

Hangzhou ROBAM Appliances Co., Ltd.

2024 Annual Report



April 2025

2024 Annual Report

Section I. Important Notes, Contents and Definitions

The board of directors, the board of supervisors and directors, supervisors and senior management of the Company hereby guarantee that no false or misleading statement or major omission was made to the materials in this report and that they will assume all the responsibility, individually and jointly, for the authenticity, accuracy and completeness of the contents of the annual report.

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

All directors of the Company personally attended the board meeting for reviewing this report.

The preplanned profit distribution deliberated and approved by the board of directors is as follows: taking 944,938,916 shares as the radix, the Company will send cash dividends of 5 yuan (tax included) and 0 bonus share (tax included) to all shareholders for every 10 shares, and instead of converting capital reserve into share capital.

Contents

Section I. Important Notes, Contents and Definitions	2
Section II. Company Profile and Major Financial Indicators	6
Section III. Management Discussion and Analysis	10
Section IV. Corporate Governance	25
Section V. Environmental and Social Responsibility	45
Section VI. Important Matters	46
Section VII. Changes in Shares and Shareholders	53
Section VIII. Information Related to Preferred Shares	60
Section IX. Bond-related Information	60
Section X. Financial Report.....	61

Directory of documents available for inspection

- I. Financial statements containing signatures of the legal representative, the head of accounting work, and the head of accounting body with seals.
- II. Original audit report stamped by ShineWing Certified Public Accountants (Special general partnership) and signed and stamped with the certified public accountants.
- III. Original copies of the documents and announcement of the Company published on the newspaper designated by the CSRC in the reporting period.
- IV. 2024 annual report of the Company signed by the legal representative.

Definitions

Terms	Refers to	Definition
The Company, company, ROBAM Appliances	Refers to	Hangzhou ROBAM Appliances Co., Ltd.
Mingqi	Refers to	Hangzhou Mingqi Electric Co., Ltd.
Kinde Intelligent	Refers to	Shengzhou Kinde Intelligent Kitchen Electric Co., Ltd.
Jinhe Electric Appliances	Refers to	Hangzhou Jinhe Electric Appliances Co., Ltd
ROBAM Group	Refers to	Hangzhou Robam Industrial Group Co., Ltd., controlling shareholder of the Company
Reporting period	Refers to	Year 2024
AVC	Refers to	Beijing All View Cloud Data Technology Co., Ltd.

Section II. Company Profile and Major Financial Indicators

I. Company information

Stock abbreviation	ROBAM	Stock code	002508
Stock exchange for stock listing	Shenzhen Stock Exchange		
Company name in Chinese	Hangzhou ROBAM Appliances Co., Ltd.		
Company short name in Chinese	ROBAM		
Company name in foreign language (if any)	HANGZHOU ROBAM APPLIANCES CO.,LTD.		
Company short name in English (if any)	ROBAM		
Legal representative of the Company	Ren Jianhua		
Registered address	No. 592, Linping Avenue, Linping Economic Development Zone, Linping District, Hangzhou City, Zhejiang Province		
Postal code of the registered address	311100		
Historical changes of the Company's registered address	N/A		
Office address	No. 592, Linping Avenue, Linping Economic Development Zone, Linping District, Hangzhou City, Zhejiang Province		
Postal code of the office address	311100		
Company website	www.robam.com		
Email	robam@robam.com		

II. Contact person and contact information

	Secretary to the board of directors	Securities affairs representative
Name	Wang Gang	Chen Xiaofeng
Contact address:	No. 592 Linping Av., Linping District, Hangzhou, China	No. 592 Linping Av., Linping District, Hangzhou, China
Tel	0571-86187810	0571-86187810
Fax	0571-86187769	0571-86187769
Email	wg@robam.com	wg@robam.com

III. Information disclosure and keeping place

The website(s) of the stock exchange where the Company discloses the annual report	www.szse.cn
The name and website of the media where the Company discloses the annual report	Securities Times, China Securities Journal, Securities Daily, Shanghai Securities News, and cninfo (http://www.cninfo.com.cn)
Place of preparation of the Company's annual report	Board office

IV. Registration changes

Uniform social credit code	91330000725252053F
Changes in main business since the Company's listing (if any)	N/A
Changes of controlling shareholders (if any)	N/A

V. Other relevant information

Accounting firm engaged by the Company

Name of the accounting firm	Shinewing Certified Public Accountants (special general partnership)
Office address of the accounting firm	9/F, Block A, Fuhua Mansion, No.8 Chaoyangmen North Street, Dongcheng District, Beijing
Name of signatory accountant	Liu Yu, Wang Qing

The sponsor institution engaged by the Company to perform the continuous supervision responsibility during the reporting period

☐ Applicable ☒ Not applicable

The financial advisor engaged by the Company to perform the continuous supervision responsibility during the reporting period

☐ Applicable ☒ Not applicable

VI. Major accounting data and financial indicators

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

☐ Yes ☒ No

	2024	2023	Increase/decrease in this year as compared to the previous year	2022
Operating income (yuan)	11,212,654,220.22	11,201,895,774.27	0.10%	10,271,500,571.04
Net profits attributable to shareholders of listed companies (yuan)	1,577,400,594.74	1,732,789,332.13	-8.97%	1,572,404,918.21
Net profits attributable to shareholders of the listed company after deduction of non-recurring profits and losses (yuan)	1,455,592,192.81	1,583,568,042.64	-8.08%	1,479,102,088.00
Net cash flow from operating activities (yuan)	1,660,251,710.71	2,391,921,812.71	-30.59%	1,944,786,304.02
Basic EPS (yuan/share)	1.67	1.83	-8.74%	1.67
Diluted EPS (yuan/share)	1.67	1.83	-8.74%	1.67
Weighted average return on net assets	14.44%	16.78%	Decreased by 2.34%	17.21%
	End of 2024	End of 2023	Increase/decrease at the end of this year as compared to the end of the previous year	End of 2022
Total assets (yuan)	17,043,258,282.33	16,779,531,315.72	1.57%	15,039,825,287.53
Net assets attributable to shareholders of listed companies (yuan)	11,178,437,443.19	10,522,938,731.68	6.23%	9,732,463,766.91

The lower net profit of the Company before and after deducting non-recurring profit and loss in the last three fiscal years is negative, and the audit report of the latest year shows that the Company's ability to continue as a going concern is uncertain

☐ Yes ☒ No

The audited total profit, net profit, and net profit after deducting non-recurring gains and losses for the Company's most recent fiscal year is negative.

☐ Yes ☒ No

VII. Differences in accounting data under domestic and foreign accounting standards

1. Differences between net profits and net assets in financial statements disclosed according to the International Accounting Standards (IAS) and Chinese Accounting Standards simultaneously

☐ Applicable ☒ Not applicable

No difference between net profits and net assets in financial statements disclosed according to the International Accounting Standards (IAS) and Chinese Accounting Standards during the reporting period.

2. Differences between net profits and net assets in financial statements disclosed according to the Overseas Accounting Standards and Chinese Accounting Standards simultaneously

☐ Applicable ☒ Not applicable

No difference between net profits and net assets in financial statements disclosed according to the Overseas Accounting Standards and Chinese Accounting Standards during the reporting period.

VIII. Key quarterly financial indicators

Unit: yuan

	Q1	Q2	Q3	Q4
Operating income	2,237,194,615.74	2,492,159,456.06	2,666,415,701.28	3,816,884,447.14
Net profits attributable to shareholders of listed companies	398,415,708.31	360,943,246.43	442,820,994.37	375,220,645.63
Net profits attributable to shareholders of the listed company after deduction of non-recurring profits and losses	352,836,284.84	304,921,993.04	416,751,314.41	381,082,600.52
Net cash flow from operating activities	54,887,609.62	359,117,981.77	111,763,265.99	1,134,482,853.33

Whether there is significant difference between the above financial indicators or the total sum of them and the financial indicators related to the quarterly report and semiannual report disclosed by the Company

☐ Yes ☒ No

IX. Non-recurring profit and loss items and amount

☒ Applicable ☐ Not applicable

Unit: yuan

Item	Amount in 2024	Amount in 2023	Amount in 2022	Description
Profits and losses on the disposal of non-current assets (including the write-off of the provision for asset impairment)	-4,462,199.53	-1,212,528.65	113,456.26	
Government subsidies included into current profits and losses (except those government subsidies that are closely related to normal business of the Company, comply with national policies and regulations, enjoyed according to defined criteria, and have an ongoing impact on the Company's profit or loss)	70,457,368.55	82,547,062.16	101,963,275.49	
Reversal of impairment provision for receivables subject to separate impairment test	77,862,379.66	98,986,397.46	24,667,546.54	
Income and expenditure other than those mentioned above	-5,902,946.81	-1,838,686.70	-2,044,818.28	
Other profit and loss items that meet the definition of non-recurring profits and losses	10,545,396.79			
Minus: Amount affected by income tax	19,348,744.85	27,437,027.69	26,789,339.27	
Amount of minority shareholders' equity affected (after tax)	7,342,851.88	1,823,927.09	4,607,290.53	
Total	121,808,401.93	149,221,289.49	93,302,830.21	--

Details of other profit and loss items that meet the definition of non-recurring profit and loss:

☐ Applicable ☒ Not applicable

The Company does not have any other profit and loss items that meet the definition of non-recurring profit and loss.

Description of defining the non-recurring profit and loss items enumerated in the *Interpretative Announcement No. 1 on Information Disclosure of Public Securities Issuing Companies - Non-recurrent Profits and Losses* as recurrent profit and loss items

☒ Applicable ☐ Not applicable

Item	Amount involved (yuan)	Cause
VAT exemption or reduction or refund	87,328,792.77	National tax policies, recurring business
Individual income tax service charge refund	580,829.41	National tax policies, recurring business
Total	87,909,622.18	

Section III. Management Discussion and Analysis

I. Industry situation of the company during the reporting period

In 2024, driven by policy guidance and endogenous market forces, the kitchen appliance industry entered a deep adjustment cycle in the first three quarters, showing a structural development trend. After entering the fourth quarter, the "National Subsidy" policy (i.e., the subsidy policy for exchanging old home appliances for new ones) significantly boosted market demand, with the industry overall displaying the characteristics of "refined cultivation and gradual growth" in a stock competition landscape. According to the aggregated data from AVC, the total retail sales of China's kitchen and bathroom appliances market (including range hoods, stoves, electric water heaters, gas water heaters, sterilizer cabinets, washing machines, built-in appliances, water purifiers, and integrated cookers) across all channels reached 176.4 billion yuan in 2024, representing a year-on-year growth of 5.7%. Among these, essential categories represented by range hoods, gas hobs, and various water heaters collectively reached a market size of 109.8 billion yuan, up 10.1% year-on-year. Demand-driven categories, primarily including sterilizers, dishwashers, built-in appliances, and water purifiers, totaled 49.3 billion yuan, up 16.6% year-on-year. Integrated cookers, affected by demand fragmentation, totaled 17.3 billion yuan, down 30.6% year-on-year.

Under policy guidance, the industry has entered a multi-dimensional adjustment cycle. In 2024, the "National Subsidy" policy drives the kitchen appliance market to deepen its transformation, focusing on "strategic policy response, category optimization, channel refinement, marketing efficiency enhancement, value upgrading, and technological innovation." The continuous rise in demands for intelligence, integration, health and environmental protection has led to the launch of a series of digital kitchen appliances empowered by Internet of Things, big data and artificial intelligence technologies, which have simultaneously upgraded the product structure and consumer concepts. Meanwhile, amid the intertwined pressures of low new demand and weak replacement demand, essential categories such as range hoods and gas hobs have demonstrated stronger resilience, while innovation and brand concentration in the high-end and segment markets are also accelerating.

According to the National Economic and Social Development Statistics Bulletin 2024 issued by the National Bureau of statistics, by the end of 2024, the urbanization rate of the country's permanent population was 67.00%, 0.84 percentage points higher than that at the end of the previous year. The stock of range hoods alone exceeded 340 million units, indicating a huge potential for kitchen appliance replacement. The urbanization process and the renewal of existing stock have formed a dual driving force, jointly building a long-term development space for the industry. In the future, the renovation of existing homes and the quality upgrade of premium decoration will drive the industry toward "high efficiency, intelligence, and scenario integration." After the policy cycle declines, market demand will further concentrate on leading enterprises with advanced technology and strong service capabilities, reinforcing the Matthew Effect in the industry.

II. Main business of the company during reporting period

The company has been continuously delving into the kitchen sector, adhering to its corporate mission of "creating all the beautiful aspirations humans have for kitchen life", and positioning itself as a "comprehensive cooking solution provider." It focuses on the R&D, production, and sales of kitchen appliances such as range hoods, gas hobs, dishwashers, combi steamers, gas water heaters, and water purifiers, while continuously optimizing its integrated service system. The company, driven by both technological innovation and humanistic care, is committed to providing global families with a more convenient, healthy and enjoyable kitchen life experience. The company has developed through 46 years of growth into a socially acknowledged top-ranking brand that leads the Chinese kitchen appliance industry in terms of development history, market share, production scale, product category, and sales area.

In terms of the product system, the company has deepened the organizational structure adjustment based on its strategic goals. Centering on the demands of the entire cooking scenario, it has divided its core products into three major business segments: kitchen air environment product line, cooking product line, and washing and storage product line. The kitchen air environment product line takes range hoods as its core, focuses on optimizing the kitchen air environment, and provides efficient smoke-extraction solutions. The cooking product line encompasses a diverse range of equipment including gas hobs, integrated hobs, integrated cookers, and combi steamers, catering to all scenarios including open flame cooking and electric cooking. It continuously promotes the intelligence and convenience of cooking methods. The washing and storage product line includes products such as dishwashers, water purifiers, gas water heaters, sterilizers, refrigerators, and integrated sinks. It focuses on water treatment, cleaning, and storage, creating a closed loop for kitchen health management. The company achieves end-to-end integration from R&D to production and sales through product line collaboration. With digital kitchen appliance technology and systematized solutions as its core competitiveness, it continuously provides consumers with efficient, intelligent and green full-chain kitchen services.

In terms of channel layout, the company has established a full-channel network covering offline retail, online e-commerce, high-end decoration projects and overseas markets. Offline retail channels are centered around ROBAM's National Marketing Center, covering specialty stores (ROBAM's National Marketing Center specialty stores, Red Star Macalline, Easyhome, etc.), KA stores (Suning, Five Star, and regional chain channels), home decoration partners (home decoration companies and gas companies), customization service providers (whole-house customization companies), and lower-tier markets (JD specialty stores, Tmall Select, Suning Retail Cloud, etc.). The online e-commerce channel is primarily operated directly by the company's e-commerce department, efficiently reaching consumers through platforms such as JD.com, Tmall, and Douyin. The high-end decoration

project channel focuses on central and state-owned enterprise clients (state-owned real estate developers with a national presence), strategic clients (well-performing national private real estate developers), and regional urban investment entities. Overseas channels have expanded to over 30 countries and regions across five continents, driving the globalization of the brand.

III. Analysis of core competitiveness

No significant change in the Company's core competitiveness during the reporting period: The Company's core competitiveness is mainly reflected in the high-end positioned the brand capacity, continuous innovative research and development capacity, comprehensive and efficient operation capacity.

1. Brand capability of high-end positioning

The "ROBAM" brand was established in 1988. In 2024, the company introduced its new positioning as a "comprehensive cooking solution provider across the entire value chain," embracing the integrated development path of "technology + humanism" to practice its brand value proposition of "enjoying creation" and deliver a high-end brand experience. The ROBAM has become one of the most famous and favorite professional high-end kitchen appliance brands in China. Since 1991, ROBAM range hood has won the only "Quality Silver Award of the People's Republic of China", "China Famous-brand Product", "National Inspection-free Product" in the kitchen appliance industry; ROBAM has been recognized as "China Famous Brand"; ROBAM has won "Most Influential Brand in China's Kitchen Appliance Industry" and "China's 500 Most Valuable Brands". In addition, ROBAM Appliances has been rated as one of the "BrandZ Top 100 Most Valuable Chinese Brands" for 7 consecutive years, and awarded the "Top 500 Asian Brands" for 15 consecutive years. The ROBAM's range hoods and built-in gas hobs have led the global sales for 10 consecutive years. The large cooking kitchen appliances have ranked first in global sales for 4 consecutive years. It is also the only enterprise in the kitchen appliance industry to be included in the List of First Batch of Chinese Famous Consumer Goods of the Ministry of Industry and Information Technology.

2. R&D capability of continuous innovation

The company consistently regards R&D innovation as its strategic core, continuously deepening the strategic advantage of "technological leadership." Leveraging national-level innovation platforms such as the National Enterprise Technology Center, National Industrial Design Center, National Intellectual Property Demonstration Enterprise, and National Accredited Laboratory, the company established Chengdu Robam Innovation Technology Co., Ltd., building a full-chain innovation system covering fundamental research and applied development. In 2024, the company prioritized the advancement of AI large models and digital kitchen appliance R&D, successfully launching the industry's first AI cooking model "Master Chef." It obtained national algorithm service and security filing, achieved the highest industry score in certifications for senior chefs and registered dietitians, and implemented end-to-end service applications for AI R&D assistants and intelligent customer support. In 2024, the company was awarded the ISO 56005 International Standard Level 3 certification, becoming the first enterprise in the kitchen appliance industry to pass this certification. Leveraging outstanding industrial design capabilities and intelligent manufacturing processes, the company continues to lead the formulation of industry standards, spearheading revisions to national standards such as "Energy Efficiency Limits and Energy Efficiency Grades for Range Hoods" and "Energy Efficiency Limits and Energy Efficiency Grades for Household Gas Hobs," thereby solidifying its technical authority. The company has consistently improved its ranking on the "High-Tech Enterprises with Innovative Capabilities in Zhejiang Province" released by the Zhejiang Provincial Science and Technology Information Research Institute for four consecutive years, ranking ninth in 2024. In 2024, the company was honored with the Third Prize of the Science and Technology Progress Award of China National Light Industry, the Gold Medal for Design Patents at the China Patent Awards by the National Intellectual Property Administration, and the Outstanding Industrial New Product Award from the Zhejiang Provincial Department of Economy and Information Technology.

3. Comprehensive and efficient operation capability

The Company has the leading marketing capability in the industry: by adopting the only agency marketing mode in the industry, the Company has created the most comprehensive, efficient and responsive marketing system in the industry through strong management and control, equity incentive and the de facto business partner system. The Company deepens intelligent manufacturing and refined operation. It was awarded the "National Top 100 Quality Inspection Integrity Benchmark" and "National Excellent Quality and Excellent Credit Enterprise" in 2020. The Company focuses on global manufacturing and strives to become a first-class manufacturing benchmark in China. In 2021, it listed in the first batch of enterprises that were awarded the "Future Factory" medals by the Economy and Information Technology Department of Zhejiang. In addition, the Company accelerates the integration of digitization and informatization, focuses on the interactive innovation and continuous optimization of data, technology, business process and organizational structure, constantly improves new capabilities in the informatization environment, and improves the sustainable competitiveness in domestic and foreign markets. At the same time, the Company is also a provincial industrial Internet platform and has become one of the first batch of "Kunpeng" enterprises in Hangzhou.

IV. Main business analysis

1. Overview

In 2024, driven by the sustained efforts of the "national subsidy" policy and the steady recovery of the macroeconomy, the annual retail sales of China's home appliance market reached 821.5 billion yuan, representing a year-on-year growth of 4.7%. Affected by the adjustment of the real estate market, the domestic kitchen and bathroom appliance market continued to decline in the first three quarters. However, it achieved rapid growth during the "national subsidy" period in the fourth quarter and maintained a slight increase for the whole year. The industry demonstrated a dual characteristic of "policy support and structural upgrading". In terms of retail channel, according to the monthly report on offline retail market monitoring of All View (hereinafter referred to as "All View Offline Report"), the retail sales of main categories of kitchen appliances, such as range hoods and gas hobs, decreased by 40.76% and 39.27% respectively as compared to the same period of last year. In terms of retail channel, according to the monthly report on offline retail market monitoring of All View (hereinafter referred to as "All View Offline Report"), the retail sales of main categories of kitchen appliances, such as range hoods and gas hobs, decreased by 7.39% and 24.04% respectively as compared to the same period of last year. According to the monitoring data from AVC, in the engineering channel, the number of new projects in the high-end kitchen appliance market (including range hoods, gas hobs, sterilizers, dishwashers, single-function machines, and integrated machines) was 1,222, a year-on-year decrease of 21.9%. The number of high-end suites was 664,100, a year-on-year decrease of 28.9%.

As the industry leader, the company adheres to the path of integrated development of technology and humanity, closely aligning with the annual business philosophy of "Building Dreams for the Future, Reconstructing Evolution—Creating a New Blueprint for the Full Cooking Chain." It has continuously maintained a leading position in market share across all product categories, with the market concentration constantly increasing. According to AVC's offline report, the retail sales market shares of Robam's range hoods and gas hobs reached 32.06% and 31.73% respectively, representing year-on-year increases of 1.09 and 1.71 percentage points. According to AVC's online report, the retail sales market share of Robam's kitchen appliance packages reached 25.46%, maintaining its leading position in the industry. Amidst complex and volatile external challenges, the company achieved annual operating revenue of RMB 11.213 billion, representing a year-on-year increase of 0.10%. Net profit attributable to shareholders of the listed company amounted to RMB 1.577 billion, reflecting a year-on-year decrease of 8.97%.

As of December 31, 2024, according to the All View offline report, the market share and market position of the offline retail sales of Company's major product categories are shown in the following table:

Range hood	Gas hobs	Built-in Combi steamers	Built-in Dish-washing machine	Built-in Electric ovens	Built-in Electrical steamer	Sterilizer
32.06%	31.73%	27.70%	16.01%	15.22%	18.91%	20.61%
1	1	1	3	3	3	2

As of December 31, 2024, according to the All View online report, the market share and market position of the online retail sales of Company's major product categories are shown in the following table:

Range hood and gas hobs Package	Kitchen appliance packages	Range hood	Gas hobs	Built-in Combi steamers	Built-in Electrical steamer	Built-in Dish-washing machine
26.89%	25.46%	21.41%	19.81%	12.28%	24.62%	7.26%
1	1	1	1	3	2	5

As of December 31, 2024, according to the real estate report by AVC, the market share of ROBAM in refined decoration channel is 36.3%, ranking first in the industry.

In 2024, the company's technology division continued to deepen product innovation, technological breakthroughs, and R&D system reforms, driven by intelligence, platformization, and green initiatives, consolidating its leadership position in industry technology. Established Chengdu Robam Innovation Technology Co., Ltd. to accelerate the R&D of AI large models and digital kitchen appliances. The company launched the industry's first AI cooking model "Master Chef," integrating the DeepSeek general-purpose model framework to provide personalized cooking solutions tailored to individual preferences. It deeply empowers both hardware devices and software applications, serving over a million households daily. The company has integrated its digital kitchen appliances to build a full-chain intelligent cooking ecosystem, promoting the application of AI technology from the digital world to the physical world. The sales of digital kitchen appliances have increased by more than five times year-on-year, forming a technological moat in the vertical field. As of the end of the reporting period, the company held a total of 5,635 valid patents, including 478 invention patents. In 2024, 1,455 patents were granted, among which 321 were invention patents, and the company was awarded over ten domestic and international honors, including the China Design Patent Gold Award and the International CMF Design Gold Award. During the reporting period, the company led the development of 10 standards, including 1 international standard proposal, 3 national standards, and 6 group standards. It participated in the formulation of 16 standards, comprising 10 national standards, 3 industry standards, and 3 group standards. The transformation rate of its technological achievements leads the industry. The company adheres to the "technology + humanity" integration path, continuously

consolidating its industry position as a "market sales leader, industry standard advocate, and social responsibility pioneer," driving culinary technology into a new era of digitalization and green transformation.

In 2024, the marketing section, guided by the core principle of "rebuilding growth momentum based on user needs," comprehensively advanced brand upgrades, product innovation, user operations, and channel development. With a user-oriented approach and growth-driven momentum, it achieved high-quality business development. In the retail channels, the company has adopted a city-specific and location-based approach, achieving remarkable breakthroughs through regional campaigns and continuously improving its channel network. By leveraging the advantages of the "national subsidy" policy, it has optimized the channel structure, significantly enhancing channel coverage and market penetration. Throughout the year, innovative marketing models were implemented, with deep integration of the new media matrix and community operations, delivering strong results in channel traffic and user engagement. On e-commerce channels, based on user insights, high-end best-selling products in the industry are launched to further enhance the brand's awareness and market influence. In the engineering channels, the company continues to deepen collaborations with key central enterprises and leading real estate developers, steadily advancing the application of digital kitchen appliance solutions in high-standard projects. Simultaneously, the cabinet section has continuously improved team building and supply chain systems, providing a solid foundation for the expansion of diversified engineering segments. Overseas channels, the company establishes a U.S. subsidiary to fully accelerate network expansion; overseas markets implement the brand globalization strategy, continuously driving the localization of overseas marketing. In 2024, all marketing channels worked in synergy, and the results of in-depth channel development gradually emerged.

In 2024, under the continued guidance of the company's three-year strategy, the production section steadfastly implemented the core philosophy of "precision cultivation, innovation-driven leadership." Focusing on refined cost control and supply chain capability restructuring, it continuously optimized resource allocation and management systems, driving bidirectional improvements in production efficiency and operational performance. Throughout the year, cost control efforts continuously expanded management dimensions, extending from traditional procurement and manufacturing to logistics, post-sales returns, and mold management. Comprehensive cost reduction achieved significant results, further optimizing the cost structure. Centered on user needs and market responsiveness, the company established a unified warehousing and shared distribution model to enhance end-to-end collaboration efficiency. Key performance indicators continued to improve, meeting diverse and instant delivery demands from end consumers. Facing a diverse market environment, the company has flexibly adjusted capacity allocation and supply chain strategies, steadily advancing the localization and diversification of key resources to enhance overall responsiveness and cost control capabilities. In the digital and intelligent construction aspect, the company promoted the integration of order-based production and intelligent forecasting, continuously enhancing supply chain turnover efficiency. The capabilities of intelligent manufacturing were further deepened, with core factories achieving breakthroughs in multiple areas such as production scheduling, logistics distribution, and energy efficiency management. In terms of quality management, the system boundaries continue to expand, comprehensively covering the entire process from source design to terminal delivery. The user experience-oriented quality management mechanism is continuously improved, and core product categories maintain consistently strong and stable service performance.

In 2024, the brand section upheld "Enjoy Creation" as its core value proposition, deepened the integration of technology and humanities, and consistently reinforced its leadership position in the high-end kitchen appliance sector. The company upgraded the Global Culinary Arts Center, released the cultural compendium "The Way of Cooking" to systematically preserve Chinese culinary heritage, and collaborated with academia and industry to launch the "Return to the Future 2024" Thought Summit, exploring the symbiotic relationship between artificial intelligence and culinary civilization, thereby further enhancing the brand's cultural depth and intellectual sophistication. In terms of brand image renewal, a new visual system and brand manual were launched, enhancing recognition through more modern designs. Brand mention rate increased by 2%, while preference rates among high-end and younger users rose by 2% and 4% respectively, successfully reaching diverse consumer segments. At the same time, the company has established a synergistic ecosystem of "master brand + sub-brands," with the Robam's master brand leading the high-end market, the Mingqi sub-brand catering to practical and youthful demands, and Kinde focusing on the integrated kitchen appliances segment, forming a differentiated brand matrix. Meanwhile, we deepened the value proposition of Mingqi's new pragmatic kitchen appliances, strategically complementing the Robam's master brand through precise positioning, and built a multi-dimensional system covering diverse consumer tiers. The Mingqi supply chain also advanced in parallel, restructuring the management strategy of "ecological leadership, cost leadership," achieving effective cost reduction on the procurement side. Furthermore, leveraging the "The Delicacy" IP to deepen emotional connections with users, the company innovated the public-to-private domain operational model, solidifying long-term user value management and injecting new momentum into sustainable brand development.

In the year 2024, the company continued to receive recognition from the capital markets in the areas of corporate governance, information disclosure, and shareholder returns. In the Information Disclosure Assessment of Listed Companies for the Year 2023 of the Shenzhen Stock Exchange, the company was rated A (Excellent), achieving the honor for eleven consecutive years. The company's MSCI ESG rating has risen to AA, placing it among the leading ranks in the global household durables industry. The company continuously strengthens the dual-track mechanism of "annual cash dividend + interim dividend", earnestly safeguarding the long-term interests of investors, and fulfills the commitment to high-quality development with stable returns.

The company continues to deepen the construction of its long-term incentive mechanism. In 2024, it launched the *2024 Stock Option Incentive Plan* and the *Robam Second Phase Business Partner Plan*, establishing a dynamic incentive ecosystem through tiered design. The Stock Option Plan targets mid-level core business talents and key technical personnel, strengthening the profit-

sharing mechanism through equity ties. The Business Partner Plan covers management and strategic high-potential teams, establishing a co-creation and sharing platform to achieve bidirectional empowerment of "core stability" and "talent pool activation."

2. Revenue and costs

(1) Operating income composition

Unit: yuan

	2024		2023		Year-on-year increase/decrease
	Amount	Proportion in operating income	Amount	Proportion in operating income	
Total operating income	11,212,654,220.22	100%	11,201,895,774.27	100%	0.10%
By industry					
Home and kitchen & bath appliances	10,927,951,599.01	97.46%	10,897,226,245.68	97.28%	0.28%
Other business income	284,702,621.21	2.54%	304,669,528.59	2.72%	-6.55%
By product					
Range hood	5,455,325,125.48	48.65%	5,321,818,112.20	47.51%	2.51%
Gas hobs	2,776,843,077.83	24.77%	2,671,006,229.35	23.84%	3.96%
Sterilizer	365,196,404.65	3.26%	469,017,537.92	4.19%	-22.14%
Steam oven-oven	703,918,496.33	6.28%	687,442,329.04	6.14%	2.40%
Steamer	59,689,620.27	0.53%	67,504,610.84	0.60%	-11.58%
Oven	52,634,495.90	0.47%	72,428,048.34	0.65%	-27.33%
Dish-washing machine	791,801,869.92	7.06%	759,704,720.62	6.78%	4.22%
Water purifier	35,585,094.72	0.32%	40,342,365.31	0.36%	-11.79%
Water heaters	245,883,199.81	2.19%	233,127,380.39	2.08%	5.47%
Integrated stove	326,563,091.66	2.91%	464,053,178.10	4.14%	-29.63%
Kitchen cabinet	40,579,283.08	0.36%			Not applicable
Other small home appliances	73,931,839.36	0.66%	110,781,733.57	0.99%	-33.26%
Other business income	284,702,621.21	2.54%	304,669,528.59	2.72%	-6.55%
By region					
East China	5,201,184,851.21	46.39%	5,710,688,604.56	50.98%	-8.92%
South China	1,286,644,158.16	11.47%	1,374,869,975.07	12.27%	-6.42%
Central China	1,075,058,712.48	9.59%	928,415,707.26	8.29%	15.79%
North China	1,375,127,412.37	12.26%	1,122,210,085.76	10.02%	22.54%
Northeast China	552,002,140.23	4.92%	508,004,826.92	4.53%	8.66%
Northwest China	611,695,806.63	5.46%	571,241,367.26	5.10%	7.08%
Southeast China	1,043,934,532.62	9.31%	918,587,632.28	8.20%	13.65%
Overseas regions	67,006,606.52	0.60%	67,877,575.16	0.61%	-1.28%
Distribution model					
Sales by proxy	3,543,017,921.52	31.60%	2,922,898,630.55	26.09%	21.22%
Sales by dealers	193,049,051.34	1.72%	238,597,540.87	2.13%	-19.09%
Direct sales	5,677,136,418.52	50.63%	5,862,114,658.80	52.33%	-3.16%
Engineering	1,675,133,692.61	14.94%	2,075,246,482.42	18.53%	-19.28%
Other	124,317,136.23	1.11%	103,038,461.63	0.92%	20.65%

(2) Industries, products, regions and sales models that account for more than 10% of the Company's operating income or profit

☒ Applicable ☐ Not applicable

Unit: yuan

	Operating income	Operating cost	Gross margin ratio	Year-on-year increase/decrease of operating income	Year-on-year increase/decrease of operating cost	Year-on-year increase/decrease of gross margin ratio
By industry						
Home and kitchen & bath appliances	10,927,951,599.01	5,522,747,460.78	49.46%	0.28%	2.85%	-1.26%
By product						
Range hood	5,455,325,125.48	2,626,615,723.64	51.85%	2.51%	7.28%	-2.14%
Gas hobs	2,776,843,077.83	1,363,092,999.52	50.91%	3.96%	15.39%	-4.86%
By region						
East China	5,201,184,851.21	2,526,862,473.68	51.42%	-8.92%	-3.86%	-2.56%
South China	1,286,644,158.16	676,554,792.19	47.42%	-6.42%	-9.18%	1.60%
North China	1,375,127,412.37	662,379,665.09	51.83%	22.54%	26.66%	-1.57%
Distribution model						
Direct sales	5,677,136,418.52	2,584,571,099.62	54.47%	-3.16%	5.02%	-3.54%
Sales by proxy	3,543,017,921.52	1,889,486,538.74	46.67%	21.22%	16.03%	2.39%
Engineering	1,675,133,692.61	997,983,289.21	40.42%	-19.28%	-17.15%	-1.53%

In the case that the statistical standards for main business data of the Company are adjusted during the reporting period, the main business data of the Company in recent 1 year are subject to those after the adjustment of the statistical standards at the end of the reporting period

☐ Applicable ☒ Not applicable

(3) Whether the Company's physical sales revenue is greater than the service revenue

☒ Yes ☐ No

Industry category	Item	Unit	2024	2023	Year-on-year increase/decrease
Home and kitchen & bath appliances	Sales quantity	Unit	7,805,491	8,443,155	-7.55%
	Production output	Unit	7,748,456	8,183,261	-5.31%
	Inventory	Unit	1,758,223	1,815,258	-3.14%

Reasons for more than 30% year-on-year changes in the relevant data

☐ Applicable ☒ Not applicable

(4) Performance of major sales contracts and major purchase contracts signed by the Company up to the reporting period

☐ Applicable ☒ Not applicable

(5) Composition of operating cost

Industry and product categories

Industry and product categories

Unit: yuan

Industry category	Item	2024		2023		Year-on-year increase/decrease
		Amount	Proportion in operating cost	Amount	Proportion in operating cost	
Home and kitchen & bath appliances	Manufacturing costs	558,100,446.06	9.89%	539,639,570.43	9.76%	3.42%
Home and kitchen & bath appliances	Raw materials	4,915,272,039.78	87.08%	4,817,498,668.82	87.15%	2.03%
Home and kitchen & bath appliances	Labor	171,453,841.88	3.03%	170,510,467.04	3.09%	0.55%

Unit: yuan

Product Classification	Item	2024		2023		Year-on-year increase/decrease
		Amount	Proportion in operating cost	Amount	Proportion in operating cost	
Range hood	Manufacturing costs	317,262,127.96	5.62%	295,799,517.99	5.36%	7.26%
Range hood	Raw materials	2,206,021,575.36	39.08%	2,060,227,230.75	37.27%	7.08%
Range hood	Labor	103,332,020.32	1.83%	92,374,908.23	1.67%	11.86%
Gas hobs	Manufacturing costs	86,373,643.36	1.53%	55,020,078.83	1.00%	56.99%
Gas hobs	Raw materials	1,263,798,885.29	22.39%	1,107,454,139.18	20.03%	14.12%
Gas hobs	Labor	12,920,470.87	0.23%	18,847,301.97	0.34%	-31.45%
Dish-washing machine	Manufacturing costs	40,262,702.14	0.71%	40,428,624.44	0.73%	-0.41%
Dish-washing machine	Raw materials	405,050,503.42	7.18%	356,401,487.47	6.45%	13.65%
Dish-washing machine	Labor	10,765,922.57	0.19%	11,707,351.31	0.21%	-8.04%
Steam oven-oven	Manufacturing costs	36,458,514.89	0.65%	35,045,428.88	0.63%	4.03%
Steam oven-oven	Raw materials	331,581,413.93	5.87%	288,290,318.22	5.22%	15.02%
Steam oven-oven	Labor	15,270,790.67	0.27%	13,706,404.30	0.25%	11.41%
Other	Manufacturing costs	77,743,457.71	1.38%	113,345,920.29	2.05%	-31.41%
Other	Raw materials	708,819,661.78	12.55%	1,005,125,493.20	18.18%	-29.48%
Other	Labor	29,164,637.45	0.52%	33,874,501.23	0.61%	-13.90%

(6) Whether the consolidation scope changes in the reporting period

☒ Yes ☐ No

This year, the Company's consolidated scope expanded due to the establishment of the following new entities: Robam Appliances (USA) Holding Co., Ltd., Robam Appliances Los Angeles Trade LLC, PT Robam Appliances Indonesia, Robam Appliances (Hong Kong) Excellence Limited, Chengdu Robam Innovation Technology Co., Ltd., Hangzhou Robam E-Commerce Co., Ltd., Ningbo Jinke E-Commerce Co., Ltd., Hangzhou Yuhang Jinke E-Commerce Co., Ltd., Chengdu Robam E-Commerce Co., Ltd., Qingdao Mingqi E-Commerce Co., Ltd., and Wuhan Jinke E-Commerce Co., Ltd.

As resolved by the board meeting of CHUCHUWEILAI, a subsidiary of our company's subsidiary Kinde Intelligent Holdings, an

increase in capital and a reorganization of the board of directors were carried out for CHUCHUWEILAI. Consequently, our company has lost control over CHUCHUWEILAI and will no longer include it in the consolidated financial statements.

(7) Major changes or adjustments of business, products or services of the Company during the reporting period

☐ Applicable ☒ Not applicable

(8) Major sales customers and major suppliers

Major sales customers of the Company

Total sales amount of top five customers (yuan)	2,833,359,061.03
Proportion of total sales amount of top five customers in total annual sales	25.28%
Among the sales amount of top five customers, proportion of sales amount of related parties in total annual sales	0.00%

Top 5 customers of the Company

No.	Customer name	Sales Amount (yuan)	Proportion in total annual sales
1	Unit 1	1,826,100,968.14	16.29%
2	Unit 2	307,937,396.66	2.75%
3	Unit 3	251,875,384.45	2.25%
4	Unit 4	228,934,687.51	2.04%
5	Unit 5	218,510,624.27	1.95%
Total	--	2,833,359,061.03	25.28%

Other information of major customers

☐ Applicable ☒ Not applicable

Major suppliers of the Company

Total purchase amount of top five suppliers (yuan)	766,397,036.06
Proportion of total purchase amount of top five suppliers in total annual purchase amount	17.58%
Among the purchase amount of top five suppliers, proportion of purchase amount of related parties in total annual purchase amount	0.00%

Top 5 suppliers of the Company

No.	Supplier name	Purchase amount (yuan)	Proportion in total annual purchase amount
1	Unit 1	184,172,927.19	4.22%
2	Unit 2	158,928,027.37	3.65%
3	Unit 3	141,653,152.42	3.25%
4	Unit 4	141,295,479.43	3.24%
5	Unit 5	140,347,449.65	3.22%
Total	--	766,397,036.06	17.58%

Other information of major suppliers

☐ Applicable ☒ Not applicable

3. Expenses

Unit: yuan

	2024	2023	Year-on-year increase/decrease	Description of major changes
Selling expenses	3,078,798,259.84	3,002,418,651.54	2.54%	
Management costs	508,849,021.04	469,622,072.60	8.35%	
Financial expenses	-180,426,320.19	-188,927,736.59	-4.50%	
Research and development expenses	413,659,448.81	387,368,591.97	6.79%	

4. R&D investment

R&D personnel of the Company

	2024	2023	Proportion of change
Number of R&D personnel (person)	893	919	-2.83%
Proportion of R&D personnel	17.29%	16.76%	0.53%
Educational structure of R&D personnel			
Bachelor	596	677	
Master	145	152	
Age composition of R&D personnel			
Under 30 years old	197	285	
30~40 years old	462	492	

R&D investment of the Company

	2024	2023	Proportion of change
R&D investment amount (yuan)	413,659,448.81	387,368,591.97	6.79%
Proportion of R&D investment in operating revenue	3.69%	3.46%	0.23%
Capitalized amount of R&D investment (yuan)	0.00	0.00	
Proportion of capitalized R&D investment in R&D investment	0.00%	0.00%	

Reasons and effects of major changes in the composition of R&D personnel of the Company

☐ Applicable ☒ Not applicable

Reasons for significant changes in the proportion of total R&D investment amount in operating revenue as compared to the previous year

☐ Applicable ☒ Not applicable

Reasons for the great changes of R&D investment capitalization rate and description of its rationality

☐ Applicable ☒ Not applicable

5. Cash flow

Unit: yuan

Item	2024	2023	Year-on-year increase/decrease
Subtotal cash inflows from operating activities	12,041,433,726.50	12,586,117,255.55	-4.33%
Subtotal cash outflows from operating activities	10,381,182,015.79	10,194,195,442.84	1.83%
Net cash flow from operating activities	1,660,251,710.71	2,391,921,812.71	-30.59%
Subtotal cash inflows from investment activities	6,090,791,185.43	2,398,275,667.27	153.97%
Subtotal cash outflows from investment activities	6,728,018,131.33	7,673,482,106.87	-12.32%
Net cash flow from investment activities	-637,226,945.90	-5,275,206,439.60	Not applicable
Subtotal cash inflows from financing activities	130,280,073.06	92,260,296.65	41.21%
Subtotal cash outflows from financing activities	1,513,303,758.54	528,201,490.92	186.50%
Net cash flow from financing activities	-1,383,023,685.48	-435,941,194.27	Not applicable
Net increase of cash and cash equivalents	-359,862,801.20	-3,318,247,983.65	Not applicable

Description of main influencing factors of significant changes in relevant data on a year-on-year basis

☒ Applicable ☐ Not applicable

- During the reporting period, the net cash flow from operating activities decreased by 30.59% year-on-year, primarily due to reduced sales collections and increased raw material procurement costs.
- During the reporting period, cash inflows from investing activities increased by 153.97% year-on-year, primarily due to increased maturities of wealth management products.
- During the reporting period, cash inflows from financing activities increased by 41.21% year-on-year, mainly due to the increase in the autonomous exercise of employee equity incentives and the increase in borrowings from subsidiaries.
- During the reporting period, cash outflows from financing activities increased by 186.50% year-on-year, primarily due to increased cash outflows from dividend distributions in 2024.

Reasons for significant difference between the net cash flow from operating activities of the Company and the net profit of the current year in the reporting period

☐ Applicable ☒ Not applicable

V. Non-main business analysis

☐ Applicable ☒ Not applicable

VI. Analysis of assets and liabilities

1. Major changes in asset composition

Unit: yuan

	End of 2024		Beginning of 2024		Proportion change	Description of major changes
	Amount	Proportion in total assets	Amount	Proportion in total assets		
Monetary capital	1,631,776,094.27	9.57%	1,985,050,745.11	11.83%	-2.26%	
Accounts receivable	1,963,710,151.61	11.52%	1,810,015,596.33	10.79%	0.73%	
Inventory	1,214,012,761.29	7.12%	1,524,274,720.24	9.08%	-1.96%	
Investment properties	85,850,636.19	0.50%	91,136,832.31	0.54%	-0.04%	
Long-term equity investment	10,561,060.79	0.06%	8,427,450.24	0.05%	0.01%	
Fixed assets	1,611,144,579.04	9.45%	1,720,724,257.46	10.25%	-0.80%	
Construction in progress	457,357,111.28	2.68%	359,768,699.68	2.14%	0.54%	
Right-of-use assets	10,275,253.96	0.06%	13,802,458.98	0.08%	-0.02%	
Short-term borrowing	93,239,299.06	0.55%	95,003,320.70	0.57%	-0.02%	
Contract liabilities	867,810,932.52	5.09%	1,019,942,923.58	6.08%	-0.99%	
Lease liabilities	10,197,520.49	0.06%	10,750,792.90	0.06%	0.00%	

The proportion of overseas assets is relatively high

☐ Applicable ☒ Not applicable

2. Assets and liabilities measured with fair value

☒ Applicable ☐ Not applicable

Unit: yuan

Item	Opening balance	Fair value change gains and losses for the current period	Cumulative fair value changes recognized in equity	Impairment recognized in the current period	Purchase amount for the current period	Amount sold in the current period	Other alterations	Closing balance
Financial assets								
1. Trading financial assets (excluding derivative financial assets)	2,730,000,000.00							2,180,000,000.00
4. Other equity instrument investments	2,116,023.22							2,116,023.22
5. Other non-current financial assets	480,000,000.00							300,000,000.00
Total	3,212,116,023.22							2,482,116,023.22
Financial liabilities	0.00							0.00

Other changes

During the reporting period, there was no significant change in the measurement attributes of the Company's mainly assets.

☐ Yes ☒ No

3. Limitation on the assets and rights as of the end of the reporting period

Unit: yuan

Item	At the end of the year				At the beginning of the year			
	Book balance	Book value	Type of restriction	Res triction det ails	Book balance	Book value	Type of restriction	Res triction det ails
Monetary capital	67,828,552.62	67,828,552.62	Guarantee deposit	—	83,153,343.90	83,153,343.90	Guarantee deposit	—
Monetary capital	45,630,984.76	45,630,984.76	Bill deposit	—	23,717,043.12	23,717,043.12	Bill deposit	—
Monetary capital	13,000.00	13,000.00	ETC deposit	—	14,000.00	14,000.00	ETC deposit	—
Fixed assets	152,993,151.92	132,330,396.56	Mortgage loan	—	152,993,151.92	139,628,781.21	Mortgage loan	—
Intangibl e assets	57,605,500.00	51,947,796.50	Mortgage loan	—	57,605,500.00	53,100,012.72	Mortgage loan	—
Total	324,071,189.30	297,750,730.44	—	—	317,483,038.94	299,613,180.95	—	—

VII. Analysis of investment

1. Overall situation

☐ Applicable ☒ Not applicable

2. Significant equity investments acquired during the reporting period

☐ Applicable ☒ Not applicable

3. Significant ongoing non-equity investments during the reporting period

☐ Applicable ☒ Not applicable

4. Financial asset investment

(1) Securities investments

☐ Applicable ☒ Not applicable

The Company had no securities investments in the reporting period.

(2) Derivatives investment

☐ Applicable ☒ Not applicable

The Company had no derivatives investments in the reporting period.

5. Use of funds raised

☐ Applicable ☒ Not applicable

No funds raised are used in the reporting period.

VIII. Sales of major assets and equities

1. Sales of major assets

☐ Applicable ☒ Not applicable

The Company did not sell major assets in the reporting period.

2. Sales of major equities

☐ Applicable ☒ Not applicable

IX. Analysis of main holding and joint-stock companies

☒ Applicable ☐ Not applicable

Joint-stock companies that affect the net profits of the Company by more than 10% and main subsidiaries

Unit: yuan

Company name	Company type	Main business	Registered capital	Total assets	Net assets	Operating income	Operating profit	Net profit
Shanghai ROBAM Electric Appliance Sales Co., Ltd.	Subsidiary	Sales of kitchen electric appliance products	5000000	121,463,277.47	-36,489,467.94	402,674,321.47	-6,521,387.12	-7,434,483.42
Beijing ROBAM Electric Appliance Sales Co., Ltd.	Subsidiary	Sales of kitchen electric appliance products	5000000	75,466,603.92	39,045,508.75	247,397,521.28	1,854,709.99	775,630.06
Hangzhou Mingqi Electric Co., Ltd.	Subsidiary	Sales of kitchen electric appliance products	50000000	205,651,162.08	40,419,522.29	572,746,579.11	4,723,618.63	4,081,866.49
Shengzhou Kinde Intelligent Kitchen Electric Co., Ltd.	Subsidiary	Production and sales of kitchen appliance products	32653061	386,614,286.70	187,816,643.67	98,696,182.28	-34,005,692.86	-33,186,068.46
Hangzhou Jinhe Electric Appliances Co., Ltd.	Subsidiary	Sales of kitchen electric appliance products	10000000	163,421,410.17	29,762,401.05	440,331,699.07	9,857,537.37	7,139,529.02
Hangzhou ROBAM E-Commerce Co., Ltd.	Subsidiary	Sales of kitchen electric appliance products	10000000	146,738,081.05	19,532,938.62	475,419,125.62	12,710,583.25	9,532,938.62

Acquisition and disposal of subsidiaries during the reporting period

☐ Applicable ☒ Not applicable

Description of main holding and joint-stock companies

N/A

X. Structured entities controlled by the company

☐ Applicable ☒ Not applicable

XI. Prospect of the company's future development

Mission: To render happiness of kitchen life for more families

Vision: To be a world-class century-old leader of cooking innovation

Strategic direction: Focus, innovation, transformation

Strategy description: Company development strategy (2023--2025)

We continue to focus on the cooking sector, leveraging "value enhancement, user-centricity, synergy promotion, and growth expansion" as key drivers. Through digital kitchen appliances, we propel "product innovation, model innovation, and system innovation," establishing a new core competitiveness grounded in "technology + humanity." We build a user operation system, optimize the brand synergy matrix, and accelerate the transformation of channels toward 2C capabilities, seizing structural opportunities to continuously expand our core business advantages. With greater determination, more flexible mechanisms, and a more diverse talent pool, we swiftly break through strategic business bottlenecks. Upholding the entrepreneurial spirit of perseverance symbolized by the "vise spirit," we empower our culture, creating a more dynamic and diverse organization while rebuilding specialized capabilities tailored to the new environment. To become a comprehensive end-to-end cooking solution provider and recreate a new Robam.

