added tax	11,686,146.17	16,433,804.39
Enterprise income tax	36,181,243.91	22,442,997.30
Individual income tax	1,796,200.82	9,049,531.30
Urban maintenance and construction tax	7,063,245.92	8,800,180.85
Real estate tax	3,866,629.76	3,702,169.69
Land use tax	1,430,553.18	1,430,553.17
Educational surtax	5,196,405.31	6,388,436.72
Stamp tax	6,169,729.57	4,270,122.54
Construction fund of Water Conservancy Projects	657,544.85	663,334.83
Treatment fund for abandon electrics & electronics		16,436,695.00
Other	2,353,137.82	2,299,925.92
<b>Total</b>	<b>76,400,837.31</b>	<b>91,917,751.71</b>

### 34. Other account payable

Item	Ending balance	Beginning balance
Dividend payable	6,005,989.72	5,384,407.44
Other account payable	1,033,230,180.96	879,330,313.86
<b>Total</b>	<b>1,039,236,170.68</b>	<b>884,714,721.30</b>

#### 34.1 Dividend payable

Item	Ending balance	Beginning balance
China Life Insurance (Group) Company	65,987.57	432,607.23
Hefei Branch of Bank of China	631,013.60	446,576.60
Hefei collective industry association	631,012.60	446,575.90
Provincial trust and investment company Wuhu office	504,810.90	357,261.30
China Life Insurance (Group) Company	43,992.07	288,404.82
BOC- Fullgoal Tianyi Securities Investment Fund	153,697.50	153,697.50
Other units	3,975,475.48	3,259,284.09
<b>Total</b>	<b>6,005,989.72</b>	<b>5,384,407.44</b>

#### 34.2 Other account payable

##### (1) Other account payable by nature

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Nature	Ending balance	Beginning balance
Accrued expenses (expenses occurred without reimbursed)	500,069,530.97	381,110,482.12
Receivables received temporary and deducted temporary	10,766,232.79	13,201,384.59
Deposit, margin	156,884,291.78	170,042,120.52
Not the come-and-go with related parties in statement scope	339,850,177.36	285,951,275.98
Other	25,659,948.06	29,025,050.65
<b>Total</b>	<b>1,033,230,180.96</b>	<b>879,330,313.86</b>

(2) At end of the year, the major other account payable with account age over one year mainly refers to the deposit and margin. :N/A

### 35. Non-current liability due within one year

Item	Ending balance	Beginning balance
Long-term loan principal and interest due within one year	45,299,832.44	40,172,155.56
Lease liabilities due within one year	14,495,340.68	8,650,642.91
<b>Total</b>	<b>59,795,173.12</b>	<b>48,822,798.47</b>

### 36. Other current liabilities

Item	Ending balance	Beginning balance
Pending sales tax	15,760,538.79	18,915,531.41
Factoring fees payable	2,095,449.88	218,335.59
Bill recovery		38,674.50
<b>Total</b>	<b>17,855,988.67</b>	<b>19,172,541.50</b>

### 37. Long term borrowings

#### (1) Category of long term borrowings

Category	Ending balance	Beginning balance
Loan in mortgage	83,000,000.00	108,000,000.00
Loan in credit	6,058,089.90	
<b>Total</b>	<b>89,058,089.90</b>	<b>108,000,000.00</b>

#### (2) Long-term borrowings at period-end

Loan from	Borrowing day	Returning day	Foreign currency	Interest rate	Amount at year-end (RMB)	Amount at year-begin(RMB)
EIBC (Export-Import Bank) Anhui Province Branch <sup>note1</sup>	2020/3/26	2026/11/25	RMB	3.755%	83,000,000.00	98,000,000.00
EIBC (Export-Import Bank) Anhui Province Branch <sup>note2</sup>	2019/12/23	2026/11/2	RMB	4.005%		10,000,000.00
Zhongshan Rural Commercial Bank Co., Ltd. Zhongshan South Head Sub-branch <sup>note3</sup>	2024/1/25	2025/12/31	RMB	3.850%	6,058,089.90	
<b>Total</b>					<b>89,058,089.90</b>	<b>108,000,000.00</b>

Note 1: The Company signed the "Loan Contract (Promoting the Opening-up of Loans in China - Fixed

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Assets)" with the Export-Import Bank of China Anhui Branch, the Company's fixed assets and intangible assets are used as mortgage for a long-term loan under the contract. And withdrawal of 98,000,000.00 yuan on March 26, 2020. The term of the loan is from March 26, 2020 to November 25, 2026, the interest rate of the loan is determined according to the market quotation rate of the loan with a term of more than 5 years reduced by 0.195%, which fluctuates annually, and the amount of the loan is 98,000,000.00 yuan. According to the repayment plan agreed with the bank, It plans to repay 15,000,000.00 yuan on June 25, 2025 has been reclassified to non-current liabilities due within one year. The balance at the end of the year is RMB 83,000,000.00.

Note 2: The Company signed the "Loan Contract (Promoting the Opening-up of Loans in China - Fixed Assets)" with the Export-Import Bank of China Anhui Branch, the Company's investment real estate, fixed assets and intangible assets are used as mortgage for the loan. The term of the loan is from December 23, 2019 to November 25, 2026, the interest rate of the loan is determined according to the market quotation rate of the loan with a term of more than 5 years reduced by 0.195%, which fluctuates annually, and the amount of the loan is 100,000,000.00 yuan. According to the repayment plan agreed with the bank, the Company has repaid 70,000,000.00 yuan. It plans to repay 20,000,000.00 yuan on December 25, 2024 and repay 10,000,000.00 yuan on June 25, 2024, a total of 30,000,000.00 yuan has been reclassified to non-current liabilities due within one year. The balance at the end of the year is 0 yuan.

Note 3: Hongyuan Heat Pump Technology (Zhongshan) Co., Ltd. and Zhongshan Rural Commercial Bank Co., Ltd. Nantou Branch signed the "Loan Contract (Corporate Business-Fixed Assets)", with pure credit approval, no guarantee, no pledge, the loan period is January 25, 2024 to December 31, 2025, the loan amount in 2024 is 6,213,427.90 yuan, the borrowing interest rate is determined by increasing the one-year market base interest rate LPR by 40 basis points, adjusted based on the corresponding date to the specific date of previous year, and the current interest rate is 3.85%. The principal is repaid at 2.5% of the single loan amount every six months, and the remaining principal is repaid in a lump sum on the maturity date of the contract. According to the repayment plan agreed with the bank, It plans to repay 155,338.00 yuan on June 30, 2025 has been reclassified to non-current liabilities due within one year. The balance at the end of the year is 6,058,089.90 yuan.

### 38. Lease liability

Item	Ending balance	Beginning balance
Lease liability	104,173,573.28	43,488,292.70
<b>Total</b>	<b>104,173,573.28</b>	<b>43,488,292.70</b>

### 39. Long-term payable

Item	Ending balance	Beginning balance
Special payable	627,878.52	800,347.84
<b>Total</b>	<b>627,878.52</b>	<b>800,347.84</b>

#### 39.1 Special payable

Item	Beginning balance	Increase this year	Decrease this year	Ending balance	Reason
Special funds for technological	800,347.84		172,469.32	627,878.52	Technology plan project in

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Item	Beginning balance	Increase this year	Decrease this year	Ending balance	Reason
transformation from Zhongshan Changhong					Zhongshan City

### 40. Long-term wage payable

Item	Ending balance	Beginning balance
Dismissal welfare	10,530,588.34	11,417,181.82
<b>Total</b>	<b>10,530,588.34</b>	<b>11,417,181.82</b>

According to the internal early retirement policy, the long-term payable dismissal welfare bears by the Company up to year-end amounting to 10,530,588.34yuan

### 41. Accrual liability

Item	Ending balance	Beginning balance	Reason
Product quality guarantee <sup>note1</sup>	33,605,901.87	29,939,918.07	Product warranty
Litigation matters <sup>note2</sup>	1,964,872.32	2,114,872.32	
<b>Total</b>	<b>35,570,774.19</b>	<b>32,054,790.39</b>	

Note 1: Product quality deposit is the maintenance expense provided by the Company under the national policy.

Note2: In November 2021, Zhejiang Teruisi Pharmaceutical Inc. filed a lawsuit against Zhongke Meiling for the "Cold Storage Design, Equipment Purchase and Installation Construction Contract". Currently, quality of the subject under the contract is being authenticated by a third party engineering quality appraisal agency, the initial start-up operation test is now completed. Zhongke Meiling intends to maintain the cold storage project, and the estimated maintenance cost is 1,720,534.42 yuan. The management has provided a total estimated liability of 394337.90 yuan for other business lawsuits. The estimated liabilities of RMB 150,000.00 were reversed after the conclusion of the litigation in the current period, and the estimated liabilities of RMB 244,337.90 were remaining in provision.

### 42. Deferred income

Item	Beginning balance	Increase this year	Decrease this year	Ending balance	Reason
Government subsidies---subsidies of development project	102,040,223.27	2,334,900.00	14,503,242.16	89,871,881.11	
Government subsidies---subsidies of Relocation	30,937,271.06		1,326,544.47	29,610,726.59	
<b>Total</b>	<b>132,977,494.33</b>	<b>2,334,900.00</b>	<b>15,829,786.63</b>	<b>119,482,607.70</b>	

### 43. Share capital

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Items	Beginning balance	Change during the year (+, -)					Ending balance
		New shares issued	Bonus share	Shares transferred from capital reserve	Other	Subtotal	
Total shares	1,029,923,715.00						1,029,923,715.00

### 44. Capital reserve

Item	Beginning balance	Increase this period	Decrease this period	Ending balance
Share premium	2,757,460,366.37			2,757,460,366.37
Other capital reserve	48,043,091.40			48,043,091.40
<b>Total</b>	<b>2,805,503,457.77</b>			<b>2,805,503,457.77</b>

### 45. Other comprehensive income

Item	Beginning balance	Current period					Ending balance
		Account before income tax in Current Year	Less: written in other comprehensive income in previous period and carried forward to gains and losses in current period	Less: Income tax expenses	Belong to parent company after tax	Belong to minority shareholders after tax	
<b>Other comprehensive income re-divided into gains/losses</b>							
Conversion difference arising from foreign currency financial statement	-20,704,362.05	-1,142,407.83			-1,173,618.69	31,210.86	-21,877,980.74
<b>Total</b>	<b>-20,704,362.05</b>	<b>-1,142,407.83</b>			<b>-1,173,618.69</b>	<b>31,210.86</b>	<b>-21,877,980.74</b>

### 46. Special reserves

Item	Beginning balance	Increase this year	Decrease this year	Ending balance
Safety production costs	11,246,811.91	17,312,570.33	14,105,204.20	14,454,178.04
<b>Total</b>	<b>11,246,811.91</b>	<b>17,312,570.33</b>	<b>14,105,204.20</b>	<b>14,454,178.04</b>

Note: This year's increase refers to the work safety expenses accrued according to the notice issued by the Ministry of Finance on November 21, 2022 on printing and distributing the Administrative Measures for the Extraction and Use of Work Safety Expenses of Enterprises (CZ [2022] No.136).

### 47. Surplus reserves

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Item	Beginning balance	Increase this year	Decrease this year	Ending balance
Statutory surplus reserve	361,445,492.66			361,445,492.66
<i>Discretionary</i> surplus reserve	115,607,702.16			115,607,702.16
<b>Total</b>	<b>477,053,194.82</b>			<b>477,053,194.82</b>

### 48. Retained profit

Item	Current period	Last Period
Prior year-end balance	<b>1,521,759,836.64</b>	<b>909,082,037.66</b>
Add: adjustment from undistributed profit at year-begin		167,328.13
Including: retroactive adjustment by Accounting Standards for Business Enterprise		
change of accounting policy		167,328.13
Correction of former material error		
Change of combination scope under common control		
Beginning balance	<b>1,521,759,836.64</b>	<b>909,249,365.79</b>
Add: net profit attributable to shareholders of parent company for this year	415,033,415.88	741,038,108.54
Less: withdraw of statutory surplus reserve		35,834,503.34
withdraw of discretionary surplus reserve		
Withdraw of general risk provision		
Dividend payable for ordinary shares	308,977,114.50	92,693,134.35
Dividend of ordinary shares transferred to share capital		
Ending balance	<b>1,627,816,138.02</b>	<b>1,521,759,836.64</b>

### 49. Operation income and operation cost

#### (1) Operation income and operation cost

Item	Current period		Last period	
	Income	Cost	Income	Cost
Main business	14,847,789,922.86	13,208,737,884.37	12,734,698,313.84	11,126,041,806.09
Other business	99,880,368.84	53,068,681.43	93,996,009.73	52,872,269.74
<b>Total</b>	<b>14,947,670,291.70</b>	<b>13,261,806,565.80</b>	<b>12,828,694,323.57</b>	<b>11,178,914,075.83</b>

#### (2) The decomposition information of operation income and operation cost

Type	Current Period		Last Year	
	Income	Cost	Income	Cost
<b>Product</b>				
Including: Refrigerator, Freezer	4,739,349,946.80	3,927,763,612.82	4,224,670,444.64	3,452,620,652.77
Air-conditioning	8,499,905,660.36	7,916,263,677.05	6,997,497,159.24	6,383,899,125.62
Washing machine	783,936,724.28	660,322,573.64	557,352,305.32	458,999,445.42
Small household appliances and kitchen and bathroom	744,514,913.93	643,013,706.71	852,703,435.92	746,076,815.25

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Type	Current Period		Last Year	
	Income	Cost	Income	Cost
Other product	80,082,677.49	61,374,314.15	102,474,968.72	84,445,767.03
Other business	99,880,368.84	53,068,681.43	93,996,009.73	52,872,269.74
Area				
Domestic	10,130,279,475.77	8,919,072,311.98	8,930,940,864.80	7,731,160,093.49
Overseas	4,817,390,815.93	4,342,734,253.82	3,897,753,458.77	3,447,753,982.34
<b>Total</b>	<b>14,947,670,291.70</b>	<b>13,261,806,565.80</b>	<b>12,828,694,323.57</b>	<b>11,178,914,075.83</b>

### (3) Information related to performance obligations

Item	Time to perform performance obligations	Material payment terms	Nature of the goods that the Company promises to transfer	Main responsible person or not	Amount expected to be refunded to customers undertaken by the Company	Types of quality assurance provided by the Company and related obligations
Income from sales of goods	When the customer obtains the control right of relevant commodities	Advance payment or payment collected according to credit period	Goods	Yes	No	Product quality assurance
Income from providing services	When customers obtain related services	Advance payment or payment collected according to credit period	Service	Yes	No	

### (4) Information related to the transaction price allocated to the remaining performance obligations

At the end of this year, the income corresponding to the performance obligations that have been signed but not yet fulfilled or not yet fully fulfilled is RMB 112,929,265.33, of which RMB 49,843,805.15 is expected to be recognized in 2024, RMB53,085,460.18 in 2025 and RMB10,000,000.00 in 2026.

### 50. Business tax and extra charges

Item	Current period	Last period
Treatment fund for abandon electrics & electronics		45,585,295.00
City construction tax	12,658,264.45	13,473,561.59
Extra charge for education and local education surcharge	9,528,988.49	10,374,633.25
Real estate tax	10,608,992.62	10,697,322.79
Stamp duty	12,554,573.75	10,239,001.40
Land use tax	3,870,113.74	3,870,702.26
Water fund	3,876,070.99	3,778,106.41
Other	13,909.15	7,143.92
<b>Total</b>	<b>53,110,913.19</b>	<b>98,025,766.62</b>

### 51. Sales expense

Item	Current period	Last period
Salary, extra charges and labor service expenses	301,793,753.60	327,557,081.46



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Item	Current period	Last period
Market support expenses	174,815,604.29	140,461,155.25
National three guarantees expense	94,809,310.25	81,830,891.01
Shipping and Installation expense	91,952,697.03	86,205,859.39
Storage lease expenses	70,156,124.81	45,248,950.36
Insurance	26,125,049.13	11,544,975.60
Travelling expenses	12,042,153.80	27,620,363.01
Business activity expenses	7,428,851.26	8,433,498.60
Vehicle expenses	7,091,465.14	6,329,264.05
Depreciation expenses	4,127,717.61	4,023,917.38
Other expenses	43,987,022.64	47,237,303.21
<b>Total</b>	<b>834,329,749.56</b>	<b>786,493,259.32</b>

### 52. Administration expense

Item	Current period	Last period
Salary and social insurance etc.	103,449,052.65	119,736,522.57
Depreciation	11,260,014.11	11,309,060.92
Amortized intangible assets	9,096,588.72	9,135,614.87
Software use	3,638,733.82	2,629,643.03
Water and electricity fee	3,314,456.03	2,425,289.58
Property insurance	2,258,205.69	1,875,442.73
Safety in production	2,187,081.24	2,078,232.07
Business activities fee	2,172,710.94	3,157,527.78
Software use	2,036,485.69	1,841,591.27
Housing rent	1,960,818.91	706,646.91
Travelling fee	1,703,367.94	1,841,650.97
Other expenses	14,358,990.25	26,225,642.90
<b>Total</b>	<b>157,436,505.99</b>	<b>182,962,865.60</b>

### 53. R&D expenses

Item	Current period	Last period
Salary and social insurance etc.	125,688,771.65	116,235,127.25
Amortized intangible assets	62,574,483.08	63,618,830.74
Trial fee of R&D	33,329,478.98	26,151,862.28
Cost of mould	19,477,506.31	13,061,216.32
Depreciation	11,382,038.44	10,012,109.72
Technological development	9,795,954.43	9,999,651.18
Trial fee of R&D	7,681,408.61	8,613,510.99

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Item	Current period	Last period
Water and electricity fee	5,451,257.04	5,616,418.28
Other expenses	12,220,699.74	11,867,471.17
<b>Total</b>	<b>287,601,598.28</b>	<b>265,176,197.93</b>

### 54. Financial expenses

Item	Current period	Last period
Interest expenditure	12,799,719.70	13,185,503.15
Less: Interest income	98,725,551.34	83,240,562.07
Add: exchange loss	-8,064,704.24	-35,883,923.32
Procedure charge expenditure	8,611,344.51	7,339,147.69
Discount expenditure	-18,083,136.98	-17,235,858.76
Interest expense on lease liability	1,761,401.61	821,767.04
<b>Total</b>	<b>-101,700,926.74</b>	<b>-115,013,926.27</b>

### 55. Other income

Item	Current Period	Last Period
Advanced manufacturing value-added tax deduction	50,468,374.01	
The deferred income is transferred	15,829,786.63	15,696,724.67
Immediate VAT refund after collection	4,288,247.02	4,165,995.12
Talent incentives and technological transformation subsidies	4,052,377.92	272,732.00
Enterprise support funds	2,338,639.00	8,905,000.00
Other tax returns	1,327,682.14	648,855.83
Financial awards	1,060,000.00	838,234.37
Stable job subsidy	633,337.08	216,067.21
R & D Subsidy	250,000.00	333,305.00
Foreign economic and trade development promotion funds		194,200.00
Other petty projects	1,059,503.82	1,057,142.46
<b>Total</b>	<b>81,307,947.62</b>	<b>32,328,256.66</b>

### 56. Investment income

Item	Current Period	Last Period
Long-term equity investment income by equity method	7,391,368.30	12,544,969.44
Investment income obtained from disposal of Trading financial assets	-6,015,323.23	-4,626,995.54
Investment income of other current financial assets during holding period	1,656,388.88	1,840,756.94
Investment income of other non-current financial assets during	12,912,196.37	11,409,029.33

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Item	Current Period	Last Period
holding period		
The termination of income recognition for financial assets measured by amortized cost	-24,604,289.53	-14,192,040.21
Interest income from debt investment during the holding period	11,593,385.08	7,402,220.09
<b>Total</b>	<b>2,933,725.87</b>	<b>14,377,940.05</b>

### 57. Changes in fair value gains

Item	Current Period	Last Period
Trading financial assets	-28,041,659.98	15,221,223.22
Including :Income of fair value changes from derivative financial instruments	-30,482,326.98	14,587,494.15
Interest accrual for wealth management products	2,440,667.00	633,729.07
Trading financial liability	-14,677,745.70	-71,649,406.65
Including: Income of fair value changes from derivative financial instruments	-14,677,745.70	-71,649,406.65
<b>Total</b>	<b>-42,719,405.68</b>	<b>-56,428,183.43</b>

