Hangzhou Robam Appliances Co., Ltd.

Semi-Annual Report 2026

August 2026

Section 1 Important Notes, Contents and Interpretations

The Board of Directors, as well as the directors and senior management of Hangzhou Robam Appliances Co., Ltd. (the Company) hereby guarantee that there are no false representations, misleading statements, or material omissions in this Semi-Annual Report ("the Report"), and are severally and jointly liable for the authenticity, accuracy and completeness of the information contained herein.

Ren Fujia, the head of the Company, Zhang Guofu, the person in charge of the Company's accounting, and Zhang Guofu, the head of the accounting department (the accountant in charge) hereby declare and warrant that the financial report contained in the Report is authentic, accurate, and complete.

All the directors attended a Board meeting during which they reviewed the Report.

The Company's profit distribution plan approved by the Board of Directors is as follows: based on the total of 944,992,916 shares, a cash dividend of RMB 5 (inclusive of tax) will be distributed to all shareholders for every 10 shares held. No bonus shares (inclusive of tax) will be issued, and there will be no capital reserve converted into capital stock.

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Documents Available for Inspection

I. Financial statements bearing signatures and seals of the legal representative, the person in charge of accounting affairs and the head of the accounting body.

II. Original copies of documents and announcements of the Company published in the newspaper designated by China Securities Regulatory Commission during the Reporting Period.

III. The Semi-Annual Report 2026 signed by the legal representative.

IV. Other information.

Interpretations

Item	refer(s) to	Contents
The Company, Company, Robam Appliances	refer(s) to	Hangzhou Robam Appliances Co., Ltd.
Robam Group	refer(s) to	Hangzhou Robam Industrial Group Co., Ltd., controlling shareholder of the Company
MingQi	refer(s) to	Hangzhou MingQi Electric Co., Ltd.
Kinde Subsidiary	refer(s) to	Shengzhou Kinde Intelligent Kitchen Appliances Co., Ltd.
Jinhe Electric Appliances	refer(s) to	Hangzhou Jinhe Electric Appliances Co., Ltd.
The reporting period	refer(s) to	The first half of 2026
AVC	refer(s) to	Beijing All View Cloud Data Technology Co., Ltd.

Section 2 Company Profile and Major Financial Indicators

I. Company Profile

Stock abbreviation	Robam	Stock code	002508
Stocks traded on	Shenzhen Stock Exchange		
Chinese name of the Company	Hangzhou Robam Appliances Co., Ltd.		
Short Chinese name of the Company (if any)	Robam		
English name of the Company (if any)	HANGZHOU ROBAM APPLIANCES CO., LTD.		
Short English name of the Company (if any)	ROBAM		
Legal representative of the Company	Ren Fujia		

II. Contact Person and Contact Information

	Secretary of the Board of Directors	Representative of securities affairs
Name	Chen Xiaofeng	Tao Yidi
Contact address	No. 592, Linping Avenue, Linping District, Hangzhou City, Zhejiang Province	No. 592, Linping Avenue, Linping District, Hangzhou City, Zhejiang Province
Telephone	0571-86187810	0571-86187810
Fax	0571-86187769	0571-86187769
E-mail	wg@robam.com	wg@robam.com

III. Other Information

1. Contact information

Whether the registered address, office address and zip code as well as the website and email address of the Company changed during the reporting period

□Applicable ☑Not applicable

There were no changes in the registered address, office address and zip code as well as the website and email address of the Company during the reporting period. For details, please refer to the Annual Report 2025.

2. Information disclosure and filing location

Whether the information disclosure and filing locations changed during the reporting period

□Applicable ☑Not applicable

During the reporting period, there were no changes in the website of stock exchange and name and website of media designated for information disclosure of the semi-annual report and the location for filing the semi-annual report of the Company. For details, please refer to the Annual Report 2025.