Strategic objective:

Create a new Robam by 2025.

XII. Reception, research, communication, interview and other activities during the reporting period

☒ Applicable ☐ Not applicable

Reception time	Reception place	Reception way	Type of received object	Received object	Main points of discussion and information provided	Basic information index of the survey
April 30, 2024	Panorama Network	Online communication on network platforms	Individual	Individual	Refer to the Panorama Network Investor Relations Interactive Platform	Refer to the Panorama Network Investor Relations Interactive Platform
May 23, 2024	Company	Field survey	Organization	Organization	See the Record Chart of Investor Relation Activities on May 23, 2024	See the Record Chart of Investor Relation Activities on May 23, 2024

XIII. Implementation of market value management system and valuation enhancement plan

Has the company established a Market Value Management System?

☒ Yes ☐ No

Has the company disclosed its Valuation Enhancement Plan?

☐ Yes ☒ No

The Company convened the Twelfth Meeting of the Sixth Board of Directors on December 24, 2024, which reviewed and

approved the "Proposal on Formulating the Market Value Management System of Hangzhou Robam Electric Co., Ltd."

XIV. Implementation of the action plan of "Double Improvement of Quality and Return"

Whether the Company has disclosed the Action Plan for "Double Improvement of Quality and Return".

☒ Yes ☐ No

Robam, in alignment with its development strategy and operational plans, has formulated the "Double Improvement of Quality and Return" action plan to safeguard the interests of all shareholders, bolster shareholders' confidence, and support the company's high-quality development. The specific measures are as follows:

I. Adhere to the core business and fulfill the mission to achieve high-quality development

For over 40 years, Robam has dedicated itself to the culinary industry. In the past, present, and future, we remain committed to driving culinary innovation by popularizing digital cooking technology, providing tailored hardware and software solutions for every individual and household. By integrating resources across the entire cooking industry chain, we have established a multi-brand matrix and a comprehensive product portfolio to benefit more families. Through our proprietary AI cooking curve, we apply precise temperature and time control to every stage of the cooking process, ensuring optimal flavor and nutrition while making cooking more accurate and high-efficiency. We aim to lower the threshold of cooking, allowing people to fully enjoy creativity in the culinary process. This will foster stronger family bonds and social interactions, contributing to the construction of more harmonious and beautiful households in society, while preserving and passing on the legacy of culinary culture.

A comprehensive solution provider for the entire cooking ecosystem, this is Robam's new corporate positioning, actively embracing social responsibility, seeking self-transformation and upgrading, and exploring future industry development under the backdrop of the nation's drive to foster new quality productive forces in the new era. Robam has always adhered to the "innovation, responsibility, and pragmatism" spirit of the pliers' entrepreneurship, steadfastly focusing on its core business and continuously seeking self-breakthroughs. With undivided dedication to the kitchen appliance sector, this long-term approach has yielded rewarding performance, establishing Robam as a leader in China's kitchen appliance industry and consistently driving its transformation and innovation.

II. Enhance the quality of information disclosure and standardize corporate governance

The information disclosure mechanism of listed companies is crucial to ensuring market transparency and fairness. Over the years, the company has strictly complied with laws, regulations, and normative documents in fulfilling its information disclosure obligations. It has continuously improved its information disclosure management mechanisms to ensure the truthfulness, accuracy, completeness, timeliness, and fairness of disclosed information. Additionally, the company has proactively strengthened the disclosure of key information such as industry changes, business operations, and risk factors, continuously improving the quality of information disclosure. Since 2013, Robam has received an "A" grade in the Shenzhen Stock Exchange's information disclosure assessment for 11 consecutive years. In addition, the company consistently focuses on conveying diversified intrinsic value to investors. To date, the company has voluntarily disclosed 9 CSR Reports and 4 ESG Reports.

III. Safeguard shareholder rights and interests, demonstrate long-term value

Since its listing in 2010, the company has maintained stable annual dividends, consistently prioritizing the interests of its investors. In December 2023, the company announced a special dividend distribution plan for shareholder returns, which was implemented and completed in the following month. Following the release of the new "National Nine Articles," the company promptly responded by institutionalizing special dividends. By the end of April 2024, it issued the "Shareholder Return Plan for the Next Three Years (2024–2026)," explicitly proposing biannual cash dividends—once in the first half and once in the second half of each year—with a cash dividend payout ratio of no less than 50%, to be steadily increased based on operational performance. Moving forward, the company will continue to maintain stable profit distribution, enhance communication channels for investor participation in dividend decision-making, and uphold a long-term, stable shareholder value return mechanism.

IV. Strengthen investor relations management and enhance capital market value

The company places high importance on investor relations management, continuously strengthening communication and engagement with its investors to better convey and enhance the company's investment value. The company enhances positive interaction with its investors through various forms and channels, such as performance briefings, investor open days, on-site investor research, investor hotlines, and the Shenzhen Stock Exchange's "Interactive Easy" platform. It focuses on improving the transparency of corporate operations and management, boosting investor recognition of the company's value, and continuously enhancing the company's capital market value. In terms of overseas investor relations management, the company leverages industry characteristics that align with the long-term investment style of international value investors, regularly conducting roadshows and promptly disclosing English versions of periodic reports and ESG reports. In the future, the company will continue to strictly fulfill its responsibilities and obligations as a listed company, resolutely implement its strategic development plan, continuously enhance its core competitiveness, and drive high-quality sustainable growth. It will firmly uphold the commitment to creating value and increasing returns for its shareholders, practicing an investor-centric value philosophy. The company will actively implement the directives from the meetings of the Central Political Bureau and the State Council, diligently execute its "Double Improvement of Quality and Return" action plan, effectively boost its investors' confidence in the market, and contribute to the positive and healthy development of the capital markets.

Section IV. Corporate Governance

I. Basic state of corporate governance

In the reporting period, the Company constantly improved the corporate governance structure, established and improved internal management and control systems, and continued to carry out in-depth corporate governance activities in strict accordance with the *Company law*, the *Securities Law*, the *Governance Guidelines for Listed Companies*, the *Rules for Stock Listing of Shenzhen Stock Exchange* and relevant laws and regulations of China Securities Regulatory Commission to further regulate the Company operation and improve the corporate government level. By the end of the reporting period, the actual situation of corporate governance conformed to the normative documents on listed corporate governance issued by China Securities Regulatory Commission.

During the reporting period, the Company operated in strict accordance with national laws and regulations, *Rules for Stock Listing of Shenzhen Stock Exchange* and the *Guidelines on the Standardized Operation of Listed Companies on the Main Board*, and performed its obligations of information disclosure in a timely, complete, true, accurate and fair manner. The Company has not received the relevant documents of administrative supervision measures taken by the regulatory authorities.

(1) Shareholders and shareholders' meeting

In strict accordance with the *Rules of the Shareholders' Meeting of Listed Companies* and the *Rules of Procedure of the Shareholders' Meeting*, the Company shall convene the shareholders' meeting to ensure that all shareholders, especially minority shareholders, enjoy equal status and fully exercise their rights.

(2) Company and controlling shareholders

The Company has independent business and operational independence and is independent from the controlling shareholders in business, personnel, assets, institutions and finance. The Company's board of directors, the board of supervisors and internal organize operate independently. The controlling shareholders of the Company can strictly regulate their own behaviors, without directly or indirectly intervening in the Company's decision-making and business activities beyond the shareholders' meeting.

(3) Directors and board of directors

The Company elects its directors in strict accordance with the recruiting procedures stipulated in the *Articles of Association*; all the directors of the Company can carry out their work in accordance with the *Rules of Procedure of the Board of Directors* and *Guidelines on the Behaviors of Directors of Listed Companies*, attend the board of directors and shareholders' meetings earnestly, actively participate in the training of relevant knowledge, and be familiar with relevant laws and regulations.

(4) Supervisors and Board of Supervisors

The Company shall elect supervisors in strict accordance with the relevant provisions of the *Company Law* and the *Articles of Association*, and the number and composition of the board of supervisors shall meet the requirements of laws and regulations. In accordance with the requirements of the *Rules of Procedure of the Board of Supervisors*, the Company's supervisors can earnestly perform their duties, effectively supervise the Company's major issues, related party transactions, financial condition, and the performance of directors and senior executives, and express independent opinions.

(5) Performance Evaluation and Incentive and Restraint Mechanisms

The Company is gradually establishing a fair and transparent performance evaluation standard and incentive and restraint mechanism for directors, supervisors and senior executives. The appointment of the Company's senior executives is open and transparent and conforms to the provisions of laws and regulations.

(6) Information Disclosure and Transparency

The Company carries out information disclosure and investor relations management under the board secretary responsibility system; the Company performs the information disclosure procedure in strict accordance with the *Measures for the Administration of Information Disclosure* and discloses the information on the designated information disclosure media such as *Securities Times*, *China Securities Journal*, *Securities Daily*, *Shanghai Securities News* and cninfo in a true, accurate, complete and timely manner according to law; meanwhile, according to the requirements of the *Measures for the Investor Relations Management*, the Company standardizes investor reception procedures, receives visits and inquiries from shareholders, and ensures that all shareholders have equal access to the Company information.

(7) Stakeholder

The Company fully respects and safeguards the legitimate rights and interests of relevant stakeholders, realizes the coordination and balance of interests of the society, shareholders, the Company and employees, and jointly promotes the sustainable and steady development of the Company.

(8) Internal Audit System

The Company has established an internal audit system and set up an internal audit department. The board of directors has appointed the person in charge of internal audit to effectively control the Company's daily operation and management, internal control system and major issues of the Company. There is no significant difference between the actual situation of corporate governance and the normative documents on listed corporate governance issued by China Securities Regulatory Commission.

Whether there is significant difference between the actual situation of corporate governance and the laws, administrative regulations and the provisions on the listed corporate governance issued by China Securities Regulatory Commission.

☐ Yes ☒ No

There is no significant difference between the actual situation of corporate governance and the laws, administrative regulations and the provisions on the listed corporate governance issued by China Securities Regulatory Commission.

II. Independence of the company relative to the controlling shareholders and actual controllers in ensuring the company's assets, personnel, finance, organization, business, etc.

The Company operates in strict accordance with the *Company Law* and the *Articles of Association*, establishes and improves the corporate governance structure, is completely separated from the controlling shareholders in terms of business, personnel, assets, institutions and finance, and has independent and complete business and independent operation capability.

III. Horizontal competition

☐ Applicable ☒ Not applicable

IV. Information about the annual general meeting of shareholders and extraordinary general meeting of shareholders held during the reporting period

1. General meeting of shareholders during the reporting period

Meeting session	Meeting type	Investor participation proportion	Convening date	Date of disclosure	Meeting resolution
Annual general meeting of shareholders in 2023	Annual general meeting of shareholders	64.28%	May 16, 2024	May 17, 2024	<i>Announcement of Resolutions of 2023 Annual General Meeting of Shareholders</i> (Announcement No.: 2024-031)
First extraordinary general meeting of shareholders in 2024	Extraordinary general meeting of shareholders	62.46%	June 19, 2024	June 20, 2024	<i>Announcement of Resolutions of 2024 First Extraordinary General Meeting of Shareholders</i> (2024-045)

2. The preferred shareholders with voting rights restored request an extraordinary general meeting of shareholders

☐ Applicable ☒ Not applicable

V. Directors, supervisors and senior management

1. Basic information

Name	Gender	Age	Position	Status of service	Start date of tenure	End date of tenure	Number of shares held at the beginning of the period (shares)	Number of shares increased in current period (shares)	Number of shares decreased in current period (shares)	Other changes (shares)	Number of shares held at the end of the period (shares)	Reasons for increase or decrease of shares
Ren Jianhua	Male	68	Chairman	Incumbent	August 18, 2023	August 17, 2026	5,923,150	0	0	0	5,923,150	N/A
Ren Fujia	Male	41	Deputy chairman, general manager	Incumbent	August 18, 2023	August 17, 2026	2,100,075	0	0	0	2,100,075	N/A
Xia Zhiming	Male	49	Director and deputy general manager	Incumbent	August 18, 2023	August 17, 2026	411,950	0	0	0	411,950	N/A
He Yadong	Male	50	Director and deputy general manager	Incumbent	August 18, 2023	August 17, 2026	411,950	0	0	0	411,950	N/A
Zhao Jihong	Male	62	Director	Incumbent	August 18, 2023	August 17, 2026	1,267,565	0	0	0	1,267,565	N/A
Wang Gang	Male	49	Director, secretary to the board of directors	Incumbent	August 18, 2023	August 17, 2026	576,750	0	0	0	576,750	N/A
Chen Yuanzhi	Male	47	Independent director	Incumbent	August 18, 2023	August 17, 2026	0	0	0	0	0	N/A
Yu Lieming	Male	47	Independent director	Incumbent	August 18, 2023	August 17, 2026	0	0	0	0	0	N/A
Cheng Zhiyong	Male	45	Independent director	Incumbent	August 18, 2023	August 17, 2026	0	0	0	0	0	N/A
Ren Luozhong	Male	62	Chairman of the board of supervisors	Incumbent	August 18, 2023	August 17, 2026	1,267,562	0	0	0	1,267,562	N/A
Zhang Linyong	Male	59	Supervisor	Incumbent	August 18, 2023	August 17, 2026	834,315	0	0	0	834,315	N/A
Shen Guolian	Male	59	Supervisor	Incumbent	August 18, 2023	August 17, 2026	1,143,264	0	0	0	1,143,264	N/A
Tang Genquan	Male	64	Employee supervisor	Incumbent	August 18,	August 17,	834,312	0	0	0	834,312	N/A

			r		2023	2026						
Wang Fang	Female	35	Employee supervisor	Incumbent	August 18, 2023	August 17, 2026	0	0	0	0	0	N/A
Zhou Haixin	Male	49	Deputy general manager	Incumbent	August 18, 2023	August 17, 2026	0	0	0	0	0	N/A
Zhang Guofu	Male	55	Chief financial officer	Incumbent	August 18, 2023	August 17, 2026	411,950	0	0	0	411,950	N/A
Total	--	--	--	--	--	--	15,182,843	0	0	0	15,182,843	--

During the reporting period, whether there was any resignation of directors and supervisors and dismissal of senior management during their term of office

☐ Yes ☒ No

Change of directors, supervisors and senior management

☐ Applicable ☒ Not applicable

2. Service status

Professional background, main work experience and main responsibilities currently in the Company of current directors, supervisors and senior management of the Company

1) Resume of current directors

Mr. Ren Jianhua, Han nationality, born in August 1956, Chinese, without permanent residency abroad; junior high school education, member of Communist Party of China, economist. He began to work in 1978 and successively served as the supply and marketing section chief and factory director of Yuhang Hongxing Hardware Factory, the chairman, general manager and Secretary of the Party branch of Hangzhou Robam Industrial Group Co., Ltd., and the chairman and general manager of Hangzhou Robam Home Appliances & Kitchen Sanitary Co., Ltd. He has won the titles of national model worker and outstanding member of Communist Party of Zhejiang Province, and was elected as the deputy to the 8th and 10th National People's Congress of Zhejiang Province, deputy to the 11th National People's Congress of Hangzhou City, the Party representative, deputy to the 12th and 13th National People's Congress of Hangzhou City, and the 12th Fengyun Zhejiang Merchants. At present, he is the chairman of Hangzhou ROBAM Appliances Co., Ltd., Hangzhou Robam Industrial Group Co., Ltd., Hangzhou Nbond Nonwoven Co., Ltd., Hangzhou Guoguang Touring Commodity Co., Ltd., Hangzhou Amblem Kitchenware Co., Ltd., the executive director and general manager of Hangzhou Mingqi Electric Co., Ltd., the executive director and general manager of Hangzhou ROBAM Fuchuang Investment Management Co., Ltd., the deputy chairman of Garden Hotel Hangzhou, the executive director of Zhejiang Hangzhou Yuhang Rural Commercial Bank Company Limited, Hangzhou Dongming Forest Park Co., Ltd., Hangzhou Bonyee Daily Necessity Technology Co., Ltd., the executive director and general manager of Hangzhou Jinchuang Investment Co., Ltd., the executive partner of Hangzhou Jinnuochang Investment Management Partnership (Limited Partnership).

Mr. Ren Fujia, Han nationality, born in January 1983, Chinese, without permanent residency abroad; bachelor degree. He used to be the product manager of marketing department and the deputy general manager of R&D center of Hangzhou ROBAM Industrial Group Co., Ltd., the deputy general manager of Hangzhou ROBAM Home Appliances & Kitchen Sanitary Co., Ltd.; now he is the director of Hangzhou Nbond Nonwoven Co., Ltd., the deputy chairman and general manager of Hangzhou ROBAM Appliances Co., Ltd., the director of Hangzhou Amblem Kitchenware Co., Ltd., and the deputy chairman of De Dietrich Trade (Shanghai) Co., Ltd.

Mr. Xiazhiming, Han nationality, born in May 1975, Chinese, without permanent residency abroad; college degree. He began to work in 1996 and successively served as the production section chief of Qiaori Electric Products Factory, the manufacturing director of Foxconn Technology Co., Ltd. and the production director of the Company's production center. At present, he is director and deputy general manager of the Company.

Mr. He Yadong, Han nationality, born in August 1974, Chinese, without permanent residency abroad; bachelor degree, senior economist. He began to work in 2000 and successively served as the marketing section chief, director of marketing department and deputy general manager of marketing center of ROBAM Group, the assistant to general manager of ROBAM Home Appliances, and director of the Company. At present, he is director and deputy general manager of the Company.

Mr. Zhaojihong, Han nationality, born in December 1962, Chinese, without permanent residency abroad; master degree, senior economist. He successively served as the chairman and general manager of Hubei Huangshi Jinye Group Co., Ltd, the deputy general manager and general manager of the marketing center of ROBAM Group, the deputy general manager and general manager of the marketing center of ROBAM Home Appliances, and the deputy general manager of the Company. He has successively won the titles of national outstanding entrepreneur, outstanding Hangzhou merchant in the World, "Top 10 influential figures in China's kitchen and bathroom industry", "Top 10 personalities in China's home appliance industry", and twice won the Mondale world economic man achievement award and was selected into the dictionary of Chinese experts and celebrities. At present, he is the director of the Company, the director of uTransHub Technologies Co., Ltd., the director and general manager of Hangzhou ROBAM Appliances Co., Ltd., the director of Shengzhou Kinde Intelligent Kitchen Electric Co., Ltd., and the chairman of Zhejiang Cooking Future Technology Co., Ltd.

Mr. Wang Gang, Han nationality, born in October 1975, Chinese, without permanent residency abroad; master degree, a member

of the Communist Party of China, certified public accountant, senior economist.. He used to be an inspector of Haining Local Taxation Bureau of Zhejiang Province, the R&D director of Shanghai Realize Investment Consulting Co., Ltd., the secretary of the board of directors, director of human resources, general manager assistant of Shanghai Hailong Software Co., Ltd, and the secretary of the board of directors of Hangzhou ROBAM Home Appliances & Kitchen Sanitary Co., Ltd. At present, he is the director of Hangzhou Nbond Nonwoven Co., Ltd., the director and board secretary of Hangzhou Robam Appliances Co., Ltd., the executive director and general manager of Hangzhou Robam Holding Co., Ltd., the director of Hangzhou Fortune Gas Cryogenic Group Co., Ltd., the director of De Dietrich Trade (Shanghai) Co., Ltd., the director of Hangzhou Guoguang Touring Commodity Co., Ltd, the supervisor of Hangzhou Robam Fuchuang Investment Management Co., Ltd., the director of Shengzhou Kinde Intelligent Kitchen Electric Co., Ltd., the supervisor of Shanghai MXCHIP Information Technology Co., Ltd., the director of Hangzhou Weisheng Tech. Co.,Ltd., the independent director of Hangzhou Great Star Industrial Co., Ltd., the independent director of Hangzhou XZB Tech Co., Ltd., the legal representative and secretary-general of the Listed Companies Association of Linping District, Hangzhou.

Mr. Chen Yuanzhi, Han nationality, born in November 1977, Chinese, member of Communist Party of China, doctor degree in management, is now the independent director of the Company, a professor of China Executive Leadership Academy Pudong, an adjunct professor of East China Normal University, an adjunct researcher in the Research Center of Technological Innovation, Tsinghua University, the executive director of China Soft Science Research Society, a managing director of the Chinese Institute of Business Administration, and an expert of Shanghai Science and Technology Expert Database.

Mr. Yu Lieming, Han nationality, born in December 1977, Chinese, without permanent residency abroad, master degree. He began to work in 1994 and successively served as the deputy director of the Administration Committee of Yuhang Economic and Technological Development Zone of Hangzhou, the vice president of Chunfeng Holdings Group Co., Ltd., the chairman of the board of supervisors of Zhejiang CFMOTO Power Co., Ltd., and the executive vice president and secretary of the board of directors of Hamaton Automotive Technology Co., Ltd. At present, he is an independent director of the Company and the executive director of Hangzhou Xinlan Energy Engineering Co., Ltd.

Mr. Cheng Zhiyong, born in March 1980, Han nationality, a member of the Communist Party of China, Chinese, without residency abroad, bachelor degree. He served as the senior manager of BDO China Shu Lun Pan CPAs from July 2004 to September 2010, and then served as the deputy general manager, secretary of the board of directors and chief financial officer of Zhejiang Kaier New Materials Co., Ltd. from October 2010 to March 2017. At present, he is the independent director of the Company, the general manager of Zhejiang Tenghua Assets Management Co., Ltd., the executive director and general manager of Hangzhou Weifengheng Enterprise Management Consulting Co., Ltd., the independent director of Zhejiang Debao Communication Technologies Co., Ltd., and the independent director of Everich and Tomic Housewares Co., Ltd.

2) Resume of current supervisors

Mr. Ren Luozhong, Han nationality, born in August 1962, Chinese, without permanent residency abroad; EMBA, assistant economist. He began to work in 1982 and successively served as the operation director of Yuhang Hongxing Hardware Factory, the deputy general manager, general manager of the marketing center, general manager of the technology center and director of the first production department of Robam Group, the director and deputy general manager of Robam Home Appliances, and the deputy general manager of the Company. At present, he is the chairman of the board of supervisors of the Company, the deputy chairman of Hangzhou ROBAM Industrial Group Co., Ltd., the director of Hangzhou Amblem Kitchenware Co., Ltd., the president of Hangzhou Linping District ROBAM Charity Foundation.

Mr. Zhang Linyong, Han nationality, born in August 1965, Chinese, without permanent residency abroad; high school education, member of Communist Party of China, assistant economist. He began to work in 1984 and successively served as the office director of Yuhang Hongxing Hardware Factory, the general manager, director of the engineering department of Hangzhou Huafa Electric Appliance Co., Ltd., and the director of ROBAM Home Appliances. At present, he is the supervisor of the Company, the director of Hangzhou ROBAM Industrial Group Co., Ltd.

Mr. Shen Guoliang, Han nationality, born in November 1965, Chinese, without permanent residency abroad; high school education. He began to work in 1982 and successively served as the chief of the transportation section, chief financial officer and the deputy general manager of the marketing center of Yuhang Hongxing Hardware Factory, the director of ROBAM Home Appliances, and the chairman of the board of supervisors of the Company. At present, he is the supervisor of the Company, the director of Hangzhou ROBAM Industrial Group Co., Ltd., the deputy chairman of Shengzhou Kinde Intelligent Kitchen Electric Co., Ltd., the director of Zhejiang Cooking Future Technology Co., Ltd., the supervisor of Hangzhou Amblem Kitchenware Co., Ltd., and the supervisor of Beijing ROBAM Electric Appliance Sales Co., Ltd.

Mr. Tang Genquan, Han nationality, born in October 1960, Chinese, without permanent residency abroad; college degree, engineer. He began to work in 1979 and successively served as the mould workshop director and technical director of Yuhang Hongxing Hardware Factory, the deputy general manager of technology, general manager of production quality and director of the third production department of Robam Group, the director of Robam Home Appliances. In 1993-1994 and 2005-2006, he was awarded as the outstanding scientific and technological worker of Hangzhou. In 2004, he was selected into the "new century talent project 139 youth talent cultivation candidate list", applied for 1 national invention patent, 7 utility model patents and 10 design patents. He has been employed as a member of China daily hardware industry expert committee since 1996 and the deputy secretary general of fifth China daily hardware industry expert committee since 2006. At present, he is the employee representative supervisor of the Company, the director of Hangzhou ROBAM Industrial Group Co., Ltd., the supervisor of Hangzhou ROBAM Gas Station Co., Ltd., and the secretary general of Hangzhou Linping District ROBAM Charity Foundation.

Ms. Wang Fang, born in July 1989, Han nationality, Chinese, without permanent residency abroad, college degree, junior accountant. She began to work in 2012 and successively served as the cashier and tax manager of Hangzhou ROBAM Appliances Co., Ltd. At present, she is the employee representative supervisor of the Company.

3) Resume of current senior management

Mr. Ren Fujia, who is currently the general manager of the Company. Please refer to the resume of the directors of the Company for the introduction.

Mr. Xia Zhiming, who is currently the deputy general manager of the Company. Please refer to the resume of the directors of the Company for the introduction.

Mr. He Yadong, who is currently the deputy general manager of the Company. Please refer to the resume of the directors of the Company for the introduction.

Mr. Zhou Haixin, Han nationality, born in February 1975, Chinese, without permanent residency abroad; doctor degree, senior engineer. He began to work in 2001 and successively served as the researcher of Agilent Technologies Software Co. Ltd., the project manager of Sony Ericsson Mobile Communication Products Co., Ltd., the project director of Qingdao Haier Telecom Co., Ltd., the R&D director of Guangbao Mobile Electronic and Telecommunication Components Co., Ltd., and the senior R&D director of the Company. At present, he is the deputy general manager of the Company.

Mr. Wang Gang, who is currently the secretary of the board of directors of the Company. Please refer to the resume of the directors of the Company for the introduction.

Mr. Zhang Guofu, Han nationality, born in December 1969, Chinese, without permanent residency abroad; bachelor degree. He began to work in 1990 and successively served as the capital section chief, director of financial center of Hangzhou Robam Industrial Group Co., Ltd., and financial chief of Hangzhou Robam Home Appliances & Kitchen Sanitary Co., Ltd. At present, he is the financial director of our company, the supervisor of Hangzhou ROBAM Holding Co., Ltd., the supervisor of Hangzhou Mingqi Electric Appliances Co., Ltd., the director of Shengzhou Kinde Intelligent Kitchen Electric Co., Ltd., and the director of De Dietrich Trade (Shanghai) Co., Ltd.

Service status in the shareholder unit

☒ Applicable ☐ Not applicable

Name of staff	Shareholder unit name	Position held in shareholder unit	Start date of tenure	End date of tenure	Whether to receive remuneration or allowance in the shareholder unit
Ren Jianhua	Hangzhou ROBAM Industrial Group Co., Ltd.	Chairman			No
Ren Luozechong	Hangzhou ROBAM Industrial Group Co., Ltd.	Deputy chairman			No
Zhao Jihong	Hangzhou ROBAM Industrial Group Co., Ltd.	Director, general manager			No
Shen Guoliang	Hangzhou ROBAM Industrial Group Co., Ltd.	Director			No
Zhang Linyong	Hangzhou ROBAM Industrial Group Co., Ltd.	Director			No
Tang Genquan	Hangzhou ROBAM Industrial Group Co., Ltd.	Director			No

Service status in other unit

☒ Applicable ☐ Not applicable

Name of staff	Other unit name	Position held in other unit	Start date of tenure	End date of tenure	Whether to receive remuneration or allowance in other unit
Ren Jianhua	Hangzhou Nbond Nonwoven Co., Ltd.	Chairman			
Ren Jianhua	Hangzhou Ambler Kitchenware Co., Ltd.	Chairman			
Ren Jianhua	Garden Hotel Hangzhou	Deputy chairman			
Ren Jianhua	Hangzhou Dongming Forest Park Co., Ltd.	Director			
Ren Jianhua	Zhejiang Hangzhou Yuhang Rural Commercial Bank	Director			

	Company Limited				
Ren Jianhua	Hangzhou Jinnuochang Investment Management Partnership (Limited Partnership)	Executive partner			
Ren Jianhua	Hangzhou Guoguang Touring Commodity Co., Ltd	Chairman			
Ren Jianhua	Hangzhou Bonyee Daily Necessity Technology Co., Ltd.	Executive director			
Ren Jianhua	Hangzhou ROBAM Fuchuang Investment Management Co., Ltd.	Executive director and general manager			
Ren Jianhua	Hangzhou Mingqi Electric Co., Ltd.	Executive director and general manager			
Ren Fujia	De Dietrich Trade (Shanghai) Co., Ltd.	Deputy chairman			
Ren Fujia	Hangzhou Nbond Nonwoven Co., Ltd.	Director			
Ren Fujia	Hangzhou Amblem Kitchenware Co., Ltd.	Director			
Zhao Jihong	Shengzhou Kinde Intelligent Kitchen Electric Co., Ltd.	Chairman			
Zhao Jihong	uTransHub Technologies Co., Ltd.	Director			
Zhao Jihong	Zhejiang Cooking Future Technology Co., Ltd.	Chairman			
Wang Gang	Hangzhou Nbond Nonwoven Co., Ltd.	Director			
Wang Gang	Hangzhou ROBAM Holding Co., Ltd.	Executive director and general manager			
Wang Gang	Hangzhou Fortune Gas Cryogenic Group Co., Ltd.	Director			
Wang Gang	De Dietrich Trade (Shanghai) Co., Ltd.	Director			
Wang Gang	Hangzhou Guoguang Touring Commodity Co., Ltd	Director			
Wang Gang	Hangzhou ROBAM Fuchuang Investment Management Co., Ltd.	Supervisor			
Wang Gang	Shengzhou Kinde Intelligent Kitchen Electric Co., Ltd.	Director			
Wang Gang	Shanghai MXCHIP Information Technology Co., Ltd.	Supervisor			
Wang Gang	Versolsolar	Director			

	Hangzhou Co., Ltd.				
Wang Gang	Hangzhou Great Star Industrial Co., Ltd.	Independent director			
Wang Gang	Hangzhou XZB Tech Co., Ltd.	Independent director			
Chen Yuanzhi	China Executive Leadership Academy Pudong	Professor			
Chen Yuanzhi	Research Center of Technological Innovation, Tsinghua University	Researcher			
Yu Lieming	Hangzhou Xinlan Energy Engineering Co., Ltd.	Executive director			
Cheng Zhiyong	Zhejiang Tenghua Assets Management Co., Ltd.	General Manager			
Cheng Zhiyong	Hangzhou Weifengheng Enterprise Management Consulting Co., Ltd.	Executive director and general manager			
Cheng Zhiyong	Zhejiang Debao Communication Technologies Co., Ltd.	Independent director			
Cheng Zhiyong	Everich and Tomic Housewares Co., Ltd.	Independent director			
Ren Luo zhong	Hangzhou Amblem Kitchenware Co., Ltd.	Director			
Shen Guoliang	Hangzhou Amblem Kitchenware Co., Ltd.	Supervisor			
Shen Guoliang	Shengzhou Kinde Intelligent Kitchen Electric Co., Ltd.	Deputy chairman			
Shen Guoliang	Beijing ROBAM Electric Appliance Sales Co., Ltd.	Supervisor			
Shen Guoliang	Zhejiang Cooking Future Technology Co., Ltd.	Director			
Tang Genquan	Hangzhou ROBAM Gas Station Co., Ltd.	Supervisor			
Zhang Guofu	De Dietrich Trade (Shanghai) Co., Ltd.	Director			
Zhang Guofu	Hangzhou ROBAM Holding Co., Ltd.	Supervisor			
Zhang Guofu	Hangzhou Mingqi Electric Co., Ltd.	Supervisor			
Zhang Guofu	Shengzhou Kinde Intelligent Kitchen Electric Co., Ltd.	Director			

Punishment of current directors, supervisors and senior management of the Company and those who left during the reporting period by securities regulators in recent three years

☐ Applicable ☒ Not applicable

3. Remuneration of directors, supervisors and senior management

Decision making procedures, determination basis and actual payment of remuneration of directors, supervisors and senior management

Decision making procedures, determination basis and actual payment of remuneration of directors, supervisors and senior management

The Company has established a sound performance appraisal system and salary system for senior management, whose work performance is directly linked to their income. The remuneration and appraisal committee of the board of directors is responsible for the year-end assessment of the working ability, performance of duties, completion of responsibility objectives, etc. of the senior management, and preparing the remuneration plan and submitting it to the board of directors of the Company for approval. The remuneration of directors, supervisors and senior management shall be paid on time.

Remuneration of directors, supervisors and senior management during the reporting period

Unit: 10,000 yuan

Name	Gender	Age	Position	Status of service	Total pretax remuneration received from the Company	Whether to get remuneration from related parties of the Company
Ren Jianhua	Male	68	Chairman	Incumbent	87.21	No
Ren Fujia	Male	41	Deputy chairman, general manager	Incumbent	139.41	No
Xia Zhiming	Male	49	Director and deputy general manager	Incumbent	147.04	No
He Yadong	Male	50	Director and deputy general manager	Incumbent	164.28	No
Zhao Jihong	Male	62	Director	Incumbent	84.41	No
Wang Gang	Male	49	Director, secretary to the board of directors	Incumbent	100.52	No
Chen Yuanzhi	Male	47	Independent director	Incumbent	9.52	No
Yu Lieming	Male	47	Independent director	Incumbent	9.52	No
Cheng Zhiyong	Male	45	Independent director	Incumbent	9.52	No
Ren Luozhong	Male	62	Chairman of the board of supervisors	Incumbent	81.61	No
Zhang Linyong	Male	59	Supervisor	Incumbent	65.91	No
Shen Guoliang	Male	59	Supervisor	Incumbent	71.51	No
Tang Genquan	Male	64	Employee supervisor	Incumbent	83.49	No
Wang Fang	Female	35	Employee supervisor	Incumbent	21.60	No
Zhou Haixin	Male	49	Deputy general manager	Incumbent	352.28	No
Zhang Guofu	Male	55	Chief financial officer	Incumbent	132.48	No
Total	--	--	--	--	1,560.31	--

Other information

☐ Applicable ☒ Not applicable

VI. Performance of duties by directors during the reporting period

1. Board of directors during this reporting period

Meeting session	Convening date	Date of disclosure	Meeting resolution
The Fifth Meeting of the Sixth Board of Directors	April 24, 2024	April 25, 2024	<i>Announcement of the Resolution of ROBAM's 5th Meeting of the Sixth Board of Directors</i>
The Sixth Meeting of the Sixth	May 20, 2024	May 21, 2024	<i>Announcement of the</i>

Board of Directors			<i>Resolution of ROBAM's 6th Meeting of the Sixth Board of Directors</i>
The Seventh Meeting of the Sixth Board of Directors	June 3, 2024	June 4, 2024	<i>Announcement of the Resolution of ROBAM's 7th Meeting of the Sixth Board of Directors</i>
The Eighth Meeting of the Sixth Board of Directors	June 20, 2024	June 21, 2024	<i>Announcement of the Resolution of ROBAM's 8th Meeting of the Sixth Board of Directors</i>
The Ninth Meeting of the Sixth Board of Directors	August 26, 2024	August 27, 2024	<i>Announcement of the Resolution of ROBAM's 9th Meeting of the Sixth Board of Directors</i>
The Tenth Meeting of the Sixth Board of Directors	August 30, 2024	August 31, 2024	<i>Announcement of the Resolution of ROBAM's 10th Meeting of the Sixth Board of Directors</i>
The Eleventh Meeting of the Sixth Board of Directors	October 28, 2024	October 29, 2024	<i>Announcement of the Resolution of ROBAM's 11th Meeting of the Sixth Board of Directors</i>
The Twelfth Meeting of the Sixth Board of Directors	December 24, 2024	December 25, 2024	<i>Announcement of the Resolution of ROBAM's 12th Meeting of the Sixth Board of Directors</i>

2. Attendance of directors at the board meetings and the general meeting of shareholders

Attendance of directors at the board meetings and the general meeting of shareholders							
Name of director	Number of board meetings to be attended during this reporting period	Number of board meetings attended on site	Number of board meetings attended by correspondence	Number of board meetings delegated to attend	Number of board meetings absent	Whether not to personally attend the board meeting for two consecutive times	Number of shareholders' meetings attended
Ren Jianhua	8	7	1	0	0		2
Ren Fujia	8	7	1	0	0		2
Xia Zhiming	8	7	1	0	0		1
He Yadong	8	7	1	0	0		1
Zhao Jihong	8	7	1	0	0		0
Wang Gang	8	7	1	0	0		2
Chen Yuanzhi	8	6	2	0	0		1
Yu Lieming	8	6	2	0	0		1
Cheng Zhiyong	8	6	2	0	0		1

Description on failure to personally attend the board meeting for two consecutive times

N/A

3. Objections made by directors on relevant matters

Whether the director raises any objection to the relevant matters of the Company

☐ Yes ☒ No

During the reporting period, the directors did not raise any objection to the relevant matters of the Company.

4. Other description on the performance of duties by the directors

Whether the relevant suggestions of the director to the Company have been adopted

☒ Yes ☐ No

Explanation of the relevant suggestions of the director to the Company have or have not been adopted

N/A

VII. Special committees under the board of directors during the reporting period

Name of committee	Member	Number of meetings held	Convening date	Meeting content	Important opinions and suggestions proposed	Other description of performance of duties	Details of objections (if any)
Audit committee	Cheng Zhiyong, Chen Yuanzhi, Yu Lieming	1	January 15, 2024	1. Review the 2023 <i>Audit Work Plan of the Company</i>			
Audit committee	Cheng Zhiyong, Chen Yuanzhi, Yu Lieming	1	April 23, 2024	1. Review the 2023 <i>Audit Report of the Company</i> ; 2. Review the 2023 <i>Internal Control Evaluation Report</i> ; 3. Review the "Proposal on the Reappointment of the Company's Audit Firm for the 2024 Fiscal Year"; 4. Review the "Full Text of the Company's First Quarter Report for 2024."			
Audit committee	Cheng Zhiyong, Chen Yuanzhi, Yu Lieming	1	August 26, 2024	1. Review the <i>Semiannual Report of the Company in 2024</i>			
Audit committee	Cheng Zhiyong, Chen Yuanzhi, Yu Lieming	1	October 25, 2024	1. Review the <i>Third Quarter Report of the Company in 2024</i>			
Remuneration and assessment committee	Yu Lieming, Chen Yuanzhi, Ren Fujia	1	January 29, 2024	1. Review the <i>Proposal on 2023 Annual Performance Appraisal of Senior Management</i>			
Remuneration and assessment committee	Yu Lieming, Chen Yuanzhi, Ren Fujia	1	April 23, 2024	1. Review <i>The 2024 Stock Option Incentive Plan (draft) of Hangzhou ROBAM Appliances Co., Ltd. and its Abstract</i> ; 2. Review the <i>Implementation, Assessment and Management Measures for the 2024 Stock Option Incentive Plan of Hangzhou ROBAM Appliances Co., Ltd.</i> ; 3. Review the <i>Second Phase Business Partner Shareholding Plan (draft) of Hangzhou ROBAM Appliances Co., Ltd. and its</i>			

				<i>Abstract; 4. Review the Implementation and Assessment Management Measures for the Second Phase of Business Partner Shareholding Plan of Hangzhou ROBAM Appliances Co., Ltd.</i>			
Remuneration and assessment committee	Yu Lieming, Chen Yuanzhi, Ren Fujia	1	May 20, 2024	1. Review the Proposal on Adjusting the List of Incentive Targets and the Number of Stock Options Granted under the 2024 Stock Option Incentive Plan; 2. Review the Proposal on Granting Stock Options to Incentive Objects			
Remuneration and assessment committee	Yu Lieming, Chen Yuanzhi, Ren Fujia	1	June 20, 2024	1. Review and approve the Proposal on the Fulfillment of Exercise Conditions for the First Exercise Period of the 2023 Stock Option Incentive Plan; 2. Review and approve the Proposal on Adjusting the Exercise Price of the 2023 Stock Option Incentive Plan			

VIII. Work of board of supervisors

Whether the board of supervisors finds any risk of the Company in the supervision activities during the reporting period

☐ Yes ☒ No

The board of supervisors has no objection to the supervisory matters during the reporting period.

IX. Company employees

1. Number of employees, professional composition and education background

Number of employees in the parent company at the end of the reporting period (person)	3,717
Number of employees in major subsidiaries at the end of the reporting period (person)	1,449
Total number of employees at the end of the reporting period (person)	5,166
Total number of employees receiving salary in the current period (person)	5,166
Number of retired employees whose expenses need to be borne by the parent company and major subsidiaries (person)	69
Professional composition	
Professional composition categories	Number of professionals (person)
Production personnel	1,882

Sales personnel	1,621
Technical personnel	893
Financial personnel	187
Administrative personnel	583
Total	5,166
Education background	
Education background categories	Number (person)
Doctor	3
Master	262
Bachelor	1,558
College	971
Other	2,372
Total	5,166

2. Pay policy

The Company has formulated *Salary Management Standards* and the *Performance Management Standards*, and established a salary management system based on the post value and centered on the competency and performance evaluation of employees, according to the salary status of the regional market and industry.

3. Training plan

In 2024, the company carried out various trainings, including Lemon, Blue Whale, Sunflower, Ivy League and other projects as well as the Elite Plan; As the company's own mobile learning online platform, Chestnut School played an important role in the achievement transformation of the development course of internal trainer, and the company's employees' participation in learning has been greatly improved.

4. Labor outsourcing

☒ Applicable ☐ Not applicable

Total hours of labor outsourcing (hours)	1,875,091.93
Total remuneration paid for labor outsourcing (yuan)	67,878,327.87

X. Profit distribution and share capital increase from capital surplus

Profit distribution policy during the reporting period, especially the formulation, implementation or adjustment of cash dividend policy

☒ Applicable ☐ Not applicable

1. Approved at the company's 2023 Annual General Meeting of Shareholders, a cash dividend of RMB 5.00 per 10 shares (tax inclusive) is distributed to all shareholders based on a total of 944,094,916 shares, calculated by excluding the repurchased shares of 4,929,134 from the total shares of 949,024,050. The total cash dividend amounts to RMB 472,047,458.00.
2. Approved at the Ninth Meeting of the Sixth Board of Directors and the Ninth Meeting of the Sixth Board of Supervisors, the interim dividend will be distributed based on the total share capital of 944,127,316 shares. A cash dividend of RMB 5.00 per 10 shares (tax inclusive) will be issued to all shareholders, with a total cash dividend payout of RMB 472,063,658.00.

Description for cash dividend policy	
Whether it meet the requirements of the Company's articles of association and of the resolutions of shareholders' meeting:	Yes
Whether the dividend distribution standard and proportion are specific and clear:	Yes
Whether relevant decision-making procedures and mechanisms are complete:	Yes

Whether the independent directors have performed their duties and fulfilled their due roles:	Yes
If the Company has not distributed cash dividends, the specific reasons should be disclosed, and as well as the measures to be taken next to enhance investor returns:	Not applicable
Whether the minor shareholders have the chance to fully express their opinions and demands, and whether their legal rights and interests have been fully protected:	Yes
Whether the conditions and procedures are normative and transparent in case of adjustments or changes of the cash dividend policy:	Yes

The Company made profits during the reporting period and the profits available for distribution to shareholders of the parent company were positive, but no proposal for the distribution of cash dividend was put forward

☐ Applicable ☒ Not applicable

Profit distribution and share capital increase from capital surplus during the reporting period

☒ Applicable ☐ Not applicable

Bonus shares per 10 shares (shares)	0
Dividend per 10 shares (yuan) (tax inclusive)	5
Equity base of distribution plan (shares)	944,938,916
Amount of cash dividend (yuan) (tax inclusive)	472,469,458.00
Amount of cash dividend in other forms (e.g. share repurchase) (yuan)	0.00
Amount of cash dividend (including other forms) (yuan)	472,469,458.00
Distributable profit (yuan)	9,692,521,823.09
Ratio of total amount of cash dividend (including other forms) to total amount of distributable profit	100%
Cash dividend distribution in this period	
If the Company's development stage is in the maturation period and there is no major capital expenditure arrangement, when profit distribution is made, cash dividends should account for at least 80% of the profit distribution	
Description for details of profit distribution or share capital increase from capital surplus plan	
Based on its stock issue of 944,938,916 shares, the company distributed cash dividends of 5 yuan (tax inclusive) for every 10 shares to all shareholders, amounting up to a total of 472,469,458.00 yuan. In case of any change due to the listing of new shares, the exercising of equity incentive, the conversion of convertible bonds into shares, share repurchase, etc. during the period from the disclosure of the distribution plan to the equity registration date when the profit distribution is implemented, the distribution proportion will be adjusted accordingly according to the principle that the total amount of cash dividends will remain unchanged.	

X. Implementation of the company's equity incentive plan, employee stock ownership plan or other employee incentive measures

☒ Applicable ☐ Not applicable

1. Equity incentive

2021 stock option plan:

- On April 14, 2021, the Company held the 4th meeting of the fifth board of directors, deliberated and adopted the *Proposal on 2021 Stock Option Incentive Plan (Draft) of the Company and its Abstract* and other relevant proposals, and the independent directors expressed their agreed independent opinions on the matters related to the Company's stock option incentive plan. The 4th meeting of the fifth Board of Supervisors of the Company deliberated and adopted the above-mentioned relevant proposals and expressed their consent. The Company disclosed the above matters on April 15, 2021.
- From April 15, 2021 to April 24, 2021, the Company publicized the names and positions of the incentive objects of the stock option incentive plan through internal posting. On April 27, 2021, the board of supervisors of the Company issued the *Review Opinions and Announcement of the Board of Supervisors on the List of Incentive Objects of the 2021 Stock Option Incentive*

Plan. On the same day, the Company disclosed the Self-inspection Report on Insiders' and Incentive Objects' Trading of Company Stock with Inside Information of 2021 Restricted Stock Incentive Plan.

3. On April 30, 2021, the Company held the first extraordinary general meeting of shareholders in 2021, deliberated and adopted the *Proposal on 2021 Stock Option Incentive Plan (draft) of the Company and its Abstract* and other relevant proposals. The plan was approved by the first extraordinary general meeting of shareholders in 2021, and the board of directors was authorized to determine the grant date of stock option, grant stock option to incentive objects when they meet the conditions and handle all matters necessary for granting equity.
4. On May 10, 2021, the Company's 6th meeting of the fifth Board of Directors and the 6th meeting of the fifth Board of Supervisors reviewed and adopted the *Proposal on Granting Stock Options to Incentive Objects*. The board of supervisors once again verified the list of incentive objects granted and expressed their consent. The independent directors of the Company expressed their independent opinions on this.
5. On April 19, 2022, the Company held the 10th meeting of the fifth Board of Directors and the 10th meeting of the fifth Board of Supervisors, deliberated and adopted the *Proposal on the Cancellation of Partial Stock Options in the 2021 Stock Option Incentive Plan* and the *Proposal on Cancellation of the 2021 Stock Option Incentive Plan for Failure to Meet the Exercise Conditions during the First Exercise Period*. The board of supervisors verified and expressed their consent. The independent directors of the Company expressed their independent opinions thereon.
6. On April 25, 2023, the Company held the 14th meeting of the fifth Board of Directors and the 14th meeting of the fifth Board of Supervisors, deliberated and adopted the *Proposal on the Cancellation of Partial Stock Options in the 2021 Stock Option Incentive Plan* and the *Proposal on Cancellation of the 2021 Stock Option Incentive Plan for Failure to Meet the Exercise Conditions during the Second Exercise Period*. The board of supervisors verified and expressed their consent. The independent directors of the Company expressed their independent opinions thereon.
7. On April 24, 2024, the company held the 5th meeting of the sixth Board of Directors and the 5th meeting of the sixth Board of Supervisors, deliberated and adopted the *Proposal on the Cancellation of Partial Stock Options in the 2021 Stock Option Incentive Plan* and the *Proposal on Cancellation of the 2021 Stock Option Incentive Plan for Failure to Meet the Exercise Conditions during the Third Exercise Period*. The Supervisory Board has verified and expressed its consent.