### 58. Credit impairment loss

Item	Current Period	Last Period
Account receivable bad debt loss	12,428,045.01	-42,428,408.08
Other account receivable bad debt loss	47,845.63	1,346,818.25
<b>Total</b>	<b>12,475,890.64</b>	<b>-41,081,589.83</b>

### 59. Assets impairment loss

Item	Current Period	Last Period
Loss on inventory valuation	-27,799,697.87	-16,752,702.16
Impairment loss on contractual assets	41,475.88	-824,633.73
Development expense impairment loss	-1,530,365.17	
Other impairment losses of non-current assets	30,000.00	-590,000.00
<b>Total</b>	<b>-29,258,587.16</b>	<b>-18,167,335.89</b>

### 60. Income from assets disposal

Item	Current Period	Last Period
Income from non-current assets disposal	36,334.95	
Including: income classify to assets ready for sale		
income not classify as to assets ready for sale	36,334.95	
Including: Income from fixed assets disposal	36,334.95	
<b>Total</b>	<b>36,334.95</b>	

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### 61. Non-operation revenue

Item	Current Period	Last Period	Amount reckoned into non-recurring gains/losses in Current Period
Income of penalty	927,089.26	4,888,567.59	927,089.26
Other	1,623,453.44	5,815,452.21	1,623,453.44
<b>Total</b>	<b>2,550,542.70</b>	<b>10,704,019.80</b>	<b>2,550,542.70</b>

### 62. Non-operating expenditure

Item	Current Period	Last Period	Amount reckoned into non-recurring gains/losses in Current Period
Non-current asset retirement losses	1,335,367.01	2,758,202.88	1,335,367.01
Other	3,141,723.09	256,596.34	3,141,723.09
<b>Total</b>	<b>4,477,090.10</b>	<b>3,014,799.22</b>	<b>4,477,090.10</b>

### 63. Income tax expenses

Item	Current Period	Last Period
Current income tax	41,949,054.19	8,379,498.72
Deferred Income Tax	11,156,150.32	-7,454,488.68
<b>Total</b>	<b>53,105,204.51</b>	925,010.04

### 64. Other comprehensive income

Found more in 45. Other comprehensive income in V

### 65. Items of cash flow statement

#### (1) Cash related to business activities

##### 1) Cash received from other activities relating to operation

Item	Current Period	Last Period
Government subsidy and rewards	11,231,873.04	13,652,143.10
Cash deposit, deposit	15,975,517.12	24,366,520.52
Rental income	2,745,771.84	2,985,657.33
Compensations	327,467.67	1,718,745.99
Petty cash collection	4,318.00	140,806.43
Other	7,689,238.80	3,021,399.10
<b>Total</b>	<b>37,974,186.47</b>	45,885,272.47

##### 2) Cash paid for other activities relating to operation

Item	Current Period	Last Period
Operating out of cash expenses	366,583,583.43	306,192,633.71

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Item	Current Period	Last Period
Petty cash, deposit, Cash deposit	29,856,337.65	39,417,445.80
<b>Total</b>	<b>396,439,921.08</b>	<b>345,610,079.51</b>

### (2) Cash related to Investment activities

#### 1) Important cash received related to investment activities

Item	Current Period	Last Period
Structural deposits	1,300,000,000.00	530,000,000.00
<b>Total</b>	<b>1,300,000,000.00</b>	<b>530,000,000.00</b>

#### 2) Important cash payable related to investment activities

Item	Current Period	Last Period
Structural deposits	2,380,000,000.00	650,000,000.00
Large deposit certificate	650,000,000.00	340,000,000.00
Fixed deposits	550,000,000.00	
<b>Total</b>	<b>3,580,000,000.00</b>	<b>990,000,000.00</b>

#### 3) Cash received from other activities relating to investment

Item	Current Period	Last Period
Interest income arising from bank savings	99,765,587.63	81,700,559.42
Cash deposit	794,951.65	956,132.70
Income of forward exchange settlement	1,436,020.07	1,303,892.65
<b>Total</b>	<b>101,996,559.35</b>	<b>83,960,584.77</b>

#### 4) Cash paid for other activities relating to investment

Item	Current Period	Last Period
Losses of forward exchange settlement	7,111,935.45	13,791,587.29
Bid bond refund		500,000.00
<b>Total</b>	<b>7,111,935.45</b>	<b>14,291,587.29</b>

### (3) Cash related to financing activities

#### 1) Cash received from other activities relating to financing

Item	Current Period	Last Period
Recover restricted funds	71,141,339.20	220,652,668.19
Meiling series (internal) bill discounting fundraising	1,155,206.59	26,054,470.31
<b>Total</b>	<b>72,296,545.79</b>	<b>246,707,138.50</b>

#### 2) Cash paid for other activities relating to financing

Item	Current Period	Last Period
Turn into limited funds	58,914,165.67	134,086,488.59
Meiling series (internal) bill discounting fundraising	15,883,841.10	23,536,567.33
Lease liability principal and interest	5,486,967.90	2,353,526.71

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Item	Current Period	Last Period
Intermediary service fee	230,889.27	65,600.34
<b>Total</b>	<b>80,515,863.94</b>	<b>160,042,182.97</b>

### 3) Changes in liabilities arising from fund-raising activities

Item	Beginning balance	Increase this period		Decrease this period		Ending balance
		Cash changes	Non Cash changes	Cash changes	Non Cash changes	
Short-term Loans	1,134,102,419.03	1,121,669,129.02	11,470,295.20	1,120,031,742.01	1,659,513.89	1,145,550,587.35
Long-term loans	108,000,000.00	6,213,427.90	31,017.88	31,017.88	25,155,338.00	89,058,089.90
Lease liabilities	43,488,292.70		70,426,877.46		9,741,596.88	104,173,573.28
Lease liabilities due within 1 year	8,650,642.91		11,709,308.48	5,486,967.90	377,642.81	14,495,340.68
Long-term due within 1 year	40,172,155.56		28,112,480.21	22,984,803.33		45,299,832.44
Dividend payable	5,384,407.44		315,069,034.92	314,447,452.64		6,005,989.72
<b>Total</b>	<b>1,339,797,917.64</b>	<b>1,127,882,556.92</b>	<b>436,819,014.15</b>	<b>1,462,981,983.76</b>	<b>36,934,091.58</b>	<b>1,404,583,413.37</b>

### (4) Statement of cash flow in net amount

Item	Relevant facts	Basis for adopting net presentation	Financial impact
Forward foreign exchange delivery	As a legal entity, the Company reports the gains or losses of foreign exchange contract delivery to the receipt of other cash related to investment activities and the payment of other cash related to investment activities	The reported information is more intuitive	No
Restricted funds	As a legal entity, the Company reports the current year's change of restricted funds to the receipt of other cash related to fund-raising activities and the payment of other cash related to fund-raising activities	Rolling reflection	No
Meiling (internal) notes discount fund-raising amount	As a legal entity, the Company reclassifies the current year's change in Meiling (internal) notes discount undue, from cash received from sales of goods, service provision/cash paid from purchase of goods, and receipt of services to other received cash related to fund-raising activities/other paid cash related to fund-raising activities	Rolling reflection	No

(5) It does not involve the current cash receipts and payments, but affects the financial situation of the enterprise or may affect the cash flow of the enterprise in the future:N/A

### 66. Supplementary of the consolidated cash flow statement

#### (1) Supplementary of cash flow statement

Item	Current Period	Last Period
1. Net profit is adjusted to cash flow of operation activities:		
Net profit	424,830,039.95	369,929,382.64
Add: provision for depreciation of assets	2,393,554.97	435,749.77

## Annotations of Financial Statements of Changhong Meiling Co., Ltd.

From 1 January 2024 to 30 June 2024

(Unless other wise specified, RMB for record in the Statement)

Item	Current Period	Last Period
Credit impairment loss	-12,238,336.07	38,934,095.84
Depreciation of fixed assets, consumption of oil gas assets and depreciation of productive biological assets	118,482,378.45	112,075,611.84
Amortization of intangible assets	72,603,882.28	74,830,332.62
Depreciation of right-of-use assets	6,700,265.95	4,155,504.30
Amortization of long-term retained expense	7,060,808.34	1,235,884.46
Loss from disposal of fixed assets, intangible assets and other long term assets (gain is listed with "-")	36,334.95	-
Loss from discarding fixed assets as useless (gain is listed with "-")	1,317,077.20	2,721,451.99
Loss from change of fair value (gain is listed with "-")	42,719,405.68	56,428,183.43
Financial expense (gain is listed with "-")	-93,990,535.88	-105,938,982.24
Investment loss (gain is listed with "-")	-2,933,725.87	-14,377,940.05
Decrease of deferred income tax assets (increase is listed with "-")	4,080,593.34	-4,935,498.56
Increase of deferred income tax liabilities (decrease is listed with "-")	7,075,556.98	-2,518,990.12
Decrease of inventories (increase is listed with "-")	-1,549,852,189.74	-590,146,519.04
Decrease of operational accounts receivable (increase is listed with "-")	-461,842,328.60	-1,555,010,894.69
Increase of operational accounts receivable (decrease is listed with "-")	4,161,783,094.67	3,022,702,437.62
Other		
Net cash flow arising from operation activities	2,728,225,876.60	1,410,519,809.81
2. Major investment and financing activities that do not involve cash receipts:		
Conversion of debt into capital		
Switching Company bonds due within one year		
financing lease of fixed assets		
3. Net change in cash and cash equivalents:		
Balance at period-end of cash	8,613,097,566.14	7,245,577,241.32
Less: Opening balance of cash	8,391,128,635.87	6,113,222,069.76
Add: Balance at period-end of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	221,968,930.27	1,132,355,171.56

(2) No net cash paid for subsidiary obtained in Current Period

(3) No net cash received from subsidiary disposal in Current Period

(4) Cash and cash equivalent

Item	Ending balance	Beginning balance
Cash	8,613,097,566.14	8,391,128,635.87

## Annotations of Financial Statements of Changhong Meiling Co., Ltd.

From 1 January 2024 to 30 June 2024

(Unless other wise specified, RMB for record in the Statement)

Item	Ending balance	Beginning balance
Including: cash in stock	30,445.27	12,727.56
Bank deposits available for payment at any time.	8,610,951,284.18	8,387,387,613.83
Other monetary fund available for payment at any time	2,115,836.69	3,728,294.48
Cash equivalents		
Including: bond investment due within 3 months		
Balance of cash and cash equivalents at year-end	8,613,097,566.14	8,391,128,635.87
Including: using the restricted cash and cash equivalents of the parent company or subsidiary of the group		

(5) This year, there is no limited scope of use but it is still listed in cash and cash equivalents

(6) Monetary funds that are not cash and cash equivalents

Item	This period's amount	Last period's amount	Reasons other than cash and cash equivalents
Judicial freezing of funds due to contract disputes	5,603,675.00	27,715,825.21	Limited use
Guarantee and acceptance bill deposit	420,824,440.13	410,939,463.45	Limited use
Interest receivable	10,163,610.51	10,901,601.18	Interest accrual
Total	<b>436,591,725.64</b>	<b>449,556,889.84</b>	—

### 67. Foreign currency

#### (1) Foreign currency

Item	Ending foreign currency balance	Exchange rate	Ending RMB converted balance
Monetary fund			<b>259,031,085.41</b>
Including: USD	12,023,741.46	7.1268	85,690,800.64
Euro	13,048,818.82	7.6617	99,976,135.15
PKR	926,728,209.90	0.0256	23,724,242.17
IDR	41,615,900,843.00	0.000440	18,310,996.37
AUD	5,079,166.81	4.7650	24,202,229.85
PHP	5,066,432.14	0.1215	615,571.51
Won	1,254,790,849.00	0.005189	6,511,109.72
Account receivable			<b>1,445,148,682.38</b>
Including: USD	166,952,728.36	7.1268	1,189,838,704.48
Euro	9,454,795.67	7.6617	72,439,807.98
PKR	412,834,190.01	0.0256	10,568,555.26
IDR	119,688,257,765.00	0.000440	52,662,833.42
AUD	20,813,127.00	4.7650	99,174,550.16
PHP	65,619,743.50	0.1215	7,972,798.84
Won	2,407,290,854.00	0.005189	12,491,432.24
Other account receivable			<b>1,162,321.73</b>
Including: USD	102,747.50	7.1268	732,260.88
PKR	4,473,341.39	0.0256	114,517.54



## Annotations of Financial Statements of Changhong Meiling Co., Ltd.

From 1 January 2024 to 30 June 2024

(Unless other wise specified, RMB for record in the Statement)

Item	Ending foreign currency balance	Exchange rate	Ending RMB converted balance
IDR	484,250,470.00	0.000440	213,070.21
PHP	843,400.00	0.1215	102,473.10
Account payable			<b>53,633,110.34</b>
Including: USD	488,535.33	7.1268	3,481,693.59
Euro	13,419.32	7.6617	102,814.80
Other account payable	621,020,495.22	0.0256	15,898,124.68
Including: PKR	60,037,668,601.00	0.000440	26,416,574.18
IDR	63,653,523.38	0.1215	7,733,903.09
Other account payable			<b>18,623,183.96</b>
Including: PKR	276,756,931.77	0.0256	7,084,977.45
IDR	25,666,936,872.00	0.000440	11,293,452.22
PHP	2,014,438.64	0.1215	244,754.29

### (2) Foreign operational entity

The foreign operational entity of the Company was Changhong Ruba Trading Company (Private) Limited, mainly operates in Lahore, Pakistan; Recording currency is Pakistan Rupai. CHANGHONG MEILING ELECTRIC INDONESIA, PT, mainly operates in Jakarta; recording currency is IDR. CH-Meiling International (Philippines) Inc, mainly operates in Philippines; Recording currency is PHP.

### 68. Lease

#### (1) The Company as lessee

Item	Amount incurred this period	Amount incurred last period
Interest expense of lease liabilities	1,761,401.61	821,767.04
Short-term lease expenses with simplified treatment included in current profits and losses	5,707,741.23	4,802,249.90

The total cash outflow related to leasing is 10621500.81 yuan.

#### (2) The Company as lessor

##### 1) Operating lease of the Company as lessor

Item	Lease income	In which: income related to variable lease payment not included in lease receipts
House building	10,098,660.44	
Equipment	1,645,139.72	
Total	<b>11,743,800.16</b>	

2) Financial lease of the Company as lessor: N/A.

(3) The Company does not recognize the profit and loss of financial lease sales as a manufacturer or distributor.

### VI.R&D expenditure

## Annotations of Financial Statements of Changhong Meiling Co., Ltd.

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Item	Amount incurred this period	Amount incurred last period
Salary, social security, etc	146,813,392.74	143,485,454.57
Amortization of intangible assets	62,574,483.08	63,618,830.74
Cost of mould	76,827,153.20	59,644,367.56
R&D and trial production costs	41,544,966.98	27,127,642.70
Technological development expense	10,749,161.73	12,057,739.60
Depreciation expense	10,817,365.05	9,064,081.71
Inspection and certification fees	9,214,086.26	10,541,017.26
Domestic travel expenses	2,786,185.99	2,136,403.01
Other expenses	16,628,549.03	15,504,855.14
<b>Total</b>	<b>377,955,344.06</b>	<b>343,180,392.29</b>
Among them: Expensed R&D expenses	287,601,598.28	265,176,197.93
Capitalized R&D expenditure	90,353,745.78	78,004,194.36

### 1.R&D projects eligible for capitalization

Item	Beginning balance	Increased amount this year		Decreased amount this year		Ending balance
		Internal development expenditure	Other increase	Recognized as intangible assets	Transfer to current profits and losses	
Development of ice washing technology	59,134,989.07	33,696,292.07		36,835,885.72	1,530,365.17	54,465,030.25
Development of air conditioning technology	38,042,546.27	56,657,453.71		38,344,289.31		56,355,710.67
<b>Total</b>	<b>97,177,535.34</b>	<b>90,353,745.78</b>		<b>75,180,175.03</b>	<b>1,530,365.17</b>	<b>110,820,740.92</b>

#### (1)Material capitalized R&D projects: N/A.

Project	R&D progress	Estimated completion time	Expected ways of generating economic benefits	The starting point of capitalization	Specific basis for starting capitalization
Air conditioning technology development project	Under development	January 2025	Product sales	January 2025	R&D project assetization report

#### (2) Provision for impairment of development expenditure for the current period

Project	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance	Impairment test information
Dry-ice cleaning technology development		1,530,365.17	1,530,365.17		
<b>Total</b>		<b>1,530,365.17</b>	<b>1,530,365.17</b>		

## Annotations of Financial Statements of Changhong Meiling Co., Ltd.

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(Unless other wise specified, RMB for record in the Statement)

### VII. Changes of consolidation rage

1. Enterprise combined are not under the same control: N/A
2. Enterprise combined under the same control: N/A
3. Reversed takeover: N/A
4. Disposal of subsidiary: N/A
5. Subsidiary liquidated : N/A
6. Establishment of a new subsidiary

Company name	Reason for the new inclusion in consolidation	Shareholding ratio	Net assets at the end of the period	Net profit for the current period
Sichuan Changhong Intelligent Air Conditioning Technology Co., Ltd	Investment establishment	100%	95,756,077.38	-4,243,922.62

### VIII. Equity in other entity

1. Equity in subsidiary

#### (1) Composition of the enterprise group

Subsidiary	Registered capital(RM B0'000)	Main office place	Registration place	Business nature	Shareholding ratio (%)		Acquire by
					Directly	Indirectly	
Zhongke Meiling Cryogenic Technology Co., Ltd 1)	9,673.09	Hefei	Hefei	Manufacturing and sales	47.4512		Investment establishment
Sichuan Hongmei Intelligent Technology Co., Ltd. 2)	500.00	Mianyang	Mianyang	Software development	100		Investment establishment
Mianyang Meiling Refrigeration Co., Ltd. 3)	10,000.00	Mianyang	Mianyang	Manufacturing and sales	95	5	Investment establishment
Jiangxi Meiling Electric Appliance Co., Ltd 4)	5,000.00	Jingdezhen	Jingdezhen	Manufacturing and sales	98.75	1.25	Investment establishment
Hefei Meiling Wulian Technology Co., Ltd 5)	1,000.00	Hefei	Hefei	Software development	100		Investment establishment
Hefei Meiling Nonferrous Metal Products Co., Ltd. 6)	2,428.68	Hefei	Hefei	Manufacturing and sales		100	Enterprise combined not under the same control
Changhong Meiling Ridian Technology Co., Ltd 7)	8,300.00	Zhongshan	Zhongshan	Manufacturing and sales	99.0361		Enterprise combined under the same control
CHANGHONG MEILING ELECTRIC INDONESIA,PT 8)	4,027.20	Jakarta	Jakarta	Sales		100	Investment establishment
ChanghongRubaTradingCom	8,308.98	Pakistan	Pakistan	Sales		60	Investment establishment

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Subsidiary	Registered capital(RMB'000)	Main office place	Registration place	Business nature	Shareholding ratio (%)		Acquire by
					Directly	Indirectly	
pany (Private) Limited 9)							ent
Sichuan Changhong Air-conditioner Co., Ltd 10)	85,000.00	Mianyang	Mianyang	Manufacturing and sales	100		Enterprise combined under the same control
Zhongshan Changhong Electric Co., Ltd 11)	33,400.00	Zhongshan	Zhongshan	Manufacturing and sales	90	10	Enterprise combined under the same control
Hefei Meiling Group Holdings Limited 12)	8,000.00	Hefei	Hefei	Manufacturing and sales	100		Enterprise combined not under the same control
Meiling Equator Household Appliance (Hefei) Co., Ltd. 13)	2,479.32	Hefei	Hefei	Manufacturing and sales		100	Enterprise combined not under the same control
Hefei Equator Appliance Co., Ltd 14)	1,200.00	Hefei	Hefei	Manufacturing and sales		100	Enterprise combined not under the same control
Ground Energy Heat Pump Tech. Co., Ltd. 15)	5,000.00	Mianyang	Mianyang	Manufacturing and sales		85	Investment establishment
Ground Energy Heat Pump Tech. (Zhongshan) Co., Ltd. 16)	4,500.00	Zhongshan	Zhongshan	Manufacturing and sales		85	Investment establishment
Guangzhou Changhong Trading Co., Ltd. 17)	100.00	Guangzhou	Guangzhou	Sales		100	Investment establishment
Hebei Hongmao Daily Appliance Technology Co., Ltd. 18)	500.00	Handan	Handan	Manufacturing and sales		99.0361	Investment establishment
Anhui Tuoxing Technology Co., Ltd. 19)	1,000.00	Hefei	Hefei	Technology Development		47.4512	Investment establishment
CH-Meiling International (Philippines) Inc.20)	688.91	Philippines	Philippines	Sales	100		Investment establishment
Anhui Tuoxing Technology Co., Ltd. 21)	5,000.00	Hefei	Hefei	Sales	70		Investment establishment
Anhui Ling'an Medical Equipment Co., Ltd 22)	5,000.00	Lu'an	Lu'an	Manufacturing and sales		47.4512	Investment establishment
Sichuan Changhong Intelligence Air conditioning Technology Co., Ltd. 23)	10,000.00	Mianyang	Mianyang	Sales		100	Investment establishment

Note:

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1) Zhongke Meiling Cryogenic Technology Co., Ltd. (hereinafter referred to as Zhongke Meiling), the predecessor of which was Zhongke Meiling Cryogenic Technology Limited Liability Company, was established on 29 October 2002 by joint contribution from the Company and Technical Institute of Physics and Chemistry, CAS ("TIPC"), with registered capital of 60 million yuan upon the establishment, among which, the Company made capital contribution of 42 million yuan (including the assets in specie at the consideration of 35,573,719.70 yuan as evaluated by Beijing Zhongzheng Appraisal Co., Ltd. with issuance of the Appraisal Report (ZZPBZ(2002)No.029) and cash contribution of 6,426,280.30 yuan) accounting for 70% of the aforesaid registered capital, and TIPC made capital contribution of 18 million yuan with intangible assets of such value (namely the single compressor mixture industrial low temperature refrigeration technology) as evaluated by Jingzhongzi Assets Appraisal Co., Ltd. with issuance of the Appraisal Report (ZZPBZ(2002)No.225) accounting for 30% of the aforesaid registered capital. The paid-in of the above registered capital has been verified by Huazheng Accounting Firm by issuance of the Assets Verification Report (HZYZ (2002) No. B157) dated 16 October 2002.