3. Other information

Whether other relevant information changed during the reporting period

□Applicable ☑Not applicable

IV. Key Accounting Data and Financial Indicators

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

□ Yes ☑No

	The reporting period	The same period last year	YoY change
Operating income (RMB)	3,972,387,199.38	4,607,524,703.26	-13.78%
Net profit attributable to shareholders of the listed company (RMB)	578,235,101.90	711,640,958.19	-18.75%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains/losses (RMB)	502,208,891.18	641,999,238.91	-21.77%
Net cash flow from operating activities (RMB)	-362,290,925.91	511,206,760.85	-170.87%
Basic earnings per share (EPS) (RMB/share)	0.61	0.75	-18.67%
Diluted EPS (RMB/share)	0.61	0.75	-18.67%
Weighted average return on net assets	4.91%	6.17%	A decrease of 1.26 percentage points
	End of the reporting period	End of last year	Change
Total assets (RMB)	16,551,968,719.72	17,208,063,114.15	-3.81%
Net assets attributable to shareholders of the listed company (RMB)	11,610,674,719.67	11,497,455,691.08	0.98%

V. Differences in Accounting Data under Domestic and Foreign Accounting Standards

1. Whether there are differences in the net profit and net asset disclosed in the Financial Report under International Accounting Standards (IAS) and China's accounting standards:

□Applicable ☑Not applicable

There is no difference in the net profit and net asset disclosed in the Financial Report under IAS and China's accounting standards during the reporting period.

2. Whether there are differences in the net profit and net asset disclosed in the Financial Report under foreign accounting standards and China's accounting standards:

□Applicable ☑Not applicable

There is no difference in the net profit and net asset disclosed in the Financial Report under foreign accounting standards and China's accounting standards during the reporting period.

VI. Items and Amounts of Non-recurring Gains and Losses

☑Applicable □Not applicable

In RMB

Item	Amount	Description
Gains and losses on disposal of non-current assets (including the written-off part of the provision for asset impairment accrued)	-595,431.49	
Government subsidies included in current gains and losses (excluding government subsidies closely related to the Company's normal business, in line with national policy, enjoyed according to established standards, and having a sustained impact on the Company's gains and losses).	20,926,775.21	
Reversal of impairment provision for accounts receivable tested for impairment separately	69,941,235.67	
Other non-operating revenues and expenses except the above items	1,169,581.54	
Less: Affected amount of income tax	14,465,231.17	
Affected amount of minority shareholders' equity (after tax)	950,719.04	
Total	76,026,210.72	

Other items of gains and losses meeting the definition of non-recurring gains and losses:

□Applicable ☑Not applicable

The Company does not have other items of gains and losses meeting the definition of non-recurring gains and losses.

Explanation on the circumstance where items of the non-recurring gains and losses enumerated in the *Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public — Non-recurring Gains and Losses* (referred to as "*Announcement No.1*") are defined as recurring gains and losses.

□Applicable ☑Not applicable

There is no circumstance where items of non-recurring gains and losses enumerated in accordance with the *Announcement No. 1* are defined as recurring gains and losses.

Section 3 Management Discussion and Analysis

I. Main Businesses during the Reporting Period

In the first half of 2026, as government subsidies for kitchen appliances were phased out, coupled with a slow recovery in consumer spending and continued pressure on the real estate market, the domestic kitchen appliance market entered a new phase dominated by existing demand. The overall market size contracted somewhat, with a divergence in performance between essential and upgrade-driven product categories, and the structure of online and offline channels underwent accelerated adjustments. The industry's focus shifted further toward creating value for users, refining operations, and enhancing endogenous growth capabilities. In the retail channel, according to the monthly monitoring report on the offline market by AVC (hereinafter referred to as the "AVC Offline Report"), retail sales value of range hoods and gas stoves decreased by 17.8% and 22.6% respectively, compared with the same period last year. In the e-commerce channel, according to the monthly monitoring report on the online market by AVC (hereinafter referred to as the "AVC Online Report"), retail sales value of range hoods and gas stoves increased by 0.3% and decreased by 8.1% respectively, compared with the same period last year. In the developer channel, according to the *AVC Summary Report on China's Finely Decorated Real Estate Market for the First Half of 2026* (hereinafter referred to as the "AVC Real Estate Report"), 362 new finely decorated residential projects were launched, totaling 161,000 units—a YoY decline of 25.5%. The penetration rate for finely decorated units stood at 36.8%, a YoY decrease of 1.3 percentage points, indicating that the market remains in a period of adjustment.