2022 stock option plan:

1. On March 31, 2022, the Company held the 9th meeting of the fifth Board of Directors, deliberated and adopted the *Proposal on 2022 Stock Option Incentive Plan (draft) of the Company and its Abstract* and other relevant proposals, and the independent directors expressed their independent consent on the matters related to the company's stock option incentive plan. The 9th meeting of the fifth Board of Supervisors of the Company deliberated and adopted the above-mentioned relevant proposals and issued the consent. The Company disclosed the above matters on April 01, 2022.
2. From April 1, 2022 to April 10, 2022, the Company publicized the names and positions of the incentive objects of the stock option incentive plan through internal posting. On April 13, 2022, the board of supervisors of the Company issued the *Review Opinions and Announcement of the Board of Supervisors on the List of Incentive Objects of the 2022 Stock Option Incentive Plan*. On the same day, the Company disclosed the *Self-inspection Report on Insiders' and Incentive Objects' Trading of Company Stock with Inside Information of 2022 Restricted Stock Incentive Plan*.
3. On April 21, 2022, the Company held the first extraordinary general meeting of shareholders in 2022, deliberated and adopted the "Proposal on 2022 Stock Option Incentive Plan (Draft) of the Company and its Abstract" and other relevant proposals. The plan was approved by the first extraordinary general meeting of shareholders in 2022, and the board of directors was authorized to determine the grant date of stock option, grant stock option to incentive objects when they meet the conditions and handle all matters necessary for granting equity.
4. On May 10, 2022, the Company's 11th meeting of the fifth Board of Directors and the 11th meeting of the fifth Board of Supervisors deliberated and adopted the *Proposal on Granting Stock Options to Incentive Objects*. The board of supervisors once again verified the list of incentive objects granted and expressed their consent. The independent directors of the Company expressed their independent opinions on this.
5. On April 25, 2023, the Company held the 14th meeting of the fifth Board of Directors and the 14th meeting of the fifth Board of Supervisors, deliberated and adopted the *Proposal on the Cancellation of Partial Stock Options in the 2022 Stock Option Incentive Plan* and the *Proposal on Cancellation of the 2022 Stock Option Incentive Plan for Failure to Meet the Exercise Conditions during the First Exercise Period*. The board of supervisors verified and expressed their consent. The independent directors of the Company expressed their independent opinions thereon.
6. On April 24, 2024, the company held the 5th meeting of the sixth Board of Directors and the 5th meeting of the sixth Board of Supervisors, deliberated and adopted the *Proposal on the Cancellation of Partial Stock Options in the 2022 Stock Option Incentive Plan* and the *Proposal on Cancellation of the 2022 Stock Option Incentive Plan for Failure to Meet the Exercise Conditions during the Second Exercise Period*. The Supervisory Board has verified and expressed its consent.

2023 stock option plan:

1. On April 25, 2023, the Company held the 14th meeting of the fifth board of directors, deliberated and adopted the *Proposal on 2023 Stock Option Incentive Plan (draft) of the Company and its Abstract* and other relevant proposals, and the independent directors expressed their independent consent on the matters related to the Company's stock option incentive plan. The 14th meeting of the fifth Board of Supervisors of the Company deliberated and adopted the above-mentioned relevant proposals and expressed their consent. The Company disclosed the above matters on April 26, 2023.
2. From April 26, 2023 to May 08, 2023, the Company publicized the names and positions of the incentive objects of the stock option incentive plan through internal posting. On May 09, 2023, the board of supervisors of the Company issued the *Review Opinions and Announcement of the Board of Supervisors on the List of Incentive Objects of the 2023 Stock Option Incentive Plan*. On the same day, the Company disclosed the *Self-inspection Report on Insiders' and Incentive Objects' Trading of Company Stock with Inside Information of 2023 Restricted Stock Incentive Plan*.
3. On May 18, 2023, the Company held the first extraordinary general meeting of shareholders in 2022, deliberated and adopted the *Proposal on 2023 Stock Option Incentive Plan (draft) of the Company and its Abstract* and other relevant proposals. The

plan was approved by the first extraordinary general meeting of shareholders in 2022, and the board of directors was authorized to determine the grant date of stock option, grant stock option to incentive objects when they meet the conditions and handle all matters necessary for granting equity.

4. On June 20, 2023, the Company's 15th meeting of the fifth Board of Directors and the 15th meeting of the fifth Board of Supervisors deliberated and adopted the *Proposal on Granting Stock Options to Incentive Objects*. The board of supervisors once again verified the list of incentive objects granted and expressed their consent. The independent directors of the Company expressed their independent opinions on this.
5. On April 24, 2024, the company held the 5th meeting of the sixth Board of Directors and the 5th meeting of the sixth Board of Supervisors, deliberated and adopted the *Proposal on the Cancellation of Partial Stock Options in the 2023 Stock Option Incentive Plan* and other proposals. The Supervisory Board has verified and expressed its consent.
6. On June 20, 2024, the company held the 8th meeting of the sixth Board of Directors and the 8th meeting of the sixth Board of Supervisors, deliberated and adopted the *Proposal on the Fulfillment of Exercise Conditions for the First Exercise Period of the 2023 Stock Option Incentive Plan* and the *Proposal on Adjusting the Exercise Price of the 2023 Stock Option Incentive Plan*. The Supervisory Board has verified and expressed its consent.
7. On August 30, 2024, the company held the 10th meeting of the sixth Board of Directors and the 10th meeting of the sixth Board of Supervisors, deliberated and adopted the *Proposal on Adjusting the Exercise Price of the 2023 Stock Option Incentive Plan*.

2024 Stock Option Plan

1. On April 24, 2024, the company held the 5th meeting of the sixth Board of Directors, deliberated and adopted the *Proposal on 2024 Stock Option Incentive Plan (draft) of the Company, the Proposal on the Implementation and Assessment Management Measures for the Company's 2024 Stock Option Incentive Plan, and the Proposal on Requesting Shareholders' General Meeting to Authorize the Board of Directors to Handle Matters Related to Equity Incentives*.
On the same day, the company held the 5th meeting of the sixth Supervisory Committee, deliberated and adopted the *Proposal on 2024 Stock Option Incentive Plan (draft) of the Company, the Proposal on the Implementation and Assessment Management Measures for the Company's 2024 Stock Option Incentive Plan, and the Proposal on Verifying the List of Incentive Targets for the Company's 2024 Stock Option Incentive Plan*. The Supervisory Committee expressed its approval of these proposals. The Company disclosed the above matters on April 25, 2024.
2. From April 26, 2024 to May 06, 2024, the Company publicized the names and positions of the incentive objects of the stock option incentive plan through internal posting. On May 08, 2024, the board of supervisors of the Company issued the *Review Opinions and Announcement of the Board of Supervisors on the List of Incentive Objects of the 2024 Stock Option Incentive Plan*. On the same day, the Company disclosed the *Self-inspection Report on Insiders' and Incentive Objects' Trading of Company Stock with Inside Information of 2024 Restricted Stock Incentive Plan*.
3. On May 16, 2024, the company held the extraordinary general meeting of shareholders in 2023, deliberated and adopted the *Proposal on 2024 Stock Option Incentive Plan (draft) of the Company and its Abstract* and other relevant proposals. The plan was approved by the extraordinary general meeting of shareholders in 2023, and the board of directors was authorized to determine the grant date of stock option, grant stock option to incentive objects when they meet the conditions and handle all matters necessary for granting equity.
4. On May 20, 2024, the company's sixth meeting of the sixth Board of Directors and the sixth meeting of the sixth Board of Supervisors reviewed and approved the *Proposal on Adjusting the List of Incentive Targets and the Number of Stock Options Granted under the 2024 Stock Option Incentive Plan* and the *Proposal on Granting Stock Options to Incentive Objects*. This proposal has been reviewed and approved by the third meeting of the Sixth Board of Directors' Compensation and Assessment Committee, and the Board of Supervisors has verified the list of incentive objects once again and expressed its consent.

Equity incentive obtained by directors and senior management of the Company

☒ Applicable ☐ Not Applicable

Evaluation mechanism and incentive of senior managers

The Company's First Phase of Business Partner Plan

1. On April 14, 2021, the Company held the 4th meeting of the fifth board of directors, deliberated and adopted the *Proposal on Business Partner Shareholding Plan (draft) of the Company and its Abstract* and other relevant proposals, and the independent directors expressed their independent consent on the matters related to the Company's business partner shareholding plan. The 4th meeting of the fifth Board of Supervisors of the Company deliberated and adopted the above-mentioned relevant proposals and expressed their consent. The Company disclosed the above matters on April 15, 2021.
2. On April 30, 2021, the Company held the 1st extraordinary general meeting of shareholders in 2021, deliberated and adopted the *Proposal on Business Partner Shareholding Plan (Draft) of the Company and its Abstract* and other relevant proposals. The plan was approved by the first extraordinary general meeting of shareholders in 2021, and the board of directors was authorized to determine and handle all matters related to the plan.
3. On April 20, 2022, the Company disclosed the *Announcement on the Failure to Meet the 2021 Assessment Conditions for the Business Partner Shareholding Plan*. According to relevant provisions of the shareholding plan, in case of a failure of meeting the 2021 assessment conditions for the business partner shareholding plan, the Company will not withdraw the special funds for the shareholding plan this year.
4. On April 26, 2023, the Company disclosed the *Announcement on the Failure to Meet the 2022 Assessment Conditions for the Business Partner Shareholding Plan*. According to relevant provisions of the shareholding plan, in case of a failure of meeting the 2022 assessment conditions for the business partner shareholding plan, the Company will not withdraw the special funds for the shareholding plan this year.

5. On April 25, 2024, the Company disclosed the *Announcement on the Failure to Meet the 2023 Assessment Conditions for the Business Partner Shareholding Plan*. According to relevant provisions of the shareholding plan, in case of a failure of meeting the 2023 assessment conditions for the business partner shareholding plan, the Company will not withdraw the special funds for the shareholding plan this year.

The Company's Second Phase of Business Partner Plan

- On April 24, 2024, the company held the 5th Meeting of the Sixth Board of Directors, deliberated and adopted *the Proposal on the Company's Second Phase of Business Partner Plan (Draft) and Its Summary* and other related proposals. The 5th meeting of the sixth Board of Supervisors of the Company deliberated and adopted the above-mentioned relevant proposals and issued the consent. The Company disclosed the above matters on April 25, 2024.
- On May 16, 2024, the company held the extraordinary general meeting of shareholders in 2023, deliberated and adopted *the Proposal on the Company's Second Phase of Business Partner Plan (Draft) and Its Summary* and other related proposals. The plan was approved by the extraordinary general meeting of shareholders in 2023, authorizing the Board of Directors to determine or handle matters related to the plan.

2. Implementation of the employee stock ownership plan

☐ Applicable ☒ Not applicable

3. Other employee incentives

☐ Applicable ☒ Not applicable

XI. Construction and implementation of internal control system during the reporting period

1. Construction and implementation of internal control

See the *2024 Internal Control Self-evaluation Report* disclosed by the Company on the designated information disclosure website <http://www.cninfo.com.cn> for details.

2. Details of significant internal control defects discovered during the reporting period

☐ Yes ☒ No

XII. Management and control of subsidiaries during the reporting period

Company name	Integration plan	Integration progress	Problems encountered in integration	Measures taken to resolve the problem	Resolution progress	Follow-up resolution plan
N/A	N/A	N/A	N/A	N/A	N/A	N/A

XIII. Internal control evaluation report or internal control audit report

1. Internal control evaluation report

Full disclosure date of internal control self-evaluation report	April 29, 2025
Index of full disclosure of internal control evaluation report	Cninfo: Full text of 2024 internal control self-evaluation report of ROBAM
Proportion of the total assets of the unit included in the evaluation scope to the total assets of the consolidated financial statement of the Company	100.00%
Proportion of operating income of the unit included in the evaluation scope to the operating income of the consolidated financial statement of the Company	100.00%

Defect identification standard		
Category	Financial report	Non-financial report
Qualitative standard	<p>Signs of major defects in the financial report include:</p> <ol style="list-style-type: none"> 1) Corrupt practice of directors, supervisors and senior management; 2) Misstatement correction of material errors in financial reports that have been announced by the Company; 3) Material misstatement in the current financial report, which is not found by the internal control in the process of operation; 4) Ineffective control and supervision of the Company's external and internal financial reports by the audit committee and audit department. <p>Signs of important defects in the financial report include:</p> <ol style="list-style-type: none"> 1) Failure to select and apply accounting policies in accordance with generally accepted accounting principles; 2) No anti-fraud procedures and control measures have been established; 3) There is no corresponding control mechanism established or no implementation of and no corresponding compensatory control for the accounting treatment of non-routine or special transactions; 4) One or more defects in the control of the final financial reporting process and no reasonable assurance that the financial statements will achieve the objective of authenticity and completeness. <p>Common defects in financial reports refer to control defects other than the major defects and important defects mentioned above.</p>	<p>Signs of major defects in the non-financial report include:</p> <ol style="list-style-type: none"> 1) The defects in non-financial reports are mainly determined according to the influence of the defects on the business process effectiveness and the possibility of occurrence; 2) The defects with high possibility that will seriously reduce the work efficiency or effect, or seriously increase the uncertainty of the effect, or make it seriously deviate from the expected goal are major defects. <p>Signs of important defects in the non-financial report include:</p> <ol style="list-style-type: none"> 1) The defects in non-financial reports are mainly determined according to the influence of the defects on the business process effectiveness and the possibility of occurrence; 2) The defects with high possibility that will significantly reduce the work efficiency or effect, or significantly increase the uncertainty of the effect, or make it significantly deviate from the expected goal are important defects. <p>Signs of common defects in the non-financial report include:</p> <ol style="list-style-type: none"> 1) The defects in non-financial reports are mainly determined according to the influence of the defects on the business process effectiveness and the possibility of occurrence; 2) The defects with low possibility that will reduce the work efficiency or effect, or increase the uncertainty of the effect, or make it deviate from the expected goal are common defects.
Quantitation standard	<p>The quantitative standard takes the operating income and the total assets as the measurement index.</p> <ol style="list-style-type: none"> 1) The internal control defects that may cause losses or whose losses are related to the income statement are measured on the basis of operating income: <p>Major defect: misstatement amount > 2% of operating income;</p> <ol style="list-style-type: none"> 2) The internal control defects that may cause losses or whose losses are 	<p>Major defect: direct property loss > RMB 20 million;</p> <p>Important defect: RMB 5 million < direct property loss < RMB 20 million;</p> <p>Common defect: direct property loss < RMB 5 million;</p>

	<p>related to the assets management are measured on the basis of total assets:</p> <p>Major defect: misstatement amount > 1% of total assets;</p> <p>The quantitative standard takes the operating income and the total assets as the measurement index.</p> <p>1) The internal control defects that may cause losses or whose losses are related to the income statement are measured on the basis of operating income:</p> <p>Important defect: 1% of operating income < misstatement amount < 2% of operating income;</p> <p>2) The internal control defects that may cause losses or whose losses are related to the assets management are measured on the basis of total assets:</p> <p>Important defect: 0.5% of total assets < misstatement amount < 1% of total assets;</p> <p>The quantitative standard takes the operating income and the total assets as the measurement index.</p> <p>1) The internal control defects that may cause losses or whose losses are related to the income statement are measured on the basis of operating income:</p> <p>Common defect: misstatement amount < 1% of operating income;</p> <p>2) The internal control defects that may cause losses or whose losses are related to the assets management are measured on the basis of total assets:</p> <p>Common defect: misstatement amount < 0.5% of total assets;</p>	
Number of major defects in financial reports		0
Number of major defects in non-financial reports		0
Number of important defects in financial reports		0
Number of important defects in non-financial reports		0

2. Internal control audit report

☒ Applicable ☐ Not applicable

Deliberations in the internal control audit report	
On December 31, 2024, ROBAM maintained effective internal control over financial reporting in all major aspects in accordance with the <i>Basic Standards for Enterprise Internal Control</i> and relevant regulations.	
Disclosure of internal control audit report	Disclosure
Disclosure date of the full text of internal control audit report	April 29, 2025
Disclosure index of the full text of internal control audit report	Cninfo: Full text of 2024 internal control audit report of ROBAM
Type of the opinions on internal control audit report	Standard unqualified opinions
Whether there are significant defects in non-financial reports	No

Whether the accounting firm issues an internal control audit report with non-standard opinions

☐ Yes ☒ No

Whether the internal control audit report issued by the accounting firm is consistent with the self-evaluation report of the board of directors

☒ Yes ☐ No

XIV. Rectification of problems in self-inspection of special actions for governance of listed companies

N/A

Section V. Environmental and Social Responsibility

I. Major environmental issues

Whether the listed company and its subsidiaries are key pollutant discharging units announced by environmental protection authorities

☐ Yes ☒ No

Administrative punishment for environmental problems during the reporting period

Company or subsidiary name	Cause of punishment	Violation details	Punishment results	Impact on production and operation of listed companies	Rectification measures of the Company
N/A	N/A	N/A	N/A	N/A	N/A

Other environmental information disclosed by reference to key pollutant discharging units

N/A

Measures taken to reduce carbon emissions during the reporting period and relevant effects

☐ Applicable ☒ Not applicable

Reasons for non-disclosure of other environmental information

N/A

II. Social responsibility

See the 2024 *Environmental, Social and Corporate Governance Report* disclosed by the Company on the designated information disclosure media <http://www.cninfo.com.cn> for details.

III. Consolidate and expand the achievements of poverty alleviation and rural revitalization

See the 2024 *Environmental, Social and Corporate Governance Report* disclosed by the Company on the designated information disclosure media <http://www.cninfo.com.cn> for details.

Section VI. Important Matters

I. Performance in fulfilling commitments

1. Commitments fulfilled within and not fulfilled by the end of the reporting period by the Company's actual controller, shareholders, related parties, acquirer and other commitment parties

☒ Applicable ☐ Not applicable

Commitment reason	Commitment party	Commitment type	Commitment content	Commitment time	Time limit for acceptance	Degree of performance
Commitment made at the time of IPO or refinancing	Directors, supervisors and senior management directly or indirectly holding shares of the Company	Commitment to restriction on sales of shares	After the expiry of the 36-month sales restriction period, the shares transferred each year during his/her tenure shall not exceed 25% of the total number of shares held directly or indirectly in the Company; the Company shares directly or indirectly held shall not be transferred within six months after the resignation.	November 23, 2010	Long-term	Strict performance
Commitment made at the time of IPO or refinancing	Hangzhou ROBAM Industrial Group Co., Ltd.; Ren Jianhua	Commitment on avoiding horizontal competition	1. The Company/I and other enterprises under the control of the Company/me do not, and will not, directly or indirectly, engage in any activities that constitute horizontal competition with the existing and future business of ROBAM and its holding subsidiaries; 2. If any business opportunity obtained the Company/I and other enterprises under the control of the Company/me from any third party constitutes or may constitute substantial competition with	November 23, 2010	Long-term	Strict performance

			the business of ROBAM, the Company/I will immediately notify ROBAM and transfer such business opportunity to ROBAM; 3. The Company/I and other enterprises under the control of the Company/me commit not to provide technical information, process flow, marketing channels or other trade secrets to other companies, enterprises, organizations or individuals whose business constitutes competition with the business of ROBAM.			
Whether the commitment is fulfilled on time	Yes					
If the commitment is not fulfilled on time, the specific reasons for the failure of fulfilling the commitment and the next step of the work plan should be detailed	N/A					

2. In case the Company's asset or project saw earning expectation, and the reporting period is still covered by the term of the earning expectation, the Company shall make a statement about the asset or project fulfilling the original expectation and the reasons thereof.

☐ Applicable ☒ Not applicable

II. Non-operating occupation of funds of listed companies by controlling shareholders and other related parties

☐ Applicable ☒ Not applicable

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

III. Illegal external guarantee

☐ Applicable ☒ Not applicable

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

IV. Statement of the board of directors on the latest "non-standard audit report"

☐ Applicable ☒ Not applicable

V. Statement of the board of directors, the board of supervisors and independent directors (if any) on the "non-standard audit report" of the accounting firm during the reporting period

☐ Applicable ☒ Not applicable

VI. Description of changes in accounting policy and accounting estimates or significant accounting error correction as compared to the financial statements of the previous year

☒ Applicable ☐ Not Applicable

The Ministry of Finance issued the Notice on Printing and Distributing "Accounting Standards for Business Enterprises Interpretation No. 18" (Cai Kuai [2024] No. 24) on December 6, 2024 (hereinafter referred to as "Interpretation No. 18"). In accordance with Article 33 of the Accounting Standards for Business Enterprises No. 14—Revenue (Cai Kuai [2017] No. 22) and other relevant provisions, for warranty-type quality assurance that does not constitute a separate performance obligation, an enterprise shall account for it in accordance with the Accounting Standards for Business Enterprises No. 13—Contingencies (Cai Kuai [2006] No. 3). When accounting for estimated liabilities arising from the aforementioned warranty-type quality assurances, the enterprise shall, in accordance with the relevant provisions of the Accounting Standards for Business Enterprises No. 13—Contingencies, debit accounts such as "Main Business Cost" and "Other Operating Costs," and credit the "Estimated Liabilities" account. These amounts shall correspondingly be presented in the "Operating Costs" line item in the income statement and under "Other Current Liabilities," "Non-Current Liabilities Due Within One Year," and "Estimated Liabilities" in the balance sheet. The company has implemented the Standard Interpretation No.18 since December 06, 2024.

VII. Description of changes in the scope of combined financial statements as compared to financial statements of the previous fiscal year

☒ Applicable ☐ Not applicable

During the year, the consolidation scope of the company increased by 11 wholly-owned subsidiaries due to new establishments, and decreased by 1 controlled subsidiary due to capital increase by minority shareholders and reorganization of board members. The details are as follows:

1. On January 29, 2024, the company's subsidiary, Robam Appliances (Hong Kong) Holding Co., Ltd., invested in the establishment of Robam Appliances US Holding INC. with a registered capital of USD 5,000. The registered address is 8 The Green, Ste A, Dover, DE 19901. Robam Appliances (Hong Kong) Holding Limited holds a 100% equity stake, with its business scope covering asset investment and management. The registered capital has been fully paid.
2. On March 18, 2024, the company's subsidiary Robam Appliances US Holding INC. and WGSZ HOLDING LLC jointly established Robam Appliances Los Angeles Trade LLC. with a registered capital of \$10,000. Robam Appliances US Holding Inc. holds a 70% stake, while WGSZ HOLDING LLC. holds a 30% stake. The paid-in capital amounts to \$1.858 million. Robam Appliances Los Angeles Trade LLC. primarily engages in the sales of large household kitchen appliances and has commenced operations.
3. On March 27, 2024, the company invested in establishing Chengdu Robam Innovation Technology Co., Ltd., with a registered capital of RMB 5,000,000 and a 100% ownership stake. The business scope includes technical services and software development. The registered capital has been fully paid, and the company has commenced operations.
4. On September 3, 2024, the company invested in establishing Hangzhou ROBAM E-Commerce Co., Ltd., with a registered capital of RMB 10,000,000 and a 100% ownership stake. The business scope covers internet sales. The registered capital has been fully paid, and the company has commenced operations.

5. On September 27, 2024, the company invested in establishing Ningbo Jinke E-Commerce Co., Ltd., with a registered capital of RMB 5,000,000, a 100% ownership stake. The business scope covers internet sales. The registered capital has been fully paid, and the company has commenced operations.
6. On September 27, 2024, the company invested in establishing Hangzhou Yuhang Jinke E-Commerce Co., Ltd., with a registered capital of RMB 5,000,000 and a 100% ownership stake. The business scope covers internet sales. The registered capital has been fully paid, and the company has commenced operations.
7. On October 8, 2024, the company invested in establishing Chengdu Robam E-Commerce Co., Ltd., with a registered capital of RMB 5,000,000 and a 100% ownership stake. The business scope includes internet sales. The registered capital has been fully paid, and the company has commenced operations.
8. On October 9, 2024, the company invested in establishing Qingdao Mingqi E-Commerce Co., Ltd., with a registered capital of RMB 5,000,000 and a 100% ownership stake. The business scope covers internet sales. The registered capital has been fully paid, and no business operations had commenced as of the end of the reporting period.
9. On October 10, 2024, the company invested in establishing Wuhan Jinke E-Commerce Co., Ltd. with a registered capital of RMB 5,000,000, a 100% equity stake. The business scope covers internet sales. The registered capital has been fully paid, and the company has commenced operations.
10. On November 21, 2024, Robam Appliances (Hong Kong) Excellence Limited was officially established upon obtaining its registration certificate, having been invested and established by our company's subsidiary, Robam Appliances (Hong Kong) Holding Co., Ltd. The registered capital is USD 50,000, and no business operations had commenced as of the end of the reporting period.
11. On December 16, 2024, PT ROBAM APPLIANCES INDONESIA (hereinafter referred to as "ROBAM Indonesia") was officially established upon obtaining its registration certificate. It was jointly invested by Robam Appliances (Hong Kong) Excellence Limited and Robam Appliances (Hong Kong) Holding Co., Ltd., with the former holding a 90% stake and the latter holding a 10% stake. The registered capital is USD 1,200,000, and no business operations had commenced as of the end of the reporting period.
12. On July 22, 2024, CHUCHUWEILAI, a subsidiary controlled by the company's subsidiary, Kinde Intelligent Holdings, convened a board meeting. The meeting resolved to increase capital and reorganize the board of directors of CHUCHUWEILAI. Effective October 1, 2024, the company relinquished control over CHUCHUWEILAI and ceased to include it in the consolidated financial statements.

VIII. Appointment of and dismissal of accounting firms

Accounting firm currently appointed

Name of Chinese accounting firm	Shinewing Certified Public Accountants (special general partnership)
Remuneration (10,000 yuan)	145
Term of audit services	6
CPAs	Liu Yu, Wang Qing
Term of auditing services of CPAs	One year, five years

Has the accounting firm been changed within the reporting period?

☐ Yes ☒ No

Employment of internal control audit accounting firm, financial advisor or sponsor

☒ Applicable ☐ Not applicable

ShineWing Certified Public Accountants (Special general partnership) served as the internal control audit agency of the Company in 2024, with an audit fee of 1.55 million yuan, including 1.15 million yuan for the financial statement audit and 300,000 yuan for the internal control audit.

IX. Delisting confronted upon disclosure of the annual report

☐ Applicable ☒ Not applicable

X. Bankruptcy reorganization

☐ Applicable ☒ Not applicable

No bankruptcy reorganization of the Company during the reporting period.

XI. Major litigation, arbitration matters

☐ Applicable ☒ Not applicable

No major litigation or arbitration matters of the Company during the reporting period.

XII. Punishment and rectification

☐ Applicable ☒ Not applicable

No punishment or rectification of the Company during the reporting period.

XIII. Credit conditions of the Company, its controlling shareholders and actual controllers

☐ Applicable ☒ Not applicable

XIV. Major related transactions

1. Related transactions related to daily operation

☐ Applicable ☒ Not applicable

No related transactions related to daily operation of the Company during the reporting period.

2. Related transactions arising from the acquisition or sale of assets or equity

☐ Applicable ☒ Not applicable

No Related transactions arising from the acquisition or sale of assets or equity of the Company during the reporting period.

3. Related transactions of joint foreign investment

☐ Applicable ☒ Not applicable

No related transactions of joint foreign investment of the Company during the reporting period.

4. Related claims and debts

☐ Applicable ☒ Not applicable

No related claims and debts of the Company during the reporting period.

5. Transactions with related financial companies

☐ Applicable ☒ Not applicable

There is no deposit, loan, credit or other financial business between the Company and the related financial companies and the related parties.

6. Transactions between the financial companies controlled by the Company and related parties

☐ Applicable ☒ Not applicable

There is no deposit, loan, credit or other financial business between the financial companies controlled by the Company and the related parties.

7. Other major related transactions

☐ Applicable ☒ Not applicable

No other major related transactions of the Company during the reporting period.

XV. Major contracts and their performance

1. Trusteeship, contracting and lease

(1) Trusteeship

☐ Applicable ☒ Not applicable

No trusteeship of the Company during the reporting period.

(2) Contracting

☐ Applicable ☒ Not applicable

No contracting of the Company during the reporting period.

(3) Lease

☐ Applicable ☒ Not applicable

No lease of the Company during the reporting period.

2. Major guarantee

☐ Applicable ☒ Not applicable

No major guarantee of the Company during the reporting period.

3. Entrusted cash asset management

(1) Entrusted financing

☒ Applicable ☐ Not applicable

Entrusted financing during the reporting period

Unit: 10,000 yuan

Specific type	Source of funds for entrusted financing	Amount incurred in entrusted financing	Outstanding balance	Overdue amount not recovered	Overdue amount of impairment accrued for financial management not recovered
Bank financial products	Owned fund	190,000	238,000	0	0
Trust wealth management products	Owned fund	10,000	10,000	0	0
Total		200,000	248,000	0	0

Specific circumstance of high-risk entrusted financing with significant single amount or with low security and poor liquidity

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

(2) Entrusted loans

☐ Applicable ☒ Not applicable

No entrusted loans of the Company during the reporting period.

4. Other major contracts

☐ Applicable ☒ Not applicable

No other major contracts of the Company during the reporting period.

XVI. Description of other important events

☐ Applicable ☒ Not applicable

No other important events to be described during the reporting period.

XVII. Major events of subsidiaries

☐ Applicable ☒ Not applicable

Section VII. Changes in Shares and Shareholders

I. Change in shares

1. Change in shares

Unit: share

	Before this change		Increase/decrease (+, -)					After this change	
	Quantity	Proportion	New issue of shares	Share donation	Share capital increase from reserved funds	Other	Subtotal	Quantity	Proportion
I. Restricted shares	11,387,129	1.20%						11,387,129	1.21%
1. State-owned shares									
2. State-owned legal person shares									
3. Other domestic holdings	11,387,129	1.20%						11,387,129	1.21%
Wherein: domestic legal person shareholding									
Domestic natural person shareholding	11,387,129	1.20%						11,387,129	1.21%
4. Foreign capital-owned shares									
Wherein: foreign legal person shareholding									
Foreign natural person shareholding									
II. Unrestricted shares	937,636,921	98.80%				-4,241,884	-4,241,884	933,395,037	98.79%
1. RMB common share	937,636,921	98.80%				-4,241,884	-4,241,884	933,395,037	98.79%
2. Domestic-listed foreign shares									
3. Overseas-listed foreign shares									
4. Other									
III. Total amount of shares	949,024,050	100.00%				-4,241,884	-4,241,884	944,782,166	100.00%

Causes for change in shares

☒ Applicable ☐ Not applicable

1. Repurchase and cancellation

On June 3, 2024, the 7th meeting of the sixth Board of Directors and the 7th meeting of the sixth Board of Supervisors were convened, during which *the Proposal on Canceling Repurchased A Shares, Reducing Registered Capital, and Amending the Articles of Association* was reviewed and approved. The company proposes to cancel the 4,929,134 shares held in the special securities account for share repurchase. Upon completion of this cancellation, the company's registered capital and total number of shares will be reduced accordingly, and the relevant provisions of the company's Articles of Association shall be amended accordingly.

On June 19, 2024, the company convened its first extraordinary general meeting of shareholders in 2024, which reviewed and approved *the Proposal on Canceling Repurchased A Shares, Reducing Registered Capital, and Amending the Articles of Association*. The meeting agreed to the aforementioned cancellation of repurchased A shares and authorized the Board of Directors, further delegating the company's management to handle specific matters related to the cancellation of repurchased A shares and the reduction of registered capital. This includes, but is not limited to, completing the industrial and commercial registration procedures for the company's registered capital changes after the cancellation of such shares and amending the relevant clauses in the Articles of Association accordingly.

2. 2023 Stock Option Incentive Plan Exercise

Hangzhou ROBAM Appliances Co., Ltd. (hereinafter referred to as the "Company") convened the 8th meeting of the 6th Board of Directors and the 8th meeting of the 6th Board of Supervisors on June 20, 2024, respectively, and deliberated and adopted *the Proposal on the Fulfillment of Exercise Conditions for the First Exercise Period of the 2023 Stock Option Incentive Plan*. For details, please refer to *the Announcement on the Fulfillment of Exercise Conditions for the First Exercise Period of the 2023 Stock Option Incentive Plan* (Announcement No.: 2024-050) disclosed by the Company on June 21, 2024, in the "Securities Times," "China Securities Journal," "Securities Daily," "Shanghai Securities News," and on www.cninfo.com.cn.

The independent exercise of rights has been reviewed and approved by the Shenzhen Stock Exchange. The company has completed the relevant registration and filing for the independent exercise of rights with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd.

As of December 31, 2024, a total of 687,250 shares were voluntarily exercised by the incentive objects.

Approval of changes in shares

☐ Applicable ☒ Not applicable

Transfer of share changes

☐ Applicable ☒ Not applicable

Influence of share changes on the basic EPS, diluted EPS, net assets per share attributable to common shareholders of the Company and other financial indexes in the most recent year and the most recent period

☐ Applicable ☒ Not applicable

Other information the Company deems necessary or required by the securities regulatory authorities to disclose

☐ Applicable ☒ Not applicable

2. Changes in restricted shares

☐ Applicable ☒ Not applicable

II. Securities issuance and listing

1. Securities issuance (excluding preferred shares) during the reporting period

☐ Applicable ☒ Not applicable

2. Description of changes in the total number of shares, shareholder structure, asset and liability structure of the Company

☒ Applicable ☐ Not applicable

1. Repurchase and cancellation

On June 3, 2024, the 7th meeting of the sixth Board of Directors and the 7th meeting of the sixth Board of Supervisors were convened, during which *the Proposal on Canceling Repurchased A Shares, Reducing Registered Capital, and Amending the Articles of Association* was reviewed and approved. The company proposes to cancel the 4,929,134 shares held in the special securities account for share repurchase. Upon completion of this cancellation, the company's registered capital and total number of shares will be reduced accordingly, and the relevant provisions of the company's Articles of Association shall be amended accordingly.

On June 19, 2024, the company convened its first extraordinary general meeting of shareholders in 2024, which reviewed and approved *the Proposal on Canceling Repurchased A Shares, Reducing Registered Capital, and Amending the Articles of Association*. The meeting agreed to the aforementioned cancellation of repurchased A shares and authorized the Board of Directors, further delegating the company's management to handle specific matters related to the cancellation of repurchased A shares and the reduction of registered capital. This includes, but is not limited to, completing the industrial and commercial registration procedures for the company's registered capital changes after the cancellation of such shares and amending the relevant clauses in the Articles of Association accordingly.

2. 2023 Stock Option Incentive Plan Exercise

Hangzhou ROBAM Appliances Co., Ltd. (hereinafter referred to as the "Company") convened the 8th meeting of the 6th Board of Directors and the 8th meeting of the 6th Board of Supervisors on June 20, 2024, respectively, and deliberated and adopted *the Proposal on the Fulfillment of Exercise Conditions for the First Exercise Period of the 2023 Stock Option Incentive Plan*. For details, please refer to *the Announcement on the Fulfillment of Exercise Conditions for the First Exercise Period of the 2023 Stock Option Incentive Plan* (Announcement No.: 2024-050) disclosed by the Company on June 21, 2024, in the "Securities Times," "China Securities Journal," "Securities Daily," "Shanghai Securities News," and on www.cninfo.com.cn. The independent exercise of rights has been reviewed and approved by the Shenzhen Stock Exchange. The company has completed the relevant registration and filing for the independent exercise of rights with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd.

As of December 31, 2024, a total of 687,250 shares were voluntarily exercised by the incentive objects.

3. Existing internal employee shares

☐ Applicable ☒ Not applicable

III. Shareholders and actual controllers

1. Number and shareholding of the Company's shareholders

Unit: share

Total number of common shareholders at the end of the reporting period	50,873	Total number of common shareholders at the end of the previous month before the disclosure date of the annual report	42,444	Total number of preferred shareholders with voting rights restored at the end of the reporting period (if any) (see Note 8)	0	Total number of preferred shareholders with voting rights restored at the end of the previous month before the disclosure date of the annual report (if any) (see Note 8)	0
Shareholdings of the shareholders holding more than 5% shares or the top 10 shareholders (excluding shares lent through refinancing)							
Shareholder's name	Shareholder nature	Shareholding ratio	Number of shares held at the end of the reporting period	Increase or decrease during the reporting period	Number of shares held with limited sales conditions	Number of shares held with unlimited sales conditions	Pledge, mark or freeze Status of shares Quantity
Hangzhou ROBAM Industrial Group Co., Ltd.	Domestic non-state legal person	49.91%	471,510,000	0	0	471,510,000	Not applicable 0
Hong Kong Securities Clearing Company Ltd.	Overseas legal person	11.03%	104,198,065	35,611,930	0	104,198,065	Not applicable 0
Schroder Investment Management (Hong Kong) Limited - Schroder	Overseas legal person	1.50%	14,215,355	14,215,355	0	14,215,355	Not applicable 0

International Selection Fund China A (Exchange)								
Shen Guoying	Domestic natural person	1.30%	12,240,000	0	0	12,240,000	Not applicable	0
China Life Insurance (Group) Company - Traditional - General Insurance Product - Hong Kong Stock Connect (Innovation Strategy)	Other	0.88%	8,303,700	8,303,700	0	8,303,700	Not applicable	0
China Life Insurance Company Limited - Traditional - General Insurance Products - 005L - CT001 Hu	Other	0.78%	7,353,256	5,555,056	0	7,353,256	Not applicable	0
National Social Security Fund Portfolio No. 406	Other	0.76%	7,211,100	7,211,100	0	7,211,100	Not applicable	0
China Life Property & Casualty Insurance Co., Ltd - Traditional - General Insurance Products	Other	0.73%	6,852,398	6,852,398	0	6,852,398	Not applicable	0
Agricultural Bank of China Limited - CSI500 Index Open-ended Fund	Other	0.70%	6,643,800	4,000,200	0	6,643,800	Not applicable	0
Hangzhou Jinchuang Investment Co., Ltd.	Domestic non-state legal person	0.70%	6,640,085	0	0	6,640,085	Not applicable	0
Situation of strategic investors or general legal persons becoming the top 10 shareholders due to the allotment of new shares (if any) (see note 3)	N/A							
Description of the above-mentioned shareholder association or concerted action	The actual controller of the Company's controlling shareholder Hangzhou ROBAM Industrial Group Co., Ltd. and the shareholder Hangzhou Jinchuang Investment Co., Ltd. is Mr. Ren Jianhua, and the natural person shareholder Shen Guoying is the wife of Ren Jianhua. The above shareholders have the possibility of acting in unison.							
Description of the above	N/A							

shareholders involved in entrusting / entrusted voting right and waiver of voting right			
Special note on the existence of special repurchase accounts among the top 10 shareholders (if any) (see Note 10)	N/A		
Shares of the Top 10 shareholders without sale restriction conditions (excluding shares lent through refinancing and senior executive lock-in shares)			
Shareholder's name	Number of shares with unlimited sales conditions held at the end of the reporting period	Share type	
		Share type	Quantity
Hangzhou ROBAM Industrial Group Co., Ltd.	471,510,000	RMB common share	471,510,000
Hong Kong Securities Clearing Company Ltd.	104,198,065	RMB common share	104,198,065
Schroder Investment Management (Hong Kong) Limited - Schroder International Selection Fund China A (Exchange)	14,215,355	RMB common share	14,215,355
Shen Guoying	12,240,000	RMB common share	12,240,000
China Life Insurance (Group) Company - Traditional - General Insurance Products - Hong Kong Stock Connect (Innovation Strategy)	8,303,700	RMB common share	8,303,700
China Life Insurance Company Limited - Traditional - General Insurance Products - 005L - CT001 Hu	7,353,256	RMB common share	7,353,256
National Social Security Fund Portfolio No. 406	7,211,100	RMB common share	7,211,100
China Life Property & Casualty Insurance Co., Ltd - Traditional - General Insurance Products	6,852,398	RMB common share	6,852,398
Agricultural Bank of China Limited - CSI500 Index Open-ended Fund	6,643,800	RMB common share	6,643,800
Hangzhou Jinchuang Investment Co., Ltd.	6,640,085	RMB common share	6,640,085
Description of the association or concerted action between top 10 public shareholders with unlimited sales conditions, and between top 10 public shareholders with unlimited sales conditions and top 10 shareholders	The actual controller of the Company's controlling shareholder Hangzhou ROBAM Industrial Group Co., Ltd. and the shareholder Hangzhou Jinchuang Investment Co., Ltd. is Mr. Ren Jianhua, and the natural person shareholder Shen Guoying is the wife of Ren Jianhua. The above shareholders have the possibility of acting in unison.		

Securities margin trading business attended by top 10 common shareholders (if any) (see note 4)	N/A
---	-----

Lending of shares by shareholders holding more than 5% shares, top 10 shareholders or top 10 public shareholders with unlimited sales conditions in the refinancing business

☐ Applicable ☒ Not applicable

Change in the lending/return of shares by top 10 shareholders or top 10 public shareholders with unlimited sales conditions in the refinancing business as compared to the previous period

☐ Applicable ☒ Not applicable

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

☐ Yes ☒ No

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

2. Controlling shareholders of the Company

Nature of controlling shareholder: natural person holding

Type of controlling shareholder: legal person

Controlling shareholder's name	Legal Representative / Head of Unit	Date of establishment	Organization code	Main business
Hangzhou ROBAM Industrial Group Co., Ltd.	Ren Jianhua	March 22, 1995	913301101438402503	Industrial investment, import and export of goods
Equity of other domestic and foreign listed companies controlled and participated by controlling shareholders during the reporting period	The controlling shareholder of Hangzhou Nbond Nonwoven Co., Ltd., and the participating shareholder of Zhejiang CFMOTO Power Co., Ltd, Hangzhou Fortune Gas Cryogenic Group Co., Ltd.			

Change of controlling shareholders during the reporting period

☐ Applicable ☒ Not applicable

No change in controlling shareholders during the reporting period.

3. Actual controller of the company and the person acting in concert

Nature of actual controller: domestic natural person

Type of actual controller: natural person

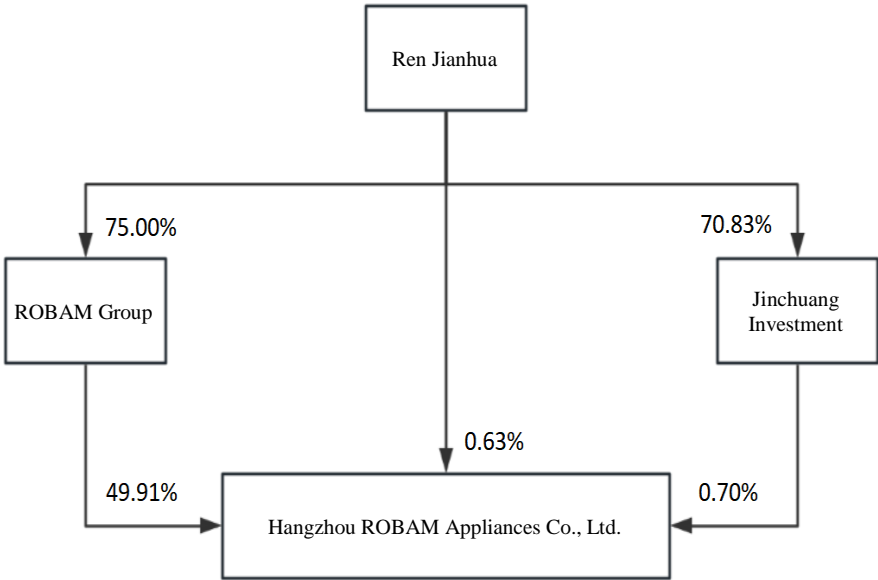
Actual controller's name	Relationship with actual controller	Nationality	Whether to obtain the right of residence in other countries or regions
Ren Jianhua	Self	China	No
Main occupations and positions	Please refer to the resume of the Company's directors for details		
Domestic and foreign listed companies that have held shares in the past 10 years	Actual controller of Hangzhou ROBAM Appliances Co., Ltd. and Hangzhou Nbond Nonwoven Co., Ltd.		

Changes in actual controller during the reporting period

☐ Applicable ☒ Not applicable

No change in actual controller during the reporting period.

Block diagram of property right and control relationship between the Company and actual controller



The actual controller controls the Company through trust or other asset management methods

☐ Applicable ☒ Not applicable

4. The cumulative number of pledged shares of the Company's controlling shareholder or the largest shareholder and its persons acting in concert accounts for 80% of the Company's shares held by them

☐ Applicable ☒ Not applicable

5. Other legal person shareholders holding more than 10%

☐ Applicable ☒ Not applicable

6. Restricted share reduction of controlling shareholders, actual controller, reorganizers and other commitment subjects

☐ Applicable ☒ Not applicable

IV. Specific implementation of share repurchase in the reporting period

Implementation progress of share repurchase

☐ Applicable ☒ Not applicable

Implementation progress of reducing repurchased shares by centralized competitive bidding trading

☐ Applicable ☒ Not applicable

Section VIII. Information Related to Preferred Shares

☐ Applicable ☒ Not applicable

No preferred shares of the Company during the reporting period.

Section IX. Bond-related Information

☐ Applicable ☒ Not applicable

Section X. Financial Report

I. Audit report

Type of audit opinion	Standard unqualified opinion
Date of signing of audit report	April 28, 2025
Name of audit institution	Shinewing Certified Public Accountants (special general partnership)
Audit Report No.	XYZH/2025BJAA10B0391
Name of Certified Public Accountant	Liu Yu, Wang Qing

Main body of audit report

To all shareholders of Hangzhou Robam Appliances Co., Ltd.:

- Audit opinion**

We have audited the accompanying financial statements of Hangzhou ROBAM Appliances Co., Ltd. (hereinafter referred to as Robam), including the consolidated balance sheet and the balance sheet of parent company as of December 31, 2024, consolidated income statement and income statement of parent company, consolidated cash flow statement and cash flow statement of parent company, consolidated statement of change in equity and statement of change in equity of parent company for the year 2024 and notes to relevant financial statements.

In our opinion, the attached financial statements of your company have been prepared in accordance with the provisions of the Accounting Standards for Business Enterprises and give a true and fair view of the consolidated financial position and financial position of parent company of ROBAM as of December 31, 2024 and of the financial performance and cash flows for the year 2024 in all significant terms.

- Basis for audit opinion**

We conducted our audit in accordance with the Standards on Auditing for Certified Public Accountants. The "responsibility of certified public accountants for audit of financial statements" in the audit report further expounds our responsibilities under such standards. We were independent of ROBAM and fulfill other responsibilities in terms of professional ethics according to the code of professional ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

- Key audit items**

The key audit items are those that we consider most important to audit the financial statements of the current period in our professional judgment. The response to these items is based on the audit of the financial statements as a whole and the formation of an audit opinion. We do not comment on these items separately. We have identified the following items as key audit items to be communicated in the audit report.

1. Income Recognition - Agency Sales Model and Engineering Channel Sales Business	
Key audit items	Response in audit
<p>Refer to Notes III. 26 and Note V. 40 Operating income and operating cost to financial statements.</p> <p>In 2024, ROBAM's operating income reached RMB 112,126.542 million, an increase of RMB 107.584 million compared to 2023, of which the income from the agency sales model was 3,543,017,900 yuan, and the income from the engineering channel sales business was 1,675,133,700 yuan, together accounting for 46.54% of income of the period.</p> <p>Since the agency sales model income and engineering channel income account for large proportion in the operating income and are one of the key performance indicators of Robam, there may be an inherent risk that the management may recognize the income in the wrong way to reach the specific goal or expected goal. Therefore, we regard income recognition as a key audit issue.</p>	<p>For the income recognition of the agency sales mode and engineering channels, the audit procedures we implemented mainly include:</p> <ol style="list-style-type: none">1. Understand key internal controls related to income recognition, evaluate and test the effectiveness of internal control design and implementation;2. Check the information of the shareholders and main personnel of the agency company and evaluate whether there is any correlation;3. Examine the main sales contracts, identify the clauses related to the major risks and transfer of remuneration in the ownership of the goods, and evaluate whether the income recognition time point conforms to the provisions of the ASBE;4. Carry out substantive analysis procedures on operating income and gross margin ratio by channels, customers, products, etc., identify whether there are significant or abnormal fluctuations, and analyze the causes of fluctuations;5. Check the original documents of the income recognition for major

	<p>customers according to the income recognition policy and settlement process and evaluate the authenticity and accuracy of operating income recognition;</p> <p>6. Confirm current sales to main customers by sampling combined with the confirmation of accounts receivable;</p> <p>7. Carry out the cut-off test procedure of income, check the supporting documents such as outbound delivery order and acceptance certificate for the operating income recognized before and after the balance sheet date, and evaluate whether the operating income is recognized within an appropriate period;</p> <p>8. Check whether the information relating to operating income has been properly presented and disclosed in the financial statements.</p>
--	--

1. Expected credit loss rate of accounts receivable	
Key audit items	Response in audit
<p>Refer to Notes to financial statements III. 11 and V. 4 Accounts receivable.</p> <p>As of December 31, 2024, the balance of accounts receivable was RMB 3,019,699,900, and the provision for bad debt was RMB 1,055,989,700.</p> <p>Due to the large amount of accounts receivable at the end of the period, the management needs to use material accounting estimate and judgment when determining the recoverable amount, so we regard the expected credit loss rate of accounts receivable as the key audit items.</p>	<p>In view of the expected credit loss rate of accounts receivable, our audit procedures mainly include:</p> <ol style="list-style-type: none"> 1. Understand key internal controls for accounts receivable of Robam, evaluate and test the effectiveness of internal control design and implementation; 2. Check the contracts of main customers according to the income status, understand the settlement terms, and analyze the reasons. Judge the solvency of customers by understanding their operating and financial conditions; 3. Analyze the implementation of the new financial instrument standards for receivables, including the rationality of determination and estimation of the expected credit loss model for the receivables of Robam, calculate the expected credit loss amount on the balance sheet date, and analyze whether the credit loss is fully accounted for in the receivables period; 4. Verify the rationality of expected credit loss of receivables combined with the receivables confirmation procedure and post-dated collection by analyzing the aging of accounts receivable; 5. Check the post-dated acceptance status of notes receivable from main customers, record the amount of notes receivable collected after the post-dated period, and check the supporting documents, such as bank receipt and other vouchers, for those with large amounts of notes receivable; 6. Check whether the information relating to notes receivable and accounts receivable has been properly presented and disclosed in the financial statements.

• **Other information**

The management of ROBAM (hereinafter referred to as the management) is responsible for other information, including the information covered in ROBAM annual report for 2024, but excluding the financial statements and our audit report.

Our audit opinion on the financial statements does not cover other information and we does not express any form of verification conclusions on other information.