In October 2014, according to the relevant provision under the Management Rules on Application of State Owned Assets by Central Business Organs, TIPC transferred the 30% equity interests held by it in Zhongke Meiling Cryogenic Technology Company Limited to its wholly-owned subsidiary Zhongke Xianxing (Beijing) Assets Management Co., Ltd (hereinafter referred to as Zhongke Xianxing) which would perform management over the operating assets of TIPC. Upon consideration and approval at the 37<sup>th</sup> session of the 7<sup>th</sup>BOD of Hefei Meiling Co., Ltd, it is agreed to waive the pre-emptive right.

On 10 August 2015, all the founders signed the Founder Agreement of Zhongke Meiling Cryogenic Technology Company Limited, pursuant to which, they decided to change the firm type of Zhongke Meiling Cryogenic Technology Company Limited to a joint stock company. Based on the net assets of 96,431,978.25 yuan as audited by Xinyong Zhonghe CPA as of 30 June 2015, an aggregate of 65,000,000 shares have been converted at the proportion of 1:0.67, which are to be held by the original shareholders according to their respective entitlement. In case that the net assets exceed registered capital, the balance shall be recorded in capital reserve. On 28 August 2015, Xinyong Zhonghe CPA reviewed the registered capital and paid-in thereof in respect of the stock reform, and issued Assets Verification Report (XYZH/2015CDA40161). The Company registered industrial and commercial information on 11 September 2015.

On November 25, 2016, the first Extraordinary Shareholders' General Meeting of Zhongke Meiling Cryogenic Technology Co., Ltd. in 2016 considered and approved the Proposal on the Issuance Plan of the Company; Zhongke Meiling Company issued 3,150,000 shares to specific investors by the non-public offering of shares at 1.63 yuan per share. The current capital increase was verified by the No. [XYZH/2016CDA40294] capital verification report issued by ShineWing CPA (special general partnership). After the completion of the issuance, the share capital of Zhongke Meiling Company increased to 68,150,000 shares and the Company's shareholding ratio was 66.76%.

On 15 September 2017, the Proposal of the First Stock Placement of Zhongke Meiling Cryogenic Technology Co., Ltd for year of 2017 was deliberated and approved by 4<sup>th</sup> session extraordinary of shareholders general meeting of 2017. Zhongke Meiling offering 490,300 shares to specific investors by way of privately placement, which has 1.72 yuan per share in amount. The capital increasement has been verified by the No. [XYZH/2017CDA40324] capital verification report issued by ShineWing CPA (special general partnership). After the completion of shares placement, stock of the Company increased to 68,640,300 shares and 66.87% held by the Company.

## Annotations of Financial Statements of Changhong Meiling Co., Ltd.

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On September 9, 2019, the 10<sup>th</sup> Meeting of the 2<sup>nd</sup>BOD and the Fourth Extraordinary Shareholders' Meeting reviewed and approved the Proposal on the First Stock Issuance Plan of Zhongke Meiling Cryogenic Technology Co., Ltd. in 2019 (Revised Version), the number of shares to be issued this time does not exceed 3,907,900 shares (including 3,907,900 shares), the issue price is not less than 2.16 yuan per share, and the raised funds are expected to not exceed 8,441,064.00 yuan (including 8,441,064.00 yuan). After the completion of the additional issue, the company's share capital increased to 72,548,200 shares, which was verified by [No. XYZH/2020CDA30002] "Capital Verification Report" issued by Shine Wing Certified Public Accountants (LLP), and the Company's shareholding ratio was 63.2683%.

On September 16, 2022, the Management Committee of China Securities Regulatory Commission issued the Reply on Approving the Registration of Zhongke Meiling Cryogenics Co.,Ltd. to Public Offering of Shares to Unspecified Qualified Investors (ZJXK [2022] No. 2182), which approved the registration application of Zhongke Meiling to Public Offering of Shares to Unspecified Qualified Investors. The price of this issue is RMB 16.00/share, the initial number of shares issued is 24,182,734, and the actual net fund raised is RMB 364,573,394.95. By September 30, 2022, all the above-mentioned raised funds had been received and verified by the Capital Verification Report [XYZH/No. 2022CDAA70693] issued by ShineWing Certified Public Accountants (special general partnership). After the issuance, the share capital of Zhongke Meiling is 96,730,934 shares, and the shareholding ratio of the Company is 47.4512%.

2) Sichuan Hongmei Intelligent Technology Co., Ltd. (hereinafter referred to as Hongmei Intelligent) was established on Jan. 24, 2014. It is a limited company jointly invested by the Company and Mianyang Meiling Refrigeration Co., Ltd., being approved by the Industrial and Commerce Bureau of Peicheng District, Mianyang City. The company owes registered capital of 5 million yuan, including 4.95 million yuan contributed by Changhong Meiling Company in cash, accounted for 99% of the registered capital; Mianyang Meiling Refrigeration Co., Ltd. contributed 50000 yuan in cash with 1% of the register capital occupied. The above mentioned register capital have been verified by verification report of Chuanjinlai Yanzi No. [2014] B039 issued by Sichuan Jinlai Accounting Firm Co., Ltd. In July 2016, the shares of Hongmei Intelligent, held by the Company has transferred to Sichuan Changhong AC Co., Ltd., after transferred, Changhong AC has 99% equity of Hongmei Intelligent, the Company has no shares of Hongmei Intelligent directly. In October 2023, Changhong Air Conditioning and MianyangMeiling transferred all the shares held by each of them to the Company, and after the transfer, the Company held 100% of the equity of HongmeiIntelligent.

3) Mianyang Meiling Refrigeration Co., Ltd. (hereinafter referred to as Mianyang Meiling), a limited liability company jointly set up by the Company and China-tech Meiling Company, was founded on Mar. 6, 2009. Its registered capital and paid-in capital were 50 million yuan upon establishment, of which, the Company invested 45 million yuan, accounting for 90% of the registered capital; Zhongke Meiling Company invested 5 million yuan, accounting for 10% of the registered capital. The capital receipt was verified by the verification report [CXKY (2009) No. 008] of Sichuan Xingrui Certified Public Accountants. On 19 January 2011, the Company increase 50 million yuan in capital of Mianyang Meiling, of which 95 million yuan invested by the Company, a 95% of total register capital while 5 million yuan invested by Zhongke Meiling, a 5% of total capital occupied. The paid-in capital has been verified by Capital Verification Report [XYZH/2010CDA6040] from Chengdu Branch of Shinewing CPA CO., Ltd. In 2011, Zhongke Meiling entered into "Equity Transfer Agreement" with Jiangxi Meiling Refrigeration

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Co., Ltd. 5 percent equity of Mianyang Meiling held by Zhongke Meiling was transferred to Jiangxi Meiling Refrigerator. In September 2013, Jiangxi Meiling Refrigeration was combined by Jiangxi Meiling Electric Appliance Co., Ltd., than 5 percent equity was transfer to Jiangxi Meiling Electric Appliance.

4) Jiangxi Meiling Electric Appliance Co., Ltd. (hereinafter referred to as Jiangxi Meiling Electric Appliance) was a limited liability company jointly established by the Company and Mianyang Meiling on 23 May 2011. Register capital of the company totally as 50 million yuan, 49.375 million yuan invested by the Company, 98.75% in total register capital while 0.625 million yuan invested by Mianyang Meiling, a 1.25% in total register capital occupied. The initial investment 10.50 million yuan was received dated 13 May 2011 with 10 million yuan from the Company and 0.5 million yuan from Mianyang Meiling. Rest of the capital shall be invested fully within 2 years after the joint ventures established according to capital requirement. The initial investment capital were verified by the Capital Verification Report [JXKYZi (2011) No. 090] issued from Jingdezhen Xingci CPA Co., Ltd. Second capital 39.5 million yuan was fully funded on 28 July 2011, the Company contributed 39.375 million yuan while Mianyang Meiling Company invested 125,000 yuan, the contributions have been verified by the capital verification report [Jing Xing Kuai Yan Zi (2011) No.: 134] issued from JDZ Xingci CPA Co., Ltd.

5) Hefei Meiling Wulian Technology Co., Ltd. (hereinafter referred to as Wulian Technology) was established dated 21 January 2019 with registered capital of 10 million yuan, and it is the subsidiary of the Company with fully-owned establishment. On March 19, 2019 and December 11, 2023, the Company respectively paid in 6 million yuan and 4 million yuan, with a cumulative capital contribution of 10 million yuan, accounting for 100% of its registered capital.

6) Hefei Meiling Nonferrous Metal Products Co., Ltd. (hereinafter referred to as Nonferrous Metal) was the Sino-foreign joint venture jointly set up by original Meiling Group, Hefei Meiling Copper Co., Ltd. And Singapore Kim Shin Development Co., Ltd., which have been originally approved by the [WJMWfZZ (1996) No.349] of Foreign Trade and Economic Committee of Anhui Province. Its registered capital was US\$ 2.92 million upon establishment, of which, original Meiling Group invested US\$ 1.46 million (monetary capital), accounting 50% of the registered capital, Hefei Meiling Copper Co., Ltd invested US\$ 0.584 million (monetary capital of RMB 0.18 million and real assets of US\$ 0.404 million), accounting 20% of registered capital while Singapore Kim Shin Development Co., Ltd invested US\$ 0.876 million (monetary capital), accounting 30% of the registered capital. The above mentioned investment verified by the verification report of [HSWZ (1995) No. 0737], [HSWZ (1996) No. 328] and [HSWZ (1998) No. 088] from Anhui CPAs Co., Ltd. In July 2008, approved by [HWS (2008) No.53] from Foreign Trade Economic Cooperation Bureau of Hefei City, 30% equity and 20% equity held by Singapore Kim Shin Development Co., Ltd and Hefei Meiling Copper Co., Ltd respectively transferred to original Meiling Group Totally. The Company's register capital came into 24,286,808.00 yuan after transference, and was not the joint-venture any more.

7) Changhong Meiling Ridian Technology Co., Ltd. (hereinafter referred to as Ridian Technology) is a limited liability company invested and established by Sichuan Changhong Electric Co., Ltd. (hereinafter referred to as Sichuan Changhong) and Sichuan Changhong Motor Transport Co., Ltd. (hereinafter referred to as Changhong Motor Transport Company) on May 25, 2016. The registered capital and paid-in capital are 40 million yuan, of which Sichuan Changhong has invested 32 million yuan by monetary capital, accounting for 80% of the registered capital; Changhong Motor Transport Company has invested 8 million

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yuan, accounting for 20% of the registered capital. The official receipts of registered capital have been verified by original Sichuan Junhe Accounting Firm [No. JHYZ (2006) 3027]. Ridian Technology increased registered capital of 43 million yuan on January 4, 2007, changing from 40 million yuan to 83 million yuan, for the newly increased 43 million yuan, Sichuan Changhong invested 1.8 million yuan, Guangdong Xiongfeng Electric Co., Ltd. invested 40 million yuan, and Kou Huameng and other 9 natural person shareholders invested 1.2 million yuan, at the same time, the shareholders' meeting considered and agreed to transfer the investment of 8 million yuan of Changhong Motor Transport Company to Sichuan Changhong Venture Investment Co., Ltd, the structure of the registered capital after changes was that Sichuan Changhong invested 33.8 million yuan, accounting for 40.72%; Guangdong Xiongfeng Electric Co., Ltd. invested 40 million yuan, accounting for 48.19%; Sichuan Changhong Venture Investment Co., Ltd Invested 8 million yuan, accounting for 9.64%; Kou Huameng and other 9 natural person shareholders invested 1.2 million yuan, accounting for 1.45%. The change of registered capital was verified by Zhongshan Promise Accounting Firm [No. ZCHZ (2007)501010].

On February 18, 2009, seven natural person shareholders transferred total 0.76% stock rights to Hu Zhiheng, after the transfer, the registered capital of Changhong Ridian was still 83 million yuan, the structure of registered capital after changes was that Sichuan Changhong invested 33.8 million yuan, accounting for 40.72%; Guangdong Xiongfeng Electric Co., Ltd. invested 40 million yuan, accounting for 48.19%; Sichuan Changhong Venture Investment Co., Ltd invested 8 million yuan, accounting for 9.64%; Hu Zhiheng and other two natural person shareholders invested 1.2 million yuan, accounting for 1.45%.

On October 9, 2014, Changhong Ridian held the shareholders meeting which considered and agreed Kou Huameng to transfer its stock rights of total 250,000 yuan which accounts for 0.301% of the Ridian Technology's registered capital to Sichuan Changhong Venture Investment Co., Ltd at the cost of 317,802 yuan. The other shareholders of the Ridian Technology waived the right of pre-emption. On December 11, 2014, Ridian Technology held the shareholders meeting which considered and agreed Guangdong Xiongfeng Electric Co., Ltd. to transfer its stock rights of total 40 million yuan which accounts for 48.19% of the company's registered capital to Sichuan Changhong Electric Co., Ltd. at the cost of 43,977,300 yuan. The other shareholders of the Ridian Technology waived the right of pre-emption. The structure of registered capital after changes was that Sichuan Changhong invested 73.8 million yuan, accounting for 88.92%; Sichuan Changhong Venture Investment Co., Ltd Invested 8.25 million yuan, accounting for 9.94%; Hu Zhiheng and another natural person shareholder invested 950,000 yuan, accounting for 1.14%. On 4 January 2016, Sichuan Changhong and Sichuan Changhong Venture Investment Co., Ltd. transferred total 98.855% equity of the Ridian Technology to the Company. After the transfer, the Company directly holds 98.855% stock rights of Ridian Technology.

On 7 April 2020, Ridian Technology convened the shareholders' meeting, and agreed the Wu Chang yuan to transferred total 0.18% equity of the Ridian Technology to the Company. After the transfer, the Company directly holds 99.0361% stock rights of Ridian Technology.

8) CHANGHONG MEILING ELECTRIC INDONESIA, PT.(hereinafter referred to as Indonesia Meiling) is a subsidiary established in Indonesia and jointly invested by Zhongshan Changhong and Sichuan Changhong in 2016, the company's registered capital is 6 million US dollars, of which Zhongshan Changhong subscribed and paid 5.88 million US dollars in cash, accounting for 98% of the registered capital, Changhong Air Conditioning subscribed and paid 120,000 US dollars in cash, accounting for 2% of the registered capital. On 4 July 2017, rests of the 2.94 million US dollars are subscribed by Zhongshan Changhong in line with the agreement.



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9) Changhong Ruba Trading Company (Private) Limited (hereinafter referred to as Changhong Ruba) was a joint venture established by Zhongshan Changhong Appliances Company Limited and RUBA GENERAL TRADING FZE Company ("RUBA") on 5 August 2011 with the approval from Guangdong Development and Reform Commission by issuance of the Approval Relating to Joint Construction of a Manufacturing and Selling Platform Project in Pakistan by Zhongshan Changhong Appliances Company Limited (YFGWZ(2011)958). The resolution of the second extraordinary shareholders' meeting of Zhongshan Changhong in 2016 passed the "Proposal on the Company's Capital Increase to Changhong Ruba Trading Company (Private) Limited", and agreed that the company and UAE RUBA Company jointly increase capital to Changhong Ruba Trading Company(Private) Limited which was invested by both sides in Pakistan at an earlier stage, Zhongshan Changhong invested 3.84 million US dollars in this capital increase, and UAE RUBA Company invested 2.56 million US dollars, the shares held by both sides remained unchanged. After the capital increase, the company's registered capital became 12.4 million US dollars, of which Zhongshan Changhong Home Appliances Company Limited invested 7.44 million US dollars in cash, shareholding ratio was 60%, UAE RUBA Company invested 4.96 million US dollars in cash, and shareholding ratio was 40%.

In 2017, the shareholder meeting of Zhongshan Changhong Electric Co., Ltd. passed the "Proposal on the Company's Increased Investment in Pakistan Refrigerator Project", agreeing that Zhongshan Changhong and the UAE RUBA company will jointly increase the capital of ChanghongRuba. , the shares held by both parties remain unchanged. After the capital increase, the registered capital of ChanghongRuba is US\$13,004,923, of which Zhongshan Changhong contributed US\$7,802,954 in cash, holding 60% of the shares, and RUBA of the United Arab Emirates contributed US\$5,201,969 in cash, holding 40% of the shares.

10) Sichuan Changhong Air Conditioning Co., Ltd. (hereinafter referred to as Changhong Air Conditioner), a limited liability company jointly set up by Sichuan Changhong and Changhong Chuangtou, was founded on November 28, 2008. Its registered capital was 200 million yuan upon establishment, of which, Sichuan Changhong invested 298 million yuan ( 210,088,900 yuan invested by monetary capital while 87,911,100 yuan invested by real material), equivalent to 198 million yuan shares, accounting for 99% of the registered capital; and Changhong Chuangtou invested 3 million yuan, accounting for 1% of the registered capital with equivalent of 2 million yuan shares. The registered capital receipt was verified by the verification report [CGYYZ (2008) No. 177] of Sichuan Guang yuan Certified Public Accountants Co., Ltd. and [HLTHYZ (2008) No. 12-006] of Sichuan Henglitai Certified Public Accountants Co., Ltd. In December 2009, the Company obtained 100% equity of Changhong Air-conditioner by consolidated under the same control. In 2017, the Company increased capital of 650 million yuan to Changhong Air Conditioner, after capital increased, registered capital of Sichuan Changhong comes to 850 million yuan from 200 million yuan, shareholding still counted as 100%.