In response to changing market demands and the evolving competitive landscape of the industry, the Company has adhered to a development strategy that integrates technology and humanistic values. Guided by this year's business philosophy of "Building Dreams and Embarking on a Journey, Break Through to Thrive—Advancing the Development of a Culinary Superbrand and Enhancing Operational Quality," the Company is seizing the opportunity presented by the launch of its new three-year strategy. Centered on building a culinary superbrand, the Company is driving the transformation of its business model, achieving breakthroughs in core operations, and strengthening organizational capabilities, with a focus on enhancing operational quality and sustainable development capacity. According to AVC Offline Report, the Robam brand held market shares of 31.5% in retail sales value and 24.8% in retail sales volume for range hoods, and 31.3% in retail sales value and 24.1% in retail sales volume for gas stoves, ranking first in the industry by a significant margin; according to AVC Online Report, the Robam brand held market shares of 24.7% in retail sales value and 18.5% in retail sales volume for kitchen appliance packages, both of which firmly maintained the top position in the industry. In the first half of 2026, the Company achieved a revenue of RMB 3.972 billion, representing a YoY decrease of 13.78%. The net profit attributable to shareholders of the listed company was RMB 578 million, a YoY decrease of 18.75%.

As of June 30, 2026, according to AVC Offline Report, the market shares and market rankings of the Company's main product categories in terms of offline retail sales are shown in the following table:

Range hood	Gas stove	Built-in combi-steam oven	Dishwasher	Built-in electric steam oven	Built-in electric oven	Disinfection cabinet	Integrated stove
31.5%	31.3%	27.1%	18.4%	16.4%	12.6%	22.8%	36.8%
1	1	1	2	3	3	2	2

As of June 30, 2026, according to AVC Online Report, the market shares and market rankings of the Company's main product categories in terms of online retail sales are shown in the following table:

Range hood	Gas stove	2-piece package of range hood and stove	Kitchen appliance package	Built-in combi-steam oven	Built-in electric steam oven	Dishwasher
20.7%	18.2%	26.0%	24.7%	13.1%	16.4%	4.9%
1	1	1	1	3	2	5

As of June 30, 2026, according to AVC Real Estate Report, the market share of Robam range hoods in the fine decoration channel was 28.2%, ranking No.2 in the industry.

In the first half of 2026, the technology sector, driven by the IPD 3.0 framework and centered on the "Shishen" (Culinary Master) large model, focused on key areas such as speech perception, visual understanding, intelligent decision-making, and device execution. It refined a unified technical foundation for intelligent agents, driving the expansion of AI capabilities from isolated functions to collaborative applications across products, services, and business scenarios. The Company is accelerating the integration of advanced technologies into its kitchen appliances, driving the orderly launch of new product lines across categories such as range hoods and stoves, steamers and ovens, and dishwashers and dryers. It is also gradually applying these capabilities to existing appliances, innovative hardware, customer service, and after-sales support, while continuing to explore the integration of health management with personalized cooking services. The Company's National Enterprise Technology Center successfully passed the re-evaluation conducted by the National Development and Reform Commission. As of June 30, 2026, the Company had led and participated in the development of a total of 171 standards. Among these, the Company led the development of 48 standards, including 2 international standard proposals, 7 national standards, 3 industry standards, and 36 group standards; it also participated in the development of 123 standards, including 54 national standards, 19 industry standards, and 50 group standards. The Company holds a total of 7,640 valid patents, including 1,012 invention patents; in the first half of 2026, 561 valid patents were added, including 171 invention patents. During the reporting period, the Company's digital smart range hoods and the smart cooking speaker won the iF Design Award, and the project "Research, Development, and Industrialization of Key Technologies for the Ultra-Thin, Smart-Controlled, High-Suction Range Hood" received the First Prize in the Science and Technology Progress Award from the China National Light Industry Council, and invention patents related to centrifugal fans and range hoods were awarded the Third Prize in the Zhejiang Provincial Intellectual Property Award (Patent Category). The Company's capabilities in technological innovation and the commercialization of research outcomes continue to receive recognition.