Combined with our audit of the financial statements, it's our responsibility to read other information. In this process, we shall consider whether material inconsistency or material misstatement of other information with the financial statements or the situation understood by us in the audit process.

Based on the work that has been executed by us, we should report the fact of material misstatement confirmed in other information. We have nothing to report in this regard.

- **Responsibility of management and government for the financial statements**

The management is responsible for preparing the financial statements in accordance with the provisions of the Accounting Standards for Business Enterprises and giving a true and fair view; designing, implementing and maintaining necessary internal control, so that the financial statements are free from material misstatement, whether due to fraud or error.

When preparing the financial statements, the management is responsible for evaluating the going-concern ability of ROBAM, disclosing the matters related to the going-concern (if applicable) and using the going-concern assumption, unless the management plans to liquidate ROBAM or stop operation or no other realistic options.

The government is responsible for supervising the financial reporting process of ROBAM.

- **Responsibility of certified public accountants for audit of financial statements**

Our goal is to obtain reasonable guarantee on inexistence of the material misstatement of the financial statements whether due to fraud or error and to issue an audit report including audit opinion. Reasonable guarantee is high level guarantee, but it cannot guarantee that a material misstatement of the audit executed according to the auditing standards will always be found. Misstatement may be caused by fraud or error. If the reasonable expected misstatements may affect the economic decision made by the financial statement user according to the financial statements, whether individually or collectively, the misstatement is generally believed material.

We made professional judgment and maintained professional skepticism in the audit process according to the auditing standards. We also performed the following:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and implement audit procedures to address these risks, and obtain sufficient and appropriate audit evidence as the basis for audit opinion. Since the fraud may involve collusion, forge, intentional omission, false statement or above internal control, the risk of material misstatement caused by fraud is higher than that caused by error.
- Understand internal control related to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and relevant disclosure.
- Draw a conclusion about the appropriateness of the going-concern assumption used by the management. Meanwhile, draw a conclusion about the major uncertainty of the matters or circumstances possibly resulting in major concerns about the going-concern ability of ROBAM according to the audit evidence obtained. If we draw a conclusion that major uncertainty exists, the auditing standards require us to request the statement user to notice relevant disclosure in the financial statements in the audit report; in case of insufficient disclosure, we should issue a modified audit report. Our conclusion is made on the basis of the information available as of the audit report date. However, the future matters or circumstances may result in going concern failure of Robam.
- Evaluate the overall presentation, structure and content of the financial statements and evaluate whether the financial statements give a true and fair view of relevant transactions and matters.
- Obtain adequate and appropriate audit evidence for the financial information of ROBAM entity or business activities to express an opinion on the financial statements. We are responsible for guiding, supervising and implementing the group audit and take full responsibility for the audit opinions.

We communicate with the governance on the planned audit scope, time arrangement and major audit findings, including the internal control defects identified by us in the audit and worthing attention.

We also provide the governance with a statement of compliance with the ethical requirements relating to our independence and communicate with the governance with respect to all relations and other matters that may reasonably be considered to affect our independence and the relevant precautions (if applicable).

From the items communicated with the governance, we determine which items are most important to the audit of current financial statements and thus constitute the key audit items. We describe these items in our audit report, unless the disclosure of these matters is prohibited by law or regulation, or, in rare circumstances, we determine that we should not communicate the items in our audit report if it is reasonably expected that the negative consequences of communicating an item outweigh the benefits in the public interest.

II. Financial statements

Unit of statements in financial notes: CNY

1. Consolidated Balance Sheet

Unit: Hangzhou ROBAM Appliances Co., Ltd.

December 31, 2024

Unit: yuan

Item	Ending balance	Beginning balance
Current assets:		
Monetary capital	1,631,776,094.27	1,985,050,745.11
Deposit reservation for balance		
Lending funds		
Trading financial assets	2,180,000,000.00	2,730,000,000.00
Derivative financial assets		
Notes receivable	817,563,424.67	696,284,931.64
Accounts receivable	1,963,710,151.61	1,810,015,596.33
Receivables financing		
Advances to suppliers	161,690,670.71	139,713,471.58
Premiums receivables		
Reinsurance accounts receivable		
Provision of cession receivable		
Other receivables	86,729,886.98	53,368,667.34
Including: Interest receivable		
Dividends receivable		
Redemptory monetary capital for sale		
Inventory	1,214,012,761.29	1,524,274,720.24
Including: data resource		
Contract assets		
Assets held for sales		
Non-current assets due within a year	899,560,428.08	
Other current assets	1,411,059,496.48	2,647,808,620.70
Total current assets	10,366,102,914.09	11,586,516,752.94
Non-current assets:		
Loans and advances		
Debt investment		
Other debt investments		
Long-term receivables		
Long-term equity investment	10,561,060.79	8,427,450.24
Other equity instrument investments	2,116,023.22	2,116,023.22
Other non-current financial assets	300,000,000.00	480,000,000.00
Investment properties	85,850,636.19	91,136,832.31
Fixed assets	1,611,144,579.04	1,720,724,257.46
Construction in progress	457,357,111.28	359,768,699.68
Productive biological assets		
Oil and gas assets		
Right-of-use assets	10,275,253.96	13,802,458.98
Intangible assets	205,881,656.70	214,553,739.31

Including: data resource		
Development expenditure		
Including: data resource		
Goodwill		12,223,271.67
Long-term unamortized expenses	4,756,409.65	5,034,659.37
Deferred income tax assets	355,443,564.81	362,897,841.89
Other non-current assets	3,633,769,072.60	1,922,329,328.65
Total non-current assets	6,677,155,368.24	5,193,014,562.78
Total assets	17,043,258,282.33	16,779,531,315.72
Current liabilities:		
Short-term borrowing	93,239,299.06	95,003,320.70
Borrowings from central bank		
Borrowing funds		
Trading financial liabilities		
Derivative financial liabilities		
Notes payable	1,061,073,856.74	1,098,720,000.58
Accounts payable	2,830,095,046.91	2,548,743,762.06
Advance from customers		
Contract liabilities	867,810,932.52	1,019,942,923.58
Financial assets sold for repurchase		
Deposits from customers and interbank		
Acting trading securities		
Acting underwriting securities		
Payroll payable	188,410,062.92	177,923,042.01
Tax payable	189,784,241.67	154,365,676.80
Other payables	285,326,671.78	755,964,919.76
Including: Interest payable		
Dividends payable		472,047,458.00
Fees and commissions payable		
Dividend payable for reinsurance		
Liabilities held for sales		
Non-current liabilities due within a year	2,136,543.64	4,522,658.42
Other current liabilities	95,808,311.01	118,041,351.23
Total current liabilities	5,613,684,966.25	5,973,227,655.14
Non-current liabilities:		
Reserve fund for insurance contracts		
Long-term borrowing		
Bonds payable		
Including: preferred stock		
Perpetual bond		
Lease liabilities	10,197,520.49	10,750,792.90
Long-term payable		
Long-term payroll payable		
Estimated liabilities		
Deferred income	114,504,272.72	136,538,254.74
Deferred income tax liabilities	38,784,781.76	28,418,565.01

Other non-current liabilities		
Total non-current liabilities	163,486,574.97	175,707,612.65
Total liabilities	5,777,171,541.22	6,148,935,267.79
Owner's equity:		
Capital stock	944,782,166.00	949,024,050.00
Other equity instruments		
Including: preferred stock		
Perpetual bond		
Capital reserve	237,627,547.19	411,778,214.22
Minus: treasury stock		199,995,742.59
Other comprehensive income	-99,551,592.95	-100,157,634.16
Special reserve		
Surplus reserves	474,516,412.50	474,516,412.50
General risk preparation		
Undistributed profit	9,621,062,910.45	8,987,773,431.71
Total owners' equities attributable to the owners of parent company	11,178,437,443.19	10,522,938,731.68
Minority equity	87,649,297.92	107,657,316.25
Total owners' equities	11,266,086,741.11	10,630,596,047.93
Total liabilities and owners' equities	17,043,258,282.33	16,779,531,315.72

Legal representative: Ren Jianhua

Head of accounting work: Zhang Guofu

Head of accounting body: Zhang Guofu

2. Balance sheet of parent company

Unit: yuan

Item	Ending balance	Beginning balance
Current assets:		
Monetary capital	1,277,125,731.09	1,810,087,936.08
Trading financial assets	2,180,000,000.00	2,730,000,000.00
Derivative financial assets		
Notes receivable	725,250,200.92	662,718,295.18
Accounts receivable	1,950,848,879.74	1,755,848,590.56
Receivables financing		
Advances to suppliers	141,838,575.60	127,173,134.27
Other receivables	54,938,787.51	46,761,052.06
Including: Interest receivable		
Dividends receivable		
Inventory	1,101,560,745.84	1,404,838,448.75
Including: data resource		
Contract assets		
Assets held for sales		
Non-current assets due within a year	899,560,428.08	
Other current assets	1,408,135,339.71	2,644,890,957.65
Total current assets	9,739,258,688.49	11,182,318,414.55
Non-current assets:		
Debt investment		
Other debt investments		

Long-term receivables		
Long-term equity investment	305,726,881.00	255,471,029.63
Other equity instrument investments	2,116,023.22	2,116,023.22
Other non-current financial assets	300,000,000.00	480,000,000.00
Investment properties	6,160,828.32	8,735,897.94
Fixed assets	1,439,118,833.45	1,528,320,306.82
Construction in progress	457,357,111.28	359,768,699.68
Productive biological assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets	144,362,791.26	148,054,087.98
Including: data resource		
Development expenditure		
Including: data resource		
Goodwill		
Long-term unamortized expenses	2,039,913.58	2,703,497.73
Deferred income tax assets	338,574,461.95	346,004,342.16
Other non-current assets	3,633,575,072.60	1,922,135,328.65
Total non-current assets	6,629,031,916.66	5,053,309,213.81
Total assets	16,368,290,605.15	16,235,627,628.36
Current liabilities:		
Short-term borrowing	2,078,878.91	14,003,320.70
Trading financial liabilities		
Derivative financial liabilities		
Notes payable	995,772,872.14	1,042,067,981.92
Accounts payable	2,581,653,678.97	2,416,687,934.76
Advance from customers		
Contract liabilities	774,230,830.83	947,538,425.82
Payroll payable	152,840,544.42	145,416,052.40
Tax payable	156,521,588.05	140,518,721.35
Other payables	257,629,203.33	725,701,383.40
Including: Interest payable		
Dividends payable		472,047,458.00
Liabilities held for sales		
Non-current liabilities due within a year		
Other current liabilities	84,060,358.81	107,860,993.92
Total current liabilities	5,004,787,955.46	5,539,794,814.27
Non-current liabilities:		
Long-term borrowing		
Bonds payable		

Including: preferred stock		
Perpetual bond		
Lease liabilities		
Long-term payable		
Long-term payroll payable		
Estimated liabilities		
Deferred income	81,363,483.02	101,473,668.84
Deferred income tax liabilities	32,893,834.92	20,898,710.27
Other non-current liabilities		
Total non-current liabilities	114,257,317.94	122,372,379.11
Total liabilities	5,119,045,273.40	5,662,167,193.38
Owner's equity:		
Capital stock	944,782,166.00	949,024,050.00
Other equity instruments		
Including: preferred stock		
Perpetual bond		
Capital reserve	237,582,564.32	411,389,124.26
Minus: treasury stock		199,995,742.59
Other comprehensive income	-100,157,634.16	-100,157,634.16
Special reserve		
Surplus reserves	474,516,412.50	474,516,412.50
Undistributed profit	9,692,521,823.09	9,038,684,224.97
Total owners' equities	11,249,245,331.75	10,573,460,434.98
Total liabilities and owners' equities	16,368,290,605.15	16,235,627,628.36

3. Consolidated Statement of Income

Unit: yuan

Item	Year 2024	Year 2023
I. Total operating income	11,212,654,220.22	11,201,895,774.27
Including: Operating income	11,212,654,220.22	11,201,895,774.27
Interest revenue		
Premium earned		
Fee and commission income		
II. Total operating costs	9,574,831,422.71	9,296,781,893.88
Including: Operating costs	5,644,826,327.72	5,527,648,706.29
Interest expenditure		
Fee and commission expense		
Surrender value		
Net payments for insurance claims		
Net reserve fund extracted for insurance contracts		
Bond insurance expense		

Reinsurance costs		
Taxes and surcharges	109,124,685.49	98,651,608.07
Selling expenses	3,078,798,259.84	3,002,418,651.54
Management costs	508,849,021.04	469,622,072.60
Research and development expenses	413,659,448.81	387,368,591.97
Financial expenses	-180,426,320.19	-188,927,736.59
Including: interest expenditure	5,244,416.98	8,773,638.31
Interest revenue	187,364,396.26	198,559,145.09
Plus: other incomes	158,366,990.73	173,912,473.94
Income from investment (loss expressed with "-")	137,345,689.50	82,963,414.69
Including: Income from investment of joint venture and cooperative enterprise	-5,054,357.08	-291,055.38
Income from derecognition of financial assets measured at amortized cost		
Exchange gain (loss expressed with "-")		
Net exposure hedging gain (loss expressed with "-")		
Income from fair value changes (loss expressed with "-")		
Credit impairment losses (loss expressed with "-")	-70,748,315.78	-102,136,793.39
Assets impairment losses (loss expressed with "-")	-68,193,162.23	-70,692,389.97
Income from disposal of assets (loss expressed with "-")	-4,462,199.53	-1,211,854.70
III. Operating profits (loss expressed with "-")	1,790,131,800.20	1,987,948,730.96
Plus: Non-operating income	2,236,216.91	4,742,209.59
Minus: non-operating expenditure	8,139,163.72	6,580,896.29
IV. Total profits (total loss expressed with "-")	1,784,228,853.39	1,986,110,044.26
Less: Income tax expenses	228,728,811.96	271,452,597.98
V. Net profits (net loss expressed with "-")	1,555,500,041.43	1,714,657,446.28
(I) Classified by business continuity		
1. Net profits from ongoing operation (net loss expressed with "-")	1,555,500,041.43	1,714,657,446.28
2. Net profits from discontinuing operation (net loss expressed with "-")		
(II) Classified by ownership		
1. Net profits attributable to shareholders of the parent company	1,577,400,594.74	1,732,789,332.13
2. Minority interest income	-21,900,553.31	-18,131,885.85
VI. Net amount of other comprehensive	643,012.67	

income after tax		
Net amount of other comprehensive income after tax attributed to parent company owners	606,041.21	
(I) Other comprehensive income that can't be reclassified into profit and loss		
1. Remeasure the variation of net indebtedness or net asset of defined benefit plan		
2. Other comprehensive income that can't be reclassified into profit and loss in the invested enterprise under equity method		
3. Fair value change of other equity instrument investments		
4. Fair value change of enterprise credit risks		
5. Other		
(II) Other comprehensive income that will be reclassified into profit and loss	606,041.21	
1. Other comprehensive income that will be reclassified into profit and loss in the invested enterprise under equity method		
2. Fair value change of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Provision for credit impairment of other debt investments		
5. Cash flow hedging reserve		
6. Translation reserve	606,041.21	
7. Other		
Net amount of other comprehensive income after tax attributed to minority shareholders	36,971.46	
VII. Total comprehensive income	1,556,143,054.10	1,714,657,446.28
Total comprehensive income attributed to parent company owners	1,578,006,635.95	1,732,789,332.13
Total comprehensive income belonging to minority shareholders	-21,863,581.85	-18,131,885.85
VIII. Earnings per share		
(I) Basic earnings per share	1.67	1.83
(II) Diluted earnings per share	1.67	1.83

In case of business combination involving enterprises under common control in current period, the net profits achieved by the merged party before combination were RMB 0.00 and achieved by the merged party in previous period were RMB 0.00.

Legal representative: Ren Jianhua Head of accounting work: Zhang Guofu Head of accounting body: Zhang Guofu

4. Income statement of parent company

Unit: yuan

Item	Year 2024	Year 2023
I. Operating income	10,016,048,118.11	10,193,069,154.46
Minus: Operating costs	5,259,702,199.84	5,238,879,913.20
Taxes and surcharges	92,229,308.51	85,142,081.03

Selling expenses	2,358,363,267.58	2,383,042,375.37
Management costs	402,214,913.76	343,719,928.86
Research and development expenses	411,738,248.41	378,521,686.25
Financial expenses	-184,570,426.66	-191,174,106.65
Including: interest expenditure	1,585,823.43	4,712,177.65
Interest revenue	185,678,157.14	195,758,915.10
Plus: other incomes	147,373,798.12	162,403,507.36
Income from investment (loss expressed with "-")	129,249,299.30	83,122,617.59
Including: Income from investment of joint venture and cooperative enterprise	-2,583,849.09	71,218.69
Income from derecognition of financial assets measured at amortized cost (loss expressed with "-")		
Net exposure hedging gain (loss expressed with "-")		
Income from fair value changes (loss expressed with "-")		
Credit impairment losses (loss expressed with "-")	-69,423,712.10	-81,329,927.58
Assets impairment losses (loss expressed with "-")	-54,370,276.70	-22,002,511.90
Income from disposal of assets (loss expressed with "-")	-4,462,199.53	-1,303,213.39
II. Operating profit (loss to be filled out with the minus sign "-")	1,824,737,515.76	2,095,827,748.48
Plus: Non-operating income	1,854,448.37	3,523,977.82
Minus: non-operating expenditure	6,673,097.99	5,908,300.05
III. Total profit (total loss to be filled out with the minus sign "-")	1,819,918,866.14	2,093,443,426.25
Less: Income tax expenses	221,970,152.02	267,153,435.77
IV. Net profit (net loss to be filled out with the minus sign "-")	1,597,948,714.12	1,826,289,990.48
(I) Net profits from going concern (net loss expressed with "-")	1,597,948,714.12	1,826,289,990.48
(II) Net profits from discontinuing operation (net loss expressed with "-")		
V. Net amount of other comprehensive income after tax		
(I) Other comprehensive income that can't be reclassified into profit and loss		
1. Remeasure the variation of net indebtedness or net asset of defined benefit plan		
2. Other comprehensive income that can't be reclassified into profit and loss in the invested enterprise under equity method		
3. Fair value change of other equity instrument investments		

4. Fair value change of enterprise credit risks		
5. Other		
(II) Other comprehensive income that will be reclassified into profit and loss		
1. Other comprehensive income that will be reclassified into profit and loss in the invested enterprise under equity method		
2. Fair value change of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Provision for credit impairment of other debt investments		
5. Cash flow hedging reserve		
6. Translation reserve		
7. Other		
VI. Total comprehensive income	1,597,948,714.12	1,826,289,990.48
VII. Earnings per share		
(I) Basic earnings per share		
(II) Diluted earnings per share		

5. Consolidated Statement of Cash Flow

Unit: yuan

Item	Year 2024	Year 2023
I. Cash flow from financing activities:		
Cash from selling commodities or offering labor	11,840,292,609.44	12,266,993,968.64
Net increase of customer deposit and deposit from other banks		
Net increase of borrowings from central bank		
Net increase of borrowing funds from other financial institutions		
Cash from obtaining original insurance contract premium		
Cash received from insurance premium of original insurance contract		
Net increase of deposit and investment of insured		
Cash from interest, handling charges and commissions		
Net increase of borrowing funds		
Net increase of repurchase of business funds		
Net cash from acting trading securities		
Refund of tax and levies	45,755,849.75	46,868,485.73
Other cash received related to operating activities	155,385,267.31	272,254,801.18
Subtotal cash inflows from operating activities	12,041,433,726.50	12,586,117,255.55

Cash paid for selling commodities or offering labor	5,346,752,744.03	5,268,131,276.52
Net increase of customer loans and advances		
Net increase of amount due from central bank and interbank		
Cash paid for original insurance contract claims payment		
Net increase of lending funds		
Cash paid for interest, handling charges and commissions		
Cash paid for policy dividend		
Cash paid to and for employees	1,103,299,547.14	1,048,926,471.94
Taxes and fees paid	908,921,674.35	971,661,528.13
Other cash paid related to operating activities	3,022,208,050.27	2,905,476,166.25
Subtotal cash outflows from operating activities	10,381,182,015.79	10,194,195,442.84
Net cash flow from operating activities	1,660,251,710.71	2,391,921,812.71
II. Cash flow from investment activities:		
Cash from investment withdrawal	2,741,285,887.67	2,314,144,508.00
Cash from investment income	131,855,939.84	83,300,616.60
Net cash from disposal of fixed assets, intangible assets and other long-term assets	88,151.15	830,542.67
Net cash received from the disposal of subsidiaries and other business entities		
Other cash received related to investment activities	3,217,561,206.77	
Subtotal cash inflows from investment activities	6,090,791,185.43	2,398,275,667.27
Cash paid for the purchase and construction of fixed assets, intangible assets and other long term assets	257,803,831.33	327,437,806.87
Cash paid for investment	2,016,290,000.00	3,012,300,000.00
Net cash received from reinsurance business		
Net cash paid for obtaining subsidiaries and other business units		
Other cash paid related to investment activities	4,453,924,300.00	4,333,744,300.00
Subtotal cash outflows from investment activities	6,728,018,131.33	7,673,482,106.87
Net cash flow from investment activities	-637,226,945.90	-5,275,206,439.60
III. Cash flow from financing activities:		
Receipts from equity securities	31,888,670.80	2,750,000.00
Including: Cash received from subsidiaries' absorption of minority shareholders' investment	776,142.00	
Cash received from borrowings	93,812,523.35	76,000,000.00
Other cash received related to financing activities	4,578,878.91	13,510,296.65
Subtotal cash inflows from financing activities	130,280,073.06	92,260,296.65
Cash repayments of amounts borrowed	81,004,505.94	46,150,000.00

Cash paid for distribution of dividends or profits and for interest expenses	1,418,983,928.25	474,928,024.93
Including: Dividends and profits paid by subsidiaries to minority shareholders		
Other cash paid related to financing activities	13,315,324.35	7,123,465.99
Subtotal cash outflows from financing activities	1,513,303,758.54	528,201,490.92
Net cash flow from financing activities	-1,383,023,685.48	-435,941,194.27
IV. Impact of exchange rate movements on cash and cash equivalents	136,119.47	977,837.51
V. Net increase of cash and cash equivalents	-359,862,801.20	-3,318,247,983.65
Plus: Balance of cash and cash equivalents at the beginning of the period	1,878,166,358.09	5,196,414,341.74
VI. Balance of cash and cash equivalents at the beginning of the period	1,518,303,556.89	1,878,166,358.09

6. Cash flow statement of parent company

Unit: yuan

Item	Year 2024	Year 2023
I. Cash flow from financing activities:		
Cash from selling commodities or offering labor	10,592,006,945.13	11,177,115,048.54
Refund of tax and levies	45,755,849.75	45,894,461.03
Other cash received related to operating activities	125,596,200.32	243,673,487.58
Subtotal cash inflows from operating activities	10,763,358,995.20	11,466,682,997.15
Cash paid for selling commodities or offering labor	5,084,980,590.49	4,964,239,535.47
Cash paid to and for employees	846,957,899.19	773,324,582.87
Taxes and fees paid	804,756,539.19	873,573,314.72
Other cash paid related to operating activities	2,458,082,269.22	2,411,772,941.62
Subtotal cash outflows from operating activities	9,194,777,298.09	9,022,910,374.68
Net cash flow from operating activities	1,568,581,697.11	2,443,772,622.47
II. Cash flow from investment activities:		
Cash from investment withdrawal	2,730,000,000.00	2,300,000,000.00
Cash from investment income	131,833,148.39	93,285,361.16
Net cash from disposal of fixed assets, intangible assets and other long-term assets	195,164.23	612,252.00
Net cash received from the disposal of subsidiaries and other business entities		
Other cash received related to investment activities	3,217,561,206.77	
Subtotal cash inflows from investment activities	6,079,589,519.39	2,393,897,613.16
Cash paid for the purchase and construction of fixed assets, intangible assets and other long term assets	253,848,822.85	284,465,179.85
Cash paid for investment	2,052,414,675.00	3,013,588,900.00
Net cash paid for obtaining subsidiaries and other business units		

Other cash paid related to investment activities	4,453,924,300.00	4,333,744,300.00
Subtotal cash outflows from investment activities	6,760,187,797.85	7,631,798,379.85
Net cash flow from investment activities	-680,598,278.46	-5,237,900,766.69
III. Cash flow from financing activities:		
Receipts from equity securities	13,563,055.00	
Cash received from borrowings		
Other cash received related to financing activities	4,578,878.91	13,510,296.65
Subtotal cash inflows from financing activities	18,141,933.91	13,510,296.65
Cash repayments of amounts borrowed		
Cash paid for distribution of dividends or profits and for interest expenses	1,416,158,574.00	472,047,458.00
Other cash paid related to financing activities	7,287,429.00	
Subtotal cash outflows from financing activities	1,423,446,003.00	472,047,458.00
Net cash flow from financing activities	-1,405,304,069.09	-458,537,161.35
IV. Impact of exchange rate movements on cash and cash equivalents	120,107.98	977,837.51
V. Net increase of cash and cash equivalents	-517,200,542.46	-3,251,687,468.06
Plus: Balance of cash and cash equivalents at the beginning of the period	1,727,017,513.09	4,978,704,981.15
VI. Balance of cash and cash equivalents at the beginning of the period	1,209,816,970.63	1,727,017,513.09

7. Consolidated statement of change in equity

Current amount

Unit: yuan

Item	Year 2024														
	Owners' equities attributable to the owners of parent company													Minorit y equity	Total owners' equities
	Capital stock	Other equity instruments			Capital reserve	Minus: treasury stock	Other compre hensive income	Special reserve	Surplus reserve s	General risk prepara tion	Undistr ibuted profit	Other	Subtota l		
I. Ending balance in previou s year	949,024 ,050.00				411,778 ,214.22	199,995 ,742.59	- 100,157 ,634.16		474,516 ,412.50		8,987,7 73,431. 71		10,522, 938,731 .68	107,657 ,316.25	10,630, 596,047 .93
PI us: Change s in account ing policies															
rior period error correcti on															
ther															

II. Beginning balance in current year	949,024,050.00				411,778,214.22	199,995,742.59	-100,157,634.16		474,516,412.50		8,987,773,431.71		10,522,938,731.68	107,657,316.25	10,630,596,047.93
III. Increase/decrease in the current period (less to be filled out with the minus sign "-")	-4,241,884.00				-174,150,667.03	-199,995,742.59	606,041.21				633,289,478.74		655,498,711.51	-20,008,018.33	635,490,693.18
(I) Total comprehensive income							606,041.21				1,577,400,594.74		1,578,006,635.95	-21,863,581.85	1,556,143,054.10
(II) Owner's invested and decreased capital	-4,241,884.00				-174,150,667.03	-199,995,742.59							21,603,191.56	1,855,563.52	23,458,755.08
1. Common stock invested by the owner	687,250.00				14,996,727.73								15,683,977.73	1,855,563.52	17,539,541.25
2. Capital invested by other equity instrument holders															
3. Amount of share-based payment included in the owner's equity	-4,929,134.00				-189,147,394.76	-199,995,742.59							5,919,213.83		5,919,213.84
4. Other															
(III) Profit distribution											-944,111,116.00		-944,111,116.00		-944,111,116.00
1. Withdrawal of surplus reserves															
2.															

Withdr awal of general risk prepara tion															
3. Distrib ution of owners (or shareho lders)											944,111 ,116.00	- ,116.00	944,111 ,116.00	- ,116.00	944,111 ,116.00
4. Other															
(IV) Internal transfer of owner's equity															
1. Capital surplus transfer to paid- in capital (or capital stock)															
2. Earned surplus transfer to paid- in capital (or capital stock)															
3. Earned surplus coverin g the deficit															
4. Carryfo rward retained earnin g s in variatio n of defined benefit plan															
5. Carryfo rward retained earnin g s of other compre hensive income															
6. Other															
(V) Special reserve															

1. Draw in this current															
2. Use in this current															
(VI) Other															
IV. Balance at the end of current period	944,782,166.00				237,627,547.19		-99,551,592.95		474,516,412.50		9,621,062,910.45		11,178,437,443.19	87,649,297.92	11,266,086,741.11

Last term amount

Unit: yuan

Item	Year 2023														
	Owners' equities attributable to the owners of parent company													Minorit y equity	Total owners' equities
	Capital stock	Other equity instruments			Capital reserve	Minus: treasury stock	Other compre hensive income	Special reserve	Surplus reserve s	General risk prepara tion	Undistr ibuted profit	Other	Subtota l		
I. Ending balance in previou s year	949,024 ,050.00				409,997 ,665.58	199,995 ,742.59	- 100,157 ,634.16		474,516 ,412.50		8,199,0 79,015. 58		9,732,4 63,766. 91	125,789 ,202.10	9,858,2 52,969. 01
Pl us: Change s in account ing policies															
rior period error correcti on															
ther															
II. Beginni ng balance in current year	949,024 ,050.00				409,997 ,665.58	199,995 ,742.59	- 100,157 ,634.16		474,516 ,412.50		8,199,0 79,015. 58		9,732,4 63,766. 91	125,789 ,202.10	9,858,2 52,969. 01
III. Increas e/decre ase in the current period (less to be filled out with the minus sign "-")					1,780,5 48.64						788,694 ,416.13		790,474 ,964.77	- 18,131, 885.85	772,343 ,078.92
(I) Total compre hensive											1,732,7 89,332. 13		1,732,7 89,332. 13	- 18,131, 885.85	1,714,6 57,446. 28

income															
(II) Owner's invested and decreased capital					1,780,548.64								1,780,548.64		1,780,548.64
1. Common stock invested by the owner															
2. Capital invested by other equity instrument holders															
3. Amount of share-based payment included in the owner's equity					1,780,548.64								1,780,548.64		1,780,548.64
4. Other															
(III) Profit distribution											944,094,916.00	-	944,094,916.00	-	944,094,916.00
1. Withdrawal of surplus reserves															
2. Withdrawal of general risk preparation															
3. Distribution of owners (or shareholders)											944,094,916.00	-	944,094,916.00	-	944,094,916.00
4. Other															
(IV) Internal transfer of owner's equity															
1. Capital															

surplus transfer to paid-in capital (or capital stock)															
2. Earned surplus transfer to paid-in capital (or capital stock)															
3. Earned surplus covering the deficit															
4. Carryforward retained earnings in variation of defined benefit plan															
5. Carryforward retained earnings of other comprehensive income															
6. Other															
(V) Special reserve															
1. Draw in this current															
2. Use in this current															
(VI) Other															
IV. Balance at the end of current period	949,024,050.00				411,778,214.22	199,995,742.59	100,157,634.16	474,516,412.50		8,987,773,431.71		10,522,938,731.68	107,657,316.25	10,630,596,047.93	

8. Statement of change in equity of parent company

Current amount

Unit: yuan

Item	Year 2024											
	Capital stock	Other equity instruments			Capital reserve	Minus: treasury stock	Other comprehensive income	Special reserve	Surplus reserves	Undistributed profit	Other	Total owners' equities
I. Ending balance in previous year	949,024,050.00				411,389,124.26	199,995,742.59	- 100,157,634.16		474,516,412.50	9,038,684,224.97		10,573,460,434.98
Plus: Changes in accounting policies												
rior period error correction												
ther												
II. Beginning balance in current year	949,024,050.00				411,389,124.26	199,995,742.59	- 100,157,634.16		474,516,412.50	9,038,684,224.97		10,573,460,434.98
III. Increase/decrease in the current period (less to be filled out with the minus sign "-")	- 4,241,884.00				- 173,806,559.94	- 199,995,742.59				653,837,598.12		675,784,896.77
(I) Total comprehensive income										1,597,948,714.12		1,597,948,714.12
(II) Owner's invested and decreased capital	- 4,241,884.00				- 173,806,559.94	- 199,995,742.59						21,947,298.65
1. Common stock invested by the	687,250.00				15,340,834.82							16,028,084.82

owner												
2. Capital invested by other equity instrument holders												
3. Amount of share-based payment included in the owner's equity	4,929,134.00				189,147,394.76	-199,995,742.59						5,919,213.83
4. Other												
(III) Profit distribution										-944,111,116.00		-944,111,116.00
1. Withdrawal of surplus reserves												
2. Distribution of owners (or shareholders)										-944,111,116.00		-944,111,116.00
3. Other												
(IV) Internal transfer of owner's equity												
1. Capital surplus transfer to paid-in capital (or capital stock)												
2. Earned surplus transfer to paid-in capital (or												

capital stock)												
3. Earned surplus covering the deficit												
4. Carryforward retained earnings in variation of defined benefit plan												
5. Carryforward retained earnings of other comprehensive income												
6. Other												
(V) Special reserve												
1. Draw in this current												
2. Use in this current												
(VI) Other												
IV. Balance at the end of current period	944,782,166.00				237,582,564.32		-100,157,634.16	0.00	474,516,412.50	9,692,521,823.09		11,249,245,331.75

Last term amount

Unit: yuan

Item	Year 2023											
	Capital stock	Other equity instruments			Capital reserve	Minus: treasury stock	Other comprehensive income	Special reserve	Surplus reserves	Undistributed profit	Other	Total owners' equities
I. Ending balance in previous year	949,024,050.00				409,608,575.62	199,995,742.59	-100,157,634.16		474,516,412.50	8,156,489,150.49		9,689,484,811.86
Plus: Changes												

in accountin g policies												
Prior period error correction												
ther												
II. Beginning balance in current year	949,024,050.00				409,608,575.62	199,995,742.59	100,157,634.16	-	474,516,412.50	8,156,489,150.49		9,689,484,811.86
III. Increase/d ecrease in the current period (less to be filled out with the minus sign "-")					1,780,548.64					882,195,074.48		883,975,623.12
(I) Total comprehe nsive income										1,826,289,990.48		1,826,289,990.48
(II) Owner's invested and decreased capital					1,780,548.64							1,780,548.64
1. Common stock invested by the owner												
2. Capital invested by other equity instrumen t holders												
3. Amount of share- based payment included in the owner's equity					1,780,548.64							1,780,548.64
4. Other												
(III) Profit distributio n										944,094,916.00		944,094,916.00
1. Withdraw al of surplus reserves												
2. Distributi on of										944,094,916.00		944,094,916.00

owners (or sharehold ers)												
3. Other												
(IV) Internal transfer of owner's equity												
1. Capital surplus transfer to paid-in capital (or capital stock)												
2. Earned surplus transfer to paid-in capital (or capital stock)												
3. Earned surplus covering the deficit												
4. Carryforw ard retained earnings in variation of defined benefit plan												
5. Carryforw ard retained earnings of other comprehe nsive income												
6. Other												
(V) Special reserve												
1. Draw in this current												
2. Use in this current												
(VI) Other												
IV. Balance at the end of current period	949,024,050.00				411,389,124.26	199,995,742.59	100,157,634.16	-	474,516,412.50	9,038,684,224.97		10,573,460,434.98

III. Basic status of company

Hangzhou ROBAM Appliances Co., Ltd. (ROBAM or the Company) is a limited liability company established by Hangzhou ROBAM Home Appliances & Kitchen Sanitary Co., Ltd. by means of overall change on November 7, 2000. Approved by China Securities Regulatory Commission (ZJXX [2010] No.1512) in 2010, the Company issued 40 million RMB common shares to the public for the first time on November 23, 2010, with a par value of RMB 1 per share and an issue price of RMB 24.00 and the stock code of 002508.

As of December 31, 2024, the total share capital of the Company was RMB 944,782,166, and the registered capital was RMB 949,024,050. Unified Social Credit Code: 91330000725252053F, Legal Representative: Ren Jianhua, Registered Address: No. 592 Linping Avenue, Linping Economic Development Zone, Linping District, Hangzhou City, Zhejiang Province. RMB-denominated common shares (A shares) issued by the Company have been listed in the Shenzhen Stock Exchange.

The Company is mainly engaged in the development, production, sales and comprehensive services of kitchen appliances in the manufacturing industry. Its main products include range hood, gas hob, sterilizer, steamer, oven, dishwasher, water purifier, microwave, integrated stove and purification tank.

IV. Preparation basis of financial statements

1. Preparation basis

1. Preparation basis

The financial statements of the Company are prepared based on actual transactions and events, in accordance with *the Accounting Standards for Business Enterprises* and their application guidelines, interpretations, and other relevant regulations (collectively referred to as the "Accounting Standards for Business Enterprises") issued by the Ministry of Finance, as well as the disclosure requirements stipulated in *the Rules for the Preparation of Information Disclosure by Companies Offering Securities to the Public No. 15—General Provisions for Financial Reporting* (2023 Revision) issued by the China Securities Regulatory Commission (hereinafter referred to as the "CSRC").

2. Going concern

1. Going concern

The Company has evaluated its ability to continue as a going concern for the 12 months from December 31, 2024, and has not found any matters and circumstances that may raise significant doubt on its ability to continue as a going concern. These financial statements are presented on the basis of going concern assumption.

V. Significant accounting policy and accounting estimate

Specific accounting policy and accounting estimate:

The specific accounting policies and accounting estimates formulated by the Company according to the actual production and operation characteristics include the operating cycle, the recognition and measurement of bad debt provision of receivables, the measurement of issued inventory, the classification and depreciation of fixed assets, the amortization of intangible assets, the capitalization conditions of R&D expenses, the income recognition and measurement, etc.

1. Statement on complying with Accounting Standards for Business Enterprises

The Company's financial statements comply with the requirements of the Accounting Standards for Business Enterprises and truly, accurately and completely reflect the Company's financial position as of December 31, 2024, the business performance, cash flows and other relevant information for the year 2024.

2. Accounting period

The fiscal year of the Company runs from January 1 to December 31 of each calendar year.

3. Operating cycle

The Company's normal operating cycle is one year (12 months).

4. Accounting standard money

The bookkeeping currency of the Company is RMB.

5. Importance criteria determination method and selection basis

☒ Applicable ☐ Not applicable

Item	Importance criteria
Important receivables for which provision for bad debts have been separately made	The amount of a single item exceeds RMB 10 million
The important items with amount of bad debt provision for receivables recovered or transferred back	The amount of a single item exceeds RMB 5 million
Important accounts receivable write off/debt investment write off/other debt investment write off in the current period	The amount of a single item exceeds RMB 5 million
Important accounts payable with the aging more than 1 year	The amount of a single item exceeds RMB 5 million
Important contract liabilities with the aging more than 1 year	The amount of a single item exceeds RMB 10 million
Important other payables with the aging more than 1 year	The amount of a single item exceeds RMB 5 million
Important projects under construction	Increase or decrease in a single item during the year or the closing book value exceeds RMB 20 million
Important investment activities	The amount of a single investment exceeds RMB 50 million
Important non-wholly-owned subsidiaries/cooperative enterprises and joint ventures, and important overseas business entities included in the scope of merger	The cost of investment in a single company is more than RMB 50 million; The income, net profit, net assets and total assets of a single entity account for more than 5% of the related items in the consolidated statements.

6. Accounting process method of business combination involving enterprises under and not under common control

The assets and liabilities acquired by the Company as the combining party through business combination under common control are measured on the combination date according to the book value of the combined party in the consolidated statements of the final controlling party. The difference between the book value of the net assets obtained and the consideration paid for the combination is adjusted against capital reserve; if the capital reserve is not sufficient to absorb the difference, the retained earnings shall be adjusted.

The acquiree's identifiable assets, liabilities and contingent liabilities acquired through business combination not under common control are measured at fair value on the acquisition date. The combined cost is the fair value of the cash or non-cash assets paid, liabilities incurred or assumed and equity securities issued by the acquirer on the acquiring date for acquisition of the control right of the acquiree, as well as the sum of direct costs for the business combination (for the business combination realized by steps through several times, the combined cost is the sum of the costs of each transaction). Where the combined cost exceeds the acquirer's interest in the fair value of the acquiree's net identifiable assets, the difference is recognized as goodwill; where the combined cost is less than the acquirer's interest in the fair value of the acquiree's net identifiable assets, the acquirer first reassesses the fair values of the acquiree's identifiable assets, liabilities and contingent liabilities in combination and the fair values of non-cash assets or equity securities issued for consolidation consideration. If after reassessment, the combined cost is still less than the acquirer's interest in the fair value of the acquiree's net identifiable assets, the difference is included in the current non-operating income.

7. Criteria for determining a control and methods for preparing consolidated financial statements

The Company includes all subsidiaries under its control in the consolidated financial statements.

The scope of consolidation in the consolidated financial statements of the Company is determined on the basis of control, and includes the Company and all subsidiaries controlled by the Company. The Company believes that control means that the Company has the power over the invested entity, enjoys variable returns by participating in the relevant activities of the invested entity, and has the ability to use its power over the investee to influence the amount of its returns.

In preparing the consolidated financial statements, where the accounting policies and the accounting periods of the Company and subsidiaries are inconsistent, the financial statements of the subsidiaries are adjusted in accordance with the accounting policies and the accounting period of the Company.

All significant internal transactions, current balances and unrealized profits in the consolidation scope shall be set off when the consolidated statements are prepared. The share of the owner's equity of the subsidiaries not attributable to the parent company and current net profits and losses, other comprehensive income, and the share of other comprehensive income attributable to the minority interests shall be presented in the consolidated financial statements under "minority equity, minority interest income, other comprehensive income attributed to minority shareholders and total comprehensive income attributed to minority shareholders".

For a subsidiary in the business combination under common control, its business performance and cash flows have been consolidated since the beginning of the consolidation year into the consolidated financial statements. When preparing and comparing the consolidated financial statements, the Company shall adjust the relevant items of the previous year's financial statements, which shall be regarded as the subject of the consolidated report that has been in existence since the beginning of the control by the final controlling party.

For a subsidiary in the business combination not under common control, its business performance and cash flows shall be incorporated into the consolidated financial statements from the date of the Company's acquisition of control. In preparing the consolidated financial statements, the financial statements of the subsidiary shall be adjusted on the basis of the fair values of the identifiable assets, liabilities and contingent liabilities as determined on the acquiring date.

If the Company acquires the equity of the acquiree by steps through several deals and finally forms business combination not under common control, in the compilation of the consolidated statements, as for the equity interests held in the acquiree before the acquiring date, they shall be re-measured according to their fair values at the acquiring date; the difference between their fair values and book value shall be recorded into the investment gains for the period including the acquiring date. Other related comprehensive gains in relation to the equity interests held in the acquiree under the equity accounting before the acquiring date, and the changes in owners' equity other than net profit and loss, other comprehensive income and profit distribution shall be carried forward into profit and loss on investments in the period of the acquiring date, except for other comprehensive income from the change caused by the remeasurement of the net liabilities or net assets of the defined benefit plan by the investee.

In consolidated financial statements, when the Company disposes of part of long-term equity investment in the subsidiary before losing control rights, the difference between the disposal price and the long-term equity investment disposed of relative to the share of the net assets to be enjoyed and continuously calculated from the acquiring date or combination date is adjusted against capital premium or capital stock premium; if the capital reserve is not sufficient to absorb the difference, the retained earnings shall be adjusted.

When the Company loses the control right over the investee due to disposal of part of the equity investment or other reasons, the residual equity shall be re-measured at its fair value on the date of losing the control right in preparing the consolidated financial statements. The difference between the sum of the consideration acquired by disposal of the equity and the fair value of the residual equity, and the share of the net assets of the original subsidiary continuously calculated from the acquiring day or combination date according to the original shareholding ratio, shall be included in the profit and loss on investments in the period of loss of the control right and written down against the goodwill. Other comprehensive income related to the equity investment of the original subsidiary is transferred into the current profit and loss on investments in the period of loss of control right.

8. Joint venture arrangements classification and co-operation accounting treatment

The Company's joint venture arrangements include cooperative enterprises. Joint venture means the joint venture arrangement in which the joint venture party has rights only to the net assets of the arrangement.

The investment in the cooperative enterprise is subject to the accounting treatment by the Company as the joint venture party according to the *Accounting Standards for Business Enterprises No. 2 - Long-term Equity Investments*.

9. Determining standards of cash and cash equivalents

The cash in the cash flow statement of the Company refers to the cash on hand and deposits readily available for payment. The cash equivalents represent the short-term (no more than three months) and highly liquid investments that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

10. Foreign currency transaction and foreign currency statement translation

At the time of initial recognition, the foreign currency amount of the Company's foreign currency transactions shall be converted to the recording currency amount by adopting the spot exchange rate on the transaction date. At the balance sheet date, foreign currency monetary items are converted into the functional currency using the spot exchange rate on that date. The resulting translation differences, except for exchange differences arising from foreign currency-specific borrowings used to acquire or construct qualifying assets that are capitalized in accordance with capitalization principles, are directly recognized in current profit

or loss. Foreign currency non-monetary items measured at historical cost continue to be translated using the spot exchange rate on the transaction date, without altering their functional currency amount. Foreign currency non-monetary items measured at fair value are translated using the spot exchange rate on the fair value determination date, with the difference between the translated functional currency amount and the original functional currency amount treated as fair value changes (including exchange rate fluctuations) and recognized in current profit or loss. Capital contributions received in foreign currency from investors are translated using the spot exchange rate on the transaction date, with no foreign capital translation difference arising between the foreign currency invested capital and the corresponding monetary item's functional currency amount.

- Conversion of financial statements denominated in foreign currencies

In the preparation of the consolidated financial statements, the Company converted the financial statements of overseas operations into RMB, wherein: assets and liabilities in the foreign currency balance sheet are converted at the spot exchange rate on the balance sheet date; equity items, except for "retained earnings," are converted at the spot exchange rate on the transaction date; revenue and expense items in the income statement are translated at the spot exchange rate on the transaction date. The converted difference of the foreign currency financial statements generated according to the above translation shall be presented in other comprehensive income items. The foreign currency cash flow shall be converted according to the spot exchange rate on the date of occurrence of cash flow. The effect of a change in exchange rate on cash shall be separately presented in the cash flow statement.

11. Financial instruments

(1) Recognition and derecognition of financial instruments

The Company recognizes a financial asset or financial liability when becoming a party of the financial instrument contract.

The financial asset should be derecognized, i.e., removed from the balance sheet, when the following conditions are met: 1) The right to collect the cash flow of financial assets expires; 2) The right to collect the cash flow of financial assets is transferred or the obligation to pay the cash flow received in full amount to a third party in a timely manner under the "transfer agreement" is undertaken; and almost all risks and rewards related to the ownership of the financial asset are substantively transferred, or the control of such financial assets is waived, although there is no substantive transfer or retaining of almost all risks and rewards related to the ownership of the financial asset.

If the responsibilities for financial liabilities have been fulfilled, canceled or expired, then these financial liabilities shall be derecognized. If the existing financial liabilities are superseded by the same creditor with another financial liability that is subject to substantially different terms, or the terms of the existing liabilities are substantially modified, then, such substitution or modification is regarded as derecognition of the original liabilities and recognition of a new liability, and the difference is recorded in the current profit and loss.

The financial assets that are purchased and sold in the conventional manner are recognized and derecognized according to the accounting on the transaction day.

(2) Classification and measurement methods of financial assets

According to the business model of managing financial assets and the contractual cash flow characteristics of financial assets, the financial assets of the Company are classified into: financial assets measured at the amortized cost; financial assets measured at fair value of which changes are recorded into other comprehensive income; financial assets at fair value through profit or loss ("FVTPL"). The Company only reclassifies all relevant financial assets under impact when the business pattern of financial asset management is changed.

The financial assets shall be measured at fair value at the time of initial recognition, but they shall be initially measured at the transaction price if the receivables or notes receivable generated by sales of commodities or provision of services do not contain the significant financing components or do not take the financial components not exceeding one year into account.

For the financial assets measured with fair value and with the changes included in current profit and loss, relevant transaction costs are directly charged to the current profit and loss; for other types of financial assets, relevant transaction costs are charged to initially recognized amount.

The subsequent measurement of financial assets depends on the classification:

1) Financial assets measured at the amortized cost

If the financial assets conform to the following conditions simultaneously, they shall be classified into the financial assets measured at the amortized cost: ① The business model for managing the financial assets is for the target of collection of contract cash flows; ② According to the contract terms of the financial asset, the cash flow generated on a specific date is only for the payment of the principal and the interest based on the outstanding principal amount. The financial assets of this category of our company mainly include: monetary funds, accounts receivable, notes receivable, and other receivables.

2) Investment in debt instruments measured with fair value and with the changes included in other comprehensive income profits and losses

If the financial assets conform to the following conditions simultaneously, they shall be classified into the financial assets measured at fair value and changes of which are included into other comprehensive incomes: ① The business model for managing such financial assets is to collect contractual cash flows and to sell the financial asset. ② According to the contract terms of the financial asset, the cash flow generated on a specific date is only for the payment of the principal and the interest based on the outstanding principal amount. The effective interest rate method shall be adopted to recognize the interest income of such financial assets. Except that the interest income, impairment loss and exchange difference are recognized as the current profits and losses, other changes in fair value shall be included into other comprehensive incomes. When the financial assets are derecognized, the accumulative profits or losses that were included into other comprehensive incomes previously shall be transferred out from other comprehensive incomes and included into the current profits and losses. The financial assets of this category of our company mainly include: receivables financing.

- 3) Investment in equity instruments measured with fair value and with the changes included in other comprehensive income profits and losses

Our company irrevocably elects to designate a portion of its non-trading equity instrument investments as financial assets measured at fair value with changes recognized in other comprehensive income. Once such a designation is made, it cannot be revoked. The Company only includes the relevant dividend income (excluding the dividend income clearly recovered as part of the investment cost) in the current period's profit or loss. The subsequent changes in fair value are included in other comprehensive income, and no impairment provision is required. When the financial assets are derecognized, the accumulated gains or losses previously recorded in other comprehensive income should be transferred from other comprehensive income to the retained earnings. The financial assets of this category of our company are classified as other equity instrument investments.