11) Zhongshan Changhong Electric Co., LTD (hereinafter referred to as Zhongshan Changhong), was the original Guangdong Changhong Electric Co., Ltd., and is a limited liability company jointly set up by Sichuan Changhong and China Minmetals on May 22, 2001. Its registered capital was RMB 80 million upon establishment, of which, Sichuan Changhong invested 72 million yuan, including 69.3 million yuan bidding for the estate/non-estate from original Zhongshan Sanrong Air-conditioner Co., Ltd. And its patent use-right of 2.7 million yuan, accounting for 90% of the registered capital; China Minmetals invested 8 million yuan in monetary capital accounting 10% of the registered capital. The Company changed its name originally from Guangdong Changhong Electric Co., Ltd in July 2003. In December 2009, the Company

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obtained 90% equity of Zhongshan Changhong by consolidated under same control. 10% equity held by China Minmetals has been transferred by Changhong Air-conditioner on April 11, 2010. On 25 May 2014, the Company increased 36 million yuan to Zhongshan Changhong, and Changhong AC increased 4 million yuan. In 2016, according to the overseas development strategy of the Company and the development and operation needs of the subsidiaries, the Company and the wholly-owned subsidiary Changhong Air Conditioning have increased capital of 64 million yuan to Zhongshan Changhong according to the existing shareholding ratio, among which the capital increase of the Company was 57.6 million yuan, and the capital increase of Changhong Air Conditioning was 6.4 million yuan. After the completion of this capital increase, the registered capital Zhongshan Changhong shall increase to 184 million yuan, the shareholding ratio of the company and Changhong Air Conditioning remained unchanged and was still 90% and 10%, of which the Company invested 165.6 million yuan, accounting for 90% of the registered capital, Changhong Air Conditioning invested 18.4 million yuan, accounting for 10% of the registered capital. In March 2020, in accordance with the Company's overseas development strategy and the operation and development needs of its subsidiaries, the Company and its wholly-owned subsidiary Changhong Air Conditioning increased capital of 150 million yuan to Zhongshan Changhong according to the existing shareholding ratios, of which the Company increased capital of 135 million yuan, Changhong Air Conditioning increased capital of 15 million yuan. After the completion of capital increase, the registered capital of Zhongshan Changhong has increased to 334 million yuan. The Company's and Changhong's shareholding ratios in Zhongshan Changhong remain unchanged at 90% and 10%, of which the Company funded 300.6 million yuan, accounting for 90% of the registered capital, while Changhong Air Conditioning funded 33.4 million yuan, accounting for 10% of the registered capital.

12) Hefei Meiling Group Holdings Limited (hereinafter referred to as Meiling Group), was the state-owned company originally approved by People's Government of Hefei Province and established authorized by SASAC of Hefei City. On July 14, 2008, 100% state-owned equity of Meiling Group has freely transferred to Xingtai Holding by Hefei SASAC. Agreement by the approval of < State-owned property agreement transfer from Meiling Group > [ HGZCQ (2010) No.34] of Hefei SASAC on April 9, 2010, 100% state-owned property of Meiling Group after partial assets and liabilities separated transferred to the Company from Xingtai Holding as amount of 113.2 million yuan. The re-registration of industrial and commercial procedure for Meiling Group after separated partial assets liability has finished on July 28, 2010. The new Meiling Group has register capital of 80 million yuan, and has been verified by the [AD (2010) YZD No. 016] from Anhui Auding CPAs Co., Ltd.

13) Meiling EquatorHousehold Appliance (Hefei) Co., Ltd. (hereinafter referred to as EquatorHousehold Appliance) was the Sino-foreign joint venture jointly set up by original Meiling Group and EQUATOR INVESTMENTS (USA) INC. (EQUATOR for short), which have been approved by the [SWZWFZZ(2004) No.0103] of Approval Certificate of Foreign Enterprise from People's Government of Anhui Province. Its registered capital was US\$ 3 million upon establishment, of which, Sino company invested US\$ 2.25 million in machinery equipment, accounting 75% of the registered capital while foreign company invested US\$ 0.5 million in monetary capital and US\$ 0.25 million in intangible assets, amounting to US\$0.75 million, accounting 25% of the registered capital. The above mentioned investment verified by the verification report of [WYAYZ (2004) No. 135] from Anhui Yongan CPAs Co., Ltd. In July 2007, approved by [HWJ (2007) No.136] from Foreign Trade Economic Cooperation Bureau of Hefei City, 25% equity held by EQUATOR transferred to Anhui Meiling Electric Co., Ltd. Totally. The Company's

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register capital came into 24,793,200 yuan after transference, and was not the joint-venture any more. 25% equity owned by Anhui Meiling Electric Co., Ltd has been transferred totally to original Meiling Group in July 2009.

14) Hefei Equator Appliance Co., Ltd. (hereinafter referred to as Equator Appliance) was jointly set up by original Meiling Group and Yingkaite Appliance on September 26, 2007. Its register capital was 12 million yuan, among which, original Meiling Group invested 8,670,600 yuan in monetary capital, accounting 72.255% in registered capital; Equator Appliance invested 3,329,400 yuan in the assessment value of intangible assets (land-use right), accounting 27.745% of total registered capital. The investment being verified by [WYAZ (2004) No. 135] from Anhui Yongan CPAs Co., Ltd.

15) Hong Yuan Ground Energy Heat Pump Technology Co., Ltd. (hereinafter referred to as Hong Yuan Ground Energy) was established on 28 August 2015, it is a limited liability company authorized by Administration for Industry and Commerce of Peicheng District, Mianyang, Sichuan, contributed by Sichuan Changhong Air Conditioner Co., Ltd (hereinafter referred to as Changhong Air Conditioner) and Hengyou yuan Technology Development Group Co., Ltd. together. Registered capital amounted as 50 million yuan, including 25.5 million yuan contributed by Changhong Air Conditioner in cash, a 51% in total registered capital; Hengyou yuan Technology Development Group Co., Ltd. invested 24.5 million yuan in cash, a 49% in registered capital. In September 2023, Hengyouyuan Technology Development Group Co., Ltd. transferred its 34% equity of Hongyuan Dineng to Changhong Air Conditioning. After the transfer, Changhong Air Conditioning held 85% equity of Hongyuan Dineng.

16) Hong Yuan Ground Energy Heat Pump Tech. (Zhongshan) Co., Ltd.(hereinafter referred to as Hong yuan Zhongshan) was established and invested on 18 July 2017 with registered capital of 15 million yuan, The Hong Yuan Ground Energy Heat Pump Tech. Co., Ltd contributed 1.5 million yuan with own funds and takes 100% in the registered capital. In 2018, the shareholders of the Hong yuan Zhongshan decided to increase capital of 30 million yuan, and contributed by the shareholder Hong Yuan Ground Energy; thus registered capital of Hong yuan Zhongshan up to 45 million yuan

17)Guangzhou Changhong Trading Co., Ltd. (hereinafter referred to as Changhong Trading) was established on 6 Jan. 2017, the wholly-owned subsidiary of Zhongshan Changhong Electric Co., LTD (hereinafter referred to as Zhongshan Changhong) with registered capital of one million yuan

18) Hebei Hongmao Household Appliance Technology Co., Ltd (hereinafter referred to as Hebei Hongmao) was established on 21 July 2017 with registered capital of 5 million yuan. Changhong Ridian invested 5 million yuan by own fund and takes 100% in registered capital.

19) Anhui Tuoxing Technology Co., Ltd. (hereinafter referred to as Tuoxing Technology) was established on 20 May 2019 with registered capital of 10 million yuan and it is the subsidiary of Zhongke Meiling with fully-owned establishment. On May 21, 2020 and February 21, 2021, Zhongke Meiling invested RMB 5 million, with a total investment of RMB 10 million, accounting for 100% of its registered capital.

20) CH-Meiling.International (Philippines) Inc. was established on 13 February 2020 in Philippines with registered capital of US\$ 1,000,000, takes 100% of the equity. As of December 31,2020, the Company has invested US\$ 1,000,000,

21) Hefei Changhong Meiling Life Appliances Co., Ltd (hereinafter referred to as Changmei Life Appliances) was established on 24 December 2020, jointly established by the Company and Ningbo Hongling Enterprise Management Partnership (Limited Partnership). the Company contributed 35 million

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yuan, representing 70% of the equity while 15 million yuan invested by Ningbo Hongling Enterprise Management Partnership (Limited Partnership), a 30% takes in the equity. The paid-in capital contribution from the Company and Ningbo Hongling Enterprise Management Partnership (Limited Partnership) has been completed on January 21, 2021 and on January 18, 2021 respectively.

22) Anhui Ling'an Medical Equipment Co., Ltd. (hereinafter referred to as Ling'an Medical) was established on 4 September 2021, which is a wholly-owned subsidiary of Zhongke Meiling, and registered capital of 10 million yuan. On June 29, 2021, Zhongke Meiling actually contributed 10 million yuan, accounting for 100% of the registered capital. In 2022, the Board of Directors of Zhongke Meiling decided to increase the registered capital by RMB 40 million. On December 30, 2022, the paid-in capital was completed, and the registered capital of Ling'an Medical increased to RMB 50 million.

23) Sichuan Changhong Intelligent Air Conditioning Technology Co., Ltd. (hereinafter referred to as Intelligent Air Conditioning) was established on March 26, 2024, and is a wholly-owned subsidiary of Changhong Air Conditioning approved by the Administration for Industry and Commerce of the Economic Development Zone of Mianyang City, Sichuan Province. The registered capital of Intelligent Air Conditioning is 100 million yuan, and Changhong Air Conditioning subscribes 100 million yuan in cash, accounting for 100% of its registered capital.

### (2) Major non-wholly-owned subsidiary

Subsidiary	Shareholding ratio of minority	Gains/losses attributable to minority in Current Period	Dividend distributed to minority announced in Current Period	Balance of minority's interest at period-end
Zhongke Meiling	52.5488%	5,479,149.04	5,083,093.40	316,890,194.97
Ground Energy	15%	-698,820.06		9363421.96
Ridian Technology	0.9639%	6,533.89		1,371,877.47
Changmei Life Appliances	30%	4,132,440.52		46,070,495.34

### (3) Financial information for major non-wholly-owned subsidiary

Subsidiary	Ending balance					
	Current assets	Non-current assets	Total assets	Current liability	Non-current liability	Total liabilities
Zhongke Meiling	600,009,169.66	137,688,171.59	737,697,341.25	123,327,726.79	11,329,651.94	134,657,378.73
Ground Energy	635,691,815.29	123,359,689.6	759,051,504.91	615,327,307.17	81,301,384.64	696,628,691.81
Ridian Technology	228,124,402.47	38,562,930.44	266,687,332.91	124,093,006.53	262,038.83	124,355,045.36
Changmei Life Appliances	680,049,639.98	1,288,189.39	681,337,829.37	526,712,221.39	1,057,290.18	527,769,511.57

(Continued)

Subsidiary	Beginning balance					
	Current assets	Non-current assets	Total assets	Current liability	Non-current liability	Total liabilities
Zhongke Meiling	590,872,333.93	143,608,411.32	734,480,745.25	120,874,302.44	12,086,470.45	132,960,772.89
Ground Energy	256,060,078.76	27,234,236.22	283,294,314.98	216,616,587.41	2,400.97	216,618,988.38
Ridian Technology	226,657,040.82	40,283,953.89	266,940,994.71	125,655,866.42	292,501.04	125,948,367.46

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Subsidiary	Beginning balance					
	Current assets	Non-current assets	Total assets	Current liability	Non-current liability	Total liabilities
Changmei Life Appliances	621,873,116.90	613,240.68	622,486,357.58	481,523,383.11	1,169,458.41	482,692,841.52

(Continued)

Subsidiary	Current Period			
	Operation income	Net profit	Total comprehensive income	Cash flow from operation activity
Zhongke Meiling	147,052,294.25	10,426,784.69	10,426,784.69	2,863,688.61
Ground Energy	861,624,361.40	-4,658,800.38	-4,658,800.38	-74,764,271.86
Ridian Technology	68,792,446.53	677,890.37	677,890.37	6,073,100.72
Changmei Life Appliances	680,109,991.85	13,774,801.74	13,774,801.74	80,971,196.73

(Continued)

Subsidiary	Last Period			
	Operation income	Net profit	Total comprehensive income	Cash flow from operation activity
Zhongke Meiling	144,766,155.52	8,290,186.98	8,290,186.98	-13,661,569.66
Ground Energy	276,522,437.81	-1,914,885.50	-1,914,885.50	-87,545,869.73
Ridian Technology	105,403,861.00	-1,894,959.92	-1,894,959.92	10,295,047.76
Changmei Life Appliances	775,737,017.98	23,764,641.11	23,764,641.11	50,850,277.81

(4) Major limitation on using enterprise group's assets and liquidate debts of enterprise group: N/A

(5) Offering financial supporting or other supports for structured entity that included in consolidation statement scope: N/A

2. Changes of owner' equity shares in subsidiary and its impacts: N/A

3. Equity in joint venture or associate enterprise

(1) Major joint venture or associate enterprise

Joint venture or associate enterprise	Main office place	Registered place	Business nature	Shareholding ratio (%)		Accounting treatment for investment of joint venture or associate enterprise
				Directly	Indirectly	
Associated companies:						
Sichuan Zhiyijia Network Technology Co., Ltd.	Mianyang	Mianyang	Sales	50.00		Equity

(2) Financial information for major Joint venture: N/A

(3) Financial information for associate enterprise

Item	Sichuan Zhiyijia Network Technology Co., Ltd.	
	Ending balance/Current Year	Beginning balance /Last Year
Current assets	2,362,423,884.13	2,466,521,759.37
Including: cash and cash equivalent	349,094,285.64	364,453,302.32

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Item	Sichuan Zhiyijia Network Technology Co., Ltd.	
	Ending balance/Current Year	Beginning balance /Last Year
Non-current assets	14,610,854.09	18,519,147.09
Total assets	2,377,034,738.22	2,485,040,906.46
Current liability	2,235,601,330.93	2,343,467,271.81
Non-current liability	3,718,006.48	5,509,063.82
Total liabilities	2,239,319,337.41	2,348,976,335.63
Total of net asset	137,715,400.81	136,064,570.83
Minority's interest		
Equity attributable to shareholder of parent company	137,715,400.81	136,064,570.83
Share of net assets measured by shareholding	68,857,700.41	68,032,285.42
Adjustment		
--Goodwill	821,877.28	821,877.28
Unrealized profit of the internal downstream transactions		
Unrealized profit of the internal upstream transactions		
Other		
Book value of the equity investment for associate enterprise	69,679,577.69	68,854,162.70
Fair value of equity investment for the affiliates with consideration publicly		
Operation income	259,097,941.96	5,238,453,286.91
Financial expenses	-14,120,619.54	-19,188,756.89
Income tax expenses	2,309,955.97	3,112,952.18
Net profit	11,846,311.80	23,268,872.28
Other		
Other comprehensive income		
Total comprehensive income	11,846,311.80	23,268,872.28
Dividend received from associate enterprise in Current Year	5,097,740.91	1,629,022.64

### (4) Financial summary for non-important Joint venture and associate enterprise

Item	Ending balance/Current Year	Beginning balance /Last Year
Associated companies:		
Total book value of investment	<b>43,020,010.11</b>	<b>43,891,649.05</b>
Total amount measured by shareholding ratio		
--Net profit	-656,570.61	-33,658,934.21
--Other comprehensive income	-1,267,004.52	7,582,766.35
-- Total comprehensive income	-1,923,575.13	-26,076,167.86

(5) Major limitation on capital transfer ability to the Company from joint venture or affiliates: N/A

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(6) Excess loss occurred in joint venture or affiliates  
Hefei Meiling Solar Energy Technology Co., Ltd and Changhong Ruba Electric Company(Private)Ltd have losses above the quota.

(7) Unconfirmed commitment with joint venture investment concerned: N/A

(8) Intangible liability with joint venture or affiliates investment concerned: N/A

4. Major conduct joint operation: N/A

5. Structured body excluding in consolidate financial statement: N/A

### IX. Government subsidies

1. There is no government subsidies recognized by amount receivable at the end of the year

2. Liabilities involving government subsidies

Accounting subject	Beginning balance	New subsidy amount this year	Amount included in non-operating income this year	Amount transferred to other income this year	Other changes this year	Ending balance	Related to assets/income
Deferred income	132,977,494.33	2,034,900.00		15,529,786.63		119,482,607.70	Asset-related
Deferred income		300,000.00		300,000.00			Income-related

### 3. Government subsidies included in current profits and losses

Accounting subject	Amount incurred this period	Amount incurred last period
Other income	14,244,752.48	16,631,531.99
Deferred income	15,829,786.63	15,696,724.67

### X. Relevant risks related with financial instrument

The major financial instruments of the Company include borrowings, account receivables, account payable, Trading financial assets, Trading financial liability, the details of which are set out in Note VI. Risks related to these financial instruments include exchange risks and interest rate risks. The management of the Company controls and monitors the risk exposures to ensure the above risks are under control.

1. Various risk management objectives and policies

The Company's goal in risk management is to strike a proper balance between risks and benefits, reduce the negative impact of risks on the Company's operating performance to the lowest level, and maximize the interests of shareholders and other equity investors. Based on this risk management goal, the basic strategy of the Company's risk management is to identify and analyze all kinds of risks faced by the

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Company, establish an appropriate risk tolerance bottom line and conduct risk management, and timely and reliably supervise all kinds of risks to control the risks within a limited range.

### (1) Market risk

#### 1) Exchange rate risk

The Company pays close attention to the impact of exchange rate changes on the Company. The Company attaches great importance to the study of exchange rate risk management policies and strategies. In order to avoid the exchange rate risk of foreign currency payment and foreign currency collection and settlement income, the Company has signed several forward foreign exchange contracts with banks. The fair value of forward foreign exchange contracts recognized as derivative financial instruments on June 30, 2024 is RMB -38,152,637.91 Changes in the fair value of derivative financial instruments have been included in the profit and loss, and the relevant contents of "V. 57 Income from changes in fair value" in this note. In the meantime, with the constant change in the share of the international market, if there are risks beyond the control of the Company, such as unilateral large changes in the RMB exchange rate, the Company will reduce the risks by adjusting the sales or purchasing strategies.

#### 2) Interest rate risk

The Company's interest rate risk arises from bank loans and interest-bearing debts. Financial liabilities with floating interest rate expose the Company to cash flow interest rate risk, while financial liabilities with fixed interest rate expose the Company to fair value interest rate risk. The Company decides the relative proportion of fixed interest rate and floating interest rate contracts according to the market environment at that time. On June 30, 2024, the Company's interest-bearing debts were mainly the fixed-rate loan contracts denominated in RMB, with a total amount of RMB1,145,328,642.91; and the RMB floating-rate loan contracts, with a total amount of RMB134,213,427.90 The Company's risk of changes in the fair value of financial instruments due to changes in interest rates is mainly related to fixed-rate bank loans. The Company's risk of cash flow changes of financial instruments caused by interest rate changes is mainly related to floating interest rate bank loans. The Company pays close attention to the impact of this part of interest rate changes on the Company and attaches importance to the study of interest rate risk management policies and strategies.

### (2) Credit risk

On June 30, 2024, the biggest credit risk exposure that may cause the financial loss of the Company mainly comes from the loss of the Company's financial assets caused by the failure of the other party to the contract and the financial guarantee undertaken by the Company, including: the book amount of the financial assets recognized in the consolidated balance sheet; For financial instruments measured at fair value, the book value reflects their risk exposure, but not the maximum risk exposure, and its maximum risk exposure will change with the change of fair value in the future. In order to reduce the credit risk, the Company set up a special department to determine the credit line, conduct credit approval, and implement other monitoring procedures to ensure that necessary measures are taken to recover overdue creditor's rights. Meanwhile, the Company tries to reduce the impact of credit default of creditor's rights by purchasing credit insurance. In addition, the Company reviews the recovery of each single receivable on each balance sheet date to ensure that sufficient bad debt provision is made for unrecoverable funds. Therefore, the management of the Company believes that the credit risk assumed by the Company has been greatly reduced. The Company's working capital is deposited in the finance company, so the credit



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risk of working capital is low. The Company has adopted necessary policies to ensure that all sales customers have good credit records. The total amount of the top five accounts receivable is RMB1,047,848,385.72, accounting for 41.90% of the accounts receivable at the end of the year, which is dependent on major customers. Except for the top five accounts receivable, the Company has no other major credit risks.

### (3) Liquidity risk

Liquidity risk is the risk that the Company cannot fulfill its financial obligations on the due date. The Company's method of managing liquidity risk is to ensure that there is enough financial liquidity to fulfill the due debts through capital plan management, without causing unacceptable losses or damaging the reputation of the company. According to the requirements of the capital plan cycle, the Company makes a capital plan in advance to ensure that there is sufficient capital when the debt is due. The management of the Company monitors the use of bank loans and ensures compliance with the loan agreement. In the meantime, it conducts financing negotiations with financial institutions to maintain a certain credit line and reduce liquidity risk.