In the first half of 2026, in terms of marketing, the Company remained committed to user value as its core focus, restructuring its customer engagement system, user relationships, and organizational capabilities around the user journey to strengthen the foundation of its core business amid competition in the existing market. In the retail channel, the Company remained committed to "rebuilding growth momentum based on user needs," maintaining its leading position in core product categories and continuously optimizing its high-end product mix. By upgrading in-store experiences, building a home decoration ecosystem, engaging existing customers, and expanding into local lifestyle platforms, the Company was strengthening the operational resilience of the existing market. For e-commerce channels, the Company strengthened user insights, content-driven promotion, and synergy with on-site conversion to drive the development of a high-end product portfolio and the growth of emerging categories, while enhancing the level of refined operations. For the developer channel, the Company continued to deepen the "Cabinet-Appliance Integration" strategy, focused on achieving breakthroughs in high-end projects and optimizing the customer base, and enhanced the capabilities in providing comprehensive kitchen appliance solutions for the entire home. For the overseas channels, the Company deepened the global footprint and localized operations, strengthened operational synergy between its subsidiaries in Indonesia and Malaysia, steadily expanded into key markets in Asia and Africa, and enhanced the capabilities in cross-border operations and regional market development. The service system showed gradual improvements, with user satisfaction remaining at the industry-leading level. The Company accelerated the adoption of smart tools, refined proactive service and tiered management of existing users, driving synergistic improvements in both the service experience and business conversion. At the same time, the Company accelerated its strategy to popularize the brand "MingQi", strengthening synergy between online and offline channels and expanding its distribution network, enriching its portfolio of value-for-money products, and further refining the differentiated positioning of its "Robam" and "MingQi" dual-brand strategy. In the commercial kitchen business, the Company leveraged its professional expertise and industrial foundation in the kitchen appliance sector to focus on developing three key business segments: government and corporate clients, restaurant chains, and e-commerce. The

Company offered comprehensive end-to-end solutions for commercial kitchens, covering independent R&D and manufacturing, customized development, technical certification, and service support. These solutions have already been implemented in settings such as government and corporate cafeterias and restaurant chains, and the Company's nationwide market expansion is proceeding in an orderly manner.

In the first half of 2026, in terms of the production, the Company focused on flexible supply, full-chain coordination, cost leadership, and quality improvement to drive the transformation of the supply chain from delivery assurance to value creation and accelerate the development of a flexible, ecosystem-based supply chain. In response to the trends toward market diversification and fragmented orders, the Company implemented flexible changes to its production model to enhance its manufacturing and delivery capabilities for a wide variety of products in small batches, thereby meeting diverse demands while keeping production costs under control. It strengthened end-to-end coordination across production, supply, and sales, improved rapid response mechanisms and planning management systems, advanced the development of integrated information systems and planning and scheduling capabilities, enhanced planning accuracy and facilitated efficient coordination among demand, procurement, production, inventory, and shipping. The Company shifted from single-point cost control to end-to-end optimal cost management, strengthening cost coordination across procurement, manufacturing, logistics, and delivery. Through refined operations, it optimized its cost structure and solidified its cost competitiveness. The Company refined the end-to-end quality management mechanisms around user touchpoints, extended quality management from the product side to the user side, and improved the full-process management chain covering product design, manufacturing, product delivery, and user feedback, thereby continuously enhancing product reliability and user satisfaction.