- 4) Financial assets measured with fair value and with the changes included in current profit and loss

Financial assets other than those classified as measured at amortized cost and those classified or designated as measured at fair value and whose changes are included in other comprehensive income are classified by the Company as financial assets measured at fair value and changes of which are included into the current profits and losses. These financial assets are subsequently measured at fair value, with all changes in fair value recognized in profit or loss for the period, except for those related to hedge accounting. The financial assets in this category of the Company mainly include: trading financial assets.

The financial assets recognized by the Company through business combination not under common control or constituted by contingent consideration are classified as financial assets at fair value through profit or loss ("FVTPL").

- (3) Classification, recognition basis and measurement method for financial liabilities

Except for issued financial guarantee contracts, loan commitments made at below-market interest rates, and financial liabilities arising from financial asset transfers that do not meet derecognition criteria or involve continuing involvement in transferred financial assets, at the time of initial recognition, the financial liabilities of the Company shall be classified as follows: Financial liabilities measured at fair value and changes of which are included into the current profits and losses, and financial liabilities measured at the amortized cost. For the financial liabilities measured at fair value and changes of which are included into the current profits and losses, the relevant transaction expenses shall be included into the current profits and losses directly; for financial liabilities measured at amortized cost, the relevant transaction expenses shall be included into the initial recognition amount.

The subsequent measurement of financial liabilities depends on its classification:

- 1) Financial liabilities measured at amortized cost

Financial liabilities measured at amortized cost are subsequently measured using the effective interest method at amortized cost.

- 2) Financial liabilities measured with fair value and with the changes included in current profit and loss

Financial liabilities measured with fair value and with the changes included in current profit and loss (including derivative instruments that are financial liabilities), include the trading financial liabilities and the financial liabilities measured with fair value and with the changes included in current profit and loss upon initial recognition. The trading financial liabilities (including derivative instruments that are financial liabilities) are subsequently measured at the fair value, with all changes in fair value recognized in profit or loss for the period, except for those related to hedge accounting. Financial liabilities designated as measured at fair value with changes recognized in the current profit or loss shall be subsequently measured at fair value. Except for fair value changes caused by changes in the Company's credit risk, which are recognized in other comprehensive income, other fair value changes shall be recognized in the current profit or loss. Accounting mismatches in profit or loss are caused or widened when the fair value changes caused by changes in the Company's own credit risk are included in other comprehensive income, and the Company will recognize all fair value changes (including the amount affected by changes in the Company's own credit risk) in the current profit and loss.

- (4) Impairment of financial instruments

The Company applies impairment accounting and recognizes loss provisions based on expected credit losses for the following items: ① Financial assets measured at amortized cost; ② Financial assets measured at fair value and whose changes are included in other comprehensive income (for financial assets that simultaneously meet the following conditions: the Company's business model for managing the financial asset is aimed at collecting contractual cash flows; the contractual terms of the financial asset stipulate that the cash flows generated on specified dates consist solely of payments of principal and interest on the principal

amount outstanding). :③ Lease receivables; ④ Contract assets.

1) Measurement of expected credit losses

The expected credit loss refers to the weighted average credit loss of financial instruments weighted by the risk of default. Credit loss refers to the difference between all contract cash flows discounted by the Company at the original effective interest rate and receivable according to the contract and all expected cash flows received, that is, the present value of all cash shortage.

Expected credit loss throughout the duration refers to the expected credit loss resulting from all possible default events over the entire expected life of a financial instrument. Expected credit loss in the next 12 months refer to the expected credit loss resulting from potential default events of financial instruments that may occur within 12 months after the balance sheet date (or within the expected remaining life of the financial instrument if it is less than 12 months). These losses constitute a portion of the expected credit loss throughout the duration.

The company measures the loss provisions for the following items according to the amount of expected credit loss in the whole duration: ① Loss provisions for receivables or contract assets formed by transactions regulated by Accounting Standard for Business Enterprises No. 14 - Revenue Standard, regardless of whether the item contains significant financing components.

In addition to the aforementioned items, for other items, the Company measures the loss provisions based on the following situations: ① For financial instruments whose credit risk has not significantly increased since initial recognition, the Company measures the loss provisions based on the amount of expected credit losses over the next 12 months; ② For financial instruments whose credit risk has increased significantly since initial recognition, the Company measures the loss provisions based on the amount of the expected credit loss in the whole duration of the financial instrument; ③ For purchased or originated financial instruments that have experienced credit impairment, the Company measures the loss provisions based on the amount of the expected credit loss in the whole duration of the financial instrument.

Financial assets measured at fair value and whose changes are included in other comprehensive income (for financial assets that simultaneously meet the following conditions: the Company's business model for managing the financial asset is aimed at collecting contractual cash flows; the contractual terms of the financial asset stipulate that the cash flows generated on specified dates consist solely of payments of principal and interest on the principal amount outstanding). , the Company recognizes its credit loss provisions in other comprehensive income, records impairment losses or gains in current profit and loss, and does not reduce the carrying value of the financial asset as presented in the balance sheet. The increase or reversal amount of the credit the loss provision for financial instruments other than those mentioned above shall be recognized in the current period's profit or loss as impairment loss or gain.

2) Combination categories and determination basis for impairment provisions calculated based on credit risk feature combinations

The company evaluates the expected credit losses of financial instruments based on individual and combination assessments. When evaluating on a combination basis, the company divides financial instruments into different groups based on common credit risk characteristics. The common credit risk characteristics adopted by the company include: type of financial instrument, credit risk rating, geographical location of the debtor, industry of the debtor, overdue information, aging of receivables, etc.

Combination categories and determination basis of accounts receivable (and contract assets)

Evaluation based on combinations. For accounts receivable (and contract assets), the Company cannot obtain sufficient evidence of a significant increase in credit risk at a reasonable cost at the individual instrument level. However, it is feasible to evaluate whether credit risk has significantly increased based on a combination. Therefore, the company groups accounts receivable according to the common risk characteristics of financial instrument types and considers evaluating whether credit risk has significantly increased based on the combination.

According to the credit risk characteristics of financial instruments, accounts receivable are grouped and expected credit losses are calculated based on the combination. The details are as follows:

- ① If there is objective evidence that a credit impairment has occurred in an account receivable, the Company shall withdraw the provision for bad debts for that account receivable and recognize the expected credit loss.
- ② The accounts receivable combination is as follows:

Combination classification	Basis for recognition of combination	Accrual method
Credit loss withdrawn on accounts receivable by aging analysis method	The receivables with the same aging have similar credit risk characteristics	Expected credit loss rate
Related parties in the consolidation scope	Funds of subsidiaries in the consolidation scope	Generally no expected credit loss

For accounts receivable classified by aging combination, with reference to the historical credit loss experience, combined with the current situation and the forecast of the future economic situation, the comparison table between the aging of accounts receivable and the expected credit loss throughout the duration is prepared by the company, and the expected credit loss is calculated. The comparison table is determined based on the historical default rates observed for accounts receivable during the expected repayment period, adjusted for forward-looking estimates. The observed historical default rates are updated at each reporting date, with analysis conducted on changes to forward-looking estimates.

Based on the actual credit losses of the previous year and taking into account the forward-looking information of the current year, the Company's accounting estimation policy for measuring expected credit losses is as follows:

Aging	Within 1 year	1~2 years	2~3 years	3~4 years	4~5 years	More than 5 years
Loss Given Default (LGD)	5%	10%	20%	50%	80%	100%

Combination categories and determination basis of notes receivable

Based on the acceptor credit risk of notes receivable as a common risk feature, the Company divides the notes receivable into different combinations and determines the expected credit loss accounting estimation policy: a. For bank acceptance bills accepted by banking financial institutions, the Company believes that the banker's acceptance bill held does not have significant credit risk and will not cause major losses due to bank default. a. The expected credit loss is not recognized; b. For commercial acceptance drafts where the acceptor is a non-bank financial institution such as a finance company or an enterprise, the company measures the bad debt provision for the receivable commercial acceptance drafts based on the expected credit loss over the entire duration, with an expected credit loss rate of 5%.

Combination categories and determination basis of other receivables

The company's other receivables primarily include intercompany balances, deposits, guarantees, petty cash, third-party collections, and construction payment escrows. Based on the nature of receivables and the credit risk characteristics of different counterparties, the Company has objective evidence indicating that a specific other receivable has incurred credit impairment. A separate provision for bad debts is made for this other receivable, and expected credit losses are recognized. The remaining other receivables are classified into the aging combination and the related party combination.

3) Judgment criteria for single provision of bad debt impairment reserves based on individual provision

If a customer's credit risk characteristics are significantly different from those of other customers in the combination, or if the customer's credit risk characteristics have undergone significant changes, the customer is experiencing severe financial difficulties, or the expected credit loss rate of receivables from the customer is significantly higher than the expected credit loss rate for its respective aging or overdue interval, the Company will make individual impairment provisions for the receivables from such customer.

4) Write-off of impairment provisions

When the Company no longer reasonably expects to recover all or part of the contract cash flows of financial assets, the Company shall directly write down the book balance of the financial assets. If a previously written-down financial asset is subsequently recovered, the reversal of the impairment loss shall be recognized in profit or loss in the period of recovery.

(5) Recognition basis and measurement method for transfer of financial assets

For financial asset transfer transactions, the Company derecognizes the financial asset when it has transferred substantially all the risks and rewards of ownership of the financial asset to the transferee. If the Company retains substantially all the risks and rewards of ownership of the financial asset, it does not derecognize the financial asset. If the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and relinquishes control over the financial asset, it derecognizes the financial asset and recognizes any resulting assets and liabilities. If control over the financial asset is not relinquished, the Company recognizes the relevant financial asset to the extent of its continuing involvement in the transferred financial asset and correspondingly recognizes the relevant liability.

If the entire transfer of a financial asset meets the criteria for derecognition, the difference between the carrying amount of the transferred financial asset on the derecognition date and the sum of the consideration received from the transfer and the cumulative amount of fair value changes originally recognized in other comprehensive income that corresponds to the portion derecognized (for the financial assets that meet both of the following conditions: ① The Company's business model for managing the financial assets is aimed at collecting the contract cash flow and selling the financial assets; ② According to the contract terms of the financial asset, the cash flow generated on a specific date is only for the payment of the principal and the interest based on the outstanding principal amount.) shall be recognized in the current period's profit or loss.

For partial transfers of financial assets that meet the derecognition criteria, the carrying amount of the entire financial asset is allocated between the portion derecognized and the portion not derecognized based on their respective relative fair values. The sum of consideration received from the transfer, along with the cumulative amount of fair value changes originally recognized in other comprehensive income attributable to the derecognized portion (for the financial assets that meet both of the following conditions: ① The Company's business model for managing the financial assets is aimed at collecting the contract cash flow and selling the financial assets; ② According to the contract terms of the financial asset, the cash flow generated on a specific date is only for the payment of the principal and the interest based on the outstanding principal amount.), minus the allocated carrying amount of the aforementioned financial assets, shall be recognized in the current profit and loss.

If continuing involvement is made by providing financial guarantee for the transferred financial assets, assets formed by continuing involvement shall be recognized according to the lower value between book value of financial assets and financial guarantee amount.

(6) Distinction between financial liabilities and equity instruments and relevant treatment method

The Company distinguishes between a financial liability and an equity instrument in accordance with the following principles : (1) If the Company cannot unconditionally avoid performing a contractual obligation by delivering cash or other financial assets, the contractual obligation is defined as a financial liability. Although some financial instruments do not explicitly contain terms and conditions for the obligation to deliver cash or other financial assets, they may indirectly form contractual obligations through other terms and conditions. (2) If a financial instrument is to be settled by or with the Company's equity instrument, it is necessary to consider whether the Company's equity instrument used to settle the financial instrument is to be used as a substitute for cash or other financial assets or to give the holder of the instrument a residual equity in the assets of the issuer after deducting all liabilities. In the former case, the financial instrument is a financial liability of the issuer; in the latter case, the instrument is the issuer's equity instrument. If it is stipulated in a financial instrument contract that the Company shall or may settle the financial instrument by its own equity instruments in some cases, in which, the amount of the contractual rights or contractual obligations is equal to the number of its equity instruments available or to be delivered multiplied by its fair value at the time of settlement, the contract is classified as a financial liability, whether the amount of the contractual rights or obligations is fixed or whether it is based in whole or in part on changes in variables (such as the interest rate, the price of a commodity or the price of a financial instrument) other than the market price of the Company's equity instruments.

In classifying a financial instrument (or its components) in the consolidated statements, the Company takes into account all terms and conditions agreed between the members of the Company and the financial instrument holder. The instrument shall be classified as a financial liability if the Company as a whole is obligated to deliver cash, other financial assets, or settle accounts in other ways that cause the instrument to become a financial liability as a result of the instrument.

The interest, dividends, profits or losses related to a financial instrument or its components classified as a financial liability, as well as gains or losses from redemption or refinancing, shall be recorded into the Company's current profit and loss.

The issuance (including refinancing), repurchase, sales or cancellation of financial instrument or its components classified as equity instruments is handled as the equity changes, and the fair value change of the equity instruments is not recognized.

(7) Offset of financial assets and financial liabilities

The financial assets and financial liabilities of the Company are listed respectively in the balance sheet and no mutually offset. However, when the following conditions are met at the same time, they are listed as net amount after offset in the balance sheet: (1) the Company has the legal right to offset the recognized amount and may execute the legal right currently; (2) the Company plans to settle with net amount or realize the financial asset and pay off the financial liability simultaneously.

12. Notes receivable

Based on the acceptor credit risk of notes receivable as a common risk feature, the Company divides the notes receivable into different combinations and determines the expected credit loss accounting estimation policy:

Combination classification	Basis for recognition of combination	Accrual method
Banker's acceptance bill combination	The acceptor is a banking financial institution	The Company believes that the banker's acceptance bill held does not have significant credit risk and will not cause major losses due to bank default.
Commercial acceptance bill combination	The acceptor is a financial company or other non-bank financial institution or enterprise unit	The Company measures the provision for bad debt of commercial acceptance bills receivable according to the expected credit loss of the entire duration

13. Accounts receivable

The provision for loss on the accounts receivable (whether or containing material financing elements) from standard transactions in the *Accounting Standards for Enterprises No. 14 - Revenues* and on the lease receivables regulated in the *Accounting Standards for Enterprises No. 21 - Lease* shall be measured by the Company by simplified measurement according to the amount equivalent to the expected credit loss in the whole duration.

The Company shall evaluate whether the credit risks of accounts receivable have increased significantly on the basis of a single financial instrument or a financial instrument combination. The Company makes single assessment of the credit risks for the accounts receivable with significantly different credit risks and the following features: accounts receivable in dispute with the other party or involving litigation or arbitration; accounts receivable with obvious signs that the debtor is likely to be unable to perform the repayment obligations. It is feasible for the Company to evaluate whether the credit risks increase significantly on the basis of financial instrument combination if it is unable to obtain sufficient evidence for significant increase in credit risks at reasonable cost at the level of single financial instrument. The Company can classify financial instruments based on the characteristics of common credit risk in assessment based on the financial instrument combination.

The Company divides the accounts receivable into the following combinations based on their credit risk characteristics:

Combination classification	Basis for recognition of combination	Accrual method
Credit loss withdrawn on accounts receivable by aging analysis method	The receivables with the same aging have similar credit risk characteristics	Expected credit loss rate
Related parties in the consolidation scope	Funds of subsidiaries in the consolidation scope of controlling shareholders	Generally no expected credit loss

If there is objective evidence that a credit impairment has occurred in an account receivable, the Company shall withdraw the provision for bad debts for that account receivable and recognize the expected credit loss.

For the accounts receivable with the credit loss drawn by aging analysis method, based on the actual credit losses of the previous year and taking into account the forward-looking information of the current year, the Company's accounting estimation policy for measuring expected credit losses is as follows:

Aging	Expected credit loss rate
Within 1 year	5.00%
1~2 years	10.00%
2~3 years	20.00%
3~4 years	50.00%
4~5 years	80.00%
More than 5 years	100.00%

The Company shall calculate the expected credit loss of the accounts receivable on the balance sheet date. If the expected credit loss is greater than the book amount of the provision for impairment of current accounts receivable, the Company recognizes the difference as the provision for impairment of accounts receivable, debits the "credit impairment loss" and credits the "provision for bad debt". On the contrary, the Company recognizes the difference as an impairment gain and records the opposite.

Where the Company has actually incurred a credit loss and the relevant accounts receivable are determined to be irrecoverable, and the write-off is approved, the "provision for bad debt" shall be debited and the "accounts receivable" shall be credited according to the approved write-off amount. If the write-off amount is greater than the provision for loss which has been calculated, the "credit impairment loss" shall be debited according to the difference.

14. Receivables financing

The financial asset of the Company that meets the following conditions simultaneously is classified as the financial asset measured at fair value of which changes are recorded into other comprehensive income: the business model for managing such financial assets is to collect contractual cash flows and to sell the financial asset; According to the contract terms of the financial asset, the cash flow generated on a specific date is only for the payment of the principal and the interest based on the outstanding principal amount.

The Company transfers the accounts receivable held in the form of discount or endorsement. Such accounts receivable with frequent business and large amount involved are measured at fair value and their changes are recorded into other comprehensive income according to relevant regulations in the financial instrument standards if the management business model is to collect and sell contractual cash flows.

15. Other receivables

The company's other receivables primarily include intercompany balances, deposits, guarantees, petty cash, third-party collections, and construction payment escrows. Based on the nature of receivables and the credit risk characteristics of different counterparties, the Company has classified other receivables into the following two categories: Aging combination and related party combination.

16. Contract assets

Contract assets refer to the Company's rights to receive consideration for the transfer of goods to the customer, and such rights are subject to factors other than the passage of time. If the Company sells two clearly distinguishable commodities to customers, and it has the right to receive payment due to the delivery of one of the commodities, but the receipt of such payment also depends on the delivery of another commodity, the Company regards the right to receive payment as a contract asset.

For the recognition method of expected credit loss of contract assets, refer to the above 10. Financial assets and financial liabilities, 12. Notes receivable and 13. Accounts receivable.

The Company shall calculate the expected credit loss of the contract assets on the balance sheet date. If the expected credit loss is greater than the book amount of the provision for impairment of current contract assets, the Company recognizes the difference as the provision for impairment, debits the "assets impairment loss" and credits the "provision for impairment of contract assets". On the contrary, the Company recognizes the difference as an impairment gain and records the opposite.

Where the Company has actually incurred a credit loss and the relevant contract assets are determined to be irrecoverable, and the write-off is approved, the "provision for impairment of contract assets" shall be debited and the "contract assets" shall be credited according to the approved write-off amount. If the write-off amount is greater than the provision for loss which has been calculated, the "assets impairment loss" shall be debited according to the difference.

17. Inventory

The Company's inventory mainly includes low priced and easily worn articles, raw materials, work in process, merchandise inventory and goods shipped in transit, etc.

Inventory is initially measured according to the cost. The inventory cost includes purchase cost, processing cost and other costs. The perpetual inventory system is adopted for the inventories and the inventories are price according to the actual cost when obtained; the cost of the inventories is recognized by the weighted average method when received or issued. The low priced and easily worn articles and packages are amortized by one-time writing-off method.

The year-end inventory is priced according to the cost of inventories or net realizable value, whichever is lower. In case of inventory damage, full or partial obsolescence or selling price below the cost, the non-recoverable part of its cost is expected and the inventory falling price reserves are withdrawn. The inventory falling price reserves of the merchandise inventory and raw materials are withdrawn according to the difference between the cost of a single inventory item and its net realizable value; for the inventories with large quantity and low unit price, the inventory falling price reserves are withdrawn according to the inventory category.

For the merchandise inventory, work in process, materials for sale and other merchandise inventories directly used for sale, the net realizable value is recognized by the amount of the estimated sale price of the inventories subtracted by the estimated selling expenses and related taxes; for the material inventory possessed for production, the net realizable value is recognized by the amount of the estimated sale price of the finished products subtracted by the estimated cost about to occur in completion, estimated selling expenses and related taxes.

18. Assets held for sales

If the Company recovers the book value of an asset mainly through the sale (including the non-monetary assets exchange of commercial nature, the same hereinafter) rather than continuous use of a non-current asset or disposal group, such asset is classified as an asset held for sales

1. The Company classifies non-current assets or disposal groups as held for sale if they meet the following conditions simultaneously: (1) immediately available for sale under current conditions in accordance with the usual practice of selling such type of assets or disposal groups in similar transactions; (2) the sale is highly likely, that is, the Company has resolved a sale plan and obtained a firm purchase commitment, and the sale is expected to be completed within one year. Where relevant provisions require the approval of relevant authority or regulatory before the sale, such approval should be indispensable. Before the Company classifies non-current asset or disposal group as held for sale for the first time, it measures the book value of non-current asset or each asset and liability in the disposal group in accordance with relevant accounting standards. Upon initial measurement or remeasurement of the non-current asset and disposal group held for sale on the balance sheet date, if the book value is higher than the net amount of the fair value minus the selling expense, the book value is written down to the net amount of the fair value minus the selling expense, the amount written down is recognized as the assets impairment loss and included in the current profit and loss. The provision for impairment of available for sale assets is withdrawn.
2. The non-current assets or disposal groups acquired by the Company exclusively for resale are classified as held for sale at the date of acquisition if, at the date of acquisition, they meet the specified conditions of "sale is expected to be completed within one year" and are likely to meet other conditions for classification as held for sale within a short period of time (usually three months). At initial measurement, the lower of the initial measurement amount and the net amount after deducting selling expenses from fair value, assuming it is not classified as held for sale, is measured. Except for non-current assets or disposal groups acquired in a business combination, the difference arising from the initial measurement amount of a non-current asset

or disposal group at fair value less selling expenses is recognized in profit or loss.

3. If the Company loses control over the subsidiary due to the sale of its investment in the subsidiary or other reasons, no matter whether the Company retains part of the equity investment after the sale, when the investment in the subsidiary to be sold meets the conditions for classification of held for sale, the overall investment in the subsidiary is classified as held for sale in the individual financial statements of the parent company, and all assets and liabilities of the subsidiary are classified as held for sale in the consolidated financial statements.
4. If on the subsequent balance sheet date, the net amount of non-current assets held for sale after deducting the selling expenses increases, the previously written-down amount shall be restored and reversed in the amount of assets impairment loss recognized after classification as held for sale, with the reversed amount included in current profit and loss. The assets impairment losses recognized before classification as held for sale shall not be reversed.
5. The amount of asset impairment loss recognized for disposal groups held for sale is offset against the book value of goodwill in the disposal group, and then against the book value of each non-current asset on a pro rata basis according to its proportionate of the book value.

If on the subsequent balance sheet date, the net amount of assets in disposal group held for sale after deducting the selling expenses increases, the previously written-down amount shall be restored and reversed in the amount of the assets impairment loss recognized for non-current assets applicable to relevant measurement regulations after classification as held for sale, with the reversed amount included in current profit and loss. The book value of the goodwill written down, and the assets impairment loss recognized for the non-current assets before classification as held for sale shall not be reversed.

The amount of subsequent reversal of impairment losses recognized for assets in disposal groups held for sale is increased proportionately to the book value of each non-current asset in the disposal group, other than goodwill, based on its proportionate share of the carrying amount of the asset.

6. The depreciation or amortization is not withdrawn for the non-current assets held for sale or for those in the disposal group, and the interest and other expenses on liabilities held for sale in the disposal group continue to be recognized.
7. When the non-current assets or disposal group held for sale are no longer classified as held for sale because they no longer meet the classification conditions of held for sale, or the non-current assets are removed from the disposal group held for sale, they will be measured at the lower of the following:
 - (1) the amount after adjustment according to the depreciation, amortization, or impairment that would have been recognized if it had not been classified as held for sale category, as for the book value before classified as held for sale category; (2) recoverable amount. When the non-current assets or disposal groups held for sale are derecognized, the unrecognized gains or losses shall be included in the current profit and loss.
8. When terminating the recognition of the disposal group of non-current assets held for sale, the unrecognized gains or losses are included in the current profit or loss.

19. Debt investment

N/A

20. Other debt investments

N/A

21. Long-term receivables

N/A

22. Long-term equity investment

The Company's long-term equity investment mainly consists of investment in subsidiaries, investment in joint ventures and equity investment in cooperative enterprises.

The Company's judgment on common control is based on the collective control of the arrangement by all participants or a combination of participants, and the policy on the activities related to the arrangement must be agreed upon by all participants in the collective control of the arrangement.

When the Company directly or indirectly owns more than 20% (including) but less than 50% voting rights of the investee through its subsidiaries, it is generally considered to have a significant impact on the investee. When the Company owns less than 20% voting rights of the investee, it shall be judged to have a significant impact on the investee with comprehensive consideration to dispatching representatives in the board of directors of the investee or similar authority, participating in the formulation process of the financial and business policy of the investee, conducting important transactions with the investee, dispatching management to

the investee or providing key technical data for the investee.

The company that forms control over the investee shall be a subsidiary of the Company. For the long-term equity investment acquired through business combination under common control, the share of the book value of the net assets of the combined party in the consolidated statements of the final controlling party, on the combination date, is regarded as the initial cost of the long-term equity investment. If the book value of the net assets of the combined party on the combination date is negative, the long-term equity investment cost shall be determined as zero.

If the Company acquires the equity of the investee under common control by steps through several deals, finally forms business combination and such deals belong to package deal, the deals shall be subject to accounting treatment as a deal to obtain the control right. If the deals do not belong to the package deal, the share of the book value of the net assets of the combined party in the consolidated financial statements of the final controlling party, on the combination date, is regarded as the initial cost of the long-term equity investment. The difference between the initial cost of the long-term equity investment and the sum of the book value of the long-term equity investment before the combination plus the book value of the new consideration for shares on the combination date is adjusted against capital reserve; if the capital reserve is not sufficient to absorb the difference, the retained earnings shall be written down.

For the long-term equity investment acquired through business combination not under common control, the combined cost is the initial investment cost.

If the Company acquires the equity of the investee not under common control by steps through several deals, finally forms business combination and such deals belong to package deal, the deals shall be subject to accounting treatment as a deal to obtain the control right. If the deals do not belong to the package deal, the sum of the book value of the equity investment originally held and newly increased investment cost shall be considered as initial cost of the investment that calculates according to cost method. If the equity held before the acquiring date is calculated by the equity method, other comprehensive income calculated by the equity method is not adjusted and shall be subject to accounting treatment when disposing of the investment through adopting the basis for the direct disposal of relevant assets or liabilities of the investee. If the original equity held before the acquiring date is calculated at fair value in the available-for-sale financial assets, the change in the cumulative fair value originally included in other comprehensive income is transferred to the current investment profit and loss on the combination date.

Except for the long-term equity investment acquired through business combination, for the long-term equity investment made by paying cash, the investment cost shall be the purchase price actually paid; for the long-term equity investment acquired by issuing equity securities, the investment cost shall be the fair value of the equity securities issued; for the long-term equity investment acquired through the exchange of non-monetary assets, the initial investment cost shall be recognized in accordance with the relevant provisions of the *Accounting Standards for Business Enterprises No.7 - Exchange of Non-monetary Assets*; for the long-term equity investment acquired by debt restructuring, the initial investment cost shall be recognized in accordance with the relevant provisions of the *Accounting Standards for Business Enterprises No.12 - Debt Restructuring*.

The investment in subsidiaries is measured by the cost method and the investment in joint ventures and cooperative enterprises is measured by equity method.

For the long-term equity investment calculated by cost method subsequently, the long-term equity investment cost is adjusted when the investment is added or recovered. The cash dividends or profits declared to be distributed by the investee should be recognized as current investment income.

The book value of the long-term equity investment measured subsequently by equity method shall be increased or decreased with the change in the owner's equity of the investee. The share of the net profits and losses of the investee to be enjoyed shall be recognized after offsetting of the part of the internal deal profits and losses attributable to the Company between the joint venture and cooperative enterprise according to the shareholding ratio and after adjustment of the new profits of the investee on the basis of the fair value of the identifiable assets of the investee when the investment is obtained and according to the Company's accounting policy and accounting period.

In disposal of the long-term equity investment, the balance between the book value and the actual price obtained is charged to current investment income. If a long-term equity investment calculated by the equity method is included in the owner's equity due to changes in the owner's equity other than the net profit and loss of the investee, the part originally included in the owner's equity in the disposal of the investment shall be transferred to the current investment profit and loss by the corresponding proportion.

If the deals for disposal of the equity by steps until the loss of the control right do not belong to the package deal, each deal shall be subject to accounting treatment respectively. If they belong to a package deal, the deals shall be subject to accounting treatment as a deal for disposal of subsidiary and loss of the control right; however, the difference between each disposal price and the book value of the long-term equity investment corresponding to the equity disposed of before the loss of control right is recognized as other comprehensive income and then transferred into the current profit and loss in the period of loss of control right.

23. Investment properties

Measurement mode of investment properties

Cost method

Method of depreciation or amortization

The Company's investment properties refer to the properties held for rent gain or capital gain or the both thereof, which are measured by cost model.

The Company's investment properties are depreciated or amortized by the straight-line depreciation method. The estimated service life, net residual rate and yearly depreciation (amortization) ratio of all types of investment properties are as follows:

Category	Depreciation life (year)	Expected residual rate (%)	Yearly depreciation (%)
Houses and buildings	20	5.00	4.75
Land use right	50	0.00	2.00

24. Fixed assets

(1) Recognition conditions

The Company's fixed assets refer to the tangible assets with the following features which are held for production of goods, provision of labor, lease or operating management and whose service life exceeds year, with a useful life exceeding one year and a unit value exceeding RMB 5,000.

The fixed assets can be recognized when the economic benefits related to the fixed assets are likely to flow to the Company and when the cost of the fixed assets can be reliably measured. The fixed assets, including buildings, machinery equipment, transportation equipment and other equipment, are entered into the account by actual cost when obtained, in which, the cost of purchased fixed assets includes buying price, import tariff and other relevant taxes, as well as other expenses incurred before the fixed assets reach the extended usable status and directly attributable to the assets; cost of self-constructed fixed assets, consisting of necessary expenses incurred from construction of the asset to the intended serviceable conditions; the cost invested by the investors in the fixed assets is determined according to the value stipulated in the investment contracts or agreements, except the value stipulated in the contracts or agreements is not fair; the fixed assets under financing lease shall be recorded in the accounts according to the lower present value between the fair value of the leased asset on the lease commencement date and the minimum lease payment.

(2) Depreciation method

Category	Depreciation method	Depreciation life	Residual rate	Yearly depreciation
Houses and buildings	Straight-line method	20	5.00%	4.75%
Machinery equipment	Straight-line method	10	5.00%	9.50%
Transportation equipment	Straight-line method	5	5.00%	19.00%
Other equipment	Straight-line method	5	5.00%	19.00%

25. Construction in progress

The construction in progress is measured according to the actual cost. The self-run construction shall be measured by direct materials, direct wages and direct construction costs; the outsourced construction shall be measured according to the paid project cost; the equipment installation project cost shall be determined according to the value, installation cost and test run expenses of the equipment installed. The cost of the construction in progress should also include the capitalized borrowing costs.

The fixed assets of the construction shall be carried forward to the fixed assets by the estimated value according to the construction budget, cost or actual construction cost from the date when they reach the intended usable state, and the depreciation shall be calculated and withdrawn from the following month. The original value difference of the fixed assets is adjusted after the completion settlement procedures.

The construction in progress is carried forward to the fixed assets when it reaches the intended serviceable condition, based on the following criteria:

Item	Criteria for carrying forward fixed assets
Houses and building	If (1) the physical construction, including installation, has been fully completed or substantially completed; (2) the amount of money spent on the purchased and constructed houses and buildings is very small or almost no longer occurs; (3) the purchased and constructed houses and buildings have met the design or contract requirements, or are basically in line with the design or contract requirements; (4) the construction work has reached the predetermined usable state but has not yet completed the final settlement, it will be carried forward as fixed asset at its estimated value based on the actual cost of the construction from the date of reaching the intended serviceable condition.

Machinery equipment	The equipment management department and the equipment manufacturer are jointly responsible for equipment installation and debugging, including equipment hardware debugging, process condition debugging, etc. When the debugging is completed to reach the intended serviceable condition, the equipment will be carried forward as fixed asset after approval according to the process.
Transportation means	When it reaches the intended serviceable condition, it will be carried forward as fixed asset after approval according to the process
Other equipment	When it reaches the intended serviceable condition, it will be carried forward as fixed asset after approval according to the process

26. Borrowing costs

The construction or production borrowing costs incurred and directly attributable to the assets meeting the capitalization conditions are capitalized and included in relevant asset costs; other borrowing costs are included in the current profit and loss. Recognition principle of capitalization of borrowing costs: the construction or production borrowing costs incurred and directly attributable to the assets meeting the capitalization conditions are capitalized and charged to relevant asset costs; other borrowing costs shall be recognized as costs according to the amount incurred when they occur and shall be included in the current profit and loss. Assets meeting the capitalization conditions refer to the fixed assets, intangible assets, inventories and other assets which can reach the intended usable or marketable status only after quite a long time (generally more than 1 year) of construction or production activities.

Capitalization period of borrowing costs: the borrowing costs related to the assets that meet the capitalization conditions start to be capitalized when the expenditure to acquire and the borrowing costs have occurred and the construction or production activities required to make the assets reach the usable or marketable status have started. In case of abnormal interrupt of the assets meeting the capitalization conditions for more than 3 consecutive months in the construction or production process, the capitalization of the borrowing costs is suspended; the borrowing costs stop capitalization when the construction or production assets meeting the capitalization conditions reach the usable or marketable status.

Calculation method for capitalized amount of borrowing costs: when special borrowings are borrowed for construction or production of the assets meeting the capitalization conditions, the difference between the interest incurred in the period of special borrowings and the interest income from the unused borrowing fund in the bank or the investment income of temporary investment is deemed as the capitalized amount of the interest on the special borrowings. When general borrowings are occupied for construction or production of assets meeting the capitalized conditions, the weighted average of the expenditure to acquire exceeding the special borrowings in the cumulative expenditure to acquire is multiplied by the weighted average interest rate of the general borrowings occupied to calculate and determine the amount of interest to be capitalized on the general borrowings.

27. Biological assets

N/A

28. Oil and gas assets

N/A

29. Intangible assets

(1) Service life and its determination basis, estimation, amortization method or review procedure

The Company's intangible assets mainly include land use rights, software, trademarks, patents, etc. The actual cost of the purchased intangible assets shall be the actual cost and other relevant expenses. The actual cost of the intangible assets invested by the investors is determined according to the value stipulated in the investment contracts or agreements. If the value stipulated in the contracts or agreements is not fair, the actual cost is determined according to the fair value. However, for intangible assets acquired in a business combination not under common control that are owned by the acquiree but not recognized in its financial statements, initial recognition shall be measured at fair value.

(1) Service life and its determination basis, estimation, amortization method or review procedure

The Company's amortization methods and periods for various intangible assets are as follows:

Category	Amortization method	Amortization period	Determination basis
Land use right	Straight-line method	50	Term of transfer
Patent	Straight-line method	10	The shortest of the estimated useful life, the benefit period stipulated in the contract, or the effective period

			stipulated by law
Software	Straight-line method	3~5 years	The shortest of the estimated useful life, the benefit period stipulated in the contract, or the effective period stipulated by law
Trademark and domain name	Straight-line method	10	The shortest of the estimated useful life, the benefit period stipulated in the contract, or the effective period stipulated by law

The amortization amount is allocated to the relevant asset cost and the current profit or loss based on the benefiting objects. The expected useful life and amortization methods of the intangible assets with limited useful life are reviewed at the end of each year and handle any change as the accounting estimate change.

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

The expenditure of the Company's internal R&D projects is classified into the expenditure at the research stage and the expenditure at the development stage according to its nature and great uncertainty of the intangible assets eventually formed by R&D activities.

For intangible assets developed independently, the expenditure in the research stage shall be included in the current profit and loss when it occurs; The expenditures in the development stage shall be recognized as assets if they meet the following conditions at the same time:

- - Technically feasible to complete the intangible assets, so that they can be used or sold;
 - It is intended to finish and use or sell the intangible assets;
 - The products generated by the intangible assets can be sold or the intangible assets themselves can be sold;
 - It is able to finish the development of the intangible assets, and able to use or sell the intangible assets, with the support of sufficient technologies, financial resources and other resources; and
 - The development expenditures of the intangible assets can be reliably measured.

The expenses at the development stage not meeting above conditions are included in current profits and losses when obtained. The development expenses included in profits and losses in previous periods are not recognized as assets in subsequent periods. The capitalized expenses at the development stage are listed as development expenses in the balance sheet and transferred to intangible assets when the project reaches the intended usable state.

If the expenditure at the research stage and the expenditure at the development stage cannot be distinguished, the R&D expenditure incurred is fully charged to the current profit and loss. The cost of intangible assets formed by internal development activities consists only of the total expenditure incurred between the point at which the conditions for capitalization are met and the time at which the intangible assets reach their intended use. The expenditure that has been expensed and included in the profit and loss for the same intangible asset before reaching the capitalization conditions in the development process is no longer adjusted.

30. Long-term assets impairment

The Company assesses long-term equity investments, investment properties measured using the cost model, fixed assets, construction in progress, right-of-use assets measured using the cost model, and intangible assets with finite useful lives at each balance sheet date. When there are indications of impairment, the Company conducts impairment tests. The goodwill and intangible assets with uncertain service life, and development expenditures not yet ready for intended use are tested for impairment annually at year-end no matter whether there are signs of impairment.

(1) Impairment of non-current assets other than financial assets (excluding goodwill)

When conducting impairment testing, the Company determines the recoverable amount according to the higher one between the net amount of the fair value of the assets minus the disposal expenses and the present value of the expected future cash flow of the assets. After the impairment test, if the book value of the asset exceeds the recoverable amount, the difference is recognized as an impairment loss.

(2) Impairment of goodwill

For the goodwill formed by business combination, the Company allocates its book value to the relevant asset groups from the purchase date in a reasonable manner. If it is difficult to allocate to the relevant asset groups, it is allocated to the relevant asset group combinations. When the relevant asset group or the asset group combination containing goodwill is tested for impairment, if there is a sign of impairment in the asset group or the asset group combination related to goodwill, the Company shall firstly conduct an impairment test for the asset group or the asset group combination not containing goodwill, calculate the recoverable amount and recognize the corresponding impairment loss by comparison with relevant book value. Then, the Company will conduct impairment test on the asset group or the asset group combination that contains goodwill, and compare the book value and

with the recoverable amount. If the recoverable amount is lower than the book value, the impairment loss amount shall first be used to offset the book value of the goodwill allocated to the asset group or the asset group combination, and then, in accordance with the proportion of the book value of each asset other than the goodwill in the asset group or the asset group combination, the book value of each asset shall be offset proportionally.

The methods, parameters and assumptions for the impairment test of goodwill are detailed in Note V, 18.

Once the aforementioned asset impairment loss is recognized, it will not be reversed in the subsequent accounting period.

31. Long-term unamortized expenses

The long-term unamortized expenses of the Company refer to the expenses that have been paid, but should be borne in the current period and subsequent periods with the amortization period of more than one year (excluding one year). Such expenses are amortized on average in the benefit period. If a long-term unamortized expense item cannot benefit a later accounting period, the amortized value of the item that has not been amortized is transferred to the current profit and loss.

32. Contract liabilities

Contract liabilities reflect the obligations of the Company to transfer goods to customers for consideration has been received or receivable from customers.

33. Employee compensation

(1) Short-term compensation accounting method

The short-term compensation mainly includes salary, bonus, allowances and subsidies, employee services and benefits, housing fund, labor union expenditure and personnel education fund, medical insurance premiums, industrial injury insurance premium, birth insurance premium and other social insurance premiums. The short-term compensation actually happened during the accounting period when the staff offering the service for the Company shall be recognized as liabilities and included in the current gains and losses or relevant assets cost by the beneficiary object.

(2) Post-employment benefits accounting method

Post-employment benefits mainly include basic endowment insurance, unemployment insurance and enterprise annuity payment and are classified as defined contribution plans according to the risks and obligations undertaken by the Company. The sinking funds made to a separate entity on the balance sheet date in exchange for services rendered by the employee during the accounting period shall be recognized as liabilities and included in the current gains and losses or relevant assets cost by the beneficiary object.

(3) Termination benefits accounting method

The Company puts forward compensation for an employee to terminate the labor relationship with the employee before expiry of the employee labor contract. When failing to unilaterally withdraw the dismissal welfare due to termination of labor relation plan or downsizing suggestions, or when recognizing the costs related to restructuring involving payment of dismissal welfare (whichever comes first), the Company recognizes the employee compensation liabilities from the dismissal welfare and includes in current profit and loss. The compensation that is paid beyond a year is included in current profit and loss after discount.

(4) Other long-term employee benefits accounting method

Other long-term employee benefits mainly include the long-term incentive plan and long-term benefits and shall be subject to the accounting treatment according to relevant provisions in the defined contribution plans.

34. Estimated liabilities

Any business related to contingencies such as pending litigation or arbitration, product quality guarantees, etc., if meeting all of the following conditions, is recognized as a liability: the obligation is the current obligation undertaken by the Company; performance of the obligation is likely to lead to the outflow of economic benefits; the amount of the obligation can be reliably measured.

The estimated liabilities are initially recognized according to the best estimate number of the expenditure required to perform relevant current obligations with consideration to the contingency related risks, uncertainty, time value of money and other factors.

The Company reviews the current best estimate on the balance sheet date, and adjust the book value of estimated liabilities.

Contingent liabilities of the acquiree acquired in a business combination not under the same control are measured at fair value at the time of initial recognition, and subsequently measured at the higher of the amount expected to be recognized for the liability and the amount initially recognized less the accumulated amortization determined in accordance with the principles of revenue recognition.

35. Share-based payment

The term share-based payment refers to a transaction in which the Company grants equity instruments or undertakes equity-instrument-based liabilities in return for services from employee or other parties. The share-based payments shall consist of equity-settled share-based payments and cash-settled share-based payments.

The equity-settled share-based payment in return for employee services is measured at the fair value of the equity instruments granted to the employees. The amount of fair value shall be recognized as relevant costs or expenses and capital reserves on each balance sheet date during the waiting period, based on the best estimate of the number of equity instruments with exercisable rights, at the fair value of equity instrument on the grant date, provided that the services obtained during the waiting period are completed or the prescribed performance conditions are met. The Company shall include the service obtained at the current period into relevant costs or expenses, and increase the capital reserve accordingly.

If the equity-settled share-based payment is cancelled, it will be treated as an accelerated exercise on the cancellation date, and the unconfirmed amount will be recognized immediately. If the employee or other party can choose to satisfy the non-exercisable condition but failed to do so in the waiting period, it will be treated as a cancellation of equity-settled share-based payment. However, if a new equity instrument is granted and the new equity instrument granted is deemed to be a replacement for the cancelled equity instrument on the grant date, the granted replacement equity instrument will be handled in the same manner as any amendment to the terms and conditions of the original equity instrument.

The cash-settled share-based payment settled will be measured according to the fair value of the liability confirmed basing on the shares borne by the Company and other equity instruments. If the rights can be exercised immediately after being granted, the payment will be counted into relevant costs or expenses at the fair value of the liabilities assumed and the liability will be increased correspondingly. If the rights can only be exercised after the situation that service within the waiting period is completed and set performance is achieved, the service obtained at the current period, according to the fair value amount of the liability borne by the Company, and basing on the optimum estimation for the condition of exercising rights, will be counted into costs or expenses on each and every balance sheet date during the waiting period, and the liability will be increased correspondingly.

Each and every balance sheet date and settlement before relevant liability settlement, the fair value of liability will be remeasured, of which changes occurred will be counted into the current period.

36. Preferred shares, perpetual bonds and other financial instruments

N/A

37. Income

Accounting policies for disclosure of income recognition and measurement based on business types

The Company's operating income mainly includes income from selling commodities, income from offering labor and transfer of asset use right.

-
- Income recognition principle

The Company has fulfilled its contractual obligation to recognize income when the customer acquires control of the relevant goods or services. Obtaining control of the relevant goods or services is the ability to dominate the use of the goods or provision of services and gain almost all economic benefits from them.

Performance obligation refers to the undertaking made by the Company on transferring commodities which can be clearly differentiated for clients. When one of the following conditions is met, it belongs to performing the Company's performance obligation within a certain period of time; otherwise, it belongs to performing the performance obligation at a certain point in time: (1) The customer obtains and consumes the economic benefits brought by the performance of the company at the same time; (2) The customer can control the commodities under construction during the performance of the company; (3) The commodities produced by the company in the performance process have irreplaceable uses, and the company has the right to collect money for the performance parts that have been completed so far in the whole contract period.

For the performance obligations performed within a certain period of time, the Company shall recognize the income in accordance with the performance progress during that period. If the performance schedule cannot be reasonably determined and the cost already incurred by the Company is expected to be compensated, the Company shall recognize the income according to the cost

already incurred until the performance schedule can be reasonably determined.

As for the performance obligation at a certain point of time, the Company shall recognize the income when the customer gains control over relevant merchandise. When judging whether the customer has obtained the control right of the commodity, the company considers the following signs: (1) The company has the right to collect the commodity at present, that is, the customer has the obligation to pay for the commodity currently; (2) The company has transferred the legal ownership of the commodity to the customer, that is, the customer already owns the legal ownership of the commodity; (3) The company has transferred the commodity in kind to the customer, that is, the customer has possessed the commodity in kind; (4) The company has transferred the main risks and rewards of the ownership of the commodity to the customer, that is, the customer has obtained the main risks and rewards of the ownership of the commodity; (5) The customer has accepted the commodity; (6) Other signs that the customer has obtained the control right of the commodity.

If the contract contains two or more performance obligations, the Company shall, at the beginning of the contract, apportion the transaction price to each individual performance obligation according to the relative proportion of the individual selling price of the goods or services committed by each individual performance obligation, and measure the income according to the transaction price apportioned to each single performance obligation.

The transaction price is the amount of consideration that the company is expected to be entitled to collect for transferring commodities or services to customers, excluding the money collected on behalf of third parties and the money expected to be returned to customers. When determining the transaction price, the company takes into account the impact of variable consideration, significant financing components in the contract and other factors.

If there is a variable consideration in the contract, the company shall determine the best estimate of the variable consideration according to the expected value or the most probable amount. The transaction price including the variable consideration shall not exceed the amount that the cumulative recognized income will probably not be significantly reversed when the relevant uncertainty is eliminated. At each balance sheet date, the company reassesses the amount of variable consideration to be included in the transaction price.

For contracts containing a significant financing component, the company shall determine the transaction price according to the amount payable which is assumed to be paid in cash when the customer obtains the control right of the commodities. The transaction price is calculated by discounting the nominal amount of the contract consideration to the current selling price of the commodities using the discount rate, and the difference between the determined transaction price and the contractually agreed consideration amount is amortized over the contract period using the effective interest method. On the commencement 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 will not exceed one year, the material financing elements in the contract will not be considered.

The company determines whether it acts as a principal or an agent in transactions based on whether it obtains control of the commodities before transferring them to customers. If the company controls the commodities before transferring them to customers, the company is the principal and recognizes revenue based on the total amount of consideration received or receivable; Otherwise, the company acts as an agent and recognizes revenue based on the amount of commission or fee it expects to be entitled to, which shall be determined as the net amount after deducting the amount payable to other relevant parties from the total consideration received or receivable, or based on an agreed commission amount or percentage.

For sales with return clauses, the company recognizes revenue at the amount of consideration expected to be received for transferring commodities to customers when the customer obtains control of the relevant commodities, and records the amount expected to be refunded due to sales returns as a provision for liabilities. Concurrently, the company recognizes an asset, namely the cost of returnable commodities, at the carrying amount of the commodities expected to be returned upon transfer, less any estimated costs (including impairment of returned commodities) associated with recovering such commodities. The cost of commodities transferred is recognized at the carrying amount of the transferred commodities, net of the above asset cost. At each balance sheet date, the company reassesses the estimated future sales returns and remeasures the aforementioned assets and liabilities accordingly.

In accordance with the contractual agreements, legal provisions, etc., the company provides quality assurance for the products sold, which constitutes a warranty-type quality assurance to ensure that the products meet established standards. The company shall conduct accounting treatment according to Note III. 24. The company provides customers with quality assurance that exceeds the statutory warranty period or scope, which constitutes a separate service beyond the established standards for the sold products. The company shall take it as a single performance obligation. The company allocates a portion of the transaction price to the quality assurance of service according to the relative proportion of the separate selling prices at which the commodities and quality guarantee of service are provided, and recognize the income when the customers obtain the control over the service.

- Specific method

The Company's operating income mainly includes income from selling commodities and the transfer of asset use right.

1. Income from selling commodities

The Company's sales of electrical products, accessories and materials belong to the performance obligation to be performed at a certain point in time.

Recognition conditions of income from domestic goods: the Company has delivered the products to the customers according to the contract, the customers have received the goods, the payment for goods has been recovered or the receipt voucher has been

obtained, and the relevant economic benefits are likely to flow into the Company, the main risks and rewards of the ownership of the goods have been transferred, and the legal ownership and control of the goods have been transferred.