## 2.Hedging

### (1)The Company carries out hedging business and risk management

The Company mainly uses forward foreign exchange contracts to hedge the risk of exchange rate fluctuations. The Company designates the purchased forward foreign exchange contracts as hedging instruments, treats them in accordance with the hedge accounting method, and evaluates the hedged items of unconfirmed asset liability items such as unrecognized fixed commitments at the balance sheet date. The Company uses the ratio analysis method to evaluate the effectiveness of the hedge, and considers that it is highly effective, and the amount of hedge invalidity recognized in the current period is not material.

Item	Corresponding risk management strategies and objectives	Qualitative and quantitative information on hedged risk	The economic relationship between the hedged item and the related hedging instrument	Expected effective achievement of risk management objectives	The impact of the corresponding hedging activity on the risk exposure
Forward foreign exchange contracts	A foreign exchange risk prevention strategy with hedging as the core and risk prevention as the purpose	The extent to which changes in the fair value of the hedging instrument can offset the change in the fair value or cash flows of the hedged item caused by the hedged risk	Forward foreign exchange contracts are hedging instruments that are locked based on the foreign exchange exposure generated by the business: foreign exchange exposures include book assets and irrevocable orders, which are defined commitments that have not yet been confirmed; Not yet recognized, which means that it has not been recognized in the balance sheet; A firm commitment	Foreign exchange hedging refers to the risk management activity of designating a financial instrument as a hedging instrument in order to manage the risk exposure arising from foreign exchange risk, so that the fair value or cash flow of the hedging instrument changes in anticipation of offsetting all or part of the change in the fair value or cash flow of the	According to the hedge accounting standards, in order to ensure the effectiveness of hedging, the premise of exposure hedging is that the currency is the same, the direction is opposite, and the expected date of receipt and payment of foreign exchange is similar

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			refers to the exchange of a specific amount of resources at an agreed price and the signing of a legally binding agreement at a specific date or period in the future	hedged item	
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### (2) The Company conducts qualified hedging business and applies hedge accounting

Item	Book value related to hedged items and hedging instruments	Hedging adjustment of accumulated fair value of hedged items included in the book value of hedged items recognized	Hedging effectiveness and source of part with invalid hedging	Impact of hedging accounting on the Company's financial statements
Fair value hedging				
Hedging instruments- Trading financial assets	8,754,120.65		Financial expenses - Exchange losses;	
Hedging instruments- Trading financial liabilities	46,906,758.56		Investment income;	-48,267,891.22
hedged items-assets	911,457,632.30		Change of income	
hedged items-liabilities	9,583,813.66		fair value	

### 3. Transfer of financial assets

#### (1) Classification of transfer modes

Transfer mode	Nature of transferred financial assets	Amount of transferred financial assets	Derecognized or not	Judgment basis of derecognition
Notes endorsement/ Notes discount	Receivable financing	1,004,594,022.03	Derecognized	Almost all its risks and rewards have been transferred
Factoring	Accounts receivable	4,278,022,889.80	Derecognized	Almost all its risks and rewards have been transferred
Total		<b>5,282,616,911.83</b>		

#### (2) Financial assets that are derecognized due to transfer

Item	Ways of financial assets transfer	Amount of financial assets derecognized	Gains or losses related to derecognition
Receivable financing	Notes endorsement/Notes discount	1,004,594,022.03	-3,114,432.51
Accounts receivable	Factoring	4,278,022,889.80	-24,604,289.53
Total	—	<b>5,282,616,911.83</b>	<b>-27,718,722.04</b>

#### (3) Financial assets that continue to be involved in asset transfer: N/A

## Annotations of Financial Statements of Changhong Meiling Co., Ltd.

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### XI. Fair value disclosure

#### 1. Asset and liability measured by fair value at end of Current Period and fair value measurement level

Items	Fair value at period-end			
	1 <sup>st</sup> level	2 <sup>nd</sup> level	3 <sup>rd</sup> level	Total
I. Continuous fair value measurement	—	—	—	—
(i) Trading financial assets	<b>8,754,120.65</b>	<b>1,082,265,872.48</b>		<b>1,091,019,993.13</b>
1. Financial assets measured at fair value and whose changes are included in current gains/losses	8,754,120.65	1,082,265,872.48		<b>1,091,019,993.13</b>
Including: Derivative financial assets	8,754,120.65			<b>8,754,120.65</b>
Principal and interest of financial products		1,082,265,872.48		<b>1,082,265,872.48</b>
(ii) Other non-current financial assets		<b>105,194,079.19</b>	<b>568,945,436.29</b>	<b>674,139,515.48</b>
(iii) Receivables financing			<b>1,600,373,357.87</b>	<b>1,600,373,357.87</b>
Total assets continuously measured at fair value	<b>8,754,120.65</b>	<b>1,187,459,951.67</b>	<b>2,169,318,794.16</b>	<b>3,365,532,866.48</b>
(iv) Trading financial liability	<b>46,906,758.56</b>			<b>46,906,758.56</b>
1. Financial liabilities measured by fair value and with variation reckoned into current gains/losses	46,906,758.56			<b>46,906,758.56</b>
Including: Derivative financial liability	46,906,758.56			<b>46,906,758.56</b>
Total liabilities continuously measured at fair value	<b>46,906,758.56</b>			<b>46,906,758.56</b>

2. The basis for determining the market price of continuous and non-continuous first-level fair value measurement items

The company's fair value measurement items are futures contracts and foreign exchange options. The market price of futures contracts is determined based on the closing price of the futures contract at the end of the period; the market price of foreign exchange options is determined based on the quotation of contract products of the foreign exchange options at the end of the period.

3. Qualitative and quantitative information on the valuation techniques used and important parameters for continuous and non-continuous second-level fair value measurement items

The fair value measurement items are long-term investments in the fund company. For long-term investments in fund companies, the assessed book value can represent the best estimate of fair value within the scope.

4. Qualitative and quantitative information on the valuation techniques used and important parameters for continuous and non-continuous third-level fair value measurement items

The items with fair value measurement refer to the investment of Sichuan Changhong Group Finance Co., Ltd and Huishang Bank Co., Ltd. As the unlisted equity instrument, the fair value are estimated using a range of valuation models, the assumptions used are not supported by observable market prices or interest rates. We believes that the fair value and their changes estimated by valuation techniques are reasonable and are the most appropriate values at the balance sheet date.

## Annotations of Financial Statements of Changhong Meiling Co., Ltd.

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### XII. Related parties and related transaction

#### (i) Relationship of related parties

##### 1. Controlling shareholder and ultimate controller

###### (1) Controlling shareholder and ultimate controller

Controlling shareholder and ultimate controller	Registration place	Business nature	Registered capital	Shareholding ratio in the Company	Voting rights ratio in the Company
Sichuan Changhong Electric Co., Ltd.	Mianyang	Manufacture and sales	4,616,244,222.00	27.36%	27.36%

Sichuan Changhong Electronics Holding Group is the controlling shareholder of Sichuan Changhong Electric Co., Ltd, and the SASAC Mianyang office holds 90% equity interests of Sichuan Changhong Electronic Holding Group, which means that SASAC Mianyang office is the ultimate controller of the Company.

###### (2) Register capital and change thereof of controlling shareholder

Controlling shareholder	Beginning balance	Increase this period	Decrease this period	Ending balance
Sichuan Changhong Electric Co., Ltd.	4,616,244,222.00			4,616,244,222.00

###### (3) Shares held by the controlling shareholder and its changes on equity

Controlling shareholder	Amount of shares held		Shareholding ratio	
	Ending balance	Beginning balance	Ratio at period-end	Ratio at period-beginning
Sichuan Changhong Electric Co., Ltd.	281,832,434.00	281,832,434.00	27.36%	27.36%

##### 2. Subsidiary

Found more in Note "VIII. 1 (1) Enterprise group composition"

##### 3. Joint venture and associated enterprise

Other Joint venture and associated enterprise that have related transactions occurred with the Company in Current Period or occurred in last period, and with balance results:

Joint venture and associated enterprise	Relationship with the company
Changhong Ruba Electric Company (Private) Ltd.	Associated enterprise of subsidiary Zhongshan Changhong
Chengdu Guigu Environmental Tech. Co., Ltd	Associated enterprise of subsidiary Changhong Air-conditioner
Sichuan Tianyou Guigu Technology Co., Ltd	Associated enterprise of subsidiary Changhong Air-conditioner
Sichuan Zhiyijia Network Technology Co., Ltd.	Associated enterprise of the Company, has the same controlling shareholder and actual control of the Company

##### 4. Other related party

Other related party	Relationship with the company
Mianyang Haili Appliance Co., Ltd.	Associated enterprise of controlling shareholder
Sichuan Hongran Green Energy Co., Ltd.	Associated enterprise of controlling shareholder
Sichuan Changxin Refrigeration Parts Co., Ltd.	Associated enterprise of controlling shareholder
Sichuan Baikou Technology Co., Ltd	Associated enterprise of other enterprise that have the same

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Other related party	Relationship with the company
	controlling shareholder
Sichuan Hongyu Metal Manufacturing Co., Ltd.	Associated enterprise of other enterprise that have the same controlling shareholder
Mianyang High-tech Zone Hongfu Technology Co., Ltd.	An enterprise in which the supervisor of the controlling shareholder acts as its legal representative
CHANGHONG ELECTRIC MIDDLE EAST FZCO	Control by same controlling shareholder and ultimate controller
Changhong Europe Electric s.r.o	Control by same controlling shareholder and ultimate controller
CHANGHONG (HK) TRADING LIMITED	Control by same controlling shareholder and ultimate controller
CHANGHONG.ELECTRIC.(AUSTRALIA) PTY.LTD.	Control by same controlling shareholder and ultimate controller
Orion.PDP.Co.Ltd	Control by same controlling shareholder and ultimate controller
PT.CHANGHONG ELECTRIC INDONESIA	Control by same controlling shareholder and ultimate controller
Chengdu Changhong Electronic Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Guangdong Changhong Electronics Co., Ltd.	Control by same controlling shareholder and ultimate controller
Guangyuan Changhong Electronic Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Hefei Changhong Industrial Co., Ltd.	Control by same controlling shareholder and ultimate controller
081 Electronic Group Co., Ltd.	Control by same controlling shareholder and ultimate controller
Mianyang Hongshang Real Estate Co., Ltd.	Control by same controlling shareholder and ultimate controller
Mianyang Huafeng Hulian Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Aichuang Science & Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Ailink Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Ansifei Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Aoiku Technology Co., Ltd.	Associated enterprise of other enterprise that have the same controlling shareholder
Sichuan Hongmofang Network Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Hongwei Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Hongxin Software Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Huafeng Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Jiahong Industry Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Kuaiyidian Electric Appliance Service Chain Co., Ltd	Control by same controlling shareholder and ultimate controller
Sichuan Qiruik Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Qisai Microelectronics Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong Package Printing Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong Power Source Co., Ltd.	Control by same controlling shareholder and ultimate controller

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Other related party	Relationship with the company
Sichuan Changhong Electronic Products Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong Gerun Environmental Protection Tech. Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong International Hotel Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong Group Finance Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong Jijia Fine Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong Jiahua Information Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong Jichuang Lithium Technology Co., LTD	Control by same controlling shareholder and ultimate controller
Sichuan Changhong Precision Electronics Tech. Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong Minsheng Logistics Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong Moulding Tech. Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong Device Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong Network Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong Property Service Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong New Energy Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong Xinwang Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong Intelligent Manufacturing Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong Real Estate Co., Ltd.	Control by same controlling shareholder and ultimate controller
Yuanxin Financial Lease Co., Ltd.	Control by same controlling shareholder and ultimate controller
Changhong International Holdings (Hong Kong) Co., Ltd.	Control by same controlling shareholder and ultimate controller
Yibin Hongxing Electric Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Qineng Zhongzheng Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Changhua Huayi Compressor Co., Ltd.	Control by same controlling shareholder and ultimate controller

### (ii) Related transactions

#### 1. Purchasing commodity

Related party	Content	Current Period	Approved trading quota ( ( In 10 thousand yuan)	Whether the trading inmit is exceeded	Last period
		(In 10 thousand yuan)	(In 10 thousand yuan)		(In 10 thousand yuan)
Sichuan Changhong Electric Holding Group Co., Ltd.	Purchasing commodity	116,368.50	280,000.00	N	
Sichuan Changhong Moulding Tech. Co., Ltd.	Purchasing commodity	59,341.49	130,000.00	N	47,227.00

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Related party	Content	Current Period	Approved trading quota ( (In 10 thousand yuan)	Whether the trading inmit is exceeded	Last period
		(In 10 thousand yuan)	(In 10 thousand yuan)		(In 10 thousand yuan)
Sichuan Changhong Jijia Fine Co., Ltd.	Purchasing commodity	40,976.08	65,000.00	N	29,862.39
Sichuan Changxin Refrigeration Parts Co., Ltd.	Purchasing commodity	40,618.06			40,002.29
Mianyang Highly Electric Co., Ltd.	Purchasing commodity	36,505.44			25,317.48
Changhong Huayi Compressor Co., Ltd.	Purchasing commodity	29,660.37	80,000.00	N	25,980.62
Sichuan Changhong Package Printing Co., Ltd.	Purchasing commodity	8,727.99	20,000.00	N	6,932.79
Sichuan Aichuang Science & Technology Co., Ltd.	Purchasing commodity	7,397.51	30,000.00	N	7,075.57
Sichuan Changhong Electronic Co., Ltd.	Purchasing commodity	6,217.87	23,000.00	N	21,647.30
Sichuan Changhong Precision Electronics Tech. Co., Ltd.	Purchasing commodity	1,976.06	4,000.00	N	1,776.19
Sichuan Changhong Electronic Products Co., Ltd.	Purchasing commodity	1,485.08	5,000.00	N	2,034.05
Sichuan Aoku Technology Co., Ltd.	Purchasing commodity	1,458.92	8,000.00	N	1,155.21
Sichuan Ailink Technology Co., Ltd.	Purchasing commodity	777.61	3,000.00	N	868.04
Guangdong Changhong Electronics Co., Ltd.	Purchasing commodity	542.44	6,000.00	N	400.10
Sichuan Changhong Precision Electronics Tech. Co., Ltd.	Purchasing commodity	454.57	6,000.00	N	559.39
Changhong International Holdings (Hong Kong) Co., Ltd.	Purchasing commodity	432.77	16,000.00	N	1,538.32
Hefei Changhong Industrial Co., Ltd.	Purchasing commodity	403.79	6,000.00	N	385.14
ChanghongRuba Electric Company (Private) Ltd.	Purchasing commodity	201.38			1,110.98
Sichuan Zhiyijia Network Technology Co., Ltd.	Purchasing commodity	160.02	6,000.00	N	461.50
Sichuan Hongran Green Energy Co., Ltd.	Purchasing commodity	70.68			90.89
Sichuan Changhong New Energy Technology Co., Ltd.	Purchasing commodity	41.58	5,000.00	N	2.40
Sichuan Hongwei Technology Co., Ltd.	Purchasing commodity	1.42	6,000.00	N	4.06
Sichuan Changhong Intelligent Manufacturing Technology Co., Ltd.	Purchasing commodity	0.49	5,000.00	N	0.05
081 Electronic Group Co., Ltd.	Purchasing commodity				5.30
Sichuan Hongyu Metal Manufacturing Co., Ltd.	Purchasing commodity				1.47
Sichuan Jiahong Industrial Co., Ltd.	Purchasing commodity				0.33
Sichuan Service Exp. Appliance Service Chain Co., Ltd.	Purchasing commodity				0.18
Sichuan Changhong Source Co., Ltd.	Purchasing commodity				0.18
<b>Total</b>		<b>353,820.12</b>	<b>704,000.00</b>		<b>214,439.22</b>

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### 2. Accept the services

Related party	Content	Current Period	Approved trading quota	Whether the trading limit is exceeded	Last Period
Sichuan Changhong Minsheng Logistics Co., Ltd.	Accept the services	456,703,052.23	750,000,000.00	N	368,497,783.26
Sichuan Service Exp. Appliance Service Chain Co., Ltd.	Accept the services	196,911,290.80	510,000,000.00	N	180,747,221.09
Sichuan Changhong Moulding Tech. Co., Ltd.	Accept the services	22,376,331.56	50,000,000.00	N	19,178,221.81
Sichuan Qirui Technology Co., Ltd.	Accept the services	6,919,202.18	50,000,000.00	N	5,854,992.14
Sichuan Jiahong Industry Co., Ltd.	Accept the services	3,449,141.57	50,000,000.00	N	4,181,446.86
Sichuan Changxin Refirgeration Part Co., Ltd.	Accept the services	2,101,818.01			1,443,843.02
Sichuan Changhong Electric Co., Ltd.	Accept the services	1,892,321.90	50,000,000.00	N	2,012,125.83
Sichuan Changhong Jijia Fine Co., Ltd.	Accept the services	1,253,524.26	50,000,000.00	N	1,585,419.16
Sichuan Hongxin Software Co., Ltd.	Accept the services	1,147,485.86	50,000,000.00	N	763,205.18
Sichuan Changhong International Hotel Co., Ltd.	Accept the services	883,842.53	50,000,000.00	N	81,164.57
Mianyang High-tech Zone Hongfu Technology Co., Ltd.	Accept the services	682,378.32	1,200,000.00	N	454,323.56
Sichuan Changhong Electric Holdings Group Co., Ltd.	Accept the services	667,435.36	2,800,000,000.00	N	455,179.68
Sichuan Changhong Precision Electronic Technology Co., Ltd.	Accept the services	178,134.60	50,000,000.00	N	
Guangyuan Changhong Electric Co., Ltd.	Accept the services	169,707.88	50,000,000.00	N	361,166.90
Sichuan Zhiyijia Network Technology Co., Ltd.	Accept the services	77,108.12	50,000,000.00	N	69,357.35
Sichuan Changhong Property Service Co., Ltd.	Accept the services	58,338.54	50,000,000.00	N	73,423.50
Sichuan Changhong Gerun Environmental Technology Co., Ltd.	Accept the services	54,051.42	50,000,000.00	N	202,167.22
Sichuan Changhong Electric Part Co., Ltd.	Accept the services	34,147.70	50,000,000.00	N	162,049.81
Sichuan Changhong Network Technology Co., Ltd.	Accept the services	733.94	50,000,000.00	N	
Sichuan Changhong Intelligent Manufacturing Technology Co., Ltd.	Accept the services		50,000,000.00	N	94,339.62
Sichuan Aichuang Technology Co., Ltd.	Accept the services	-59,982.26	50,000,000.00	N	
<b>Total</b>		<b>695,500,064.524</b>	<b>861,200,000.00</b>		<b>586,217,430.56</b>

### 3. Sales of goods

Related party	Content	Current Period	Last Period
		(in 10 thousand Yuan)	(in 10 thousand Yuan)
Sichuan Zhiyijia Network Technolgy Co., Ltd.	Sales of goods	381,470.50	375,670.47
CHANGHONG(HK)TRADINGLIMITED	Sales of goods	23,462.80	38,739.78



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CHANGHONG.ELECTRIC.(AUSTRALIA) PTY.LTD.	Sales of goods	13,731.67	5,714.99
Changhong International Holdings (Hong Kong) Co., Ltd.	Sales of goods	7,047.95	5,017.47
Changhong Europe Electric s.r.o	Sales of goods	3,386.81	4,109.31
Orion.PDP.Co.,Ltd	Sales of goods	2,058.89	1,964.81
Sichuan Service Exp. Appliance Service Chain Co., Ltd.	Sales of goods	217.07	253.80
Sichuan Changhong Jijia Fine Co., Ltd.	Sales of goods	84.74	0
Sichuan Changhong Appliance Technology Co., Ltd.	Sales of goods	80.90	4.05
Sichuan Changhong Minsheng Logistics Co., Ltd.	Sales of goods	77.98	44.03
Sichuan Changhong Electronic Co., Ltd.	Sales of goods	49.79	30.23
Sichuan Changhong Jiahua Information Product Co., Ltd.	Sales of goods	43.24	
Mianyang Huafeng Hulian Technology Co., Ltd.	Sales of goods	41.59	
Sichuan Changhong Model Technology Co., Ltd.	Sales of goods	38.38	57.00
Chengdu Guigu Environment Technology Co., Ltd.	Sales of goods	29.05	18.32
Sichuan Aoku Technology Co., Ltd.	Sales of goods	19.23	0.77
Sichuan Changhong Network Technology Co., Ltd	Sales of goods	7.54	
Sichuan Ailian Technology Co., Ltd.	Sales of goods	4.95	
Sichuan Baiku Technology Co., Ltd.	Sales of goods	2.25	9.61
Sichuan Changhong Real Estate Co., Ltd.	Sales of goods	1.44	
Mianyang Hongsheng Real Estate Co., Ltd.	Sales of goods	0.72	
Sichuan Aichuang Technology Co., Ltd.	Sales of goods	0.53	0.73
Sichuan Changhong Power Source Co., Ltd.	Sales of goods	0.30	5.46
Sichuan Changhong International Hotel Co., Ltd.	Sales of goods	0.11	
Sichuan Changhong Intelligent Manufacturing Technology Co., Ltd.	Sales of goods		258.76
Sichuan Tianyou Guigu Technology Co., Ltd.	Sales of goods		94.29
Guangyuan Changhong Electric Technology Co., Ltd.	Sales of goods		22.45
Guangdong Changhong Electric Co., Ltd.	Sales of goods		7.23
Sichuan Hongmofang Network Technology Co., Ltd.	Sales of goods		4.33
Sichuan Qisai Microelectronics Co.,Ltd.	Sales of goods		4.99
Sichuan Changhong Electric Holdings Group Co., Ltd.	Sales of goods		0.26
Sichuan Qiruik Technology Co., Ltd.	Sales of goods		0.23
Sichuan Ansifei Technology Co., Ltd.	Sales of goods		0.01