In the first half of 2026, in terms of brand, the Company focused on building a premier culinary brand, adhering to a dual-engine strategy of "technology + humanistic care" to evolve its brand positioning from a traditional kitchen appliance expert to "your cooking partner." The Company has adhered to a pragmatic approach of "no flashy technology, just real-world solutions," focusing on genuine culinary needs to advance the commercialization and practical application of cutting-edge technologies, and promoting the value proposition of "restoring culinary freedom to people." The Company unveiled its smart cooking glasses at AWE 2026 and made an appearance at the World AI Conference as a representative of the smart cooking sector. By showcasing its smart cooking products and application achievements at key industry trade shows and technology platforms, the Company strengthened its brand's reputation for technological innovation and professional image. In terms of cultural and content development, the Company has partnered with Xiaohongshu to continue building the "Quest for Freshness" brand IP. Through initiatives such as the Quest for Fresh Longjing and slow livestreams, the Company has collaborated with users to explore regional flavors and the joys of cooking. These activities have garnered over 500 million impressions across all platforms and generated more than 80,000 user-generated content posts. At the same time, the Company has become an official partner of the 2026 Michelin Guide for Mainland China, integrating the culinary expertise of professional chefs into the "Culinary Master" and digital kitchen appliance experiences, thereby further solidifying the brand's professional credibility in the culinary field. Through the mutual reinforcement of technological experiences, content operations, and ecosystem partnerships, the Company has continued to enrich the brand's essence—"cooking freedom, joy of creation, and fulfillment of a better life"—while deepening its emotional connection with users and enhancing its brand influence and social value.

In the first half of 2026, the Company continued to improve its corporate governance, information disclosure, employee incentive, and shareholder return mechanisms. The Company received an "A" (Excellent) in the Information Disclosure Rating for Listed Companies by Shenzhen Stock Exchange, marking the twelfth consecutive year for receiving this rating. In terms of employee incentives, the exercise conditions for the first exercise period of the Company's 2025 Stock Option Incentive Plan were met, further solidifying the implementation of the regular incentive mechanism. Regarding shareholder returns, in accordance with the *Shareholder Return Plan (2024–2026)*, the Company has continued its dividend strategy of "annual dividends in the first half of the year + interim dividends in the second half of the year." The 2025 profit distribution and the 2026 interim dividend amounted to a cash dividend of RMB 5.00 (including tax) per 10 shares, with total cash dividends for the year expected to reach RMB 945 million, continuing to reward shareholders through a stable and predictable dividend mechanism.

II. Analysis of Core Competitiveness

There is no material change in the Company's core competitiveness during the reporting period. The Company's core competitiveness is mainly reflected in its high-end brand positioning, R&D capability for continuous innovation, comprehensive and efficient operation capability, as shown in the Annual Report 2025.

III. Analysis of Main Business

Overview

See the relevant content in the "I. Main Businesses during the Reporting Period".

Year-on-year changes in key financial data

In RMB

	The reporting period	The same period last	YoY change	Reason for change

		year		
Operating income	3,972,387,199.38	4,607,524,703.26	-13.78%	
Operating costs	1,964,839,571.74	2,283,762,522.42	-13.96%	
Sales expenses	1,089,904,534.74	1,249,377,013.90	-12.76%	
Administrative expenses	235,361,486.07	206,605,747.81	13.92%	
Financial expenses	-61,649,345.41	-69,676,130.73	11.52%	
Income tax expense	104,883,916.74	134,376,892.39	-21.95%	
Net cash flow from operating activities	-362,290,925.91	511,206,760.85	-170.87%	This was primarily due to a decline in sales and a decrease in payment collection.
Net cash flow from investment activities	1,166,565,207.76	-345,226,983.28	437.91%	This was primarily due to an increase in funds recovered from maturing bank fixed term deposits and financial products.
Net cash flow from financing activities	-466,095,619.64	-464,932,229.86	-0.25%	
Net increase in cash and cash equivalents	336,576,845.44	-299,179,971.34	212.50%	This was primarily due to the combined effect of changes in various cash flow items.