Recognition conditions of income from export goods: the Company has declared the products to leave the port according to the contract, obtained the bill of lading, recovered the payment for goods or obtained the receipt voucher, and the relevant economic benefits are likely to flow into the Company, the main risks and rewards of the ownership of the goods have been transferred, and the legal ownership and control of the goods have been transferred.

2. Income from the transfer of asset use rights

The business contracts between the company and customers for property leasing belong to performing the performance obligation within a certain period of time. Income is recognized over the lease term based on the progress of performance.

The situation where different business models are used for similar businesses and involve different revenue recognition methods and measurement methods

38. Contract cost

Recognition method of asset amount related to contract cost

The Company's assets related to contract cost include the contract performance cost and the contract acquisition cost. Based on their liquidity, contract performance costs are presented separately in inventory and other non-current assets, while contract acquisition costs are reported separately in other current assets and other non-current assets.

The contract performance cost, that is, the cost incurred by the Company for the performance of the contract, which is not applicable to the specification scope of relevant standards such as inventory, fixed assets or intangible assets and meets the following conditions at the same time, is recognized as an asset as the contract performance cost: This cost is directly related to a current or expected contract, including direct labor, direct materials, manufacturing expenses (or similar expenses), the cost clearly borne by the customer, and other costs incurred only because of this contract; This cost increases the company's resources for fulfilling its performance obligations in the future; The cost is expected to be recovered.

The contract acquisition cost, that is, the incremental cost incurred by the company to obtain the contract is expected to be recovered, it will be recognized as an asset as the contract acquisition cost; If the amortization period of such asset does not exceed one year, it shall be recorded into the current profit and loss when it occurs. Incremental cost refers to the cost that will not occur if the Company does not acquire the contract (such as sales commission, etc.). Other expenses incurred by the Company to acquire the contract other than the expected recoverable incremental costs (such as travel expenses incurred regardless of whether the contract is acquired or not) shall be recorded into the current profit and loss when it occurs, except those clearly borne by the customer.

(2) Amortization of assets related to contract cost

Assets related to contract costs are amortized on the same basis as income recognition of goods related to the asset, and are recorded into the current profit and loss when it occurs.

(3) Impairment of assets related to contract cost

Where the book value of assets related to contract costs exceeds the difference between the following two amounts, the company shall recognize the excess as an impairment loss: (i) the remaining consideration expected to be received for transferring the commodities related to the asset; and (ii) the estimated costs to be incurred to transfer those commodities.

If the factors of impairment in the previous period change so that the difference above is higher than the book value of the asset, the company shall reverse the withdrawn asset impairment provision and include it into the current profit and loss, but the book value of the reversed asset shall not exceed the book value of such asset on the reversal date if the impairment provision is not withdrawn.

39. Government subsidies

Government subsidies will be recognized when the conditions attached to them are met and received. The Company's government subsidies include financial allocations. The asset related government subsidies refer to the government subsidies obtained by the Company and used for acquisition or construction or for formation of long-term assets in other ways; the income related government subsidies refer to the government subsidies other than the asset related government subsidies. The government subsidies without subsidy objects specified in government documents shall be judged by the Company according to the above principle, or classified into income related government subsidies as a whole if it is difficult to judge.

The government subsidies as the monetary assets are measured according to the amount received. For subsidies allocated in accordance with fixed quota standards, or if there is evidence at the end of year that the Company can meet relevant conditions stipulated in the financial support policy and can be expected to receive the financial support fund, the government subsidies are measured according to receivables. The government subsidies not as the monetary assets are measured according to the fair value, or measured according to the nominal amount (RMB 1 yuan) if the fair value cannot be obtained reliably.

The government subsidies related to assets are recognized as deferred income and equally distributed and charged to the current profit and loss in the service life of relevant assets.

If the related asset is sold, transferred, scrapped or damaged before the end of the useful life, the deferred income balance not yet distributed is transferred in the profits and losses in the period of assets disposal.

The income related government subsidies, if used to compensate for related costs or losses in subsequent periods, are recognized as the deferred income and charged to the current profit and loss when related costs or losses are recognized. The government subsidies pertinent to the daily activities of the Company shall be included in other income or used to offset relevant costs and expenses according to the substance of the economic business. The government subsidies irrelevant with the daily activities of the Company shall be included in non-operating revenues and expenditures.

Where the Company has obtained discount interest on preferential loans, it shall distinguish between the two situations in which the financial department allocates discount interest funds to the lending bank and the financial department directly allocates discount interest funds to the Company, and conduct accounting treatment according to the following principles:

- Where the financial department allocates the discount interest funds to the lending bank, and the lending bank provides the loan to the Company at the preferential policy interest rate, the Company shall take the actual amount of the loan received as the entry value of the loan, and calculate the relevant borrowing costs according to the loan principal and the preferential policy interest rate.
- Where the financial department directly allocates discount interest funds to the Company, the Company will write down the corresponding discount interest against the relevant borrowing costs.

If the government subsidy confirmed by the Company needs to be returned, the accounting treatment shall be carried out in accordance with the following provisions in the current situation of the return:

- 1) The book value of related assets is adjusted if it is offset upon initial recognition.
- 2) For those with related deferred income, the book balance of related deferred income is written down and the excess is accounted into the current profits and losses.
- 3) In the other cases, they are directly accounted into the current profits and losses.

40. Deferred income tax assets / deferred income tax liabilities

The Company's deferred income tax assets and deferred income tax liabilities are calculated and recognized according to the difference (temporary difference) between the tax base and book value of the assets and liabilities. For the deductible loss that can be carried forward to the subsequent year according to the tax law, the corresponding deferred income tax assets are recognized. For the deductible temporary differences related to the initial recognition of the goodwill, the corresponding deferred income tax liabilities are not recognized. For the temporary differences related to the initial recognition of the assets or liabilities incurred in the transaction not for business combination that will not affect the accounting profits and income tax payable (or deductible loss), the corresponding deferred income tax assets and liabilities are not recognized. The deferred income tax assets and deferred income tax liabilities are measured on the balance sheet date according to the applicable tax rate in the period of expected recovery of relevant assets of liquidation of relevant liabilities.

The company recognizes the deferred income tax assets by deductible temporary differences, within the limit of the income tax payable that may be obtained in the future and used to offset the deductible temporary differences, the deductible loss and tax deduction.

41. Lease

(1) Accounting treatment method of lease as lessee

The Company as the lessee

- 1) Lease recognition

Except for short-term leases and leases of low-value assets, the company recognizes right-of-use assets and lease liabilities at the commencement date of the lease term.

Right-of-use assets represent the company's right to use leased assets during the lease term and are initially measured at cost. This cost includes: (1) the initial measurement amount of lease liabilities; (2) the lease payment made on or before the commencement date of the lease term (the amount related to the lease incentives enjoyed shall be deducted); (3) the initial direct costs incurred; (4) the estimated costs to dismantle and remove the leased asset, restore the site where the leased asset is located, or return the leased asset to the condition specified in the lease terms (excluding costs incurred for the production of inventory). The company remeasures lease liabilities in accordance with the relevant provisions of the leasing standards, and correspondingly adjusts the book value of the right-of-use assets.

The company depreciates right-of-use assets on a straight-line basis over their useful lives, reflecting the expected pattern of consumption of the economic benefits associated with the assets. If it can be reasonably determined that the ownership of the leased asset can be acquired at the expiration of the lease term, the company will accrue depreciation within the remaining service life of the leased asset. If the company cannot reasonably determine that the ownership of the leased assets can be obtained at the expiration of the lease term, the company shall calculate the depreciation within the lease term or the remaining useful life of the leased assets, whichever is shorter. The amount of depreciation accrued shall be included in the cost of relevant assets or current profit and loss according to the purpose of the right-of-use assets.

The Company initially measures the lease liabilities according to the present value of the unpaid lease payments at the beginning date of the lease term. The lease payment include: ① The fixed payment amount, and amount after the actual fixed payment is deducted by lease incentive; ② The variable lease payment depending on index or ratio; ③ The exercise price of a purchase option when the company is reasonably certain to exercise the option; ④ The payments required upon exercising a termination option if the lease term reflects the company's intent to exercise such option; and ⑤ The estimated payments expected to be made based on the residual value guarantees provided by the company.

When calculating the present value of lease payment, the company uses the implicit interest rate in the lease as the discount rate. If the Company is unable to determine the interest rate implicit in lease, the incremental loan interest rate shall be used as the discount rate. The Company calculates the interest expense of the lease liabilities in each period of the lease term according to the fixed periodic interest rate and records it into the current profit and loss, except those that should be capitalized.

After the commencement of the lease term, the company recognizes interest on the lease liability, which increases the carrying amount of the lease liability; Payments made towards the lease reduce the carrying amount of the lease liability. When the substantially fixed payment, estimated amount payable of guaranteed residual value, index or ratio for determination of lease payment, the evaluation result of purchase option, renewal option or termination option or actual exercise are changed, the Company shall re-measure the lease liability according to the present value of lease payment after change.

2) Lease change

Lease change refers to the change of lease scope, lease consideration and lease term beyond the terms of the original contract, including adding or terminating the right to use one or more leased assets, extending or shortening the lease term specified in the contract, etc. The effective date of the lease change refers to the date when both parties reach an agreement on the lease change.

If the lease changes and meets the following conditions, the Company will treat the lease change as a separate lease for accounting:

① the lease change expands the lease scope or extends the lease term by adding the right to use one or more leased assets; ② The increased consideration is equivalent to the amount of the separate price of the extended part of the lease scope or the extended part of the lease term as adjusted according to the conditions of the contract.

If the lease change is not treated as a separate lease, on the effective date of the lease change, the Company will apportion the consideration of the changed contract in accordance with the relevant provisions of the lease standards and re-determine the lease term after the change; The revised discount rate is adopted to discount the changed lease payment to re-measure the lease liabilities. When calculating the present value of the lease payment after the change, the Company adopts the interest rate implicit in lease during the remaining lease period as the discount rate; If the interest rate implicit in lease cannot be determined for the remaining lease period, the Company will adopt the lessee's incremental loan interest rate on the effective date of the lease change as the discount rate. With regard to the impact of the above adjustment of lease liabilities, the Company shall distinguish the following circumstances for accounting treatment: ① if the lease scope is reduced or the lease term is shortened due to the lease change, the lessee shall reduce the book value of the right-of-use assets, and include the relevant gain or loss of lease under partial or complete termination into the current profit and loss. ② If the lease liabilities are re-measured due to other lease changes, the lessee shall adjust the book value of the right-of-use assets accordingly.

3) Short-term lease and low-value asset lease

The Company chooses not to recognize the right-of-use assets and lease liabilities for short-term lease with a lease term of no more than 12 months and low-value asset lease with a lower value when the single leased asset is a brand-new asset. The Company will record the lease payment of short-term lease and low-value asset lease into the relevant asset cost or current profit and loss according to the straight-line method or other systematic and reasonable methods during each period of the lease term.

(2) Accounting treatment method of lease as lessor

As the lessor, the company classifies a lease as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the leased asset. All other leases are classified as operating leases.

1) Finance lease

On the beginning date of the lease term, the Company recognizes the finance lease receivables for the finance lease and terminates the recognition of the finance lease assets. When the Company initially measures the finance lease receivables, the net amount of the lease investment is taken as the entry value of the finance lease receivables.

The net amount of the lease investment is the sum of the unguaranteed residual value and the present value of the lease receipts not received on the beginning date of the lease term discounted at the interest rate implicit in lease. The Company calculates and

recognizes the interest income of each period within the lease term according to the fixed periodic interest rate. The variable lease payments obtained by the Company that are not included in the measurement of the net lease investment are charged to the current profit or loss when they are actually incurred.

2) Operating lease

During the lease term, the company recognizes lease receipts from operating leases as rental income using the straight-line method.

The initial direct expenses incurred by the company in connection with the operating lease shall be capitalized to the cost of the underlying assets of the lease and included in the current profit and loss by stages on the same recognition basis as the rental income during the lease term. The variable lease payments obtained by the Company related to operating lease that are not included in the lease receipts are included in the current profit and loss when actually incurred.

If the operating lease is changed, the Company will treat it as a new lease for accounting since the effective date of the change. The amount of advance receipts or lease receivables related to the lease before the change is regarded as the amount of new lease receipts.

42. Other significant accounting policy and accounting estimate

When preparing the financial statements, the management of the Company is required to use estimates and assumptions, which will have an impact on the application of accounting policies and the amount of assets, liabilities, income and expenses. The actual situation may differ from these estimates. The management of the Company continuously evaluates the judgment of key assumptions and uncertainties involved in the estimates. The impact of changes in accounting estimates shall be recognized in the current and future periods of the changes.

The following accounting estimates and key assumptions have significant risks that will lead to major adjustments to the book value of assets and liabilities in the future periods:

(1) Financial assets impairment

The expected credit loss model is adopted to evaluate the impairment of financial instruments in the financial assets impairment, which requires major judgment and estimates and requires considering all reasonable and substantiated information, including forward-looking information. In making such judgments and estimates, the Company deduces the expected changes of the debtor's credit risks based on historical data combined with economic policies, macroeconomic indicators, industrial risks, external market environment, technical environment, changes in customer conditions and other factors.

(2) Provision for inventory impairment

Basis for determining the net realizable value of inventories: the net realizable value of merchandise inventory, materials for sale and other merchandise inventories directly used for sale is recognized by the amount of the estimated sale price of the inventories subtracted by the estimated selling expenses and related taxes; For the inventories held to perform the sales contract or labor contract, the net realizable value is calculated on the basis of contract price; If the number of the inventories held by the enterprise is greater than the quantity ordered in the sales contract, the net realizable value of the excessive inventories is calculated on the basis of general sale price.

The method for inventory falling price reserves: it is priced according to the lower of the year-end inventory and the net realizable value. At the end of the period, on the basis of a comprehensive inventory of the inventories, the inventory falling price reserves are withdrawn for the part of its cost is expected to be non-recoverable due to the inventory damage, full or partial obsolescence or selling price below the cost.

If the influence factors writing down the inventory value before have disappeared, resulting in the net realizable value of the inventories higher than the book value, the amount written down shall be restored and reversed within the originally withdrawn amount of inventory falling price reserves and the amount reversed is included in current profit and loss.

(3) Accounting estimates of provision for impairment of goodwill

The Company conducts impairment test on goodwill every year. The recoverable amount of asset group or the combination of asset groups containing goodwill is the present value of its estimated future cash flows, which need to be calculated using accounting estimates.

If the management revises the gross margin ratio used in the calculation of future cash flows of asset group and the combination of asset groups, and the revised gross margin ratio is lower than the current gross margin ratio, the Company needs to withdraw impairment provision for the increase of goodwill.

If the management revises the pre-tax discount rate used for cash flow discount, and the revised gross margin ratio is higher than the current gross margin ratio, the Company needs to withdraw impairment provision for the increase of goodwill.

If the actual gross margin ratio or pre-tax discount rate is higher or lower than the management's estimates, the Company cannot reverse the originally accrued goodwill impairment loss.

(4) Accounting estimates of impairment provisions for fixed assets

The Company conducts impairment test on fixed assets such as houses, buildings, machinery and equipment with signs of impairment on the balance sheet date. The recoverable amount of fixed assets is the higher of the present value of its estimated future cash flows and the net value of the fair value of the assets minus the disposal expense, which need to be calculated using accounting estimates.

If the management revises the gross margin ratio used in the calculation of future cash flows of asset group and the combination of asset groups, and the revised gross margin ratio is lower than the current gross margin ratio, the Company needs to withdraw impairment provision for the increase of fixed assets.

If the management revises the pre-tax discount rate used for cash flow discount, and the revised gross margin ratio is higher than the current gross margin ratio, the Company needs to withdraw impairment provision for the increase of fixed assets.

If the actual gross margin ratio or pre-tax discount rate is higher or lower than the management's estimates, the Company cannot reverse the originally accrued impairment provisions for fixed assets.

(5) Accounting estimates for deferred income tax asset recognition

The estimation of deferred income tax assets requires an estimate of the taxable income and applicable tax rate of each year in the future. The realization of deferred income tax assets depends on whether the Group is likely to obtain sufficient taxable income in the future. Changes in future tax rates and the reversal time of temporary differences may also affect income tax expenses (income) and the balance of deferred income tax. Changes in the above estimates may result in significant adjustments to deferred income tax.

(6) Useful life of fixed assets and intangible assets

The Company shall review the expected service life of fixed assets and intangible assets at least at the end of each year. The estimated service life is determined by the management based on the historical experience of similar assets, with reference to the estimates commonly used in the same industry and in combination with the expected technical updates. When there are significant changes in previous estimates, the depreciation expenses and amortization expenses for the future period shall be adjusted accordingly.

43. Significant accounting policy and accounting estimate change

(1) Changes in significant accounting policies

☒ Applicable ☐ Not applicable

Unit: yuan

Content and reasons of changes in accounting policies	Name item significantly affected	Amount affected
The Ministry of Finance issued the Notice on Printing and Distributing "Accounting Standards for Business Enterprises Interpretation No. 18" (Cai Kuai [2024] No. 24) on December 6, 2024 (hereinafter referred to as "Interpretation No. 18"). In accordance with Article 33 of the Accounting Standards for Business Enterprises No. 14—Revenue (Cai Kuai [2017] No. 22) and other relevant provisions, for warranty-type quality assurance that does not constitute a separate performance obligation, an enterprise shall account for it in accordance with the Accounting Standards for Business Enterprises No. 13—Contingencies (Cai Kuai [2006] No. 3). When accounting for estimated liabilities arising from the aforementioned warranty-type quality assurances, the enterprise shall, in accordance with the relevant provisions of the Accounting Standards for Business Enterprises No. 13—Contingencies, debit accounts such as "Main Business Cost" and "Other Operating Costs," and credit the "Estimated Liabilities" account. These	Operating cost, Selling expenses	28,568,487.99

amounts shall correspondingly be presented in the "Operating Costs" line item in the income statement and under "Other Current Liabilities," "Non-Current Liabilities Due Within One Year," and "Estimated Liabilities" in the balance sheet. The company has implemented the Standard Interpretation No.18 since December 06, 2024.		
--	--	--

(2) Significant accounting estimate change

☐ Applicable ☒ Not applicable

(3) Adjustment of relevant items in financial statements at the beginning of first implementation year as a result of first implementation of new accounting standards from 2024

☐ Applicable ☒ Not applicable

44. Other

VI. Tax

1. Main tax categories and tax rates

Tax category	Taxation basis	Tax rate
Added value tax	Income from selling commodities, income from installing project, technical service revenue, income from house lease	13%, 9%, 6%, 5%
Urban maintenance and construction tax	Turnover tax payable	7%
Corporate income tax	Income tax payable	15%, 25%, 20%
Education surcharge	Turnover tax payable	3%
Surcharge for local education	Turnover tax payable	2%
Housing property tax	70% of original value of the property, rental income	1.2%, 12%
Land use tax	Total land area	1.5-20 yuan/m ²

If there are taxpayers with different enterprise income tax rates, the disclosure statement shall present

Name of taxpayer	Income tax rate
Hangzhou ROBAM Appliances Co., Ltd.	15%
Shengzhou Kinde Intelligent Kitchen Electric Co., Ltd.	15%
Beijing Robam Electric Appliance Sales Co., Ltd.	25%
Shanghai ROBAM Electric Appliance Sales Co., Ltd.	25%
Hangzhou Mingqi Electric Co., Ltd.	25%
Dize Home Appliances Trading (Shanghai) Co., Ltd.	20%
Hangzhou ROBAM Fuchuang Investment Management Co., Ltd.	20%
Hangzhou Jinhe Electric Appliances Co., Ltd	25%
ROBAM Appliances (Hong Kong) Holdings Limited	Two-tier tax system
ROBAM International (Hong Kong) Trading Co., Ltd.	Two-tier tax system
Robam Appliances US Hoding INC.	Fixed + Floating Tax System
Robam Appliances Los Angeles Trade LLC	Fixed + Floating Tax System
Chengdu Robam Innovation Technology Co., Ltd.	20%
Hangzhou ROBAM E-Commerce Co., Ltd.	25%

Ningbo Jinke E-Commerce Co., Ltd.	20%
Hangzhou Yuhang Jinke E-Commerce Co., Ltd.	20%
Chengdu Robam E-Commerce Co., Ltd.	20%
Qingdao Mingqi E-Commerce Co., Ltd.	20%
Wuhan Jinke E-Commerce Co., Ltd.	20%

2. Tax preference

- Preferential policies for income tax

On December 08, 2023, the Science Technology Department of Zhejiang Province, Zhejiang Provincial Department of Finance, Zhejiang Provincial Tax Service of State Taxation Administration and Zhejiang Taxation Bureau jointly issued a high-tech enterprise certificate (No. GR202333003384) and the Company passed the high-tech enterprise identification for 3 years. According to relevant regulations, after passing the high-tech enterprise identification, the Company can enjoy the relevant preferential policies of the state on high-tech enterprises for three consecutive years (i.e., the income tax preference period from January 01, 2023 to December 31, 2025), and the enterprise income tax shall be levied at the rate of 15%.

Shengzhou Kinde Intelligent Kitchen Electric Co., Ltd. (hereinafter referred to as Shengzhou Kinde), a subsidiary of the Company, obtained the high-tech enterprise certificate (No. GR202233010421) jointly issued by the Science Technology Department of Zhejiang Province, Zhejiang Provincial Department of Finance and Zhejiang Provincial Tax Service of State Taxation Administration on December 24, 2022 and passed the high-tech enterprise identification. The Company can enjoy the relevant preferential policies of the state on high-tech enterprises for three consecutive years (i.e., the income tax preference period from January 1, 2022 to December 31, 2024), and the enterprise income tax shall be levied at the rate of 15%.

According to the Announcement No. 12 of 2023 by the State Taxation Administration of the Ministry of Finance, "Announcement on Tax and Fee Policies for Further Supporting the Development of Small and Micro Enterprises and Individual Businesses", the policy of reducing the taxable income of small and low-profit enterprises by 25% and levying enterprise income tax at a rate of 20% will be extended until December 31, 2027. This policy applies to our subsidiaries, including Dize Home Appliance Trading (Shanghai) Co., Ltd., Hangzhou Robam Fuchuang Investment Management Co., Ltd., Chengdu Robam Innovation Technology Co., Ltd., Ningbo Jinke E-Commerce Co., Ltd., Hangzhou Yuhang Jinke E-Commerce Co., Ltd., Chengdu Robam E-Commerce Co., Ltd., Qingdao Mingqi E-Commerce Co., Ltd. and Wuhan Jinke E-Commerce Co., Ltd.

- Preferential policies for added-value tax

According to the Notice of the State Taxation Administration of the Ministry of Finance on the Value-added Tax Policy for Software Products (C.S. [2011] No. 100), the Company's embedded software sales products enjoy the value-added tax refunded as soon as they are collected.

According to the *Announcement on VAT Credit Policy for Advanced Manufacturing Enterprises* (Announcement [2023] No.43) issued by the Ministry of Finance and the State Administration of Taxation, from January 1, 2023 to December 31, 2027, the Company will be entitled to an additional credit policy for advanced manufacturing enterprises to offset the VAT payable by adding 5% to the deductible input tax in the current period.

3. Other

*1: ROBAM Appliances (Hong Kong) Holdings Limited and ROBAM International (Hong Kong) Trading Co., Ltd., the subsidiaries of the Company, are subject to the profit tax policy in Hong Kong, China, and are subject to a two-tier system of profit tax. That is, the taxable profits not exceeding HKD 200.00 are subject to a profit tax rate of 8.25%, and the portion of taxable profits exceeding HKD 200.00 is subject to a profit tax rate of 16.50%.

*2: The subsidiary indirectly controlled by the Company, Robam Appliances US Hoding INC., is subject to the tax and fee policies of the State of Delaware, USA, adopting a fixed tax rate + floating tax amount/rate system with the following tax rates:

Total Annual Revenue (USD)	Fixed Tax Rate	Floating Tax Amount + Tax Rate (USD)
<50,000	8.7%	15%
50,000-75,000	8.7%	7,500+ 25% of the portion exceeding 50,000
75,000-100,000	8.7%	13,750+ 34% of the portion exceeding 75,000
100,000-335,000	8.7%	22,250+ 39% of the portion exceeding 100,000
335,000-10,000,000	8.7%	113,900+ 34% of the portion exceeding 335,000
10,000,000-15,000,000	8.7%	3,400,000+ 35% of the portion exceeding 10,000,000
15,000,000-18,333,333	8.7%	5,150,000+ 38% of the portion exceeding 15,000,000
≥18,333,333	8.7%	6,416,667+ 35% of the portion exceeding 18,333,333

*3: The subsidiary indirectly controlled by the Company, Robam Appliances Los Angeles Trade LLC, is subject to the tax and fee policies of the State of California, USA, applying a fixed + floating tax amount system with the following tax rates:

Total Annual Revenue (USD)	Fixed Tax Amount (USD)	Floating Tax Amount (USD)
<250,000	800	
250,000-499,999	800	900
500,000-999,999	800	2,500
1,000,000-4,999,999	800	6,000
≥5,000,000	800	11,790

VII. Notes to items in consolidated financial statements

1. Monetary capital

Unit: yuan

Item	Ending balance	Beginning balance
Cash on hand	191,720.15	62,267.64
Bank deposit	1,515,116,946.44	1,877,703,911.46
Other monetary capital	116,467,427.68	107,284,566.01
Total	1,631,776,094.27	1,985,050,745.11
Including: Total amount deposited abroad	4,557,550.26	3,588,900.00

Other description:

Note: Other monetary capital is RMB 116,467,427.68, of which the L/C deposit of RMB 67,828,552.62, bill acceptance deposit of RMB 45,630,984.76 and ETC deposit of RMB 13,000.00 are limited funds, Alipay balance and Wechat balance of RMB 2,994,890.30 are non-limited funds that can be withdrawn at any time.

2. Trading financial assets

Unit: yuan

Item	Ending balance	Beginning balance
Financial assets measured with fair value and with the changes included in current profit and loss	2,180,000,000.00	2,730,000,000.00
Where:		
Bank financial products	2,180,000,000.00	2,730,000,000.00
Where:		
Total	2,180,000,000.00	2,730,000,000.00

3. Notes receivable

(1) Classified presentation of notes receivable

Unit: yuan

Item	Ending balance	Beginning balance
Bank acceptance bill	812,310,089.60	690,184,154.22
Trade acceptance	5,253,335.07	6,100,777.42
Total	817,563,424.67	696,284,931.64

(2) Classified disclosure by bad debt provision method

Unit: yuan

Category	Ending balance					Beginning balance				
	Book balance		Provision for bad debt		Book value	Book balance		Provision for bad debt		Book value
	Amount	Proportion	Amount	Accruing proportion		Amount	Proportion	Amount	Accruing proportion	
Where:										
Notes receivable of provision for bad debt by combination	817,839,916.00	100.00%	276,491.33	0.03%	817,563,424.67	696,606,025.20	100.00%	321,093.56	0.05%	696,284,931.64
Where:										
Banker's acceptance bill	812,310,089.60	99.32%			812,310,089.60	690,184,154.22	99.08%			690,184,154.22
Commercial acceptance bill	5,529,826.40	0.68%	276,491.33	5.00%	5,253,335.07	6,421,870.98	0.92%	321,093.56	5.00%	6,100,777.42
Total	817,839,916.00	100.00%	276,491.33	0.03%	817,563,424.67	696,606,025.20	100.00%	321,093.56	0.05%	696,284,931.64

Provision for bad debt by combination: (1) Classified presentation of notes receivable

Unit: yuan

Name	Ending balance		
	Book balance	Provision for bad debt	Accruing proportion
Banker's acceptance bill combination	812,310,089.60		
Commercial acceptance bill combination	5,529,826.40	276,491.33	5.00%
Total	817,839,916.00	276,491.33	

Provision for bad debt by combination: (2) Classification and presentation by bad debt provision method

Unit: yuan

Name	Ending balance		
	Book balance	Provision for bad debt	Accruing proportion
Provision for bad debt by single item			
Provision for bad debt by combination	817,839,916.00	276,491.33	0.03%
Including: banker's acceptance bill	812,310,089.60		
Commercial acceptance bill	5,529,826.40	276,491.33	5.00%
Total	817,839,916.00	276,491.33	

If the bad debt provision of notes receivable is withdrawn according to the general model of expected credit loss:

☐ Applicable ☒ Not applicable

(3) Provision, recovery or reversal of bad debt reserves in the current period

Provision for bad debts in current period:

Unit: yuan

Category	Beginning balance	Changes in amount in current period				Ending balance
		Provision	Recovered or reversed	Canceled after verification	Other	
Commercial acceptance bill	321,093.56	-44,602.23				276,491.33
Total	321,093.56	-44,602.23				276,491.33

Where the amount of bad debt provision recovered or transferred back is important:

☐ Applicable ☒ Not applicable

(4) Notes receivable endorsed or discounted by the Company at the end of the period and not expired yet on the balance sheet date

Unit: yuan

Item	Amount with recognition terminated at the end of the period	Amount with recognition not terminated at the end of the period
Trade acceptance		214,365.00
Total		214,365.00

4. Accounts receivable

(1) Disclosure by aging

Unit: yuan

Aging	Ending book balance	Beginning book balance
Within 1 year (including 1 year)	1,485,619,671.85	1,557,020,494.66
1 to 2 years	485,988,311.40	541,557,234.61
2 to 3 years	447,335,875.22	886,738,162.41
More than 3 years	600,756,000.34	48,881,334.70
3 to 4 years	576,108,235.57	35,197,495.87
4 to 5 years	16,831,122.21	6,690,817.20
More than 5 years	7,816,642.56	6,993,021.63
Total	3,019,699,858.81	3,034,197,226.38

(2) Classified disclosure by bad debt provision method

Unit: yuan

Category	Ending balance					Beginning balance				
	Book balance		Provision for bad debt		Book value	Book balance		Provision for bad debt		Book value
	Amount	Proportion	Amount	Accruing proportion		Amount	Proportion	Amount	Accruing proportion	
Accounts receivable of provision for bad debt by single	1,469,631,507.36	48.67%	948,705,525.01	64.55%	520,925,982.35	1,645,394,906.63	54.23%	1,131,734,880.57	68.78%	513,660,026.06

item										
Where:										
Accounts receivable of provision for bad debt by combination	1,550,068,351.45	51.33%	107,284,182.19	6.92%	1,442,784,169.26	1,388,802,319.75	45.77%	92,446,749.48	6.66%	1,296,355,570.27
Where:										
Aging combination	1,550,068,351.45	51.33%	107,284,182.19	6.92%	1,442,784,169.26	1,388,802,319.75	45.77%	92,446,749.48	6.66%	1,296,355,570.27
Total	3,019,699,858.81	100.00%	1,055,989,707.20	34.97%	1,963,710,151.61	3,034,197,226.38	100.00%	1,224,181,630.05	40.35%	1,810,015,596.33

Provision for bad debt by single item: Accounts receivable are provided for bad debts by single item

Unit: yuan

Name	Beginning balance		Ending balance			
	Book balance	Provision for bad debt	Book balance	Provision for bad debt	Accruing proportion	Reasons for provision
Customer 1	660,039,726.23	660,039,726.23	452,376,997.98	452,376,997.98	100.00%	Expected to be difficult to recover
Customer 2	388,093,418.16	116,428,025.45	268,924,199.48	80,677,259.84	30.00%	Expected to be difficult to fully recover
Customer 3	203,529,970.40	88,163,472.75	210,521,513.99	84,754,236.00	40.26%	Expected to be difficult to fully recover
Customer 4	103,644,563.87	62,549,255.29	96,569,954.48	61,994,216.22	64.20%	Expected to be difficult to fully recover
Customer 5	78,105,963.23	78,105,963.23	78,360,541.23	78,360,541.23	100.00%	Expected to be difficult to recover
Customer 6	28,796,628.81	12,808,177.77	41,443,548.30	19,757,309.66	47.67%	Expected to be difficult to fully recover
Customer 7			29,777,855.31	9,697,560.92	32.57%	Expected to be difficult to fully recover
Customer 8	29,833,027.36	20,883,119.15	29,119,062.94	10,394,103.97	35.70%	Expected to be difficult to fully recover
Customer 9			25,778,392.36	11,241,222.53	43.61%	Expected to be difficult to fully recover
Customer 10			24,368,544.00	24,368,544.00	100.00%	Expected to be difficult to recover
Customer 11	25,826,189.64	17,748,183.70	22,113,876.84	14,170,945.84	64.08%	Expected to

						be difficult to fully recover
Customer 12			14,496,568.66	4,037,272.96	27.85%	Expected to be difficult to fully recover
Customer 13	22,983,529.61	15,004,193.26	13,604,360.56	7,556,003.93	55.54%	Expected to be difficult to fully recover
Customer 14	15,100,611.29	8,471,506.90	13,352,120.83	7,829,472.76	58.64%	Expected to be difficult to fully recover
Customer 15			11,825,693.10	3,114,642.31	26.34%	Expected to be difficult to fully recover
Customer 16			10,980,639.05	4,616,469.03	42.04%	Expected to be difficult to fully recover
Customer 17	13,643,117.43	7,265,607.25	10,697,891.45	7,488,524.02	70.00%	Expected to be difficult to fully recover
Customer 18	11,403,482.66	6,897,017.86	6,429,558.45	4,044,430.92	62.90%	Expected to be difficult to fully recover
Customer 19	7,305,800.75	5,114,060.53	5,949,923.37	2,307,625.27	38.78%	Expected to be difficult to fully recover
Customer 20	8,175,007.62	3,440,071.29	5,654,408.59	2,326,917.02	41.15%	Expected to be difficult to fully recover
Customer 21			5,559,103.37	5,559,103.37	100.00%	Expected to be difficult to recover
Customer 22	3,310,609.08	1,715,551.82	4,058,752.31	2,543,173.40	62.66%	Expected to be difficult to fully recover
Customer 23			3,882,861.84	481,268.79	12.39%	Expected to be difficult to fully recover
Customer 24	3,616,362.19	2,531,453.53	3,616,362.19	1,265,726.77	35.00%	Expected to be difficult to fully recover
Customer 25	3,056,422.32	1,145,907.85	3,549,789.02	2,556,618.19	72.02%	Expected to be difficult to fully recover
Customer 26			3,475,565.50	880,955.19	25.35%	Expected to be difficult to fully recover

Customer 27			3,208,841.65	1,269,459.26	39.56%	Expected to be difficult to fully recover
Customer 28			2,954,453.20	192,989.36	6.53%	Expected to be difficult to fully recover
Customer 29	9,391,156.30	4,698,425.06	2,859,354.95	1,608,715.47	56.26%	Expected to be difficult to fully recover
Customer 30			2,700,142.96	907,181.08	33.60%	Expected to be difficult to fully recover
Customer 31	3,921,670.93	2,745,169.65	2,536,093.04	1,775,265.13	70.00%	Expected to be difficult to fully recover
Summary of other companies	25,617,648.75	15,979,992.00	58,884,536.36	38,550,772.59	65.47%	Expected to be difficult to fully recover
Total	1,645,394,906.63	1,131,734,880.57	1,469,631,507.36	948,705,525.01		

Provision for bad debt by combination: Provision for bad debt of accounts receivable was made by aging combination

Unit: yuan

Name	Ending balance		
	Book balance	Provision for bad debt	Accruing proportion
Within 1 year	1,342,838,763.15	67,165,553.88	5.00%
1~2 years	127,069,120.97	12,706,912.11	10.00%
2~3 years	51,647,171.17	10,329,434.23	20.00%
3~4 years	20,657,732.68	10,328,866.34	50.00%
4~5 years	5,510,739.23	4,408,591.38	80.00%
More than 5 years	2,344,824.25	2,344,824.25	100.00%
Total	1,550,068,351.45	107,284,182.19	

If the bad debt provision of accounts receivable is withdrawn according to the general model of expected credit loss:

☐ Applicable ☒ Not applicable

(3) Provision, recovery or reversal of bad debt reserves in the current period

Provision for bad debts in current period:

Unit: yuan

Category	Beginning balance	Changes in amount in current period				Ending balance
		Provision	Recovered or reversed	Canceled after verification	Other	
Provision for bad debt of accounts receivable	1,224,181,630.05	148,949,397.94	77,862,379.67	228,937,959.41	10,340,981.71	1,055,989,707.20
Total	1,224,181,630.05	148,949,397.94	77,862,379.67	228,937,959.41	10,340,981.71	1,055,989,707.20

Where the amount of bad debt provision recovered or transferred back is important:

Unit: yuan

Unit name	Recovered or reversed amount	Reason for reversal	Recovery mode	The basis and rationality for determining the proportion of the original bad debt provision
Customer 1	47,660,225.92		Bank transfer, deduction of fees	
Customer 2	13,334,802.95		Bank transfer	
Other Total	16,867,350.80		Bank transfer	
Total	77,862,379.67			

(4) Accounts receivable actually written off at the current period

Unit: yuan

Item	Write-off amount
Accounts receivable written off actually	228,937,959.41

Write-off of important accounts receivable:

Unit: yuan

Unit name	Nature of accounts receivable	Write-off amount	Cause for write-off	Write-off procedures	Whether the account is generated by related party transaction
Customer 1	payment for goods	207,450,463.25	Expected irrecoverable	Resolution of the Board of Directors	No
Customer 2	payment for goods	6,397,867.85	Expected irrecoverable	Resolution of the Board of Directors	No
Subtotal of other accounts receivable	payment for goods	15,089,628.31	Expected irrecoverable	Resolution of the Board of Directors	No
Total		228,937,959.41			

(5) Account receivable and contract assets with top 5 ending balances by debtor

Unit: yuan

Unit name	Ending balance of accounts receivable	Ending balance of contract assets	Ending balance of accounts receivable and contract assets	Proportion in total ending balance of accounts receivable and contract assets	Ending balance of bad debt provision of accounts receivable and impairment provisions of contract assets
Customer 1	452,376,997.98		452,376,997.98	14.98%	452,376,997.98
Customer 2	400,681,187.25		400,681,187.25	13.27%	20,034,059.36
Customer 3	285,109,945.50		285,109,945.50	9.44%	81,475,830.10
Customer 4	140,481,130.62		140,481,130.62	4.65%	50,502,954.63
Customer 5	62,893,417.86		62,893,417.86	2.08%	3,144,670.89
Total	1,341,542,679.21		1,341,542,679.21	44.42%	607,534,512.96

5. Other receivables

Unit: yuan

Item	Ending balance	Beginning balance
Other receivables	86,729,886.98	53,368,667.34
Total	86,729,886.98	53,368,667.34

(1) Other receivables

1) Other receivables classified by nature

Unit: yuan

Nature of payment	Ending book balance	Beginning book balance
Collection by third party	59,038,372.30	26,915,796.30
Deposit and margin	29,725,519.68	35,077,788.86
Project mortgage property	5,258,444.00	2,094,110.00
Withheld amount	4,351,612.44	4,274,188.53
Imprest	2,868,628.69	2,365,967.91
Other	2,879,205.71	330,098.34
Total	104,121,782.82	71,057,949.94

2) Disclosure by aging

Unit: yuan

Aging	Ending book balance	Beginning book balance
Within 1 year (including 1 year)	80,644,607.15	42,909,446.18
1 to 2 years	5,353,188.38	6,665,944.46
2 to 3 years	5,118,621.21	6,322,210.28
More than 3 years	13,005,366.08	15,160,349.02
3 to 4 years	4,666,677.35	3,591,477.42
4 to 5 years	2,502,813.79	2,146,271.80
More than 5 years	5,835,874.94	9,422,599.80
Total	104,121,782.82	71,057,949.94

3) Classified disclosure by bad debt provision method

☒ Applicable ☐ Not applicable

Unit: yuan

Category	Ending balance					Beginning balance				
	Book balance		Provision for bad debt		Book value	Book balance		Provision for bad debt		Book value
	Amount	Proportion	Amount	Accruing proportion		Amount	Proportion	Amount	Accruing proportion	
Provision for bad debt by single item	5,583,682.24	5.36%	2,109,686.64	37.78%	3,473,995.60	2,362,320.00	3.32%	945,141.50	40.01%	1,417,178.50
Where:										
Provision for bad debt by combination	98,538,100.58	94.64%	15,282,209.20	15.51%	83,255,891.38	68,695,629.94	96.68%	16,744,141.10	24.37%	51,951,488.84
Where:										

Aging combinati on	98,538,10 0.58	94.64%	15,282,20 9.20	15.51%	83,255,89 1.38	68,695,62 9.94	96.68%	16,744,14 1.10	24.37%	51,951,48 8.84
Total	104,121,7 82.82	100.00%	17,391,89 5.84	16.70%	86,729,88 6.98	71,057,94 9.94	100.00%	17,689,28 2.60	24.89%	53,368,66 7.34

Provision for bad debts by single item: Other receivables for which bad debt provision is accrued by single item

Unit: yuan

Name	Beginning balance		Ending balance			
	Book balance	Provision for bad debt	Book balance	Provision for bad debt	Accruing proportion	Reasons for provision
Unit 1			3,164,334.00	1,107,516.90	35.00%	Impairment is expected to occur
Unit 2	800,000.00	280,000.00	800,000.00	280,000.00	35.00%	Impairment is expected to occur
Unit 3	657,783.00	230,224.05	657,783.00	230,224.05	35.00%	Impairment is expected to occur
Unit 4	636,327.00	222,714.45	636,327.00	222,714.45	35.00%	Impairment is expected to occur
Unit 5	103,000.00	103,000.00	103,000.00	103,000.00	100.00%	Expected to be difficult to recover
Unit 6	50,010.00	15,003.00	50,010.00	15,003.00	30.00%	Expected to be difficult to fully recover
Unit 7	45,200.00	45,200.00	45,200.00	45,200.00	100.00%	Expected to be difficult to recover
Unit 8	30,000.00	9,000.00	30,000.00	9,000.00	30.00%	Expected to be difficult to fully recover
Unit 9	20,000.00	20,000.00	20,000.00	20,000.00	100.00%	Expected to be difficult to recover
Unit 10	10,000.00	10,000.00	10,000.00	10,000.00	100.00%	Expected to be difficult to recover
Unit 11	10,000.00	10,000.00	10,000.00	10,000.00	100.00%	Expected to be difficult to recover
Unit 12			20,000.00	20,000.00	100.00%	Expected to be difficult to recover
Unit 13			3,500.00	3,500.00	100.00%	Expected to be difficult to recover
Unit 14			13,528.24	13,528.24	100.00%	Expected to be difficult to recover
Unit 15			20,000.00	20,000.00	100.00%	Expected to be difficult to recover
Total	2,362,320.00	945,141.50	5,583,682.24	2,109,686.64		

Provision for bad debt by combination: Provision for bad debt by combination

Unit: yuan

Name	Ending balance		
	Book balance	Provision for bad debt	Accruing proportion
Within 1 year (including 1 year)	75,426,163.15	3,771,308.15	5.00%
1--2 years	5,313,178.38	531,317.83	10.00%
2--3 years	5,061,592.97	1,012,318.58	20.00%
3--4 years	4,546,677.35	2,273,338.67	50.00%
4--5 years	2,482,813.79	1,986,251.03	80.00%
5 years and above	5,707,674.94	5,707,674.94	100.00%
Total	98,538,100.58	15,282,209.20	

Provision for bad debt was made based on general model of expected credit loss

Unit: yuan

Provision for bad debt	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses over the next 12 months	Expected credit losses over the entire duration (without credit impairment)	Expected credit losses over the entire duration (with credit impairment)	
Balance on Monday, January 01, 2024	16,744,141.10	756,941.50	188,200.00	17,689,282.60
Balance on January 1, 2024 in current period				
Withdrawn in current period	-1,458,645.40	1,107,516.90	57,028.24	-294,100.26
Other alterations	-3,286.50			-3,286.50
Balance on December 31, 2024	15,282,209.20	1,864,458.40	245,228.24	17,391,895.84

Basis for stage classification and provision ratios for bad debt reserves

Large book balance change in the current period of provision for loss

☐ Applicable ☒ Not applicable

4) Provision, recovery or reversal of bad debt reserves in the current period

Provision for bad debts in current period:

Unit: yuan

Category	Beginning balance	Changes in amount in current period				Ending balance
		Provision	Recovered or reversed	Write-off or verification	Other	
Provision for bad debt of other receivables	17,689,282.60	-294,100.26			-3,286.50	17,391,895.84
Total	17,689,282.60	-294,100.26			-3,286.50	17,391,895.84

5) Other receivables with top 5 ending balances by debtor

Unit: yuan

Unit name	Nature of payment	Ending balance	Aging	Proportion in total other ending balance receivable	Ending balance of bad debt provision
Unit 1	Collection by third party	16,522,591.65	Within 1 year	15.87%	826,129.58
Unit 2	Collection by third party	16,427,667.00	0-5 years and above	15.78%	1,115,983.35
Unit 3	Collection by third party	10,937,699.52	0-5 years and above	10.50%	841,136.66
Unit 4	Collection by third party	6,421,204.00	Within 1 year	6.17%	321,060.20
Unit 5	Project mortgage property	3,164,334.00	Within 1 year	3.04%	1,107,516.90
Total		53,473,496.17		51.36%	4,211,826.69

6. Advances to suppliers

(1) Presentation of advances to suppliers by aging

Unit: yuan

Aging	Ending balance		Beginning balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	159,754,888.14	98.80%	136,637,538.73	97.80%
1 to 2 years	1,800,975.78	1.11%	3,055,581.83	2.19%
2 to 3 years	125,138.78	0.08%	15,823.01	0.01%
More than 3 years	9,668.01	0.01%	4,528.01	0.01%
Total	161,690,670.71		139,713,471.58	

(2) Advances to suppliers with top 5 ending balances by prepayment object

The total amount of advances to suppliers with top 5 ending balances by prepayment object in the current year was RMB 72,708,585.66, accounting for 44.97% of total number of ending balance of advances to suppliers.

Other description:

7. Inventory

Does the Company need to follow the disclosure requirements of real estate industry?

No

(1) Inventory classification

Unit: yuan

Item	Ending balance			Beginning balance		
	Book balance	Inventory falling price reserves or provision for impairment of contract performance costs	Book value	Book balance	Inventory falling price reserves or provision for impairment of contract performance costs	Book value
Raw materials	78,336,712.50		78,336,712.50	81,308,915.01		81,308,915.01
Work in process	82,459,003.26		82,459,003.26	98,820,705.86		98,820,705.86
Merchandise inventory	384,094,042.84	33,877,028.02	350,217,014.82	434,195,084.18	33,339,505.13	400,855,579.05
Contract performance cost	29,442,537.83		29,442,537.83	35,371,916.75		35,371,916.75
Semi-finished products shipped in transit	707,907,872.94	44,513,788.45	663,394,084.49	891,904,804.32	30,351,019.85	861,553,784.47

Low priced and easily worn articles and wrappage	10,163,408.39		10,163,408.39	46,363,819.10		46,363,819.10
Total	1,292,403,577.76	78,390,816.47	1,214,012,761.29	1,587,965,245.22	63,690,524.98	1,524,274,720.24

(2) Inventory falling price reserves and provision for impairment of contract performance costs

Unit: yuan

Item	Beginning balance	Amount increased in current period		Amount decreased in current period		Ending balance
		Provision	Other	Reversed or written off	Other	
Merchandise inventory	33,339,505.13	3,783,877.79		3,246,354.90		33,877,028.02
Semi-finished products shipped in transit	30,351,019.85	24,339,188.30		10,176,419.70		44,513,788.45
Total	63,690,524.98	28,123,066.09		13,422,774.60		78,390,816.47

Provision for inventory impairment by combination

Unit: yuan

Combination Name	At the end of the period			At the beginning of the period		
	Ending balance	Falling price reserves	Provision ratio for depreciation reserve	Beginning balance	Falling price reserves	Provision ratio for depreciation reserve

Provision standards for provision for inventory impairment by combination

8. Non-current assets due within a year

Unit: yuan

Item	Ending balance	Beginning balance
Time deposits maturing within one year	850,000,000.00	
Accrued interest on fixed deposits due within one year	49,560,428.08	
Total	899,560,428.08	

(1) Debt investments due within one year

☐ Applicable ☒ Not applicable

(2) Other debt investment due within one year

☐ Applicable ☒ Not applicable

9. Other current assets

Unit: yuan

Item	Ending balance	Beginning balance
Time deposit within one year	1,344,695,600.00	2,563,744,300.00
Accrued interest on fixed-term deposits within 1 year	63,439,739.71	81,146,657.65
Prepaid tax	2,924,156.77	2,917,663.05
Total	1,411,059,496.48	2,647,808,620.70

10. Other equity instrument investments

Unit: yuan

Item name	Ending balance	Beginning balance	Gains included in other comprehensive income in current period	Losses included in other comprehensive income in current period	Gains accumulated in other comprehensive income at the end of current period	Losses accumulated in other comprehensive income at the end of current period	Dividend income recognized in current period	Cause for designation to measure at fair value of which changes are recorded into other comprehensive income
Suzhou Industrial Park Ruican Investment Enterprise (limited partnership)						100,000,000.00		
Shanghai MXCHIP Information Technology Co., Ltd.	2,116,023.22	2,116,023.22				17,832,510.78		
Total	2,116,023.22	2,116,023.22				117,832,510.78		

Termination recognition occurred during the period

Unit: yuan

Item name	Accumulated gains transferred to retained earnings	Accumulated losses transferred to retained earnings	Reasons for termination confirmation
-----------	--	---	--------------------------------------

Separate disclosure of the current period of non-transactional equity instruments

Unit: yuan

Item name	Recognized dividend income	Aggregate gains	Aggregate losses	Amount of other comprehensive income transferred to retained earnings	Cause for designation to measure at fair value of which changes are recorded into other comprehensive income	Causes for carryforward retained earnings of other comprehensive income
-----------	----------------------------	-----------------	------------------	---	--	---

11. Long-term equity investment

Unit: yuan

Invested unit	Beginnin g balance (book value)	Beginnin g balance of impairme nt provision	Increase or decrease in current period								Ending balance (book value)	Balance of impairme nt provision at the end of period
			Further investme nt	Capital reduction	Investme nt gains and losses recognize d by the equity method	Adjustme nt of other comprehe nsive income	Changes in other equity	Declared payment of cash dividends or profits	Provision for impairme nt	Other		
I. Joint enterprise												
De Dietrich Trade (Shanghai) Co., Ltd.	4,321,729.39				-3,136,401.11						1,185,328.28	
Zhejiang Cooking Future Technology Co., Ltd.			31,500.024.00		-2,022,094.80					-24,312,056.37	5,165,872.83	
Subtotal	4,321,729.39		31,500.024.00		-5,158,495.91					-24,312,056.37	6,351,201.11	
II. Joint venture												
Zhejiang Tingshuo Brand Operation Managem ent Co., Ltd.	639,942.64				552,552.02						1,192,494.66	
Shaoxing Shuaige Kitchen and Bathroom Technology Co., Ltd.	3,465,778.21				-448,413.19						3,017,365.02	
Subtotal	4,105,720.85				104,138.83						4,209,859.68	
Total	8,427,450.24		31,500.024.00		-5,054,357.08					-24,312,056.37	10,561,060.79	

The recoverable amount is determined by the net of fair value less disposal costs

☐ Applicable ☒ Not applicable

The recoverable amount is determined by the present value of expected future cash flow.