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<b>Total</b>	<b>431,858.43</b>	<b>432,033.38</b>
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### 4. Providing services

Related party	Content	Current Period	Last Period
Mianyang Huafeng Hulian Technology Co., Ltd.	Provide the services	3,954,355.82	93,625.64
Sichuan Service Exp. Appliance Service Chain Co., Ltd.	Provide the services	867,737.06	1,239,722.20
Sichuan Changhong Moulding Tech. Co., Ltd.	Provide the services	828,156.62	393,122.08
Sichuan Changhong Device Technology Co., Ltd.	Provide the services	544,959.19	124,018.93
Yuanxin Financial Lease Co., Ltd.	Provide the services	489,372.07	185,532.18
Changhong Huayi Compressor Co., Ltd.	Provide the services	276,535.87	116,943.63
Sichuan Changhong Network Technology Co., Ltd.	Provide the services	173,539.62	
Sichuan Changhong Jija Fine Co., Ltd.	Provide the services	141,015.31	58,326.34
Sichuan Changhong Property Service Co., Ltd.	Provide the services	85,797.50	135,593.96
Sichuan Zhiyijia Network Technology Co., Ltd.	Provide the services	70,158.00	131,027.58
Sichuan Aoku Technology Co., Ltd.	Provide the services	50,941.15	1,081.72
Sichuan Changhong International Hotel Co., Ltd.	Provide the services	26,349.12	31,608.80
Sichuan Changhong Minsheng Logistics Co., Ltd.	Provide the services	11,427.04	367,086.07
Sichuan Changhong Jiechuang Lithium Battery Technology Co., Ltd.	Provide the services	10,912.08	
Sichuan Ailian Technology Co., Ltd.	Provide the services	1,586.50	80.94
Sichuan Qirui Technology Co., Ltd.	Provide the services	1,446.00	1,314.00
Sichuan Changhong Electronic Products Co., Ltd.	Provide the services	900.00	4,500.00
Guangdong Changhong Electronics Co., Ltd.	Provide the services		486,725.66
Sichuan Hongwei Technology Co., Ltd.	Provide the services		69,735.85
Sichuan Changhong Precision Electronic Technology Co., Ltd.	Provide the services		2,700.00
Hefei Changhong Industrial Co., Ltd.	Provide the services		42.50
Sichuan Qisai Microelectronics Co., Ltd.	Provide the services		44,593.58
Sichuan Huafeng Technology Co., Ltd.	Provide the services	-11,201.00	
Sichuan Changhong Electric Co., Ltd.	Provide the services	-52,499.01	28,299.02
Sichuan Aichuang Technology Co., Ltd.	Provide the services	-97,082.07	111,462.81
Sichuan Changhong New Network Technology Co., Ltd.	Provide the services	-101,370.00	
<b>Total</b>		<b>7,273,036.87</b>	<b>3,627,143.49</b>

## Annotations of Financial Statements of Changhong Meiling Co., Ltd.

From 1 January 2024 to 30 June 2024

(Unless other wise specified, RMB for record in the Statement)

Businesses between the Company and its connected persons are generally conducted under market operation rules as if they were the same as other business counterparties. For price of sale or purchase and provision of other labor service between the Company and its related parties, the state pricing is applicable if the pricing do exists; in case of absence of such state pricing, price is determined under market price; in case of absence of such market price, price is determined by both parties at actual cost plus reasonable expenses; for some special services, the price of which cannot be determined under the rule of cost plus expense, the price shall be determined by both parties by negotiation.

### 5. Related rental

#### (1) Rent out

Lessor	Lessee	Type of assets	Leasing income in Current Period	Leasing income in Last Period
Changhong Meiling	Sichuan Changhong Moulding Tech. Co., Ltd.	Apartments, warehouses, factories	999,377.25	1,436,731.33
Changhong Meiling	Sichuan Changhong Jijia Fine Co., Ltd.	warehouse, apartment, forklift, warehouse	402,946.09	470,897.06
Changhong Meiling	Sichuan Aichuang Science & Technology Co., Ltd.	Apartment, office	126,690.06	84,571.19
Changhong Meiling	Sichuan Changhong Minsheng Logistics Co., Ltd.	Apartment, office	114,850.93	104,497.98
Changhong Meiling	Sichuan Zhiyijia Network Technology Co., Ltd.	Apartment Office building	94,128.44	94,128.44
Changhong Meiling	Sichuan Aoku Technology Co., Ltd.	Warehouse, Apartment	5,858.10	20,987.63
Changhong Meiling	Hefei Changhong Industrial Co., Ltd.	Apartments, warehouses		146,562.74
Changhong Meiling	Sichuan Aichuang Science & Technology Co., Ltd.	Warehouse		19,507.00
Changhong Meiling	Changhong Huayi Compressor Co., Ltd.	Warehouse		5,811.32
Changhong Meiling	Sichuan Hongxin Software Co., Ltd.	Apartment		4,400.00
Changhong Meiling	Sichuan Ailian Technology Co., LTD.	Warehouse		1,586.50
Changhong Meiling	Sichuan Changhong Precision Electronics Tech. Co., Ltd.	Apartment		1,105.00
Changhong Air-conditioner	Sichuan Changhong Moulding Tech. Co., Ltd.	Factories,Equipment	2,927,575.63	2,786,522.82
Changhong Air-conditioner	Sichuan Changhong Jijia Fine Co., Ltd.	Factories,Equipment	1,867,409.09	1,831,253.85
Changhong Air-conditioner	Sichuan Changhong Electric Co., Ltd.	Factories,Equipment	429,427.67	448,648.03
Changhong Air-conditioner	Sichuan Changxin Refrigeration Parts Co., Ltd.	Processing equipment of U	53,333.35	79,999.99
Changhong Air-conditioner	Chengdu Guigu Environmental Tech. Co., Ltd	House and buildings	14,201.83	14,201.83
Changhong Air-conditioner	Sichuan Changhong Electronics Holding Group Co., Ltd.	Workshop		4.49
Ridian Technology	Sichuan Changhong Device Technology Co., Ltd.	Workshop	1,073,574.84	1,073,574.90
Ridian Technology	Sichuan Qirui Technology Co., Ltd.	Workshop	47,314.29	47,314.29
Zhongshan Changhong	Sichuan Changhong Minsheng Logistics Co., Ltd.	Parts of the office building rent-out	22,148.58	22,148.58

## Annotations of Financial Statements of Changhong Meiling Co., Ltd.

From 1 January 2024 to 30 June 2024

(Unless other wise specified, RMB for record in the Statement)

Zhongshan Changhong	Sichuan Changhong Precision Electronics Tech. Co., Ltd.	living area		42,000.00
Zhongshan Changhong	Sichuan Changhong Moulding Tech. Co., Ltd.	living area		24,900.00
Jiangxi Meiling	Sichuan Changhong Moulding Tech. Co., Ltd.	Workshop	443546.86	411,144.18
Jiangxi Meiling	Sichuan Changhong Minsheng Logistics Co., Ltd.	Warehouse,Office	9,142.86	
Total			<b>8,631,525.87</b>	9,172,499.15

## Annotations of Financial Statements of Changhong Meiling Co., Ltd.

From 1 January 2024 to 30 June 2024

(Unless other wise specified, RMB for record in the Statement)

### (2) Lessee of related parties

Lessor	Lessee	Type of assets	Rental charges for short-term and low-value assets (if any)		Variable lease payments not included in lease liabilities measurement (if any)		Rent paid		Interest expenses on lease liabilities assumed		Increased use right assets	
			Amount of current period	Amount of previous period	Amount of current period	Amount of previous period	Amount of current period	Amount of previous period	Amount of current period	Amount of previous period	Amount of current period	Amount of previous period
Hefei Changhong Industrial Co., Ltd.	Changhong Meiling	Workshop leasing					566,866.14	590,931.54	563,322.99	485,439.06		
Sichuan Changhong Electronics Holding Group Co., Ltd.	Changhong Air-conditioner	Rental		64,694.40			84,747.84		12,815.14		338,991.37	
Sichuan Changhong Electric Co., Ltd.	Changhong Air-conditioner	VISA Laboratories					153,431.50	153,431.50	17,157.52	17,157.52		1,534,315.05
Sichuan Changhong Electric Co., Ltd.	Changhong Air-	F3 workshop	106,678.90									

## Annotations of Financial Statements of Changhong Meiling Co., Ltd.

From 1 January 2024 to 30 June 2024

(Unless other wise specified, RMB for record in the Statement)

	conditioner											
Sichuan Jiahong Industrial Co., Ltd.	Changhong Air-conditioner	Staff dormitory	271,649.52	216,056.16								
Guangdong Changhong Electronics Co., Ltd.	Hong yuan Zhongshan	Staff dormitory	46,289.04	39,530.00								
Chengdu Changhong Electronic Technology Co., Ltd.	Hongmei Intelligent	Office				313,553.36	334,385.06	15,677.67	28,592.17	329,231.03		
Sichuan Changhong Electric Co., Ltd.	Mianyang Meiling	Workshop leasing	64,519.38	32,259.69		1,039,954.88	1,433,275.56	601,697.08	208,376.40			
Sichuan Jiahong Industrial Co., Ltd.	Mianyang Meiling	Staff dormitory	15,620.97	16,664.37								
Changhong Huayi Compressor Co., Ltd.	Jiangxi Meiling	Staff dormitory	57,000.00									
Guangdong Changhong Electronics Co., Ltd.	Ridian Technology	Staff dormitory	33,749.28	28,660.58								
Chengdu Changhong Electronic Technology Co., Ltd.	Changmei Intelligent	Office		62,618.29								
<b>Total</b>			<b>595,507.09</b>	<b>460,483.49</b>		<b>2,158,553.72</b>	<b>2,512,023.66</b>	<b>1,210,670.40</b>	<b>739,565.15</b>	<b>668,222.40</b>	<b>1,534,315.05</b>	

## Annotations of Financial Statements of Changhong Meiling Co., Ltd.

From 1 January 2024 to 30 June 2024

(Unless other wise specified, RMB for record in the Statement)

### 6. Related guarantee

Secured party	Sponsored party	Maximum guarantee amount	Start	Date due	Completed (Y/N)
		(in 10 thousand Yuan)			
Changhong Meiling	Meiling Group	4,500.00	2023/5/11	2024/5/11	Yes
Changhong Meiling	Meiling Group	8,000.00	2023/7/12	2024/7/11	No
Changhong Meiling	Ridian Technology	4,000.00	2023/7/8	2024/7/8	No
Changhong Meiling	Ridian Technology	3,500.00	2022/11/10	2023/11/9	Yes
Changhong Meiling	Ridian Technology	3,500.00	2024/2/6	2024/12/28	No
Changhong Meiling	Zhongshan Changhong	15,000.00	2022/8/15	2023/8/14	Yes
Changhong Meiling	Zhongshan Changhong	10,000.00	2023/5/30	2024/5/29	No
Changhong Meiling	Zhongshan Changhong	6,000.00	2023/3/15	2024/3/15	Yes
Changhong Meiling	Zhongshan Changhong	7,000.00	2023/6/15	2024/6/14	Yes
Changhong Meiling	Zhongshan Changhong	10,000.00	2023/5/11	2024/5/10	Yes
Changhong Meiling	Zhongshan Changhong	15,000.00	2023/8/23	2024/8/23	No
Changhong Meiling	Zhongshan Changhong	20,000.00	2023/7/3	2024/7/3	No
Changhong Meiling	Zhongshan Changhong	5,000.00	2023/7/28	2024/7/27	No
Changhong Meiling	Zhongshan Changhong	10,000.00	2023/5/12	2024/5/12	No
Changhong Meiling	Zhongshan Changhong	5,000.00	2023/11/2	2024/11/2	No
Changhong Meiling	Changmei Life Appliances	5,000.00	2022/10/26	2023/10/25	Yes
Changhong Meiling	Changmei Life Appliances	2,000.00	2023/4/24	2024/4/23	Yes
Changhong Meiling	Changmei Life Appliances	5,000.00	2024/1/1	2024/8/14	No
Changhong Meiling	Changmei Life Appliances	8,000.00	2023/2/22	2024/1/12	Yes
Changhong Meiling	Changmei Life Appliances	8,000.00	2024/1/22	2025/1/22	No
Changhong Meiling	Changmei Life Appliances	5,000.00	2023/4/21	2024/4/21	No
Changhong Meiling	Changmei Life Appliances	2,000.00	2023/11/3	2024/11/2	No
Changhong Meiling	Changmei Life Appliances	10,000.00	2023/12/1	2024/11/30	No
Changhong Meiling	Changmei Life Appliances	4,000.00	2023/12/15	2024/6/4	No
Changhong Meiling	Changhong air-conditioner	60,000.00	2023/3/18	2024/3/18	Yes
Changhong Meiling	Changhong air-conditioner	12,000.00	2023/4/14	2024/4/13	No
Changhong Meiling	Changhong air-conditioner	10,000.00	2023/1/17	2023/10/11	Yes
Changhong Meiling	Changhong air-conditioner	5,000.00	2023/1/17	2024/1/16	No
Changhong Meiling	Changhong air-conditioner	16,000.00	2023/2/27	2024/2/26	Yes
Changhong Meiling	Changhong air-conditioner	30,000.00	2023/3/16	2024/3/16	No
Changhong Meiling	Changhong air-conditioner	1,500.00	2023/7/5	2023/12/13	Yes
Zhongke Meiling	Anhui Touxing	1,000.00	2023/6/20	2024/6/4	No

## Annotations of Financial Statements of Changhong Meiling Co., Ltd.

From 1 January 2024 to 30 June 2024

(Unless other wise specified, RMB for record in the Statement)

Secured party	Sponsored party	Maximum guarantee amount	Start	Date due	Completed (Y/N)
		(in 10 thousand Yuan)			
Zhongke Meiling	Anhui Touxing	400.00	2023/8/15	2024/8/14	No
Zhongke Meiling	Anhui Touxing	1,000.00	2023/10/20	2024/10/20	No
Zhongke Meiling	Lingan Medical	1,000.00	2023/8/25	2024/8/24	No
Zhongke Meiling	Lingan Medical	1,000.00	2023/10/20	2024/10/20	No
Counter guarantee:					
Meiling Group	Changhong Meiling	4,500.00	2023/5/11	2024/5/11	Yes
Meiling Group	Changhong Meiling	8,000.00	2023/7/12	2024/7/11	No
Ridian Technology	Changhong Meiling	4,000.00	2023/7/8	2024/7/8	No
Ridian Technology	Changhong Meiling	3,500.00	2022/11/10	2023/11/9	Yes
Ridian Technology	Changhong Meiling	3,500.00	2024/2/6	2024/12/28	No
Zhongshan Changhong	Changhong Meiling	15,000.00	2022/8/15	2023/8/14	Yes
Zhongshan Changhong	Changhong Meiling	10,000.00	2023/5/30	2024/5/29	No
Zhongshan Changhong	Changhong Meiling	6,000.00	2023/3/15	2024/3/15	Yes
Zhongshan Changhong	Changhong Meiling	7,000.00	2023/6/15	2024/6/14	Yes
Zhongshan Changhong	Changhong Meiling	10,000.00	2023/5/11	2024/5/10	Yes
Zhongshan Changhong	Changhong Meiling	15,000.00	2023/8/23	2024/8/23	No
Zhongshan Changhong	Changhong Meiling	20,000.00	2023/7/3	2024/7/3	No
Zhongshan Changhong	Changhong Meiling	5,000.00	2023/7/28	2024/7/27	No
Zhongshan Changhong	Changhong Meiling	10,000.00	2023/5/12	2024/5/12	No
Zhongshan Changhong	Changhong Meiling	5,000.00	2023/11/2	2024/11/2	No
Changmei Life Appliances	Changhong Meiling	5,000.00	2022/10/26	2023/10/25	Yes
Changmei Life Appliances	Changhong Meiling	2,000.00	2023/4/24	2024/4/23	Yes
Changmei Life Appliances	Changhong Meiling	5,000.00	2024/1/1	2024/8/14	No
Changmei Life Appliances	Changhong Meiling	8,000.00	2023/2/22	2024/1/12	Yes
Changmei Life Appliances	Changhong Meiling	8,000.00	2024/1/22	2025/1/22	No
Changmei Life Appliances	Changhong Meiling	5,000.00	2023/4/21	2024/4/21	No
Changmei Life Appliances	Changhong Meiling	2,000.00	2023/11/3	2024/11/2	No
Changmei Life Appliances	Changhong Meiling	10,000.00	2023/12/1	2024/11/30	No
Changmei Life Appliances	Changhong Meiling	4,000.00	2023/12/15	2024/6/4	No
Changhong air-conditioner	Changhong Meiling	60,000.00	2023/3/18	2024/3/18	Yes
Changhong air-conditioner	Changhong Meiling	12,000.00	2023/4/14	2024/4/13	No
Changhong air-conditioner	Changhong Meiling	10,000.00	2023/1/17	2023/10/11	Yes
Changhong air-conditioner	Changhong Meiling	5,000.00	2023/1/17	2024/1/16	No
Changhong air-conditioner	Changhong Meiling	16,000.00	2023/2/27	2024/2/26	Yes
Changhong air-	Changhong Meiling	30,000.00	2023/3/16	2024/3/16	No



## Annotations of Financial Statements of Changhong Meiling Co., Ltd.

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(Unless other wise specified, RMB for record in the Statement)

Secured party	Sponsored party	Maximum guarantee amount	Start	Date due	Completed (Y/N)
		(in 10 thousand Yuan)			
conditioner					
Changhong air-conditioner	Changhong Meiling	1,500.00	2023/7/5	2023/12/13	Yes
Anhui Tuoxing	Zhongke Meiling	1,000.00	2023/6/20	2024/6/4	No
Anhui Tuoxing	Zhongke Meiling	400.00	2023/8/15	2024/8/14	No
Anhui Tuoxing	Zhongke Meiling	1,000.00	2023/10/20	2024/10/20	No
Lingan Medical	Zhongke Meiling	1,000.00	2023/8/25	2024/8/24	No
Lingan Medical	Zhongke Meiling	1,000.00	2023/10/20	2024/10/20	No

### 7. Assets transfer and debt reorganization of related parties

Related party	Type	Current Period	Last Period
Sichuan Changhong Electric Co., Ltd.	Construction of fixed assets	610,665.49	
Sichuan Changhong Intelligent Manufacturing Technology Co., Ltd.	Purchase and construction of fixed assets	352,395.49	454,167.32
081 Electronic Group Co., Ltd.	Purchase and construction	184,634.57	
Sichuan Zhiyijia Network Technology Co., Ltd.	Purchase and construction of fixed assets	78,818.00	15,700.88
Sichuan Hongxin Software Co., Ltd.	Purchase and construction of fixed assets		902,404.42
Sichuan Qiruik Technology Co., Ltd.	Purchase and construction of fixed assets		288,000.00
Sichuan Changhong Jiahua Information Product Co., Ltd.	Purchase and construction of fixed assets		275,800.17
Sichuan Hongxin Software Co., Ltd.	Purchase and construction of fixed assets		121115.04
<b>Total</b>		<b>1,226,513.55</b>	<b>2,057,187.83</b>