Major changes on profit composition or profit resources in reporting period

□Applicable ☑Not applicable

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

Composition of operating income

In RMB

	The reporting period		The same period last year		YoY change
	Amount	% of operating income	Amount	% of operating income	
Total operating income	3,972,387,199.38	100%	4,607,524,703.26	100%	-13.78%
By industry					
Kitchen and bathroom appliances	3,856,285,331.43	97.08%	4,498,866,991.01	97.64%	-14.28%
Other operating income	116,101,867.95	2.92%	108,657,712.25	2.36%	6.85%
By product					
Environment product line:					
Range hood	1,971,708,236.17	49.64%	2,205,199,571.60	47.86%	-10.59%
Cooking appliance line:					
Gas stove	988,230,835.36	24.88%	1,156,313,826.74	25.10%	-14.54%
Combi-steam oven	285,239,744.06	7.18%	299,806,829.45	6.51%	-4.86%
Integrated stove	36,134,462.19	0.91%	100,243,773.64	2.18%	-63.95%
Steam oven	8,909,145.20	0.22%	17,267,264.88	0.37%	-48.40%
Baking oven	7,419,520.27	0.19%	14,236,952.79	0.31%	-47.89%

Cleaning and storage product line:					
Dishwasher	270,967,874.16	6.82%	337,558,765.74	7.33%	-19.73%
Water heater	100,673,927.75	2.53%	106,570,335.60	2.31%	-5.53%
Disinfection cabinet	78,334,421.03	1.97%	121,857,006.83	2.64%	-35.72%
Water purifier	9,020,035.53	0.23%	14,310,042.80	0.31%	-36.97%
Other Categories					
Kitchen cabinet	77,379,470.97	1.95%	102,049,473.06	2.21%	-24.17%
Other small appliances	22,267,658.74	0.56%	23,453,147.88	0.51%	-5.05%
Other operating income	116,101,867.95	2.92%	108,657,712.25	2.36%	6.85%
By region					
East China	1,647,049,699.62	41.47%	2,148,385,617.34	46.63%	-23.34%
South China	480,801,254.09	12.10%	551,644,073.12	11.97%	-12.84%
Central China	494,580,143.91	12.45%	450,059,047.37	9.77%	9.89%
North China	552,537,467.69	13.91%	562,967,521.52	12.22%	-1.85%
Northeast China	220,121,959.20	5.54%	229,029,942.36	4.97%	-3.89%
Northwest China	293,896,574.66	7.40%	291,781,638.55	6.33%	0.72%
Southwest China	231,595,050.56	5.83%	330,009,393.98	7.16%	-29.82%
Overseas	51,805,049.65	1.30%	43,647,469.02	0.95%	18.69%

Industries, products and regions accounting for more than 10% of the Company's operating income or profit

☑Applicable □Not applicable

In RMB

	Operating income	Operating costs	Gross margin	YoY change in operating income	YoY change in operating costs	YoY change in the gross margin
By industry						
Kitchen and bathroom appliances	3,856,285,331.43	1,907,371,654.26	50.54%	-14.28%	-14.30%	0.01%
By product						
Range hood	1,971,708,236.17	929,446,723.65	52.86%	-10.59%	-9.54%	-0.55%
Gas stove	988,230,835.36	422,296,463.03	57.27%	-14.54%	-18.73%	2.21%
By region						
East China	1,647,049,699.62	725,748,412.38	55.94%	-23.34%	-23.54%	0.12%
South China	480,801,254.09	270,675,280.48	43.70%	-12.84%	-11.95%	-0.57%
North China	552,537,467.69	280,393,643.53	49.25%	-1.85%	-5.45%	1.93%

Main business data of the Company in the recent reporting period according to adjusted statistical caliber at the end of the reporting period is applied in case that the statistical caliber of such data is adjusted during the reporting period