☐ Applicable ☒ Not applicable

Reasons for significant discrepancies between the above information and the information used for impairment tests in previous years or external information

Reasons for significant discrepancies between the information used for Company's impairment tests in the previous years and the actual situation in current year

Other description:

On July 22, 2024, the Board of Directors of Zhejiang Chuchu Weilai Technology Co., Ltd. ("Chuchu Weilai"), a controlled subsidiary of Shengzhou Kinde Intelligent Kitchen Electric Co., Ltd. ("Kinde Intelligent"), which is a controlled subsidiary of the company, held a meeting. The meeting resolved to increase the registered capital of Chuchu Weilai and restructure its board of directors. The registered capital was changed from RMB 50.00 million to RMB 70.30 million, with the additional capital fully subscribed by Hangzhou Binglan Intelligent Technology Partnership (Limited Partnership) ("Binglan Investment"), the other

shareholder of Chuchu Weilai. Upon completion of the capital increase, Kinde Intelligent subscribed to RMB 31.50 million, representing a 44.81% equity stake; Binglan Investment subscribed to RMB 38.80 million, representing a 55.19% equity stake. The Board of Directors consists of 7 members, with Kinde Intelligence appointing 3 members and Binglan Investment appointing 4 members after the reorganization. On September 23, 2024, Binglan Investment completed the capital contribution for the subscribed capital increase. On October 8, 2024, Chuchu Weilai completed the industrial and commercial registration change procedures for this capital increase and the restructuring of its Board of Directors. Effective October 1, 2024, the company lost control of Chuchu Weilai and ceased to include it in the consolidated financial statements, transitioning to accounting using equity method.

12. Other non-current financial assets

Unit: yuan

Item	Ending balance	Beginning balance
Financial assets measured with fair value and with the changes included in current profit and loss	300,000,000.00	480,000,000.00
Total	300,000,000.00	480,000,000.00

13. Investment properties

(1) Investment properties using cost measurement mode

☒ Applicable ☐ Not applicable

Unit: yuan

Item	Houses and buildings	Land use right	Construction in progress	Total
I. Original book value				
1. Beginning balance	103,152,708.29	1,062,744.00		104,215,452.29
2. Amount increased in current period	6,421,771.64			6,421,771.64
(1) Outsourcing				
(2) Transfer from inventory/fixed assets/construction in progress	6,421,771.64			6,421,771.64
(3) Addition by enterprise merger				
3. Amount decreased in current period	6,706,226.55			6,706,226.55
(1) Disposal				
(2) Other transfers out	6,706,226.55			6,706,226.55
4. Ending balance	102,868,253.38	1,062,744.00		103,930,997.38
II. Accumulated depreciation and amortization				
1. Beginning	12,726,143.22	352,476.76		13,078,619.98

balance				
2. Amount increased in current period	5,118,891.41	21,254.88		5,140,146.29
(1) Accrual or amortization	4,267,378.65	21,254.88		4,288,633.53
Other transfer-in	851,512.76			851,512.76
3. Amount decreased in current period	1,678,354.91			1,678,354.91
(1) Disposal				
(2) Other transfers out	1,678,354.91			1,678,354.91
4. Ending balance	16,166,679.72	373,731.64		16,540,411.36
III. Provision for impairment				
1. Beginning balance				
2. Amount increased in current period	1,539,949.83			1,539,949.83
(1) Provision				
3. Amount decreased in current period				
(1) Disposal				
(2) Other transfers out				
4. Ending balance	1,539,949.83			1,539,949.83
IV. Book value				
1. Ending book value	85,161,623.83	689,012.36		85,850,636.19
2. Beginning book value	90,426,565.07	710,267.24		91,136,832.31

The recoverable amount is determined by the net of fair value less disposal costs

☐ Applicable ☒ Not applicable

The recoverable amount is determined by the present value of expected future cash flow.

☐ Applicable ☒ Not applicable

Reasons for significant discrepancies between the above information and the information used for impairment tests in previous years or external information

Reasons for significant discrepancies between the information used for Company's impairment tests in the previous years and the actual situation in current year

14. Fixed assets

Unit: yuan

Item	Ending balance	Beginning balance
Fixed assets	1,611,144,579.04	1,720,724,257.46
Liquidation of fixed assets		
Total	1,611,144,579.04	1,720,724,257.46

(1) Fixed assets

Unit: yuan

Item	Houses and building	Machinery equipment	Transportation equipment	Other equipment	Total
I. Original book value					
1. Beginning balance	1,653,353,641.45	846,881,737.33	23,053,141.13	137,921,680.50	2,661,210,200.41
2. Amount increased in current period	27,621,177.62	27,850,507.87	257,011.08	6,614,175.99	62,342,872.56
(1) Purchase	20,914,951.07	4,963,950.30	257,011.08	4,598,055.03	30,733,967.48
(2) Transfer from construction in progress		22,886,557.57		2,016,120.96	24,902,678.53
(3) Addition by enterprise merger					
Other increase	6,706,226.55				6,706,226.55
3. Amount decreased in current period	2,021,914.97	9,214,104.23		4,208,682.39	15,444,701.59
(1) Disposal or scrap		3,560,713.55		3,126,399.00	6,687,112.55
Other decreases	2,021,914.97	5,653,390.68		1,082,283.39	8,757,589.04
4. Ending balance	1,678,952,904.10	865,518,140.97	23,310,152.21	140,327,174.10	2,708,108,371.38
II. Accumulated depreciation					
1. Beginning balance	392,725,389.84	456,059,295.64	15,068,321.38	76,632,936.09	940,485,942.95
2. Amount increased in current period	79,781,322.32	65,415,915.03	2,074,543.50	16,311,780.03	163,583,560.88
(1) Provision	78,102,967.41	65,415,915.03	2,074,543.50	16,311,780.03	161,905,205.97
Other increase	1,678,354.91				1,678,354.91
3. Amount decreased in current period	851,512.76	3,168,310.29		3,085,888.44	7,105,711.49

(1) Disposal or scrap		2,286,214.87		2,285,490.08	4,571,704.95
Other decreases	851,512.76	882,095.42		800,398.36	2,534,006.54
4. Ending balance	471,655,199.40	518,306,900.38	17,142,864.88	89,858,827.68	1,096,963,792.34
III. Provision for impairment					
1. Beginning balance					
2. Amount increased in current period					
(1) Provision					
3. Amount decreased in current period					
(1) Disposal or scrap					
4. Ending balance					
IV. Book value					
1. Ending book value	1,207,297,704.70	347,211,240.59	6,167,287.33	50,468,346.42	1,611,144,579.04
2. Beginning book value	1,260,628,251.61	390,822,441.69	7,984,819.75	61,288,744.41	1,720,724,257.46

15. Construction in progress

Unit: yuan

Item	Ending balance	Beginning balance
Construction in progress	457,357,111.28	359,768,699.68
Total	457,357,111.28	359,768,699.68

(1) Construction in progress

Unit: yuan

Item	Ending balance			Beginning balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
ROBAM Building project	428,449,911.96		428,449,911.96	336,704,853.10		336,704,853.10
Project of production department 1	12,450,442.42		12,450,442.42	941,946.89		941,946.89
Project of production department 3	6,439,115.03		6,439,115.03	761,150.44		761,150.44

Project of production department 2	3,581,815.75		3,581,815.75	130,973.44		130,973.44
Project of production department 4	2,966,251.28		2,966,251.28	14,080,754.69		14,080,754.69
Customized management software	1,189,282.86		1,189,282.86	3,182,235.79		3,182,235.79
Other sporadic projects	2,280,291.98		2,280,291.98	3,966,785.33		3,966,785.33
Total	457,357,111.28		457,357,111.28	359,768,699.68		359,768,699.68

(2) Current changes in major projects under construction

Unit: yuan

Item name	Budget number	Beginning balance	Amount increased in current period	Amount carried forward to fixed assets in current period	Other decreases in current period	Ending balance	Proportion of total project input to the budget	Progress of works	Accumulated amount of interest capitalization	Including: interest capitalization funds in the current period	Interest capitalization rate in the current period	Source of funds
ROBAM Building project	823,750,800.00	336,704,853.10	91,745,058.86			428,449,911.96	52.01%	52.01				Owned fund
Total	823,750,800.00	336,704,853.10	91,745,058.86			428,449,911.96						

(3) Impairment test of construction in progress

☐ Applicable ☒ Not applicable

16. Right-of-use assets

(1) Right-of-use assets

Unit: yuan

Item	Houses and buildings	Total
I. Original book value		
1. Beginning balance	29,457,908.02	29,457,908.02
2. Amount increased in current period	1,630,948.28	1,630,948.28
Rent in	1,630,948.28	1,630,948.28
3. Amount decreased in current period	14,309,064.40	14,309,064.40
Disposal	14,230,199.64	14,230,199.64
Other	78,864.76	78,864.76
4. Ending balance	16,779,791.90	16,779,791.90
II. Accumulated depreciation		
1. Beginning balance	15,655,449.04	15,655,449.04
2. Amount increased in current period	5,079,288.54	5,079,288.54

(1) Provision	5,079,288.54	5,079,288.54
3. Amount decreased in current period	14,230,199.64	14,230,199.64
(1) Disposal	14,230,199.64	14,230,199.64
4. Ending balance	6,504,537.94	6,504,537.94
III. Provision for impairment		
1. Beginning balance		
2. Amount increased in current period		
(1) Provision		
3. Amount decreased in current period		
(1) Disposal		
4. Ending balance		
IV. Book value		
1. Ending book value	10,275,253.96	10,275,253.96
2. Beginning book value	13,802,458.98	13,802,458.98

(2) Impairment test of right-of-use assets

☐ Applicable ☒ Not applicable

17. Intangible assets

(1) Intangible assets

Unit: yuan

Item	Land use right	Patent right	Nonpatented technology	Software	Trademark	Total
I. Original book value						
1. Beginning balance	224,593,935.95	7,300,000.00		73,208,259.53	24,624,622.64	329,726,818.12
2. Amount increased in current period				5,570,090.55		5,570,090.55
(1) Purchase				2,342,501.27		2,342,501.27
(2) Internal R&D						
(3) Addition by enterprise merger						

Transfer from construction in progress				3,227,589.28		3,227,589.28
3. Amount decreased in current period				6,907,421.73		6,907,421.73
(1) Disposal				6,907,421.73		6,907,421.73
4. Ending balance	224,593,935.95	7,300,000.00		71,870,928.35	24,624,622.64	328,389,486.94
II. Accumulated amortization						
1. Beginning balance	38,853,482.23	6,176,923.08		56,614,708.98	13,527,964.52	115,173,078.81
2. Amount increased in current period	4,497,802.39	1,123,076.92		6,158,831.61	2,462,462.24	14,242,173.16
(1) Provision	4,497,802.39	1,123,076.92		6,158,831.61	2,462,462.24	14,242,173.16
3. Amount decreased in current period				6,907,421.73		6,907,421.73
(1) Disposal				6,907,421.73		6,907,421.73
4. Ending balance						
III. Provision for impairment						
1. Beginning balance						
2. Amount increased in current period						
(1) Provision						
3. Amount decreased in current period						
(1) Disposal						
4. Ending balance	43,351,284.62	7,300,000.00		55,866,118.86	15,990,426.76	122,507,830.24
IV. Book value						
1. Ending book value	181,242,651.33			16,004,809.49	8,634,195.88	205,881,656.70

2. Beginning book value	185,740,453.72	1,123,076.92		16,593,550.55	11,096,658.12	214,553,739.31
----------------------------	----------------	--------------	--	---------------	---------------	----------------

The proportion of intangible assets formed through internal research and development of the Company to the balance of intangible assets at the end of this period.

(2) Data resources recognized as intangible assets

☐ Applicable ☒ Not applicable

(3) Impairment test of intangible assets

☐ Applicable ☒ Not applicable

18. Goodwill

(1) Original book value of goodwill

Unit: yuan

Investee name or goodwill forming matter	Beginning balance	Increase in current period		Decrease in current period		Ending balance
		By business combination		Disposal		
Kinde Intelligent	80,589,565.84					80,589,565.84
Total	80,589,565.84					80,589,565.84

(2) Provision for impairment of goodwill

Unit: yuan

Investee name or goodwill forming matter	Beginning balance	Increase in current period		Decrease in current period		Ending balance
		Provision		Disposal		
Kinde Intelligent	68,366,294.17	12,223,271.67				80,589,565.84
Total	68,366,294.17	12,223,271.67				80,589,565.84

(3) Specific determination method for recoverable amount

The recoverable amount is determined by the net of fair value less disposal costs

☐ Applicable ☒ Not applicable

The recoverable amount is determined by the present value of expected future cash flow.

☒ Applicable ☐ Not Applicable

(4) Performance commitment fulfillment and corresponding goodwill impairment status

When goodwill is formed, there is a performance commitment and the reporting period or the previous period is within the performance commitment period

☐ Applicable ☒ Not applicable

19. Long-term unamortized expenses

Unit: yuan

Item	Beginning balance	Amount increased in current period	Amortization amount in current period	Other decreases	Ending balance
Service charge	2,083,289.77	8,530,779.26	6,477,975.40		4,136,093.63
Advertising and promotion expenses	129,216.10	458,505.70	129,216.10		458,505.70
Office decoration fee	2,331,161.64		965,974.87	1,365,186.77	
Other	490,991.86	82,749.66	411,931.20		161,810.32
Total	5,034,659.37	9,072,034.62	7,985,097.57	1,365,186.77	4,756,409.65

20. Deferred income tax assets / deferred income tax liabilities

(1) Unoffset deferred income tax assets

Unit: yuan

Item	Ending balance		Beginning balance	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Provision for impairment of assets	146,302,020.01	21,945,303.00	97,315,669.06	14,597,350.36
Unrealized profit of internal transaction	6,288,257.39	943,238.61		
Provision for credit impairment	1,057,902,367.16	166,211,415.14	1,228,253,675.11	191,913,813.81
Recognition for provisional estimate cost	736,834,444.33	110,525,166.65	744,083,389.27	111,612,508.39
Income that should be recognized according to tax laws but not yet recognized by the accountant	153,733,838.73	23,060,075.81	60,810,075.93	9,121,511.39
Fair value change of other equity instrument investments	117,832,510.80	17,674,876.62	117,832,510.80	17,674,876.62
Recognition for deferred income	81,363,483.00	12,204,522.45	101,473,668.87	15,221,050.33
Recognition for equity incentive	15,553,988.49	2,407,757.80	9,730,756.23	1,510,663.99
Lease liabilities	3,171,164.59	535,525.21	4,984,267.98	1,246,067.00
Total	2,318,982,074.50	355,507,881.29	2,364,484,013.25	362,897,841.89

(2) Unoffset deferred income tax liabilities

Unit: yuan

Item	Ending balance		Beginning balance	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Appreciation of assets appraisal for business combination not under common control	13,531,056.26	2,029,658.44	17,528,191.69	2,629,228.75

Accrued interest on time deposits	144,816,770.53	21,722,515.58	54,046,698.73	8,107,004.81
Taxable temporary differences due to the pretax deduction of fixed assets	100,189,168.44	15,028,375.27	112,448,544.27	16,867,281.64
Right-of-use assets	1,370,978.98	68,548.95	3,260,199.24	815,049.81
Total	259,907,974.21	38,849,098.24	187,283,633.93	28,418,565.01

(3) Deferred income tax assets or liabilities presented as net amount after offset

Unit: yuan

Item	Ending offset amount of deferred income tax assets and liabilities	Ending balance of deferred income tax assets and liabilities after offset	Beginning offset amount of deferred income tax assets and liabilities	Beginning balance of deferred income tax assets and liabilities after offset
Deferred income tax assets	-64,316.48	355,443,564.81		362,897,841.89
Deferred income tax liabilities	-64,316.48	38,784,781.76		28,418,565.01

(4) Details of unrecognized deferred income tax assets

Unit: yuan

Item	Ending balance	Beginning balance
Deductible temporary differences	20,751,821.76	13,929,952.65
Deductible loss	86,142,898.16	102,787,541.49
Total	106,894,719.92	116,717,494.14

(5) Deductible losses on unrecognized deferred income tax assets will expire in the following year

Unit: yuan

Year	Ending amount	Beginning amount	Remark
2024		5,602.28	
2025	5,420,582.14	9,556,499.12	
2026		10,380,561.57	
2027	14,250,223.40	24,349,032.53	
2028	46,110,149.45	58,495,845.99	
2029	20,361,943.17		
Total	86,142,898.16	102,787,541.49	

21. Other non-current assets

Unit: yuan

Item	Ending balance			Beginning balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Time deposit over one year	3,430,000,000.00		3,430,000,000.00	1,770,000,000.00		1,770,000,000.00
Accrued interest on fixed deposits of more than 1 year	65,062,003.04		65,062,003.04			

Work offset against property and supplementary payment of purchase price	195,171,956.43	68,310,184.75	126,861,771.68	173,643,828.19	33,964,461.28	139,679,366.91
Advance payment for equipment	11,845,297.88		11,845,297.88	12,649,961.74		12,649,961.74
Total	3,702,079,257.35	68,310,184.75	3,633,769,072.60	1,956,293,789.93	33,964,461.28	1,922,329,328.65

Other description:

This pertains to the work offset against property, parking spaces which the company has signed a debt restructuring agreement and completed the property transfer procedures, as well as the purchase funds that need to be made up. See "XVII. Other important matters 1. Debt restructuring matters" in this report for details.

22. Assets with ownership or use rights restricted

Unit: yuan

Item	At the end of the period				At the beginning of the period			
	Book balance	Book value	Type of restriction	Restriction details	Book balance	Book value	Type of restriction	Restriction details
Monetary capital	67,828,552.62	67,828,552.62	Guarantee deposit		83,153,343.90	83,153,343.90	Guarantee deposit	
Fixed assets	152,993,151.92	132,330,396.56	Mortgage loan		152,993,151.92	139,628,781.21	Mortgage loan	
Intangible assets	57,605,500.00	51,947,796.50	Mortgage loan		57,605,500.00	53,100,012.72	Mortgage loan	
Monetary capital	45,630,984.76	45,630,984.76	Bill deposit		23,717,043.12	23,717,043.12	Bill deposit	
Monetary capital	13,000.00	13,000.00	ETC deposit		14,000.00	14,000.00	ETC deposit	
Total	324,071,189.30	297,750,730.44			317,483,038.94	299,613,180.95		

23. Short-term borrowing

(1) Classification of short-term borrowing

Unit: yuan

Item	Ending balance	Beginning balance
Mortgage loan	91,000,000.00	49,500,000.00
Credit loan		31,500,000.00
Accounts receivable factoring	2,078,878.91	14,003,320.70
Other	160,420.15	
Total	93,239,299.06	95,003,320.70

24. Notes payable

Unit: yuan

Type	Ending balance	Beginning balance
Banker's acceptance bill	1,061,073,856.74	1,098,720,000.58
Total	1,061,073,856.74	1,098,720,000.58

At the end of the current period, the total amount of unpaid bills payable is 0.00 yuan. The reason for the unpaid is none.

25. Accounts payable

(1) Presentation of accounts payable

Unit: yuan

Item	Ending balance	Beginning balance
Payment for materials	1,461,869,344.61	1,267,081,255.68
Costs	1,268,548,184.88	1,107,539,973.00
Project payment	90,406,506.85	164,258,188.72
Payment for equipment	9,271,010.57	9,864,344.66
Total	2,830,095,046.91	2,548,743,762.06

(2) Important accounts payable with the aging over 1 year or overdue

Unit: yuan

Item	Ending balance	Reasons for failure of payment or carryover
Unsettled material and construction costs	66,666,172.11	
Total	66,666,172.11	

26. Other payables

Unit: yuan

Item	Ending balance	Beginning balance
Dividends payable		472,047,458.00
Other payables	285,326,671.78	283,917,461.76
Total	285,326,671.78	755,964,919.76

(1) Dividends payable

Unit: yuan

Item	Ending balance	Beginning balance
Common stock dividends		472,047,458.00
Total		472,047,458.00

(2) Other payables

1) Other payables listed by nature

Unit: yuan

Item	Ending balance	Beginning balance
Margin payable	268,864,301.66	266,137,376.14
Collections for others	5,427,566.47	4,941,205.70
Deposit payable	5,560,537.97	6,600,507.19
Other	5,474,265.68	6,238,372.73
Total	285,326,671.78	283,917,461.76

2) Important other payables with the aging over 1 year

Unit: yuan

Item	Ending balance	Reasons for failure of payment or carryover
Sales deposit	184,417,467.77	
Total	184,417,467.77	

27. Contract liabilities

Unit: yuan

Item	Ending balance	Beginning balance
Advances from customers	867,810,932.52	1,019,942,923.58
Total	867,810,932.52	1,019,942,923.58

Important contract liabilities with the aging more than 1 year

28. Payroll payable

(1) Presentation of payroll payable

Unit: yuan

Item	Beginning balance	Increase in current period	Decrease in current period	Ending balance
I. Short-term compensation	168,988,703.61	1,035,682,613.47	1,022,742,707.43	181,928,609.65
II. Welfare after dismissal - defined contribution plan	8,822,260.23	78,831,603.76	81,172,410.72	6,481,453.27
III. Dismission welfare	112,078.17	6,485,363.35	6,597,441.52	
Total	177,923,042.01	1,120,999,580.58	1,110,512,559.67	188,410,062.92

(2) Presentation of short-term compensation

Unit: yuan

Item	Beginning balance	Increase in current period	Decrease in current period	Ending balance
1. Wages, bonuses, allowances and subsidies	162,415,752.84	883,347,803.88	869,018,172.20	176,745,384.52
2. Employee services and benefits		38,678,171.19	38,678,171.19	
3. Social insurance premium	5,807,041.35	49,520,592.28	51,190,218.09	4,137,415.54
Including: medical insurance premium	5,492,914.20	46,353,131.71	47,962,939.70	3,883,106.21
Industrial injury insurance premium	314,127.15	3,167,460.57	3,227,278.39	254,309.33
4. Housing fund	347,140.00	49,067,179.58	49,014,369.58	399,950.00
5. Labor union expenditure and personnel education fund	418,769.42	14,768,792.74	14,541,702.57	645,859.59

Other compensation		300,073.80	300,073.80	
Total	168,988,703.61	1,035,682,613.47	1,022,742,707.43	181,928,609.65

(3) Presentation of defined contribution plans

Unit: yuan

Item	Beginning balance	Increase in current period	Decrease in current period	Ending balance
1. Basic endowment insurance	8,524,886.32	76,291,121.50	78,540,987.48	6,275,020.34
2. Unemployment insurance premium	297,373.91	2,540,482.26	2,631,423.24	206,432.93
Total	8,822,260.23	78,831,603.76	81,172,410.72	6,481,453.27

29. Tax payable

Unit: yuan

Item	Ending balance	Beginning balance
Added value tax	115,704,829.54	61,072,058.37
Corporate income tax	32,050,600.18	61,750,915.22
Individual income tax	4,714,843.49	3,100,246.18
Urban maintenance and construction tax	8,171,225.67	4,330,476.87
Housing property tax	15,388,122.46	13,625,288.12
Land use tax	5,695,675.50	5,696,022.16
Education surcharge	3,501,885.02	1,855,918.59
Surcharge for local education	2,334,590.16	1,237,279.17
Stamp duty	2,222,469.65	1,697,472.12
Total	189,784,241.67	154,365,676.80

30. Non-current liabilities due within a year

Unit: yuan

Item	Ending balance	Beginning balance
Lease liabilities due within one year	2,136,543.64	4,522,658.42
Total	2,136,543.64	4,522,658.42

31. Other current liabilities

Unit: yuan

Item	Ending balance	Beginning balance
Output tax to be carried forward	95,808,311.01	118,041,351.23
Total	95,808,311.01	118,041,351.23

32. Lease liabilities

Unit: yuan

Item	Ending balance	Beginning balance
Lease payments	14,028,368.86	17,643,054.87
Unrecognized financing expenses	-1,694,304.73	-2,369,603.55
Non-current liabilities reclassified to due within a year	-2,136,543.64	-4,522,658.42
Total	10,197,520.49	10,750,792.90

33. Deferred income

Unit: yuan

Item	Beginning balance	Increase in current period	Decrease in current period	Ending balance	Causes
Government subsidies	136,538,254.74		22,033,982.02	114,504,272.72	Government grant
Total	136,538,254.74		22,033,982.02	114,504,272.72	--

34. Capital stock

Unit: yuan

	Beginning balance	Increase/decrease (+, -)					Ending balance
		New issue of shares	Share donation	Share capital increase from reserved funds	Other	Subtotal	
Total amount of shares	949,024,050.00	687,250.00			-4,929,134.00	-4,241,884.00	944,782,166.00

Note: In 2021, the company repurchased 4,929,134.00 shares of public stock from the secondary market to implement the company's equity incentive plan and/or employee stock ownership plan, etc. These shares were canceled upon expiration of the term in the current year.

35. Capital reserve

Unit: yuan

Item	Beginning balance	Increase in current period	Decrease in current period	Ending balance
Capital premium (capital stock premium)	401,799,332.67	15,340,834.82	195,066,608.59	222,073,558.90
Other capital surplus	9,978,881.55	6,249,826.26	674,719.52	15,553,988.29
Total	411,778,214.22	21,590,661.08	195,741,328.11	237,627,547.19

36. Treasury stock

Unit: yuan

Item	Beginning balance	Increase in current period	Decrease in current period	Ending balance
Share repurchase	199,995,742.59		199,995,742.59	0.00
Total	199,995,742.59		199,995,742.59	

37. Other comprehensive income

Unit: yuan

Item	Beginning balance	Amount incurred in current period						Ending balance
		Amount before current income tax	Less: amount included in other comprehensive income in previous period and included in profit and loss in current period	Minus: amount included in other comprehensive income in previous period and included in carried forward to retained earnings in current period	Less: Income tax expenses	Attributable to the parent company after tax	Attributable to minority shareholders after tax	
I. Other comprehensive income that can't be reclassified into profit and loss	- 100,157,634.16							- 100,157,634.16
Fair value change of other equity instrument investments	- 100,157,634.16							- 100,157,634.16
II. Other comprehensive income that will be reclassified into profit and loss subsequently		857,350.23			214,337.56	606,041.21	36,971.46	606,041.21
Balance arising from the translation of foreign currency financial statements		857,350.23			214,337.56	606,041.21	36,971.46	606,041.21
Total other comprehensive income	- 100,157,634.16	857,350.23			214,337.56	606,041.21	36,971.46	- 99,551,592.95

38. Surplus reserves

Unit: yuan

Item	Beginning balance	Increase in current period	Decrease in current period	Ending balance
Statutory surplus reserves	474,516,412.50			474,516,412.50
Total	474,516,412.50			474,516,412.50

39. Undistributed profit

Unit: yuan

Item	Current period	Prior period
Undistributed profit at the end of previous period before adjustment	8,987,773,431.71	8,199,079,015.58
Undistributed profits at the beginning of the period after adjustment	8,987,773,431.71	8,199,079,015.58
Plus: Net profits attributable to the owners of parent company in the current period	1,577,400,594.74	1,732,789,332.13
Common stock dividends payable	944,111,116.00	944,094,916.00
Undistributed profits at the end of the period	9,621,062,910.45	8,987,773,431.71

Details of undistributed profit at the end of the adjustment period:

- 1) Due to the retroactive adjustment of Accounting Standards for Business Enterprises and related new regulations, the undistributed profit at the beginning of the period was affected by 0.00 yuan.
- 2) Due to the change of accounting policy, the undistributed profit at the beginning of the period was affected by 0.00 yuan.
- 3) Due to the correction of major accounting errors, the undistributed profit at the beginning of the period was affected by 0.00 yuan.
- 4) Due to the change of consolidation scope caused by common control, the undistributed profit at the beginning of the period was affected by 0.00 yuan.
- 5) Due to other adjustments, the undistributed profit at the beginning of the period was affected by 0.00 yuan.

40. Operating income and operating cost

Unit: yuan

Item	Amount incurred in current period		Amount incurred in previous period	
	Income	Cost	Income	Cost
Main business	10,927,951,599.01	5,522,747,460.78	10,897,226,245.68	5,369,816,850.21
Other businesses	284,702,621.21	122,078,866.94	304,669,528.59	157,831,856.08
Total	11,212,654,220.22	5,644,826,327.72	11,201,895,774.27	5,527,648,706.29

The audited total profit, net profit, and net profit after deducting non-recurring gains and losses for the Company's most recent fiscal year is negative.

☐ Yes ☒ No

41. Taxes and surcharges

Unit: yuan

Item	Amount incurred in current period	Amount incurred in previous period
Urban maintenance and construction tax	46,957,043.90	44,475,351.96
Education surcharge	33,359,052.32	31,768,105.78
Housing property tax	16,814,207.65	15,227,067.94
Land use tax	5,754,971.28	1,342,982.99
Vehicle and vessel use tax	28,848.40	24,240.12
Stamp duty	6,171,477.63	5,801,185.42
Other	39,084.31	12,673.86
Total	109,124,685.49	98,651,608.07

42. Management costs

Unit: yuan

Item	Amount incurred in current period	Amount incurred in previous period
Employee compensation	278,245,759.43	256,829,379.16
Depreciation and amortization	86,429,259.80	79,272,827.17
Consulting service charge	48,599,874.12	36,819,646.61
Office allowance	19,596,564.83	22,833,298.74
Rental and property fees	13,981,077.29	10,388,619.24
Maintenance expense	9,081,688.99	7,741,520.94
Material consumption	8,523,801.36	6,869,407.96
Equity incentive fee	7,835,601.21	1,780,548.64
Business entertainment expenses	7,572,414.60	10,338,970.38
Communication expense	4,534,797.01	6,067,385.51
Car fare	3,827,695.14	3,940,649.91
Traveling expense	2,419,269.87	7,407,518.81
Other	18,201,217.39	19,332,299.53
Total	508,849,021.04	469,622,072.60

43. Selling expenses

Unit: yuan

Item	Amount incurred in current period	Amount incurred in previous period
Sales and service fees	1,280,694,269.71	1,198,898,829.94
Advertising and promotion expenses	712,058,633.70	777,479,186.47
Employee compensation	423,506,220.54	406,543,689.72
Booth decoration fee	338,980,228.54	277,267,106.80
Promotion fees	114,996,381.69	111,160,033.93
Material consumption	79,219,870.23	82,469,966.99
Traveling expense	37,086,648.69	34,611,784.09
Intermediary service charge	26,966,711.07	33,461,629.22
Office allowance	17,330,997.20	29,564,756.90
Rental fees	17,074,675.58	17,937,109.93
Business entertainment expenses	14,083,702.14	19,119,295.57
Other	16,799,920.75	13,905,261.98
Total	3,078,798,259.84	3,002,418,651.54

44. Research and development expenses

Unit: yuan

Item	Amount incurred in current period	Amount incurred in previous period
Employee compensation	245,232,960.20	231,392,266.56
Direct investment	132,233,420.53	118,236,087.05
Depreciation and amortization	13,594,644.14	14,079,387.74
Design fee	4,222,290.68	4,601,868.90
Other expenses	18,376,133.26	19,058,981.72
Total	413,659,448.81	387,368,591.97

45. Financial expenses

Unit: yuan

Item	Amount incurred in current period	Amount incurred in previous period
Interest expenditure	5,244,416.98	8,773,638.31
Minus: Interest income	-187,364,396.26	-198,559,145.09
Plus: Exchange gain or loss	-1,244,109.79	-1,275,825.96
Plus: other expenses	2,937,768.88	2,133,596.15
Total	-180,426,320.19	-188,927,736.59

46. Other income

Unit: yuan

Other sources of income	Amount incurred in current period	Amount incurred in previous period
Embedded software tax rebate	45,127,299.75	45,894,461.03
VAT and surcharges exemption or reduction	42,201,493.02	44,786,595.84
Amortization of deferred income	20,565,225.00	20,288,048.89
Financial support funds for enterprise cultivation	22,033,982.02	39,208,547.00
Special financial funds	15,535,100.00	11,173,750.00
Performance award of Shanghai Hongkou District Finance Bureau	3,800,465.00	4,730,000.00
Job subsidies and social insurance subsidies	3,150,328.82	2,499,238.39
Special fund for industrial development	2,156,400.00	2,587,200.00
Training allowance	629,400.00	360,600.00
Service charge refund	580,829.41	684,354.91
Patent reward fund	200,870.00	141,278.00
R&D subsidy funds	640,754.71	138,500.00
Other subsidies	1,744,843.00	1,419,899.88
Total	158,366,990.73	173,912,473.94

47. Investment income

Unit: yuan

Item	Amount incurred in current period	Amount incurred in previous period
long-term equity investment gains measured by employing the equity method	-5,054,357.08	-291,055.38
Investment income from trading financial assets during the holding period	131,854,649.79	83,254,470.07
Gain from remeasuring the remaining equity interest at fair value upon loss of control	10,545,396.79	
Total	137,345,689.50	82,963,414.69

48. Credit impairment loss

Unit: yuan

Item	Amount incurred in current period	Amount incurred in previous period
Loss on bad debts of notes receivable	44,602.23	20,343,508.22
Loss on bad debts of accounts receivable	-71,087,018.27	-121,260,682.01
Loss on bad debts of other receivables	294,100.26	-1,219,619.60
Total	-70,748,315.78	-102,136,793.39

49. Assets impairment losses

Unit: yuan

Item	Amount incurred in current period	Amount incurred in previous period
I. Loss of inventory depreciation and impairment loss of contract performance cost	-28,123,066.09	8,898,652.01
X. Impairment loss on goodwill	-12,223,271.67	-48,350,560.89
XII. Other matters	-27,846,824.47	-31,240,481.09
Total	-68,193,162.23	-70,692,389.97

50. Income from disposal of assets

Unit: yuan

Source of income from disposal of assets	Amount incurred in current period	Amount incurred in previous period
Income from disposal of non-current assets	-4,462,199.53	-1,211,854.70
Including: Gains on disposal of non-current assets classified as held for sale	-4,225,267.72	-1,608,816.48
Income from disposal of non-current assets not classified as held for sale	-236,931.81	396,961.78
Including: income from disposal of fixed assets	-236,931.81	405,470.76
Income from disposal of right-of-use assets		-8,508.98
Total	-4,462,199.53	-1,211,854.70

51. Non-operating income

Unit: yuan

Item	Amount incurred in current period	Amount incurred in previous period	Amounts recorded in the non-recurring gains and losses of the current period
Liquidated damages and fines	644,568.55	2,361,476.53	644,568.55
Non-current assets damaged and scrapped gains	9,567.88	410.00	9,567.88
Other	1,582,080.48	2,380,323.06	1,582,080.48
Total	2,236,216.91	4,742,209.59	2,236,216.91

52. Non-operating expenditure

Unit: yuan

Item	Amount incurred in current period	Amount incurred in previous period	Amounts recorded in the non-recurring gains and losses of the current period
External donations	5,070,065.06	5,676,407.70	5,070,065.06
Abnormal loss	1,468,106.78	239,238.29	1,468,106.78
Penalty expenditure	17,286.30	14,750.00	17,286.30
Loss on damage and scrap of non-current assets	47,795.87	26,133.99	47,795.87
Overdue fines	115,574.04	62,175.03	115,574.04
Penalty and compensation	613,545.76		613,545.76
Other	806,789.91	562,191.28	806,789.91
Total	8,139,163.72	6,580,896.29	8,139,163.72

53. Income tax expenses

(1) Table of income tax expenses

Unit: yuan

Item	Amount incurred in current period	Amount incurred in previous period
Current income tax expenses	210,908,318.13	287,228,463.48
Deferred income tax expenses	17,820,493.83	-15,775,865.50
Total	228,728,811.96	271,452,597.98

(2) Accounting profit and income tax expense adjustment process

Unit: yuan

Item	Amount incurred in current period
Total profit	1,784,228,853.39
Income tax expenses calculated at the appropriate/applicable tax rate	267,634,328.01
Impact of different tax rates applied on subsidiaries	2,951,377.98
Impact of income tax before adjustment	380,438.00
Impact of non-deductible costs, expenses and losses	4,927,273.92
Impact of deductible losses on the use of deferred income tax assets not previously recognized	-855,547.29

Impact of temporary difference or deductible losses on unrecognized deferred income tax assets in the current period	7,025,792.77
Profits and losses of cooperative enterprise or joint venture accounted by equity method	387,577.36
Unrealized internal gains and losses	943,238.61
Tax impact of additional deduction for research and development expenses (express with "-")	-54,430,895.47
Other	-234,771.93
Income tax expenses	228,728,811.96

54. Other comprehensive income

Please refer to Note VII, 37 for details on other comprehensive income.

55. Cash flow statement items

(1) Cash related to operating activities

Other cash received related to operating activities

Unit: yuan

Item	Amount incurred in current period	Amount incurred in previous period
Government subsidies	94,156,489.83	94,765,559.58
Margin and deposit	25,374,892.98	20,750,488.76
Imprest	10,852,221.46	6,208,476.48
Agent business	3,879,675.13	1,261,456.84
Income from deposit interest	3,512,221.54	147,368,118.86
Other payments	17,609,766.37	1,900,700.66
Total	155,385,267.31	272,254,801.18

Other cash paid related to operating activities

Unit: yuan

Item	Amount incurred in current period	Amount incurred in previous period
Period charge	2,955,890,525.62	2,813,698,592.70
Agent business	32,683,926.70	61,222,865.12
Deposit for L/C and acceptance bill	15,760,662.53	15,438,060.63
Margin and deposit	5,542,077.61	8,589,104.00
Imprest	1,562,054.94	775,895.75
Other	10,768,802.87	5,751,648.05
Total	3,022,208,050.27	2,905,476,166.25

(2) Cash related to investment activities

Other cash received related to investment activities

Unit: yuan

Item	Amount incurred in current period	Amount incurred in previous period
Fixed deposits and their interest	3,217,561,206.77	
Total	3,217,561,206.77	

Other cash paid related to investment activities

Unit: yuan

Item	Amount incurred in current period	Amount incurred in previous period
Time deposit	4,453,924,300.00	4,333,744,300.00
Total	4,453,924,300.00	4,333,744,300.00

(3) Cash related to financing activities

Other cash received related to financing activities

Unit: yuan

Item	Amount incurred in current period	Amount incurred in previous period
Accounts receivable factoring income	4,578,878.91	13,510,296.65
Total	4,578,878.91	13,510,296.65

Other cash paid related to financing activities

Unit: yuan

Item	Amount incurred in current period	Amount incurred in previous period
Factoring refund with recourse	7,287,429.00	
Rent	6,027,895.35	7,123,465.99
Total	13,315,324.35	7,123,465.99

Changes in liabilities arising from financing activities

☐ Applicable ☒ Not applicable

56. Further information on cash flow statement

(1) Further information on cash flow statement

Unit: yuan

Further information	Current amount	Last term amount
1. Reconciliation from net profits to cash flows from operating activities		
Net profit	1,555,500,041.43	1,714,657,446.28
Plus: Provision for impairment of assets	138,941,478.01	172,829,183.36
Depreciation of fixed assets, oil and gas assets and productive biological assets	166,193,839.50	157,225,848.23
Depreciation of Right-of-use assets	5,079,288.54	4,975,042.57
Amortization of intangible assets	14,242,173.16	13,956,115.18
Amortization of long-term deferred expenses	7,985,097.57	16,820,374.13
Loss on disposal of fixed assets, intangible assets and other long-term assets (gains expressed with "-")	4,462,199.53	1,211,854.70
Loss on retirement of fixed assets (gains expressed with "-")	47,795.87	26,133.99
Loss from fair value changes (gains expressed with "-")		
Financial expenses (gains expressed with "-")	-48,081,926.07	7,816,211.50

Investment losses (gains expressed with "-")	-137,345,689.50	-82,963,414.69
Decreased in deferred income tax assets (increase expressed with "-")	7,454,277.08	-22,086,495.93
Increase in deferred income tax liabilities (decrease expressed with "-")	10,366,216.75	6,310,630.43
Decrease in inventories (increase expressed with "-")	308,984,442.06	94,734,729.87
Decrease in operating receivables (increase expressed with "-")	-264,605,878.21	39,094,727.26
Increase in operating payables (decrease expressed with "-")	-108,971,645.01	267,313,425.83
Other		
Net cash flow from operating activities	1,660,251,710.71	2,391,921,812.71
2. Significant investment and financing activities not involving cash deposit and withdrawal		
Conversion of debt into capital		
Convertible bonds due within one year		
Fixed assets under financing lease		
3. Net changes in cash and cash equivalents:		
Ending balance of cash	1,518,303,556.89	1,878,166,358.09
Minus: Beginning balance of cash	1,878,166,358.09	5,196,414,341.74
Plus: Beginning balance of cash equivalents		
Minus: Ending balance of cash equivalents		
Net increase of cash and cash equivalents	-359,862,801.20	-3,318,247,983.65

(2) Composition of cash and cash equivalents

Unit: yuan

Item	Ending balance	Beginning balance
I. Cash	1,518,303,556.89	1,878,166,358.09
Including: cash on hand	191,720.15	62,267.64
Bank deposit readily available for payment	1,515,116,946.44	1,877,703,911.46
Other monetary capital readily available for payment	2,994,890.30	400,178.99
III. Balance of cash and cash equivalents at end of period	1,518,303,556.89	1,878,166,358.09

57. Notes to items in statement of owner's equity

Explain the name of "other" items and the adjustment amount of the balance at the end of the previous year:

58. Foreign currency monetary items

(1) Foreign currency monetary items

Unit: yuan

Item	Ending balance in foreign currency	Conversion exchange rate	Ending balance converted to RMB
Monetary capital			
Including: USD	3,588,168.05	7.1884	25,793,187.21
EUR	5,717.13	7.5257	43,025.41
HKD	664,046.67	0.9260	614,907.22
AUD	3.86	4.5070	17.40
Accounts receivable			
Including: USD	5,307,745.05	7.1884	38,154,194.52
EUR			
HKD			
Other receivables			
Including: USD	18.49	7.1884	132.91
Accounts payable			
Including: USD	1,623,939.27	7.1884	11,673,525.05
Long-term borrowing			
Including: USD			
EUR			
HKD			
Tax payable			
Including: USD	9,167.20	7.1884	65,897.50
Other payables			
Including: USD	170,759.20	7.1884	1,227,485.43
Short-term borrowing			
Including: USD	22,316.53	7.1884	160,420.14

Other description:

(2) Description of overseas operating entities, including disclosure of main place of business overseas, bookkeeping currency and selection basis for important overseas operating entities, and disclosure of the reasons for any change in the bookkeeping currency.

☐ Applicable ☒ Not applicable

VIII. R&D expenditure

Unit: yuan

Item	Amount incurred in current period	Amount incurred in previous period
Expensed R&D expenditure	413,659,448.81	387,368,591.97
Total	413,659,448.81	387,368,591.97

IX. Consolidation scope changes

1. Business combination not under common control

(1) Merger of companies under different control in the current period

Unit: yuan

Name of the acquiree	Equity acquisition time point	Equity acquisition cost	Equity acquisition ratio	Equity acquisition mode	Date of acquisition	Determination basis of acquisition date	Income of the acquiree from the date of acquisition to the end of the period	Net profit of the acquiree from the date of acquisition to the end of the period	Cash flows of the acquiree from the date of acquisition to the end of the period
----------------------	-------------------------------	-------------------------	--------------------------	-------------------------	---------------------	---	--	--	--

Other description:

During the year, the consolidation scope of the company increased by 10 wholly-owned subsidiaries and 1 controlled subsidiary due to new establishments, and decreased by 1 controlled subsidiary due to capital increase by minority shareholders and reorganization of board members. The details are as follows:

- On January 29, 2024, the company's subsidiary, Robam Appliances (Hong Kong) Holding Co., Ltd., invested in the establishment of Robam Appliances US Holding INC. with a registered capital of USD 5,000. The registered address is 8 The Green, Ste A, Dover, DE 19901. Robam Appliances (Hong Kong) Holding Limited holds a 100% equity stake, with its business scope covering asset investment and management. The registered capital has been fully paid.
- On March 18, 2024, the company's subsidiary Robam Appliances US Holding INC. and WGSZ HOLDING LLC jointly established Robam Appliances Los Angeles Trade LLC. with a registered capital of \$10,000. Robam Appliances US Holding Inc. holds a 70% stake, while WGSZ HOLDING LLC. holds a 30% stake. The paid-in capital amounts to \$1.858 million. Robam Appliances Los Angeles Trade LLC. primarily engages in the sales of large household kitchen appliances and has commenced operations.
- On March 27, 2024, the company invested in establishing Chengdu Robam Innovation Technology Co., Ltd., with a registered capital of RMB 5,000,000 and a 100% ownership stake. The business scope includes technical services and software development. The registered capital has been fully paid, and the company has commenced operations.
- On September 3, 2024, the company invested in establishing Hangzhou ROBAM E-Commerce Co., Ltd., with a registered capital of RMB 10,000,000 and a 100% ownership stake. The business scope covers internet sales. The registered capital has been fully paid, and the company has commenced operations.
- On September 27, 2024, the company invested in establishing Ningbo Jinke E-Commerce Co., Ltd., with a registered capital of RMB 5,000,000, a 100% ownership stake. The business scope covers internet sales. The registered capital has been fully paid, and the company has commenced operations.
- On September 27, 2024, the company invested in establishing Hangzhou Yuhang Jinke E-Commerce Co., Ltd., with a registered capital of RMB 5,000,000 and a 100% ownership stake. The business scope covers internet sales. The registered capital has been fully paid, and the company has commenced operations.
- On October 8, 2024, the company invested in establishing Chengdu Robam E-Commerce Co., Ltd., with a registered capital of RMB 5,000,000 and a 100% ownership stake. The business scope includes internet sales. The registered capital has been fully paid, and the company has commenced operations.

8. On October 9, 2024, the company invested in establishing Qingdao Mingqi E-Commerce Co., Ltd., with a registered capital of RMB 5,000,000 and a 100% ownership stake. The business scope covers internet sales. The registered capital has been fully paid, and no business operations had commenced as of the end of the reporting period.
9. On October 10, 2024, the company invested in establishing Wuhan Jinke E-Commerce Co., Ltd. with a registered capital of RMB 5,000,000, a 100% equity stake. The business scope covers internet sales. The registered capital has been fully paid, and the company has commenced operations.
10. On November 21, 2024, Robam Appliances (Hong Kong) Excellence Limited was officially established upon obtaining its registration certificate, having been invested and established by our company's subsidiary, Robam Appliances (Hong Kong) Holding Co., Ltd. The registered capital is USD 50,000, and no business operations had commenced as of the end of the reporting period.
11. On December 16, 2024, PT ROBAM APPLIANCES INDONESIA (hereinafter referred to as "ROBAM Indonesia") was officially established upon obtaining its registration certificate. It was jointly invested by Robam Appliances (Hong Kong) Excellence Limited and Robam Appliances (Hong Kong) Holding Co., Ltd., with the former holding a 90% stake and the latter holding a 10% stake. As of the reporting period, the registered capital is USD 1,200,000, and PT ROBAM APPLIANCES INDONESIA has not commenced operations.
12. On July 22, 2024, CHUCHUWEILAI, a subsidiary controlled by the company's subsidiary, Kinde Intelligent Holdings, convened a board meeting. The meeting resolved to increase capital and reorganize the board of directors of CHUCHUWEILAI. Effective October 1, 2024, the company relinquished control over CHUCHUWEILAI and ceased to include it in the consolidated financial statements.