### 8. Other

Name of company	Content	Current Period (in 10 thousand Yuan)	Last Period (in 10 thousand Yuan)
Yuanxin Financial Lease Co., Ltd.	Financing business	56,792.49	27,779.67

### 9. Related transaction with Changhong Finance Company

#### (1) Saving balance

Name of company	Ending balance	Beginning balance	Interest income from bank saving in the period
Changhong Meiling Co., Ltd.	1,601,681,337.84	2,052,187,201.79	27,680,821.56
Sichuan Changhong Air-conditioner Co., Ltd	1,102,313,364.69	977,689,247.58	7,091,574.11
Zhongshan Changhong Electric Co., Ltd	816,026,341.19	761,905,289.07	8,703,320.84
Hefei Changhong Meiling Life Appliances Co., Ltd.	271,654,887.64	243,577,856.45	2,157,552.43

## Annotations of Financial Statements of Changhong Meiling Co., Ltd.

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(Unless other wise specified, RMB for record in the Statement)

Ground Energy Heat Pump Tech. (Zhongshan) Co., Ltd.	81,384,980.04	167,225,376.64	1,173,218.85
Zhongke Meiling Cryogenic Technology Co., Ltd	50,081,556.29	60,561,687.38	593,285.38
Changhong Meiling Ridian Technology Co., Ltd.	42,390,960.35	56,655,316.22	90,960.04
Anhui Tuoxing Technology Co., Ltd.	7,411,207.54	7,358,942.16	87,613.31
Hefei Meiling Group Holdings Limited	353,192.29	304,516.48	3,399.40
Mianyang Meiling Refrigeration Co., Ltd.	9,586.78	13,743.00	23.13
Anhui Ling'an medical equipment Co., Ltd.	9,283.96	825.26	38.40
Jiangxi Meiling Electric Appliance Co., Ltd.	9,210.82	9,667.64	20.02
Ground Energy Heat Pump Tech. Co., Ltd.			0.43
<b>Total</b>	<b>3,973,325,909.43</b>	<b>4,327,489,669.67</b>	<b>47,581,827.90</b>

### (2) Discounted bills

Name of company	Bank acceptance	Bank acceptance	Discounting fees
Sichuan Changhong Air Conditioning Co., Ltd	281,027,530.72	279,951,182.65	1,076,348.07
Changhong Meiling Co., Ltd.	257,740,577.09	256,054,793.87	1,685,783.22
Hefei Changhong Meiling Life Appliances Co., Ltd.	69,759,487.32	69,380,572.37	378,914.95
Changhong Meiling Ridian Technology Co., Ltd.	7,539,519.04	7,503,749.88	35,769.16
Zhongshan Changhong Electric Co., Ltd.	3,186,264.00	3,166,934.00	19,330.00
<b>Total</b>	<b>619,253,378.17</b>	<b>616,057,232.77</b>	<b>3,196,145.40</b>

### (3) Issuance of invoices

Name of company	Issuer	Bill amount	Types
Sichuan Changhong Air-conditioner Co., Ltd.	Sichuan Changhong Group Finance Co., Ltd.	412,479,666.87	Bank acceptance
Zhongshan Changhong Electric Co., Ltd.	Sichuan Changhong Group Finance Co., Ltd.	175,994,106.32	Bank acceptance
Ground Energy Heat Pump Tech. (Zhongshan) Co., Ltd.	Sichuan Changhong Group Finance Co., Ltd.	93,332,635.40	Bank acceptance
Changhong Meiling Co., Ltd.	Sichuan Changhong Group Finance Co., Ltd.	68,648,000.00	Bank acceptance
Hefei Changhong Meiling Life Appliances Co., Ltd.	Sichuan Changhong Group Finance Co., Ltd.	52,619,912.95	Bank acceptance
Zhongke Meiling Cryogenic Technology Co., Ltd.	Sichuan Changhong Group Finance Co., Ltd.	22,782,762.33	Bank acceptance
Hefei Meiling Group Holdings Limited	Sichuan Changhong Group Finance Co., Ltd.	19,690,458.51	Bank acceptance
Changhong Meiling Ridian Technology Co., Ltd.	Sichuan Changhong Group Finance Co., Ltd.	4,636,688.71	Bank acceptance
Anhui Tuoxing Technology Co., Ltd.	Sichuan Changhong Group Finance Co., Ltd.	567,648.11	Bank acceptance
<b>Total</b>		<b>850,751,879.20</b>	

### (4) Borrowings: N/A

### (5) Receivable factoring: N/A

### (iii) Come and go balance with related parties

## Annotations of Financial Statements of Changhong Meiling Co., Ltd.

From 1 January 2024 to 30 June 2024

(Unless other wise specified, RMB for record in the Statement)

### 1. Receivable items

Item	Related party	Ending balance		Beginning balance	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Account receivable	Sichuan Zhiyijia Network Technology Co., Ltd.	307,366,371.74	90,806,707.75	188,235,530.60	110,410,176.95
Account receivable	CHANGHONG (HK) TRADING LIMITED	164,326,395.49		117,003,398.60	
Account receivable	CHANGHONGELECTRIC(AUSTRALIA) PTY.LTD.	99,172,832.83		79,488,591.21	
Account receivable	Changhong International Holdings (Hong Kong) Co., Ltd.	52,456,012.28	4,579,899.03	67,734,903.25	3,339,617.94
Account receivable	Changhong Ruba Electric Company (Private) Ltd.	41,050,781.19	41,050,781.19	40,856,357.09	40,856,357.09
Account receivable	Orion.PDP.Co.,ltd	12,433,142.38		13,506,278.22	
Account receivable	Changhong Europe Electric s.r.o	3,116,227.66		31,860,854.17	
Account receivable	Sichuan Changhong Jijia Fine Co., Ltd.	834,176.17			
Account receivable	Sichuan Changhong Precision Electronics Tech. Co., Ltd.	501,968.02			
Account receivable	Yuanxin Financing Lease Co., Ltd.	430,950.72		558,665.14	
Account receivable	Sichuan Changhong Model Technology Co., Ltd.	442,885.30		176,175.52	
Account receivable	Sichuan Changhong Jiahua Information Product Co., Ltd.	390,882.36			
Account receivable	Sichuan Service Exp. Appliance Service Chain Co., Ltd.	368,299.76		349,069.73	
Account receivable	Sichuan Changhong Electric Appliance Co., Ltd	237,383.91	916.73	900,179.64	
Account receivable	Sichuan Changhong Jiechuang Lithium battery Technology Co., Ltd.	40,738.00		30,600.00	
Account receivable	Sichuan Changhong Electric Holdings Group Co., Ltd.	6,227.50		720.00	
Account receivable	Sichuan Changhong Minsheng Logistics Co., Ltd.	1,044.36			
Account receivable	Sichuan Aichuang Technology Co., Ltd.	0.01		3,195,467.74	
Account receivable	Changhong Huayi Compressor Co., Ltd.			519,071.54	
Account receivable	Sichuan Changhong Intelligent Manufacturing Technology Co., Ltd.			727,500.00	
Account receivable	Sichuan Changhong Property Service Co., Ltd.			119,213.45	
Account receivable	Sichuan Changhong Electric Part Co., Ltd.			954.00	
Account receivable	Sichuan Changhong Newe Network Technology Co., Ltd.			112,000.00	
Account receivable	Mianyang Huafeng Hulian Technology Co., Ltd.			8,800.00	
Account receivable	Sichuan Huafeng Technology Co., Ltd.			176,400.00	
Account receivable	Sichuan Changhong Network Technology Co., Ltd.			96,000.00	
Account paid in advance	Sichuan Ailian Technology Co., Ltd.	50,889.49		53,247.60	
Account paid in advance	Sichuan Changhong Model Technology Co., Ltd.	15,433.63			

## Annotations of Financial Statements of Changhong Meiling Co., Ltd.

From 1 January 2024 to 30 June 2024

(Unless other wise specified, RMB for record in the Statement)

Item	Related party	Ending balance		Beginning balance	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Account paid in advance	Hefei Changhong Industry Co., Ltd.	2,320.58		2,986.27	
Account paid in advance	Sichuan Changhong Electric Co., Ltd.	19.17		19.17	
Account paid in advance	Sichuan Changhong Minsheng Logistics Co., Ltd.			8,396.00	
Account paid in advance	Chengdu Changhong Electric Technology Co., Ltd.			381,126.07	
Other account receivable	Sichuan Service Exp. Appliance Service Chain Co., Ltd.	581,398.59		313,490.41	
Other account receivable	Sichuan Zhiyijia Network Technology Co., Ltd.	190,551.00		303,019.00	
Other account receivable	Sichuan Changhong Package Printing Co., Ltd.	11,587.58			
Other account receivable	Sichuan Changhong Electric Appliance Co., Ltd.	3,346.20			
Other account receivable	Sichuan Changhong Property Service Co., Ltd.	2,904.93		2,904.93	
Other account receivable	Sichuan Changhong Device Technology Co., Ltd.	41.86			
Contract assets	Yuanxin Financing Lease Co., Ltd.	534,886.00			
Contract assets	Sichuan Changhong Jiechuang Lithium battery Technology Co., Ltd.	171,000.00			
Contract assets	Sichuan Changhong Electric Holdings Group Co., Ltd.	38,056.67			
Contract assets	Sichuan Aichuang Technology Co., Ltd.	21,254.70			
Contract assets	Guangdong Changhong Electric Co., Ltd.	11,516.30			
Contract assets	Sichuan Qimeng Zhongzheng Technology Co., Ltd.	11,500.00			
Contract assets	Yibin Hongxing Electric Co., Ltd.	9,800.00			
Contract assets	Mianyang Huafeng Hulian Technology Co., Ltd.	8,800.00			
<b>Total</b>		<b>684,841,626.38</b>	<b>136,438,304.70</b>	<b>546,721,919.35</b>	<b>154,606,151.98</b>

### 2. Payable items

Item	Related party	Ending balance	Beginning balance
Account payable	Sichuan Changhong Electric Holding Group Co., Ltd.	357,862,588.09	23,732,724.50
Account payable	Sichuan Changhong Moulding Tech. Co., Ltd.	326,017,919.87	173,023,852.05
Account payable	Sichuan Changhong Jijia Fine Co., Ltd.	267,085,463.33	32,211,531.65
Account payable	Mianyang Highly Electric Co., Ltd.	165,520,564.78	17,723,765.52
Account payable	Changhong Huayi Compressor Co., Ltd.	116,072,221.07	117,609,190.18
Account payable	Sichuan Changxin Refrigeration Parts Co., Ltd.	115,851,974.48	17,976,156.76
Account payable	Sichuan Changhong Package Printing Co., Ltd.	66,409,690.20	14,430,893.66
Account payable	Sichuan Aichuang Science & Technology Co., Ltd.	50,216,916.34	56,579,812.80
Account payable	Changhong Ruba Electric Company (Private) Ltd.	15,898,124.68	13,195,411.19
Account	Sichuan Changhong Precision Electronics Tech. Co.,	14,616,291.06	2,884,803.49

## Annotations of Financial Statements of Changhong Meiling Co., Ltd.

From 1 January 2024 to 30 June 2024

(Unless other wise specified, RMB for record in the Statement)

Item	Related party	Ending balance	Beginning balance
payable	Ltd.		
Account payable	Sichuan Changhong Minsheng Logistics Co., Ltd.	14,129,525.09	4,022,048.97
Account payable	Sichuan Changhong Electric Co., Ltd.	13,691,229.68	2,863,953.34
Account payable	Sichuan Changhong Electronic Products Co., Ltd	9,412,873.24	3,801,344.25
Account payable	Sichuan Aoku Technology Co., Ltd.	8,932,249.52	14,614,765.93
Account payable	Changhong International Holdings (Hong Kong) Co., Ltd.	7,634,824.10	8,933,631.46
Account payable	Sichuan Ailink Technology Co., Ltd.	4,853,668.90	1,721,318.59
Account payable	Guangdong Changhong Electric Co., Ltd.	4,382,778.25	1,554,593.15
Account payable	PT.CHANGHONG ELECTRIC INDONESIA	2,867,287.58	1,514,130.31
Account payable	Sichuan Changhong Electric Appliance Co., Ltd	2,131,639.89	1,148,884.00
Account payable	Sichuan Changhong Intelligence Manufacturing technology Co., Ltd.	801,438.62	270,846.58
Account payable	Sichuan Hongxin Software Co., Ltd.	557,526.89	451,301.89
Account payable	Sichuan Service Exp. Appliance Service Chain Co., Ltd.	500,389.64	725,473.65
Account payable	Sichuan Changhong New Energy Technology Co., Ltd.	421,990.00	225,732.08
Account payable	Sichuan Changhong International Hotel Co., Ltd.	114,322.00	146,276.00
Account payable	Sichuan Qiruik Technology Co., Ltd.	32,000.00	32,000.00
Account payable	Sichuan Zhiyijia Network Technology Co., Ltd.	30,019.69	35,267.63
Account payable	Sichuan Hongwei Technology Co., Ltd.	10,901.64	5,492.64
Account payable	Chengdu Guigu Environmental Tech. Co., Ltd		57,178.00
Account payable	Sichuan Jiahong Industry Co., Ltd.		396.00
Contract liability	Mianyang Huafeng Hulian Technology Co., Ltd.	2,917,074.13	
Contract liability	Yuanxin Financial Lease Co., Ltd.	1,797,939.40	
Contract liability	Sichuan Changhong Electric Co., Ltd.	353,941.29	353,941.29
Contract liability	Sichuan Aichuang Technology Co., Ltd.	198,900.00	
Contract liability	CHANGHONG ELECTRIC MIDDLE EAST FZCO	90,788.31	90,332.93
Contract liability	Changhong Europe Electric s.r.o	26,420.38	
Contract liability	Sichuan Changhong Minsheng Logistics Co., Ltd.	14,654.87	14,654.86
Contract liability	Sichuan Service Exp. Appliance Service Chain Co., Ltd.	10,727.89	10,727.89
Contract liability	Sichuan Baiku Technology Co., ltd.	7,841.59	22,932.74
Contract liability	Sichuan Anshifei Technology Co., Ltd.	2,646.19	2,646.19
Contract liability	CHANGHONG(HK)TRADINGLIMITED	914.31	908.66

## Annotations of Financial Statements of Changhong Meiling Co., Ltd.

From 1 January 2024 to 30 June 2024

(Unless other wise specified, RMB for record in the Statement)

Item	Related party	Ending balance	Beginning balance
Contract liability	Sichuan Changhong Moulding Tech. Co., Ltd.	577.96	2,415.93
Contract liability	Changhong International Holdings (Hong Kong) Co., Ltd.	409.11	713.44
Contract liability	Sichuan Zhiyijia Network Technology Co., Ltd.		32,073,215.34
Contract liability	081 Electronic Group Co., Ltd.		22.61
Lease liability	Sichuan Changhong Electric Co., Ltd.	26,224,871.59	27,418,257.97
Lease liability	Hefei Changhong Industrial Co., Ltd.	15,997,026.02	16,678,869.72
Lease liability	Sichuan Changhong Electric Holding Group Co., Ltd.	254,243.53	
Lease liability	Chengdu Changhong Electronic Technology Co., Ltd.		381,126.07
Other payable	Sichuan Service Exp. Appliance Service Chain Co., Ltd.	167,921,811.80	82,400,851.21
Other payable	Sichuan Changhong Minsheng Logistics Co., Ltd.	162,347,273.68	132,815,918.64
Other payable	Sichuan Changhong Electric Holding Group Co., Ltd.	2,709,884.52	393,156.00
Other payable	Sichuan Changhong Moulding Tech. Co., Ltd.	2,590,227.37	2,559,981.65
Other payable	Changhong Huayi Compressor Co., Ltd.	1,848,900.00	1,903,400.00
Other payable	Sichuan Changhong Jijia Fine Co., Ltd.	485,624.10	425,492.32
Other payable	Sichuan Hongxin Software Co., Ltd.	477,830.19	594,516.98
Other payable	Sichuan Zhiyijia Network Technology Co., Ltd.	295,915.19	566,063.25
Other payable	Sichuan Changhong Gerun Environmental Tech. Co., Ltd.	160,516.00	
Other payable	Sichuan Aoku Technology Co., Ltd.	160,212.20	260,212.20
Other payable	Sichuan Hongwei Technology Co., Ltd.	139,366.58	
Other payable	Sichuan Changhong Precision Electronics Tech. Co., Ltd.	136,929.45	734.43
Other payable	Sichuan Aichuang Technology Co., Ltd.	100,000.00	1,443,020.00
Other payable	Sichuan Changxin Refrigeration Parts Co., Ltd.	64,104.03	173,907.41
Other payable	Sichuan Changhong Electric Co., Ltd.	51,799.44	58,735.52
Other payable	Sichuan Changhong Package Printing Co., Ltd.	50,000.00	139,699.18
Other payable	Sichuan Ailink Technology Co., Ltd.	50,000.00	50,000.00
Other payable	Sichuan Changhong Electronic Products Co., Ltd.	50,000.00	50,000.00
Other payable	Hefei Changhong Industrial Co., Ltd.	50,000.00	50,000.00
Other payable	Sichuan Changhong New Energy Technology Co., Ltd.	50,000.00	50,000.00
Other payable	081 Electronic Group Co., Ltd.	40,867.89	
Other payable	Sichuan Changhong Intelligence Manufacturing Technology Co., Ltd.	34,550.00	109,596.00
Other payable	Guangdong Changhong Electric Co., Ltd.	21,219.12	25,113.76

## Annotations of Financial Statements of Changhong Meiling Co., Ltd.

From 1 January 2024 to 30 June 2024

(Unless other wise specified, RMB for record in the Statement)

Item	Related party	Ending balance	Beginning balance
Other payable	Sichuan Qiruik Technology Co., Ltd.	7,410.00	585,767.70
Other payable	Chengdu Guigu Environmental Tech. Co., Ltd	5,717.80	
Other payable	Sichuan Jiahong Industry Co., Ltd.	18.00	18.00
Other payable	Yuanxin Financial Lease Co., Ltd.		61,295,062.03
Other payable	Sichuan Changhong Precision Electronic Technology Co., Ltd		29.70
Received in advance	Sichuan Changhong Moulding Tech. Co., Ltd.	315,021.87	
Received in advance	Sichuan Changhong Jijia Fine Co., Ltd.	309,333.10	
Received in advance	Sichuan Changhong Electric Appliance Co., Ltd	170,589.03	
Received in advance	Chengdu Guigu Environmental Tech. Co., Ltd	14,201.84	
Total		<b>1,954,614,718.40</b>	<b>874,494,817.89</b>

**(iv) Commitments from related parties: N/A**

**XIII. Share-based payment: N/A**

**XIV. Contingency**

1. Pending action or possible liabilities formed from arbitration

In November 2021, Zhejiang Teruisi Pharmaceutical Co., Ltd. filed a lawsuit against Zhongke Meiling for the "Contract for Cold Storage Design, Equipment Procurement and Installation Construction". Currently, a third-party engineering quality appraisal agency is conducting quality appraisal of the objects under the contract, the boot-up and operation test has been initially completed, and Zhongke Meiling intends to advocate maintenance of the cold storage project, and the maintenance cost is estimated to be 1,720,534.42 yuan.

As of December 31, 2024, apart from the aforementioned lawsuits, some of our subsidiaries have been defendants in certain legal proceedings and plaintiffs in other lawsuits that arise in our daily business operations. Although the outcome of these contingencies, legal proceedings, or other lawsuits cannot be determined at present, the management believes that any resulting liabilities will not have a significant negative impact on the financial condition or operating performance of the company.

2. Contingency from external guarantee: N/A

3. Other contingency: N/A

**XV. Commitments: N/A**

**XVI. Events occurring after the balance sheet date**

1. Important non-adjustment items: N/A

2. Profit distribution: N/A

3. Major sales return: N/A

4. Other than the above mentioned events, the Company have no other events occurred after balance

## Annotations of Financial Statements of Changhong Meiling Co., Ltd.

From 1 January 2024 to 30 June 2024

(Unless other wise specified, RMB for record in the Statement)

sheet date.