□Applicable ☑Not applicable

IV. Analysis of Non-core Business

□Applicable ☑Not applicable

V. Analysis of Assets and Liabilities

1. Major changes in asset composition

In RMB

	End of the reporting period		End of last year		Change in percentage	Note on significant changes
	Amount	% of total assets	Amount	% of total assets		
Cash and cash equivalents	1,569,931,346.24	9.48%	1,236,257,860.53	7.18%	2.30%	
Accounts receivable	1,600,748,816.27	9.67%	1,501,774,623.23	8.73%	0.94%	
Inventory	1,418,951,648.01	8.57%	1,360,022,769.09	7.90%	0.67%	
Investment properties	78,650,988.15	0.48%	81,013,670.91	0.47%	0.01%	
Long-term equity investment	3,998,179.24	0.02%	4,395,119.95	0.03%	-0.01%	
Fixed assets	2,131,092,604.48	12.88%	2,173,675,186.21	12.63%	0.25%	
Construction in process	28,427,693.17	0.17%	46,511,377.40	0.27%	-0.10%	
Right-of-use assets	7,014,165.53	0.04%	8,102,992.49	0.05%	-0.01%	
Short-term borrowings	105,220,163.89	0.64%	97,738,579.05	0.57%	0.07%	
Contract liabilities	905,147,385.40	5.47%	932,559,161.31	5.42%	0.05%	
Lease liabilities	6,927,697.49	0.04%	7,867,003.07	0.05%	-0.01%	

2. Main overseas assets

□Applicable ☑Not applicable

3. Assets and liabilities measured at fair value

☑Applicable □Not applicable

In RMB

Item	Opening balance	Gains and losses from fair value changes for the period	Cumulative fair value changes recognized in equity	Impairment provision for the period	Purchases for the period	Disposals for the period	Other changes	Closing balance
Financial assets								
1. Trading financial assets (excluding	3,230,000,000.00							2,640,000,000.00

derivative financial assets)								
2. Other equity instrument investments								2,116,023.22
Subtotal of the above	3,230,000,000.00							2,642,116,023.22
Financial liabilities	0.00							0.00

Other changes

Whether there were significant changes in the measurement attributes of the Company's major assets during the reporting period

□ Yes ☑No

4. Restricted asset rights by the end of the reporting period

In RMB

Item	Ending balance			
	Book balance	**Carrying value**	**Type of restriction**	**Restrictions**
Cash and cash equivalents	59,235,811.47	59,235,811.47	L/G margin deposit	—
Cash and cash equivalents	4,860,000.16	4,860,000.16	Bank acceptance bill margin deposit	—
Cash and cash equivalents	14,000.00	14,000.00	ETC deposit	—
Fixed assets	152,993,151.92	121,382,819.33	Mortgage loan	—
Intangible assets	34,367,725.00	29,847,674.90	Mortgage loan	—
Total	**251,470,688.55**	**215,340,305.86**	—	—

VI. Analysis of Investment

1. Overview

□Applicable ☑Not applicable

2. Major equity investments obtained during the reporting period

□Applicable ☑Not applicable

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

□Applicable ☑Not applicable

4. Financial asset investment

(1) Securities investment

□Applicable ☑Not applicable
The Company had no securities investment during the reporting period.

(2) Derivative investment

□Applicable ☑Not applicable

The Company had no derivatives investment during the reporting period.

5. Use of the raised funds

□Applicable ☑Not applicable
The Company did not use the raised funds during the reporting period.

VII. Sale of Major Assets and Equities

1. Sale of major assets

□Applicable ☑Not applicable
The Company did not sell major assets during the reporting period.

2. Sale of major equities

□Applicable ☑Not applicable

VIII. Analysis of Main Holding and Joint-stock Companies

☑Applicable □Not applicable
Main subsidiaries and joint-stock companies affecting more than 10% of the Company's net profit