X. Interests in other entities

1. Interests in a subsidiary

(1) Composition of enterprise group

Unit: yuan

Subsidiary name	Registered capital	Main operation site	Registration place	Business nature	Shareholding ratio		Way of obtaining
					Direct	Indirect	
Beijing Robam Electric Appliance Sales Co., Ltd.	5,000,000.00	Beijing	Beijing	Sales of kitchen electric appliance products	100.00%		Business combination under common control
Shanghai Robam Electric Appliance Sales Co., Ltd.	5,000,000.00	Shanghai	Shanghai	Sales of kitchen electric appliance products	100.00%		Business combination under common control
Hangzhou Mingqi Electric Co., Ltd.	50,000,000.00	Hangzhou	Hangzhou	Sales of kitchen electric appliance products	100.00%		Acquisition by establishment
Dize Home Appliances Trading (Shanghai) Co., Ltd.	80,000,000.00	Shanghai	Shanghai	Sales of kitchen electric appliance products	51.00%		Acquisition by establishment
Shengzhou Kinde Intelligent Kitchen	32,653,061.00	Shaoxing City	Shaoxing City	Production and sales of kitchen electric appliance	51.00%		Business combination not under common

Electric Co., Ltd.				products			control
Hangzhou Robam Fuchuang Investment Management Co., Ltd.	10,000,000.00	Hangzhou	Hangzhou	Assets and investment management	100.00%		Acquisition by establishment
Hangzhou Jinhe Electric Appliances Co., Ltd	10,000,000.00	Hangzhou	Hangzhou	Sales of kitchen electric appliance products	100.00%		Acquisition by establishment
ROBAM Appliances (Hong Kong) Holdings Limited	2,250,000.00	Hong Kong	Hong Kong	Assets and investment management	100.00%		Acquisition by establishment
ROBAM International (Hong Kong) Trading Co., Ltd.	500,000.00	Hong Kong	Hong Kong	Sales of kitchen electric appliance products		100.00%	Acquisition by establishment
Robam Appliances US Hoding INC.	1,750,000.00	Los Angles	Los Angles	Assets and investment management		100.00%	Acquisition by establishment
Robam Appliances Los Angeles Trade LLC	2,500,000.00	Los Angles	Los Angles	Sales of kitchen electric appliance products		70.00%	Acquisition by establishment
Chengdu Robam Innovation Technology Co., Ltd.	5,000,000.00	Chengdu City	Chengdu City	Software development services	100.00%		Acquisition by establishment
Hangzhou ROBAM E-Commerce Co., Ltd.	10,000,000.00	Hangzhou	Hangzhou	Sales of kitchen electric appliance products	100.00%		Acquisition by establishment
Ningbo Jinke E-Commerce Co., Ltd.	5,000,000.00	Ningbo City	Ningbo City	Sales of kitchen electric appliance products	100.00%		Acquisition by establishment
Hangzhou Yuhang Jinke E-Commerce Co., Ltd.	5,000,000.00	Hangzhou	Hangzhou	Sales of kitchen electric appliance products	100.00%		Acquisition by establishment
Chengdu Robam E-Commerce Co., Ltd.	5,000,000.00	Chengdu City	Chengdu City	Sales of kitchen electric appliance products	100.00%		Acquisition by establishment
Qingdao Mingqi E-Commerce Co., Ltd.	5,000,000.00	Qingdao City	Qingdao City	Sales of kitchen electric appliance products	100.00%		Acquisition by establishment
Wuhan Jinke E-Commerce Co., Ltd.	5,000,000.00	Wuhan City	Wuhan City	Sales of kitchen electric appliance products	100.00%		Acquisition by establishment
Robam Appliances (Hong Kong) Excellence Limited	50,000.00	Hong Kong	Hong Kong	Sales of kitchen electric appliance products		100.00%	Acquisition by establishment

PT ROBAM APPLIANCES INDONESIA	1,200,000.00	Jakarta	Jakarta	Sales of kitchen electric appliance products		100.00%	Acquisition by establishment
-------------------------------	--------------	---------	---------	--	--	---------	------------------------------

Difference between the shareholding ratio and the voting right ratio in the subsidiary:

Basis for holding half or less of the voting rights but still controlling the investee, and holding more than half of the voting rights but not controlling the investee:

For important structured entities included in the scope of merger, the basis of control is:

Basis for determining whether the company is an agent or a principal:

(2) Important non-wholly owned subsidiary

Unit: yuan

Subsidiary name	Minority shareholding ratio	Current profits and losses attributable to minority shareholders	Current dividends declared to minority shareholders	Ending balance of minority equity
Shengzhou Kinde Intelligent Kitchen Electric Co., Ltd.	49.00%	-20,205,369.73		92,030,155.40
Robam Appliances Los Angeles Trade LLC	30.00%	-1,695,126.38		-1,047,562.92

(3) Main financial information of important non-wholly owned subsidiaries

Unit: yuan

Subsidiary name	Ending balance						Beginning balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Shengzhou Kinde Intelligent Kitchen Electric Co., Ltd.	69,571,473.48	317,042,813.22	386,614,286.70	159,770,138.96	39,027,504.07	198,797,643.03	109,441,329.81	341,074,155.13	450,515,484.94	188,644,246.55	41,769,390.83	230,413,637.38
Robam Appliances Los Angeles Trade LLC	18,965,345.49	2,966,780.56	21,932,126.05	14,269,017.13		14,269,017.13						

Unit: yuan

Subsidiary name	Amount incurred in current period				Amount incurred in previous period			
	Operating income	Net profit	Total comprehensive income	Cash flow from financing activities	Operating income	Net profit	Total comprehensive income	Cash flow from financing activities
Shengzhou Kinde Intelligent Kitchen Electric Co., Ltd.	98,696,182.28	-33,186,068.46	-33,186,068.46	29,014,045.18	148,506,855.32	-32,142,248.55	-32,142,248.55	-44,183,591.86

Robam Appliances Los Angeles Trade LLC	16,062,205.14	-5,650,421.27	-5,527,183.08	-12,075,926.02				
--	---------------	---------------	---------------	----------------	--	--	--	--

2. Interests in joint ventures and associates

(1) Summary of financial information of unimportant cooperative enterprises and joint ventures

Unit: yuan

	Ending balance/amount incurred in current period	Beginning balance/amount incurred in previous period
Cooperative enterprise:		
Total book value of investment	6,351,201.11	4,321,729.39
Total number of following items by shareholding ratio		
- Net profit	-5,158,495.91	497,269.36
- Total comprehensive income	-5,158,495.91	497,269.36
Joint venture:		
Total book value of investment	4,209,859.68	4,105,720.85
Total number of following items by shareholding ratio		
- Net profit	104,138.83	-788,324.74
- Total comprehensive income	104,138.83	-788,324.74

Other description:

XI. Government subsidies

1. Government subsidies recognized in accounts receivable at the end of the reporting period

☐ Applicable ☒ Not applicable

Reasons for a failure of receiving the expected amount of government subsidies at the expected time point

☐ Applicable ☒ Not Applicable

2. Liabilities involving government subsidies

☒ Applicable ☐ Not Applicable

Accounting subject	Year-beginning balance	Amount of additional subsidy in current year	Amount included in current non-operating income	Amount transferred to other income during the year	Other changes during the year	Year-end balance	Asset/income related
Deferred income	136,538,254.74			22,033,982.02		114,504,272.72	Asset related
Total	136,538,254.74			22,033,982.02		114,504,272.72	

3. Government subsidies included in current profit and loss

☒ Applicable ☐ Not applicable

Unit: yuan

Accounting subject	Amount incurred in current period	Amount incurred in previous period
Other income	158,366,990.73	173,912,473.94

Other description:

XII. Risks associated with financial instruments

1. Various types of risks arising from financial instruments

The main financial instruments of the Company include accounts receivable, accounts payable, etc. The detailed description of the financial instruments is shown in Note V. The risks associated with these financial instruments and the risk management policies adopted by the Company to mitigate these risks are described below. The management of the Company shall manage and monitor these risk exposures to ensure that the above risks are controlled within the limited scope.

1. The Company's various risk management objectives and policies are as follows:

The Company's risk management is to strike an appropriate balance between risks and benefits, minimize the negative impact of risks on the Company's business performance and maximize the interests of shareholders and other equity investors. Based on this risk management objective, the basic strategy of the Company's risk management is to determine and analyze various risks faced by the Company, establish an appropriate bottom line for risk tolerance, make risk management and timely and reliably supervise various risks to control the risks within the limited scope.

- Market risk - price risk

The Company sells the products at market prices and are therefore subject to fluctuations in these prices.

- Credit risk

The largest credit risk exposure that may cause financial losses of the Company on December 31, 2024 mainly comes from the loss of financial assets of the Company caused by the failure of the other party to fulfill its obligations, including the book value of financial assets recognized in the consolidated balance sheet.

In order to reduce credit risks, the Company shall assign special personnel to determine the credit limit, conduct credit examination and approval, and implement other monitoring procedures to ensure that necessary measures are taken to recover overdue claims. Moreover, the Company shall review the recovery of each single receivable on each balance sheet date to ensure that adequate bad debt provisions are withdrawn for unrecoverable amounts. Therefore, the Company's management believes that the Company's credit risk has been greatly reduced.

The Company's working capital is deposited in banks with high credit rating, so the credit risk of working capital is low.

There is no significant credit concentration risk due to the Company's risk exposure to multiple parties and customers.

The Company has adopted the necessary policies to ensure that all sales customers have good credit records. The Company has no significant credit concentration risk.

Total amount of the top 5 accounts receivable: RMB 1,341,542,679.21.

Total amount of the top 5 other receivables: RMB 53,473,496.17.

- Liquidity risk:

The risk that the Company is unable to perform its financial obligations at maturity. The Company manages its liquidity risk by ensuring that it has sufficient liquidity to meet maturing obligations without causing unacceptable losses or damage to the credibility of the business. The management of the Company has conducted a detailed inspection on the working capital of the Company and regularly analyzed the debt structure, term and bank line of credit to ensure sufficient funds. The conclusion is that the Company has sufficient funds to meet the needs of the Company's short-term debts and capital expenditures. The financial assets and financial liabilities held by the Company are analyzed as follows according to the maturity of undiscounted remaining contractual obligations:

Amount on December 31, 2024:

Item	Within one year	One to two years	Two to five years	More than five years	Total
Financial assets					
Monetary capital	1,631,776,094.27				1,631,776,094.27
Trading financial assets	2,180,000,000.00				2,180,000,000.00
Notes receivable	817,563,424.67				817,563,424.67
Accounts receivable	1,963,710,151.61				1,963,710,151.61
Other receivables	86,729,886.98				86,729,886.98
Non-current assets due within a year	899,560,428.08				899,560,428.08
Other current assets	1,411,059,496.48				1,411,059,496.48
Other non-current financial assets		300,000,000.00			300,000,000.00
Other non-current assets		485,413,689.48	3,009,648,313.55		3,495,062,003.04
Financial liabilities					
Short-term borrowing	93,239,299.06				93,239,299.06
Notes payable	1,061,073,856.74				1,061,073,856.74
Accounts payable	2,830,095,046.91				2,830,095,046.91
Other payables	285,326,671.78				285,326,671.78
Payroll payable	188,410,062.92				188,410,062.92
Other current liabilities	95,808,311.01				95,808,311.01
Non-current liabilities due within a year	2,136,543.64				2,136,543.64
Lease liabilities		2,330,517.42	6,129,458.89	1,737,544.18	10,197,520.49

- Sensitivity analysis of foreign exchange risk

The Company's exchange rate risk is mainly related to US dollar, Euro, Australian dollar and other currencies. The foreign exchange risk borne by the Company is mainly related to USD, and the main business activities of the Company are denominated and settled in RMB. As of December 31, 2024, the Company's assets and liabilities were RMB balance, except the foreign currency balance of the assets and liabilities in Note “VII. 58 Foreign currency monetary items”. The foreign exchange risks arising from the assets and liabilities of such foreign currency balance may have an impact on the Company's business performance.

The Company pays close attention to the exchange rate movement on its foreign exchange risks. and has not taken any measures to avoid foreign exchange risks.

XIII. Fair value disclosure

1. Ending fair value of assets and liabilities measured with fair value

Unit: yuan

Item	Ending fair value			
	Measurement of fair value at the first level	Measurement of fair value at the second level	Measurement of fair value at the third level	Total
I. Continuous fair value measurement	--	--	--	--
(I) Trading financial assets			2,180,000,000.00	2,180,000,000.00
1. FVTPL			2,180,000,000.00	2,180,000,000.00
Bank financial products			2,180,000,000.00	2,180,000,000.00
Other non-current financial assets			300,000,000.00	300,000,000.00
(III) Other equity instrument investments			2,116,023.22	2,116,023.22
Total assets continuously measured at fair value			2,482,116,023.22	2,482,116,023.22
II. Non-continuous fair value measurement	--	--	--	--

2. Continuous and non-continuous measurement items of fair value at third level, qualitative and quantitative information on valuation techniques adopted and important parameters

Item	Fair value at year-end	Valuation technique	Significant unobservable value	Relationship between unobservable value and fair value
Bank financial products	2,480,000,000.00	Best estimate of fair value	Investment cost	—
Other equity instrument investments	2,116,023.22	Best estimate of fair value	Investment cost	—

XIV. Related parties and related transactions

1. Parent company of the Company

Parent company name	Registration place	Business nature	Registered capital	Shareholding ratio of the parent company in the Company	Voting right ratio of the parent company in the Company
Hangzhou ROBAM Industrial Group Co., Ltd.	Hangzhou, Zhejiang	Investment and industrial management	RMB 60 million	49.68%	49.68%

Description of the parent company of the Company

The ultimate controlling party of the Company is Ren Jianhua.

Other description:

2. Subsidiaries of the Company

See Note X, 1. Interests in a subsidiary for the details of the subsidiaries.

3. Cooperative enterprises and joint ventures

For significant joint ventures and associates of the enterprise, please refer to Note X. 2 (1) for insignificant joint ventures and associates.

Other cooperative enterprises or joint ventures that made related party transactions with the Company in the current period, or formed the balance of related party transactions with the Company in the previous periods are as follows:

Name of cooperative enterprise or joint venture	Relationship with the Company
De Dietrich Trade (Shanghai) Co., Ltd.	Cooperative enterprise
Zhejiang Tingshuo Brand Operation Management Co., Ltd.	Joint venture
Shaoxing Shuaige Kitchen and Bathroom Technology Co., Ltd.	Joint venture
Zhejiang Cooking Future Technology Co., Ltd.	Joint venture

Other description:

4. Related transaction

(1) Related transaction of purchases and sales of goods, provision and acceptance of services

Purchase of goods/acceptance of services

Unit: yuan

Related party	Related transaction content	Amount incurred in current period	Approved transaction quota	Whether the transaction quota is exceeded	Amount incurred in previous period
Hangzhou Runqun Hardware Co., Ltd.	Product purchase	11,529,974.36		No	10,698,089.17
Hangzhou Amblem Kitchenware Co., Ltd.	Product purchase	9,213,993.79		No	2,800,166.35
Hangzhou Seasons Health Care Products Co., Ltd.	Product purchase	2,818,849.68		No	2,148,302.12
Hangzhou ROBAM Gas Station Co., Ltd.	Product purchase	940,500.64		No	1,052,126.35
Garden Hotel Hangzhou	Labor receiving	900,293.26		No	
De Dietrich Trade (Shanghai) Co., Ltd.	Product purchase	136,741.59		No	
Zhejiang Tingshuo Brand Operation Management Co., Ltd.	Product purchase	131,132.08		No	
Hangzhou Nbond Nonwoven Co., Ltd.	Product purchase	70,297.35		No	100,617.26
Hangzhou Guoguang Touring Commodity Co., Ltd.	Product purchase	34,469.05		No	22,643.45
Hangzhou Bonyee Daily Necessity Technology Co., Ltd.	Product purchase	1,097.35		No	27,036.46
Hangzhou Yuhang Matt Spray Painting Factory	Labor receiving			No	805,737.87
Shaoxing Shuaige Kitchen and Bathroom Technology Co., Ltd.	Product purchase			No	26,672.57
Total		25,777,349.15		No	17,681,391.60

Selling commodities/offering labor

Unit: yuan

Related party	Related transaction content	Amount incurred in current period	Amount incurred in previous period
Hangzhou Linping ROBAM Charity Foundation	Selling commodities	3,685,439.93	4,809,131.50
Hangzhou Amblem Kitchenware Co., Ltd.	Selling commodities	1,644,853.40	3,531,669.93
Zhejiang Cooking Future Technology Co., Ltd.	Selling commodities	354,092.93	
Hangzhou Runqun Hardware Co., Ltd.	Selling commodities	24,601.77	30,097.35
Hangzhou Nbond Nonwoven Co., Ltd.	Selling commodities	18,989.63	20,202.78
De Dietrich Trade (Shanghai) Co., Ltd.	Selling commodities		930,819.37
Total		5,727,977.66	9,321,920.93

Related transaction of purchases and sales of goods, provision and acceptance of services

(2) Related-party lease

The Company as the lessor:

Unit: yuan

Name of lessee	Type of leased assets	Lease income recognized in the current period	Lease income recognized in the previous period
Hangzhou ROBAM Industrial Group Co., Ltd.	House	28,800.00	28,800.00
Zhejiang Cooking Future Technology Co., Ltd.	House	1,414,458.71	1,414,458.71
Shaoxing Shuaige Kitchen and Bathroom Technology Co., Ltd.	House	585,104.59	0.00

The Company as the lessee:

Unit: yuan

Name of lessor	Type of leased assets	Simplified treatment of rental costs for short-term lease and low-value asset lease (if applicable)		Variable lease payments not included in the measurement of lease liabilities (if applicable)		Rent paid		Interest expenses incurred on lease liabilities		Increased right-of-use assets	
		Amount incurred in current period	Amount incurred in previous period	Amount incurred in current period	Amount incurred in previous period	Amount incurred in current period	Amount incurred in previous period	Amount incurred in current period	Amount incurred in previous period	Amount incurred in current period	Amount incurred in previous period
Robam Industrial Group	House					550,024.57	550,024.57				

Related party lease

(3) Key management personnel remuneration

Unit: yuan

Item	Amount incurred in current period	Amount incurred in previous period
Total remuneration	15,603,082.50	15,808,331.72

(4) Other related party transactions

5. Accounts receivable and payable by related parties

(1) Receivables

Unit: yuan

Item name	Related party	Ending balance		Beginning balance	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
Accounts receivable	De Dietrich Trade (Shanghai) Co., Ltd.	1,051,825.87		1,051,825.87	
Accounts receivable	Zhejiang Cooking Future Technology Co., Ltd.	399,625.00			
Advances to suppliers	Hangzhou Amblem Kitchenware Co., Ltd.	5,974,284.34			
Total		7,425,735.21		1,051,825.87	

(2) Payables

Unit: yuan

Item name	Related party	Ending book balance	Beginning book balance
Accounts payable	Hangzhou Runqun Hardware Co., Ltd.	3,630,103.44	4,936,378.35
Accounts payable	Hangzhou ROBAM Gas Station Co., Ltd.	4,799,763.69	3,736,997.95
Accounts payable	Hangzhou Amblem Kitchenware Co., Ltd.		1,366,001.27
Accounts payable	Hangzhou Seasons Health Care Products Co., Ltd.	443,534.71	
Accounts payable	Hangzhou Guoguang Touring Commodity Co., Ltd	7,900.00	
Accounts payable	Hangzhou Bonyee Daily Necessity Technology Co., Ltd.	9.38	
Other payables	Hangzhou Runqun Hardware Co., Ltd.	200,000.00	200,000.00
Other payables	Hangzhou Amblem Kitchenware Co., Ltd.	5,000.00	5,000.00
Other payables	Hangzhou Guoguang Touring Commodity Co., Ltd	2,000.00	2,000.00
Total		9,088,311.22	10,246,377.57

XV. Share-based payment

1. Overall status of share-based payment

☒ Applicable ☐ Not applicable

Granted to	Granted in current period		Exercised in current period		Unlocked in current period		Invalidated in current period	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Management	5.69 million shares	51.9326 million yuan	687,300 shares	1.9164 million yuan	901,800 shares	3.2916 million yuan	3.1908 million shares	15.3168 million yuan
Total	5.69 million shares	51.9326 million yuan	687,300 shares	1.9164 million yuan	901,800 shares	3.2916 million yuan	3.1908 million shares	15.3168 million yuan

Outstanding stock options or other equity instruments at the end of the period

☐ Applicable ☒ Not applicable

Other description:

2. Equity-settled share-based payments

☒ Applicable ☐ Not applicable

Unit: yuan

Method for determining the fair value of equity instruments on the grant date	The Company evaluates the fair value of the stock options with the internationally recognized BlackScholes option pricing model
Important parameters of the fair value of equity instruments on the grant date	Optimum estimation for the number of equity instruments with exercisable rights
Basis for the determination of the number of equity instruments with exercisable rights	N/A
Reasons for significant differences between the current estimate and the previous estimate	N/A
Accumulated amount of equity-settled share-based payments recorded in capital reserves	15,553,988.29
Total amount of expenses recognized by equity-settled share-based payments in current period	5,919,213.83

Other description:

3. Share-based payment settled by cash

☐ Applicable ☒ Not applicable

4. Share-based payments in current period

☒ Applicable ☐ Not applicable

Unit: yuan

Granted to	Equity-settled share-based payments	Cash-settled share-based payment
Management	5,919,213.83	
Total	5,919,213.83	

Other description:

XVI. Commitment and contingencies

1. Important commitment issues

Important commitments on balance sheet date

1. Investment commitments to subsidiaries and associated companies

The Company has committed to invest RMB 4 million in Zhejiang Tingshuo Brand Operation Management Co., Ltd., an associated company of the Company. At present, RMB 2 million has been paid in, accounting for 40% of the equity, and RMB 2 million has not been paid.

Except for the above commitment, the Company has no other major commitments.

2. Contingencies

(1) Important contingencies on balance sheet date

The Company had no significant contingencies to be disclosed as of December 31, 2024.

(2) Explanation even if the Company has no important contingencies to be disclosed

The Company has no important contingencies to be disclosed.

XVII. Post-balance sheet events

1. Important non-adjustment items

Unit: yuan

Item	Contents	Impact on financial condition and operating results	Reasons for inability to estimate impact
Important debt restructuring	As of the reporting date, the newly signed accounts receivable debt repayment agreement of the Company amounted to RMB 17.2442 million, including RMB 2.6703 million for which online signing and delivery procedures have been completed; The amount of debt repayment agreement entered into in 2024 and earlier for which online signing and delivery procedures have been completed between the balance sheet date and the reporting date is RMB 22.6659 million.		

2. Profit distribution

Dividend to be distributed for every 10 shares (yuan)	5
Bonus shares to be distributed for every 10 shares (shares)	0
Increase shares to be distributed for every 10 shares (shares)	0
Dividend declared for every 10 shares after deliberation and approval (yuan)	5

Bonus shares declared for every 10 shares after deliberation and approval (shares)	0
Increase shares declared for every 10 shares after deliberation and approval (shares)	0
Profit distribution scheme	On April 28, 2025, pursuant to the "Proposal on the 2024 Profit Distribution Plan" adopted at the 13th meeting of the Sixth Board of Directors of the Company, it is proposed to distribute a cash dividend of RMB 5 per 10 shares (tax inclusive) to all shareholders based on the total share capital of 944,938,916 shares, amounting to a total of RMB 472,469,458.00. The proposal still shall be subject to the deliberation and approval by the Company's annual general meeting of shareholders in 2024.

3. Other post-balance sheet date events

(1) the Cancellation of Partial Stock Options in the 2022 and 2024 Stock Option Incentive Plan

On April 28, 2025, the Company's 13th meeting of the 6th Board of Directors deliberated and approved *the Proposal on the Cancellation of Partial Stock Options in the 2022 Stock Option Incentive Plan* and *the Proposal on the Cancellation of Partial Stock Options in the 2024 Stock Option Incentive Plan* and other proposals.

9 incentive objects under the 2022 Stock Option Incentive Plan no longer meet the incentive conditions due to their resignation. The Company will cancel a total of 48,000 stock options that have been granted but not yet exercised by these nine objects. The exercise conditions for the third exercise period of the 2022 Stock Option Incentive Plan were not met. The Company will cancel 1,672,000 stock options held by the incentive objects that have been granted but do not meet the exercise conditions for the third exercise period. A total of 1,720,000 stock options will be canceled this time.

13 incentive objects under the 2024 Stock Option Incentive Plan no longer meet the incentive conditions due to their resignation. The Company will cancel a total of 190,000 stock options that have been granted but not yet exercised by these 13 objects. The exercise conditions for the first exercise period of the 2024 Stock Option Incentive Plan were not met. The Company will cancel 1,650,000 stock options held by the incentive objects that have been granted but do not meet the exercise conditions for the first exercise period. A total of 1,840,000 stock options will be canceled this time.

(2) 2025 Stock Option Incentive Plan

On April 28, 2025, the 13th meeting of the sixth the Board of Directors of the Company deliberated and approved the *2024 Stock Option Incentive Plan (Draft) of ROBAM Appliances Co., Ltd. and its Abstract*. The total number of stock options to be granted under this incentive plan is 6.08 million, representing approximately 0.65% of the Company's total share capital of 944.127316 million shares at the time of the Announcement of the Draft Incentive Plan. The total incentive objects under the Incentive Plan is 372, including mid-level management personnel and core technical (business) backbone employees employed by the Company (including subsidiaries, the same below) at the time of announcing this incentive plan. The validity period of the Incentive Plan shall be from the date of stock option grant until the date when all stock options granted to the incentive objects are exercised or canceled, with a maximum duration not exceeding 48 months. The proposal still shall be subject to the deliberation and approval by the Company's annual general meeting of shareholders in 2024.

Except for the above matters, the Company has no other significant events occurring after the balance sheet date.

XVIII. Other important matters

1. Debt restructuring matters

1. Debt restructuring matters

As of December 31, 2024, the Company has signed the following project mortgage property agreements and completed the online signing procedures of the property as follows:

Item	Amount of debt agreement signed	Including: those completing the online signing procedures and delivery procedures Fees for procedures	Amount of those not completing the online signing or delivery procedures
Real estate customers	630,308,086.56	187,238,672.32	443,069,414.24
Total	630,308,086.56	187,238,672.32	443,069,414.24

The total amount of accounts receivable involved in the work-offset property agreements signed between the Company and the aforementioned real estate customers is RMB 630,308,100, of which RMB 187,238,700 has been completed with online signing and delivery procedures, the recognition of claims receivable of which has been terminated. The fair value of the mortgaged property at the time of debt restructuring is reported in other non-current assets. The fair value of the property is RMB 193,092,400, which was confirmed through public market inquiry. The Company pays the difference of RMB 5,853,700 in cash, the debt restructuring matters do not generate any restructuring gains or losses at the time of restructuring. The remaining RMB 443,069,400 has not yet been completed with online registration of the house and the Company has not terminated the recognition of claims receivable, and make the provision for bad debts based on an expected credit loss rate of 35%.

XIX. Notes on main items of parent company's financial statement

1. Accounts receivable

(1) Disclosure by aging

Unit: yuan

Aging	Ending book balance	Beginning book balance
Within 1 year (including 1 year)	1,471,330,296.27	1,489,994,730.67
1 to 2 years	474,291,949.18	472,477,129.39
2 to 3 years	379,588,925.41	885,752,898.72
More than 3 years	596,065,429.50	45,010,462.60
3 to 4 years	575,268,875.83	34,537,581.13
4 to 5 years	16,171,207.47	6,215,681.25
More than 5 years	4,625,346.20	4,257,200.22
Total	2,921,276,600.36	2,893,235,221.38

(2) Classified disclosure by bad debt provision method

Unit: yuan

Category	Ending balance					Beginning balance				
	Book balance		Provision for bad debt		Book value	Book balance		Provision for bad debt		Book value
	Amount	Proportion	Amount	Accruing proportion		Amount	Proportion	Amount	Accruing proportion	
Accounts receivable of provision for bad debt by single item	1,395,518,815.38	47.77%	874,622,840.75	62.67%	520,895,974.63	1,550,300,627.39	53.58%	1,053,487,050.41	67.95%	496,813,576.98
Where:										
Accounts receivable of provision for bad debt by combination	1,525,757,784.98	52.23%	95,804,879.87	6.28%	1,429,952,905.11	1,342,934,593.99	46.42%	83,899,580.41	6.25%	1,259,035,013.58
Where:										
Combination of related party	163,229,755.86	5.59%			163,229,755.86	98,882,576.05	3.42%			
Aging combination	1,362,528,029.12	46.64%	95,804,879.87	7.03%	1,266,723,149.25	1,244,052,017.94	43.00%	83,899,580.41	6.74%	1,160,152,437.53
Total	2,921,276,600.36	100.00%	970,427,720.62	33.22%	1,950,848,879.74	2,893,235,221.38	100.00%	1,137,386,630.82	39.31%	1,755,848,590.56

Provision for bad debts by single item: Provision for bad debts on accounts receivable by single item

Unit: yuan

Name	Beginning balance		Ending balance			
	Book balance	Provision for bad debt	Book balance	Provision for bad debt	Accruing proportion	Reasons for provision
Unit 1	660,039,726.23	660,039,726.23	452,376,997.98	452,376,997.98	100.00%	Expected to be difficult to recover
Unit 2	364,027,062.34	109,208,118.70	268,881,331.31	80,664,399.39	30.00%	Expected to be difficult to fully recover
Unit 3	203,529,970.40	88,163,472.75	210,503,483.99	84,736,206.00	40.25%	Expected to be difficult to fully recover
Unit 4	103,644,563.87	62,549,255.29	96,569,954.48	61,994,216.22	64.20%	Expected to be difficult to fully recover
Unit 5	28,796,628.81	12,808,177.77	41,443,548.30	19,757,309.66	47.67%	Expected to be difficult to fully recover
Unit 6			29,777,855.31	9,697,560.92	32.57%	Expected to be difficult to fully recover

Unit 7	29,833,027.36	20,883,119.15	29,119,062.94	10,394,103.97	35.70%	Expected to be difficult to fully recover
Unit 8			25,778,392.36	11,241,222.53	43.61%	Expected to be difficult to fully recover
Unit 9			24,368,544.00	24,368,544.00	100.00%	Expected to be difficult to recover
Unit 10	25,826,189.64	17,748,183.70	22,113,876.84	14,170,945.84	64.08%	Expected to be difficult to fully recover
Unit 11			14,496,568.66	4,037,272.96	27.85%	Expected to be difficult to fully recover
Unit 12	22,983,529.61	15,004,193.26	13,604,360.56	7,556,003.93	55.54%	Expected to be difficult to fully recover
Unit 13	15,100,611.29	8,471,506.90	13,352,120.83	7,829,472.76	58.64%	Expected to be difficult to fully recover
Unit 14			11,825,693.10	3,114,642.31	26.34%	Expected to be difficult to fully recover
Unit 15			10,980,639.05	4,616,469.03	42.04%	Expected to be difficult to fully recover
Unit 16	13,643,117.43	7,265,607.25	10,697,891.45	7,488,524.02	70.00%	Expected to be difficult to fully recover
Unit 17	9,180,961.06	9,180,961.06	9,180,961.06	9,180,961.06	100.00%	Expected to be difficult to recover
Unit 18	11,403,482.66	6,897,017.86	6,429,558.45	4,044,430.92	62.90%	Expected to be difficult to fully recover
Unit 19	7,305,800.75	5,114,060.53	5,949,923.37	2,307,625.27	38.78%	Expected to be difficult to fully recover
Unit 20	8,175,007.62	3,440,071.29	5,654,408.59	2,326,917.02	41.15%	Expected to be difficult to fully recover
Unit 21			5,559,103.37	5,559,103.37	100.00%	Expected to be difficult to recover
Unit 22	3,310,609.08	1,715,551.82	4,058,752.31	2,543,173.40	62.66%	Expected to be difficult to fully recover
Unit 23			3,882,861.84	481,268.79	12.39%	Expected to be difficult to fully recover
Unit 24	3,616,362.19	2,531,453.53	3,616,362.19	1,265,726.77	35.00%	Expected to be difficult to fully recover
Unit 25	3,056,422.32	1,145,907.85	3,549,789.02	2,556,618.19	72.02%	Expected to be difficult to fully recover
Unit 26			3,475,565.50	880,955.19	25.35%	Expected to be difficult to fully recover

Unit 27			3,208,841.65	1,269,459.26	39.56%	Expected to be difficult to fully recover
Unit 28			2,954,453.20	192,989.36	6.53%	Expected to be difficult to fully recover
Unit 29	9,391,156.30	4,698,425.06	2,859,354.95	1,608,715.47	56.26%	Expected to be difficult to fully recover
Unit 30			2,700,142.96	907,181.08	33.60%	Expected to be difficult to fully recover
Unit 31	3,921,670.93	2,745,169.65	2,536,093.04	1,775,265.13	70.00%	Expected to be difficult to fully recover
Summary of other companies	23,514,727.50	13,877,070.75	54,012,322.72	33,678,558.95	62.35%	Expected to be difficult to fully recover
Total	1,550,300,627.39	1,053,487,050.41	1,395,518,815.38	874,622,840.75		

Provision for bad debt by combination: Within the combinations, provision for bad debt of accounts receivable was made by combination of related parties

Unit: yuan

Name	Ending balance		
	Book balance	Provision for bad debt	Accruing proportion
Within 1 year	163,229,755.86		
Total	163,229,755.86		

Description of the basis for determining the combination:

Provision for bad debt by combination: 3) Within the combinations, provision for bad debt of accounts receivable was made by aging combination

Unit: yuan

Name	Ending balance		
	Book balance	Provision for bad debt	Accruing proportion
Within 1 year	1,166,185,222.51	58,309,261.13	5.00%
1~2 years	119,311,089.55	11,931,108.96	10.00%
2~3 years	50,650,057.57	10,130,011.51	20.00%
3~4 years	19,849,899.94	9,924,949.97	50.00%
4~5 years	5,111,056.23	4,088,844.98	80.00%
More than 5 years	1,420,703.32	1,420,703.32	100.00%
Total	1,362,528,029.12	95,804,879.87	

Description of the basis for determining the combination:

If the bad debt provision of accounts receivable is withdrawn according to the general model of expected credit loss:

☐ Applicable ☒ Not applicable

(3) Provision, recovery or reversal of bad debt reserves in the current period

Provision for bad debts in current period:

Unit: yuan

Category	Beginning balance	Changes in amount in current period				Ending balance
		Provision	Recovered or reversed	Canceled after verification	Other	
Provision for bad debt of accounts receivable	1,137,386,630.82	142,703,396.72	70,660,888.80	228,937,959.41	10,063,458.71	970,427,720.62
Total	1,137,386,630.82	142,703,396.72	70,660,888.80	228,937,959.41	10,063,458.71	970,427,720.62

Where the amount of bad debt provision recovered or transferred back is important:

Unit: yuan

Unit name	Recovered or reversed amount	Reason for reversal	Recovery mode	The basis and rationality for determining the proportion of the original bad debt provision
Unit 1	40,458,735.05		Bank transfer, deduction of fees	
Unit 2	13,334,802.95		Bank transfer	
Other	16,867,350.80		Bank transfer	
Total	70,660,888.80			

(4) Accounts receivable actually written off at the current period

Unit: yuan

Item	Write-off amount
Accounts receivable written off actually	228,937,959.41

Write-off of important accounts receivable:

Unit: yuan

Unit name	Nature of accounts receivable	Write-off amount	Cause for write-off	Write-off procedures	Whether the account is generated by related party transaction
Unit 1	payment for goods	207,450,463.25	Expected irrecoverable	Resolution of the Board of Directors	No
Unit 2	payment for goods	6,397,867.85	Expected irrecoverable	Resolution of the Board of Directors	No
Subtotal of other accounts receivable	payment for goods	15,089,628.31	Expected irrecoverable	Resolution of the Board of Directors	No
Total		228,937,959.41			

Write-off of accounts receivable:

(5) Account receivable and contract assets with top 5 ending balances by debtor

Unit: yuan

Unit name	Ending balance of accounts receivable	Ending balance of contract assets	Ending balance of accounts receivable and contract assets	Proportion in total ending balance of accounts receivable and contract assets	Ending balance of bad debt provision of accounts receivable and impairment provisions of contract assets
Unit 1	452,376,997.98		452,376,997.98	15.49%	452,376,997.98
Unit 2	320,727,543.52		320,727,543.52	10.98%	16,036,377.18
Unit 3	268,881,331.31		268,881,331.31	9.20%	80,664,399.39
Unit 4	140,463,100.62		140,463,100.62	4.81%	50,484,924.63
Unit 5	82,441,419.13		82,441,419.13	2.82%	
Total	1,264,890,392.56		1,264,890,392.56	43.30%	599,562,699.18

2. Other receivables

Unit: yuan

Item	Ending balance	Beginning balance
Other receivables	54,938,787.51	46,761,052.06
Total	54,938,787.51	46,761,052.06

(1) Other receivables

1) Other receivables classified by nature

Unit: yuan

Nature of payment	Ending book balance	Beginning book balance
Collection by third party	33,664,722.89	26,915,796.30
Margin and deposit	19,611,571.10	26,557,958.62
Project mortgage property	5,258,444.00	2,094,110.00
Associated contact	4,064,000.00	4,064,000.00
Withheld amount	3,412,167.55	3,488,318.88
Imprest	2,542,121.45	1,409,298.88
Other	1,868,056.02	83,894.77
Total	70,421,083.01	64,613,377.45

2) Disclosure by aging

Unit: yuan

Aging	Ending book balance	Beginning book balance
Within 1 year (including 1 year)	50,737,600.09	39,791,252.20
1 to 2 years	3,812,255.38	5,238,428.30
2 to 3 years	4,176,987.81	4,102,774.20
More than 3 years	11,694,239.73	15,480,922.75
3 to 4 years	2,534,747.27	2,411,698.15
4 to 5 years	1,378,034.52	1,924,707.80
More than 5 years	7,781,457.94	11,144,516.80
Total	70,421,083.01	64,613,377.45

3) Classified disclosure by bad debt provision method

Unit: yuan

Category	Ending balance					Beginning balance				
	Book balance		Provision for bad debt		Book value	Book balance		Provision for bad debt		Book value
	Amount	Proportion	Amount	Accruing proportion		Amount	Proportion	Amount	Accruing proportion	
Provision for bad debt by single item	5,258,444.00	7.47%	1,840,455.40	35.00%	3,417,988.60	2,094,110.00	3.24%	732,938.50	35.00%	1,361,171.50
Where:										
Provision for bad debt by combination	65,162,639.01	92.53%	13,641,840.10	20.94%	51,520,798.91	62,519,267.45	96.76%	17,119,386.89	27.38%	45,399,880.56
Where:										
Aging combination	65,162,639.01	92.53%	13,641,840.10	20.94%	51,520,798.91	62,519,267.45	96.76%	17,119,386.89	27.38%	45,399,880.56
Total	70,421,083.01	100.00%	15,482,295.50	21.99%	54,938,787.51	64,613,377.45	100.00%	17,852,325.39	27.63%	46,761,052.06

Provision for bad debt by single item: Provision for bad debts is made on an individual basis for receivables

Unit: yuan

Name	Beginning balance		Ending balance			
	Book balance	Provision for bad debt	Book balance	Provision for bad debt	Accruing proportion	Reasons for provision
Unit 1			3,164,334.00	1,107,516.90	35.00%	Impairment is expected to occur
Unit 2	800,000.00	280,000.00	800,000.00	280,000.00	35.00%	Impairment is expected to occur
Unit 3	636,327.00	222,714.45	636,327.00	222,714.45	35.00%	Impairment is expected to occur
Unit 4	657,783.00	230,224.05	657,783.00	230,224.05	35.00%	Impairment is expected to occur
Total	2,094,110.00	732,938.50	5,258,444.00	1,840,455.40		

Provision for bad debt by combination: Provision for bad debts on other receivables is made by aging combination

Unit: yuan

Name	Ending balance		
	Book balance	Provision for bad debt	Accruing proportion
Within 1 year (including 1 year)	45,479,156.09	2,273,957.80	5.00%
1--2 years	3,812,255.38	381,225.54	10.00%
2--3 years	4,176,987.81	835,397.56	20.00%
3--4 years	2,534,747.27	1,267,373.64	50.00%
4--5 years	1,378,034.52	1,102,427.62	80.00%
More than 5 years	7,781,457.94	7,781,457.94	100.00%
Total	65,162,639.01	13,641,840.10	

Description of the basis for determining the combination:

Provision for bad debt was made based on general model of expected credit loss

Unit: yuan

Provision for bad debt	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses over the next 12 months	Expected credit loss for the entire duration (no credit impairment)	Expected credit loss for the entire duration (credit impairment has occurred)	
Balance on Monday, January 01, 2024	17,119,386.89	732,938.50		17,852,325.39
Other receivables book balance as of January 1, 2024 for the current year	—	—	—	—
-Transfer to stage 2				
-Transfer to stage 3				
-- Reserved to stage 2				
-- Reserved to stage 1				
Withdrawal in this year	-3,477,546.79	1,107,516.90		-2,370,029.89
Reversal in this year				
Write-off in this year				
Charge-off in this year				
Other alterations				
Balance on December 31, 2024	13,641,840.10	1,840,455.40		15,482,295.50

Basis for stage classification and provision ratios for bad debt reserves

Large book balance change in the current period of provision for loss

☐ Applicable ☒ Not applicable

4) Provision, recovery or reversal of bad debt reserves in the current period

Provision for bad debts in current period:

Unit: yuan

Category	Beginning balance	Changes in amount in current period				Ending balance
		Provision	Recovered or reversed	Write-off or verification	Other	
Provision for bad debt of other receivables	17,852,325.39	-2,370,029.89				15,482,295.50
Total	17,852,325.39	-2,370,029.89				15,482,295.50

5) Other receivables with top 5 ending balances by debtor

Unit: yuan

Unit name	Nature of payment	Ending balance	Aging	Proportion in total other ending balance receivable	Ending balance of bad debt provision
Unit 1	Collection by third party	15,338,667.00	0~4 years	21.78%	885,883.35
Unit 2	Refundable housing payment	6,421,204.00	Within 1 year	9.12%	321,060.20
Unit 3	Related party transactions	4,064,000.00	More than 5 years	5.77%	4,064,000.00

Unit 4	Project mortgage property	3,164,334.00	Within 1 year	4.49%	1,107,516.90
Unit 5	Collection by third party	2,560,621.81	Within 1 year	3.64%	128,031.09
Total		31,548,826.81		44.80%	6,506,491.54

3. Long-term equity investment

Unit: yuan

Item	Ending balance			Beginning balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investment in subsidiaries	323,749,058.06	20,400,000.00	303,349,058.06	270,909,357.60	20,400,000.00	250,509,357.60
Investment in associated enterprises and joint enterprises	2,377,822.94		2,377,822.94	4,961,672.03		4,961,672.03
Total	326,126,881.00	20,400,000.00	305,726,881.00	275,871,029.63	20,400,000.00	255,471,029.63

(1) Investment in subsidiaries

Unit: yuan

Invested unit	Beginning balance (book value)	Beginning balance of impairment provision	Increase or decrease in current period				Ending balance (book value)	Balance of impairment provision at the end of period
			Further investment	Capital reduction	Provision for impairment	Other		
Shengzhou Kinde Intelligent Kitchen Electric Co., Ltd.	162,320,000.00						162,320,000.00	
Hangzhou Mingqi Electric Co., Ltd.	52,316,304.68		301,086.61				52,617,391.29	
Dize Home Appliances Trading (Shanghai) Co., Ltd.	630,900.00	20,400,000.00					630,900.00	20,400,000.00
Shanghai Robam Electric Appliance Sales Co., Ltd.	5,838,272.10						5,838,272.10	
Beijing Robam Electric Appliance Sales Co., Ltd.	5,814,980.82						5,814,980.82	

Hangzhou Robam Fuchuang Investment Management Co., Ltd.	10,000,000.00						10,000,000.00	
Hangzhou Jinhe Electric Appliances Co., Ltd	10,000,000.00		77,461.79				10,077,461.79	
ROBAM Appliances (Hong Kong) Holdings Limited	3,588,900.00		12,414,675.00				16,003,575.00	
Chengdu Robam Innovation Technology Co., Ltd.			5,046,477.06				5,046,477.06	
Hangzhou ROBAM E-Commerce Co., Ltd.			10,000,000.00				10,000,000.00	
Ningbo Jinke E-Commerce Co., Ltd.			5,000,000.00				5,000,000.00	
Hangzhou Yuhang Jinke E-Commerce Co., Ltd.			5,000,000.00				5,000,000.00	
Chengdu Robam E-Commerce Co., Ltd.			5,000,000.00				5,000,000.00	
Qingdao Mingqi E-Commerce Co., Ltd.			5,000,000.00				5,000,000.00	
Wuhan Jinke E-Commerce Co., Ltd.			5,000,000.00				5,000,000.00	
Total	250,509,357.60	20,400,000.00	52,839,700.46				303,349,058.06	20,400,000.00

(2) Investment in associated enterprises and joint enterprises

Unit: yuan

Invested unit	Beginning balance (book value)	Beginning balance of impairment provision	Increase or decrease in current period							Ending balance (book value)	Balance of impairment provision at the end of period	
			Further investment	Capital reduction	Investment gains and losses recognized by the equity method	Adjustment of other comprehensive income	Changes in other equity	Declared payment of cash dividends or profits	Provision for impairment			Other
I. Joint enterprise												
De Dietrich Trade (Shanghai) Co., Ltd.	4,321,729.39				-3,136,401.11						1,185,328.28	
Subtotal	4,321,729.39				-3,136,401.11						1,185,328.28	
II. Joint venture												
Zhejiang Tingshuo Brand Operation Management Co., Ltd.	639,942.64				552,552.02						1,192,494.66	
Subtotal	639,942.64				552,552.02						1,192,494.66	
Total	4,961,672.03				-2,583,849.09						2,377,822.94	

The recoverable amount is determined by the net of fair value less disposal costs

☐ Applicable ☒ Not applicable

The recoverable amount is determined by the present value of expected future cash flow.

☐ Applicable ☒ Not applicable

Reasons for significant discrepancies between the above information and the information used for impairment tests in previous years or external information

Reasons for significant discrepancies between the information used for Company's impairment tests in the previous years and the actual situation in current year

4. Operating income and operating cost

Unit: yuan

Item	Amount incurred in current period		Amount incurred in previous period	
	Income	Cost	Income	Cost
Main business	9,754,843,467.85	5,135,867,665.21	9,896,457,532.30	5,078,924,538.77
Other businesses	261,204,650.26	123,834,534.63	296,611,622.16	159,955,374.43
Total	10,016,048,118.11	5,259,702,199.84	10,193,069,154.46	5,238,879,913.20

Information related to the transaction price apportioned to the remaining performance obligations:

The amount of income corresponding to the performance obligations signed but not yet performed or completed at the end of this reporting period is RMB 774,230,830.83.

5. Investment income

Unit: yuan

Item	Amount incurred in current period	Amount incurred in previous period
long-term equity investment gains measured by employing the equity method	-2,583,849.09	71,218.69
Investment income from trading financial assets during the holding period	131,833,148.39	83,051,398.90
Total	129,249,299.30	83,122,617.59

6. Other

XX. Further information

1. Current non-recurring gain and loss statement

☒ Applicable ☐ Not applicable

Unit: yuan

Item	Amount	Description
Profit and loss on disposal of non-current assets	-4,462,199.53	
Government subsidies included into current profits and losses (except those government subsidies that are closely related to normal business of the Company, comply with national policies and regulations, enjoyed according to defined criteria, and have an ongoing impact on the Company's profit or loss)	70,457,368.55	
Reversal of impairment provision for receivables subject to separate impairment test	77,862,379.66	
Income and expenditure other than those mentioned above	-5,902,946.81	
Other profit and loss items that meet the definition of non-recurring profits and losses	10,545,396.79	
Minus: Amount affected by income tax	19,348,744.85	
Amount of minority shareholders' equity affected (after tax)	7,342,851.88	
Total	121,808,401.93	--

Details of other profit and loss items that meet the definition of non-recurring profit and loss:

☐ Applicable ☒ Not applicable

The Company does not have any other profit and loss items that meet the definition of non-recurring profit and loss.

Description of defining the non-recurring profit and loss items enumerated in the *Interpretative Announcement No. 1 on Information Disclosure of Public Securities Issuing Companies - Non-recurrent Profits and Losses* as recurrent profit and loss items

☒ Applicable ☐ Not applicable

Item	Amount involved (yuan)	Cause
VAT exemption or reduction or refund	87,328,792.77	National tax policies, recurring business
Individual income tax service charge refund	580,829.41	National tax policies, recurring business
Total	87,909,622.18	

2. Return on net assets and earnings per share

Reporting profit	Weighted average return on net assets	Earnings Per Share	
		Basic EPS (yuan/share)	Diluted EPS (yuan/share)
Net profit attributable to common shareholders of the Company	14.44%	1.67	1.67
Net profit attributable to common shareholders of the Company after deduction of non-recurring profits and losses	13.33%	1.54	1.54

3. Differences in Accounting Data under Domestic and Foreign Accounting Standards

(1) Differences between net profits and net assets in financial statements disclosed according to the International Accounting Standards (IAS) and Chinese Accounting Standards simultaneously

☐ Applicable ☒ Not applicable

(2) Differences between net profits and net assets in financial statements disclosed according to the Overseas Accounting Standards and Chinese Accounting Standards simultaneously

☐ Applicable ☒ Not applicable

(3) Causes for differences in accounting data under domestic and foreign accounting standards. If the difference adjustment has been made to the data audited by the overseas audit institution, the name of the overseas audit institution shall be indicated

4. Other