### XVII. Other significant matters

1. Correction of previous periods and influence: N/A
2. Debt restructuring: N/A
3. Assets replacement: N/A
4. Pension plan: N/A
5. Discontinuing operation: N/A
6. Branch information

In RMB 10,000

Item	Refrigerator, freezer Washing machine	Air- conditioner	Small home appliances	Other	Sales in branch	Total
Operation income	558,100.36	860,091.48	84,000.62	20,871.26	28,296.69	1,494,767.03
Including: foreign trade income	553,437.53	860,078.10	74,343.40	6,908.00		1,494,767.03
Income from transactions between divisions	4,662.83	13.38	9,657.22	13,963.26	28,296.69	
Operation expenses	544,166.28	833,783.40	82,703.24	19,147.12	28,401.54	1,451,398.50
Operation profit	13,934.08	26,308.08	1,297.38	1,724.14	-104.85	43,368.53
Total assets	1,364,350.65	1,065,786.23	93,346.70	24,847.28	179,729.70	2,368,601.16
Total liability	817,950.67	895,622.78	63,868.48	8,108.28	34,746.02	1,750,804.19
Supplementary information						
Depreciation and amortization expenses	11,034.18	7,494.00	166.73	403.22	-10.50	19,108.63
Capital expenditure	8,716.57	13,691.99	0.91	372.20	30.88	22,750.79

Total assets do not include deferred income tax assets, and total liabilities exclude deferred income tax liabilities.

7. Other major transactions and events shows impact on investor's decision-making: N/A

### XVIII. Notes to main items of financial statement of parent company

1. Account receivable

- (1) By account age

Account age	Ending balance	Beginning balance
Within 1 year (Including 1 year)	1,245,715,775.86	1,455,451,760.05
Including:		
Within 3 months (3 months included)	1,223,841,022.59	1,405,485,686.08
More than 3 months and less than 6 months (6 months included)	12,901,775.29	40,372,699.21
Over 6 months and within one year (One year included)	8,972,977.98	9,593,374.76
Over one year - within 2 years (2 years included)	5,229,426.83	13,012,239.58



## Annotations of Financial Statements of Changhong Meiling Co., Ltd.

From 1 January 2024 to 30 June 2024

(Unless other wise specified, RMB for record in the Statement)

Account age	Ending balance	Beginning balance
Over 2 years - within 3 years (3 years included)	15,633,879.27	26,677,206.61
Over 3 years	39,535,366.46	24,592,353.91
<b>Total</b>	<b>1,306,114,448.42</b>	<b>1,519,733,560.15</b>

### (2) Category of account receivable by bad debt accrual

Category	Ending balance				Book value
	Book balance		Bad debt provision		
	Amount	Ratio (%)	Amount	Ratio (%)	
Account receivable that withdrawal bad debt provision by single item	<b>812,379,874.29</b>	<b>62.20</b>	<b>55,210,546.98</b>	<b>6.80</b>	<b>757,169,327.31</b>
Including: current payment with related party	733,464,745.39	56.16	39,882,592.06	5.44	693,582,153.33
Account receivable with letter of credit	59,479,316.90	4.55			59,479,316.90
Account receivable with single minor amount but withdrawal single item bad debt provision	19,435,812.00	1.49	15,327,954.92	78.86	4,107,857.08
Account receivable withdrawal bad debt provision by portfolio	<b>493,734,574.13</b>	<b>37.80</b>	<b>12,895,779.72</b>	<b>2.61</b>	<b>480,838,794.41</b>
Including: account receivable of engineering customers					
Receivables other than engineering customers	493,734,574.13	37.80	12,895,779.72	2.61	480,838,794.41
<b>Total</b>	<b>1,306,114,448.42</b>	<b>100.00</b>	<b>68,106,326.70</b>	<b>5.21</b>	<b>1,238,008,121.72</b>

### Continued

Category	Beginning balance				Book value
	Book balance		Bad debt provision		
	Amount	Ratio (%)	Amount	Ratio (%)	
Account receivable that withdrawal bad debt provision by single item	<b>876,212,956.55</b>	<b>57.66</b>	<b>53,914,896.27</b>	<b>6.15</b>	<b>822,298,060.28</b>
Including: current payment with related party	803,660,757.46	52.88	39,553,880.21	4.92	764,106,877.25
Account receivable with letter of credit	52,483,325.93	3.46			52,483,325.93
Account receivable with single minor amount but withdrawal single item bad debt provision	20,068,873.16	1.32	14,361,016.06	71.56	5,707,857.10
Account receivable withdrawal bad debt provision by portfolio	<b>643,520,603.60</b>	<b>42.34</b>	<b>14,023,130.16</b>	<b>2.18</b>	<b>629,497,473.44</b>
Including: account receivable of engineering customers					
Receivables other than engineering customers	643,520,603.60	42.34	14,023,130.16	2.18	629,497,473.44
<b>Total</b>	<b>1,519,733,560.15</b>	<b>100.00</b>	<b>67,938,026.43</b>	<b>4.47</b>	<b>1,451,795,533.72</b>

#### 1) Provision for bad debts of account receivable on an individual basis

Account receivable with single minor amount but withdrawal bad debt provision singly, refers to the minor single receivables, and withdrawal bad debt provision by combination shows no risk

## Annotations of Financial Statements of Changhong Meiling Co., Ltd.

From 1 January 2024 to 30 June 2024

(Unless other wise specified, RMB for record in the Statement)

characteristic of the receivables, Involving 10 customers.

### 2) Account receivable withdrawal bad debt provision by portfolio

#### A. Account receivable of engineering customers

Account age	Ending balance		
	Book balance	Bad debt	Accrual ratio (%)
Within 3 months(3 months included)	474,441,406.17	4,744,414.06	1.00
Over 3 months and within 6 months (6 months included)	2,945,228.31	294,522.83	10.00
Over 6 months and within one year (One year included)	7,340,804.83	1,468,160.97	20.00
over one year-within two years (2 years included)	4,227,645.87	2,113,822.94	50.00
Over 2 years - within 3 years (3 years included)	2,523,150.14	2,018,520.11	80.00
Over 3 years	2,256,338.81	2,256,338.81	100.00
<b>Total</b>	<b>493,734,574.13</b>	<b>12,895,779.72</b>	<b>—</b>

(Continued)

Account age	Beginning balance		
	Book balance	Bad debt	Accrual ratio (%)
Within 3 months(3 months included)	616,484,217.92	6,164,842.18	1.00
Over 3 months and within 6 months (6 months included)	10,991,345.13	1,099,134.51	10.00
Over 6 months and within one year (One year included)	9,190,814.21	1,838,162.84	20.00
over one year-within two years (2 years included)	2,053,806.51	1,026,903.26	50.00
Over 2 years - within 3 years (3 years included)	4,531,662.28	3,625,329.82	80.00
Over 3 years	268,757.55	268,757.55	100.00
<b>Total</b>	<b>643,520,603.60</b>	<b>14,023,130.16</b>	<b>—</b>

### (3) Bad debt reserves of the account receivable

Category	Beginning balance	Amount change in the period			Ending balance
		Accrual	Collected or switch back	Resale or write-off	
Bad debt provision	67,938,026.43	168,300.27			68,106,326.70
<b>Total</b>	<b>67,938,026.43</b>	<b>168,300.27</b>			<b>68,106,326.70</b>

(4) Top 5 balance of account receivable aggregated by the debtor at end of the period amounted to 794,668,513.11 yuan, accounted for 60.84% of the receivables at balance of current period-end, the bad debt provision amounted as 2,213,597.52 yuan.

### 2. Other account receivable

Item	Ending balance	Beginning balance
Other account receivable	67,480,000.95	61,841,221.91

## Annotations of Financial Statements of Changhong Meiling Co., Ltd.

From 1 January 2024 to 30 June 2024

(Unless other wise specified, RMB for record in the Statement)

Item	Ending balance	Beginning balance
<b>Total</b>	<b>67,480,000.95</b>	<b>61,841,221.91</b>

### (1) By nature

Nature	Ending book balance	Beginning book balance
Export tax refund	49,174,580.49	41,179,511.61
Cash deposit	4,501,770.32	4,109,987.09
Loans of employee's pretty cash	10,249,628.26	10,727,346.46
Related party not in consolidation statement	3,687,015.36	5,957,370.23
Other	456,265.42	456,265.42
<b>Total</b>	<b>68,069,259.85</b>	<b>62,430,480.81</b>

### (2) By account age

Account age	Ending balance	Beginning balance
Within 1 year (1 year included)	63,012,902.21	57,173,854.18
Including:		
Within 3 months (3 months included)	57,173,080.91	53,994,269.35
Over 3 months and within 6 months (6 months included)	2,694,293.37	1,161,881.37
Over 6 months and within one year (One year included)	3,145,527.93	2,017,703.46
over one year-within two years (2 years included)	1,272,860.98	1,206,412.81
Over 2 years - within 3 years (3 years included)	1,088,660.68	1,288,721.92
Over 3 years	2,694,835.98	2,761,491.90
<b>Total</b>	<b>68,069,259.85</b>	<b>62,430,480.81</b>

### (3) Category of Other account receivable bad debt reserves

Category	Ending balance				Book value
	Book balance		Bad debt provision		
	Amount	Ratio (%)	Amount	Ratio (%)	
That withdrawal bad debt provision by single item	<b>68,069,259.85</b>	<b>100.00</b>	<b>589,258.90</b>	<b>0.87</b>	<b>67,480,000.95</b>
In which: other receivables with no major individual amount but bad debt provision accrued individually	15,207,664.00	22.34	589,258.90	3.87	14,618,405.10
Export tax refund	49,174,580.49	72.24			49,174,580.49
Related party funds	3,687,015.36	5.42			3,687,015.36
Bad debt provision accrued by portfolio					

## Annotations of Financial Statements of Changhong Meiling Co., Ltd.

From 1 January 2024 to 30 June 2024

(Unless other wise specified, RMB for record in the Statement)

Category	Ending balance				Book value
	Book balance		Bad debt provision		
	Amount	Ratio (%)	Amount	Ratio (%)	
In which: other receivables accrued by aging portfolio					
<b>Total</b>	<b>68,069,259.85</b>	<b>100.00</b>	<b>589,258.90</b>	<b>0.87</b>	<b>67,480,000.95</b>

Continued

Category	Beginning balance				Book value
	Book balance		Bad debt provision		
	Amount	Ratio (%)	Amount	Ratio (%)	
That withdrawal bad debt provision by single item	<b>62,430,480.81</b>	<b>100.00</b>	<b>589,258.90</b>	<b>0.94</b>	<b>61,841,221.91</b>
In which: other receivables with no major individual amount but bad debt provision accrued individually	15,293,598.97	24.50	589,258.90	3.85	14,704,340.07
Export tax refund	41,179,511.61	65.96			41,179,511.61
Related party funds	5,957,370.23	9.54			5,957,370.23
Bad debt provision accrued by portfolio					
In which: other receivables accrued by aging portfolio					
<b>Total</b>	<b>62,430,480.81</b>	<b>100.00</b>	<b>589,258.90</b>	<b>0.94</b>	<b>61,841,221.91</b>

### 1) Accrual of bad debt provision for other receivables

Bad debt provision	First stage	Second stage	Third stage	Total
	Expected credit loss in next 12 months	Expected credit loss for the whole duration (no credit impairment)	Expected credit loss for the whole duration (credit impairment has occurred)	
Balance as at 1 Jan. 2024			<b>589,258.90</b>	<b>589,258.90</b>
Book balance of other account receivable in Current Year as at 1 Jan. 2024	—	—	—	—
--Transfer to the second stage				
-- Transfer to the third stage				
-- Reversal to the second stage				
-- Reversal to the first stage				
Provision in Current Year				
Reversal in Current Year				
Conversion in Current Year				
Write off in Current Year				
Other change				
Balance as at 30 June. 2024			<b>589,258.90</b>	<b>589,258.90</b>

(4)Bad debt provision for other receivables accrued, recovered or reversed this year

## Annotations of Financial Statements of Changhong Meiling Co., Ltd.

From 1 January 2024 to 30 June 2024

(Unless other wise specified, RMB for record in the Statement)

Category	Beginning balance	Amount change in the period				Ending balance
		Accrual	Recovery or reversal	Write-off or cancellation	Other	
Bad debt provision	589,258.90					589,258.90
<b>Total</b>	<b>589,258.90</b>					<b>589,258.90</b>

(5) Other account receivable actually written-off in Current period: N/A

(6) Top 5 other receivables collected by arrears party at balance of period-end

Name of the unit	Nature	Ending balance	Account age	Proportion of the total period-end balance of other receivable (%)	Ending balance of bad debt reserve
Unit I	Export rebates	49,174,580.49	Within 1 year	72.24	
Unit II	Related party payment	3,037,629.38	Within 1 year, 1-2 years	4.46	
Unit III	Petty cash	1,368,000.00	Within 1 year	2.01	
Unit IV	Petty cash	2,730,438.36	Within 1 year, 1-2 years, 2-3 years	4.01	
Unit V	Petty cash	884,183.55	Within 1 year	1.30	
<b>Total</b>		<b>57,194,831.78</b>		<b>84.02</b>	

(7) There is no other receivables reported due to the centralized management of funds.

### 3. Long-term equity investments

(1) Classification of long-term equity investments

Item	Ending balance			Beginning balance		
	Book balance	Impairment loss	Book value	Book balance	Impairment loss	Book value
Investment in subsidiaries:	1,756,435,120.88		1,756,435,120.88	1,756,435,120.88		1,756,435,120.88
Investment in associates:	102,101,317.86		102,101,317.86	101,040,690.02		101,040,690.02
<b>Total</b>	<b>1,858,536,438.74</b>		<b>1,858,536,438.74</b>	<b>1,857,475,810.90</b>		<b>1,857,475,810.90</b>

## Annotations of Financial Statements of Changhong Meiling Co., Ltd.

From 1 January 2024 to 30 June 2024

(Unless other wise specified, RMB for record in the Statement)

### (2) Investment in subsidiaries

Invested enterprise	Beginning balance	Increased in Current Period	Decreased in Current Period	Ending balance	Provision for impairment losses in the Period	Ending balance of impairment
Zhongke Meiling Cryogenic Technology Co., Ltd	42,652,000.00			42,652,000.00		
Mianyang Meiling Refrigeration Co., Ltd.	95,000,000.00			95,000,000.00		
Zhongshan Changhong Electric Co., Ltd	304,856,419.37			304,856,419.37		
Sichuan Changhong Air-conditioner Co., Ltd	955,600,437.79			955,600,437.79		
Hefei Meiling Group Holdings Limited	113,630,000.00			113,630,000.00		
Jiangxi Meiling Electric Appliance Co., Ltd.	79,000,000.00			79,000,000.00		
Changhong Meiling Ridian Technology Co., Ltd.	91,082,111.12			91,082,111.12		
Hefei Meiling Wulian Technology Co., Ltd.	10,000,000.00			10,000,000.00		
CH-Meiling.International (Philippines) Inc.	6,889,100.00			6,889,100.00		
Hefei Changhong Meiling Life Appliances Co., Ltd.	35,000,000.00			35,000,000.00		
Sichuan Hongmei Intelligence Technology Co., Ltd.	22,725,052.60			22,725,052.60		
<b>Total</b>	<b>1,756,435,120.88</b>			<b>1,756,435,120.88</b>		

### (3) Investment in associates

Invested enterprise	Beginning balance	Changes in Current Period								Ending balance	Ending balance of impairment
		Additional Investment	Negative Investment	Investment income recognized under equity	Adjustment for other comprehensive income	Other equity change	Cash dividend or profit announced to issued	Provision for impairment loss	Other		
Hefei Xingmei Assets Management Co., Ltd.	14,139,256.78			45,466.71						14,184,723.49	

## Annotations of Financial Statements of Changhong Meiling Co., Ltd.

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(Unless other wise specified, RMB for record in the Statement)

Sichuan Zhiyijia Network Technology Co., Ltd.	68,854,162.70			5,998,850.59			5,097,740.91			69,755,272.38
Sichuan Hongyuan Venture Investment Partnership(LP)	18,047,270.54			114,051.45						18,161,321.99
<b>Total</b>	<b>101,040,690.02</b>			<b>6,158,368.75</b>			<b>5,097,740.91</b>			<b>102,101,317.86</b>

## Annotations of Financial Statements of Changhong Meiling Co., Ltd.

From 1 January 2024 to 30 June 2024

(Unless other wise specified, RMB for record in the Statement)

### 4. Operation income, operation cost

#### (1) Operation income and operation cost

Item	Current Period		Last Period	
	Income	Cost	Income	Cost
Main business	4,736,689,610.11	4,312,082,040.29	4,122,655,653.51	3,763,651,668.97
Other business	233,213,037.21	213,049,683.92	216,043,888.41	191,302,905.28
<b>Total</b>	<b>4,969,902,647.32</b>	<b>4,525,131,724.21</b>	<b>4,338,699,541.92</b>	<b>3,954,954,574.25</b>

#### (2) The decomposition information of operation income and operation cost

Item	Current Period		Last Period	
	Income	Cost	Income	Cost
Product				
Including:				
Refrigerator, Freezer	3,855,961,141.78	3,531,389,024.77	3,480,438,269.96	3,192,961,299.81
Air-conditioning	3,193,017.71	3,193,033.03	5,672,858.41	5,668,106.85
Washing machine	765,993,263.60	683,377,373.67	527,176,164.12	463,485,427.18
Small household appliances and kitchen and bathroom	111,542,187.02	94,122,608.82	109,368,361.02	101,536,835.13
Other business	233,213,037.21	213,049,683.92	216,043,888.41	191,302,905.28
Area				
Domestic	2,731,861,997.32	2,565,162,644.05	2,515,463,495.27	2,388,825,421.64
Overseas	2,238,040,650.00	1,959,969,080.16	1,823,236,046.65	1,566,129,152.61
<b>Total</b>	<b>4,969,902,647.32</b>	<b>4,525,131,724.21</b>	<b>4,338,699,541.92</b>	<b>3,954,954,574.25</b>

### 5. Investment income

Item	Current Period	Last Period
Long-term equity investment income by cost method	4,590,000.00	50,826,032.53
Long-term equity investment income by equity method	6,158,368.75	11,539,929.52
Investment income obtained from disposal of Trading financial assets	-2,695,895.63	-8,577,708.50
Investment income of other current financial assets during holding period	1,394,444.44	
Investment income of other non-current financial assets during holding period	12,912,196.37	11,409,029.33
The termination of income recognition for financial assets measured by amortized cost	-2,635,478.39	-4,223,097.22
Interest income from debt investment during the holding period	6,946,457.96	7,402,220.09
<b>Total</b>	<b>26,670,093.50</b>	<b>68,376,405.75</b>

## XIX. Supplementary information for financial statement

### 1. Non-recurring gains and losses for this period

Item	Current amount	Note
Non-current asset disposal gain/loss(including the write-off part for which assets impairment provision is made)	36,334.95	



## Annotations of Financial Statements of Changhong Meiling Co., Ltd.

From 1 January 2024 to 30 June 2024

(Unless other wise specified, RMB for record in the Statement)

Item	Current amount	Note
Government subsidies recognized in current gain and loss(excluding those closely related to the Company's business and granted under the state's policies)	25,786,292.09	
Losses/gains from changes of fair values occurred in holding trading financial assets and trading financial liabilities, and investment income obtaining from the disposal of trading financial assets, trading financial liability and financial assets available-for-sale, excluded effective hedging business relevant with normal operations of the Company	-65,274,314.20	
Reversal of the account receivable depreciation reserves subject to separate impairment test	20,809,004.37	
Other non-operating income and expenses other than the above	-1,926,547.40	
Subtotal	<b>-20,569,230.19</b>	
Less: impact on income tax	-7,066,269.14	
Impact on minority shareholders' equity (post-tax)	3,968,079.44	
Total	<b>-17,471,040.49</b>	—

### 2. Return on equity and earnings per share

Profit during the report period	Weighted average return on equity	Earnings per share/EPS (RMB/Share)	
		Basic EPS	Diluted EPS
Net profit attributable to ordinary shareholders of the parent company	6.88%	0.4030	0.4030
Net profit attributable to ordinary shareholders of the parent company after deduction of the non-recurring gains/losses	7.17%	0.4199	0.4199

Chairman: Wu Dinggang  
Changhong Meiling Co., Ltd.  
August 17, 2024