In RMB

Company name	Company type	Main business	Registered capital	Total assets	Net assets	Operating income	Operating profit	Net profit
Beijing Robam Appliances Sales Co., Ltd.	Subsidiary	Sales of kitchen appliances	5,000,000.00	49,219,668.99	22,432,322.52	107,759,364.89	-5,677,434.42	-5,702,980.18
Shanghai Robam Appliances Sales Co., Ltd.	Subsidiary	Sales of kitchen appliances	5,000,000.00	72,549,378.60	-29,754,651.76	167,302,501.24	114,110.20	122,965.72
Hangzhou MingQi Electric Co., Ltd.	Subsidiary	Sales of kitchen appliances	50,000,000.00	237,330,097.04	58,055,190.55	238,447,750.98	7,294,985.49	7,385,993.13
Shengzhou	Subsidiary	Producti	24,653,061.00	314,643,848.19	132,412,451.78	24,584,328.69	-6,250,737.68	-6,365,783.71

Kinde Intelligent Kitchen Appliances Co., Ltd.		on and sales of kitchen appliances						
Hangzhou Jinhe Electric Appliances Co., Ltd.	Subsidiary	Sales of kitchen appliances	10,000,000.00	106,298,380.50	34,731,991.06	157,099,848.59	1,419,561.38	1,036,056.10
Hangzhou Robam E-commerce Co., Ltd.	Subsidiary	Sales of kitchen appliances	10,000,000.00	181,835,272.19	24,823,713.04	452,548,768.61	8,963,988.95	6,085,879.29

Acquisition and disposal of subsidiaries during the reporting period

□Applicable ☑Not applicable

Description of main holding and joint-stock companies

IX. Structured Entities Controlled by the Company

□Applicable ☑Not applicable

X. Risks Faced and Countermeasures Taken by the Company

(1) Risk of fluctuations in the real estate market

The Company has been engaged in the kitchen appliances business for a long time, offering various kitchen appliances, such as range hoods, gas stoves, dishwashers, combi-steam oven, disinfection cabinets, integrated stoves, etc. The demands for kitchen appliances are closely related to the kitchen decoration, with certain “decoration” and “furniture” attributes. At present, the demand for our main products is still to some extent related to the real estate market. The Company is able to resist the market fluctuations by virtue of its market leadership, although fluctuations in the real estate market will still have an impact on the Company’s operating performances.

(2) Risk of price fluctuation of raw materials

The main raw materials of the Company’s equipment are stainless steel, cold-rolled sheet, copper and glass, etc., whose price fluctuations will directly affect the cost of the Company’s products and in turn have an impact on its profitability.

(3) Risk of intensified market competition

In recent years, due to the tightening macro environment of the kitchen appliance industry, the continuous increase in industry concentration, the comprehensive brands' and e-commerce brands' increasing investment in the kitchen appliance market and the decline in people’ consumption willingness, the market competition in the kitchen appliances industry has become increasingly fierce, and the intensification of market competition will have a certain impact on the Company’s operating performances.

XI. Formulation and Implementation of Market Value Management System and Valuation Enhancement Plan

Whether the Company has established a market value management system:

☑Yes □No

Whether the Company has disclosed a valuation enhancement plan:

□ Yes ☑No

On December 24, 2024, the Company convened the 12th meeting of the 6th Board of Directors, which reviewed and approved the proposal on the formulation of the *Market Value Management System of Hangzhou Robam Appliances Co., Ltd.*

XII. Implementation of the “Dual Improvement in Quality and Returns” Action Plan

Whether the Company has disclosed the announcement of the “Dual Improvement in Quality and Returns” action plan:

☑Yes □No

In alignment with its development strategy and operational planning, and in order to safeguard the interests of all shareholders, enhance investor confidence, and support high-quality development, the Company has formulated the “Dual Improvement in Quality and Returns” action plan, with the following key measures:

1. Focusing on core business and fulfilling the mission to achieve high-quality development

Robam Appliances has been dedicated to the cooking industry for over 40 years. In the past, present, and future, the Company remains committed to leading the transformation of cooking by promoting digital cooking technologies and providing customized integrated hardware and software solutions for individuals and households. By integrating upstream and downstream resources across the cooking industry chain and building a multi-brand, full-category portfolio, the Company aims to benefit more households. Through its proprietary intelligent cooking curves, it applies precise control of temperature and time to every stage of cooking, ensuring both taste and nutritional value while improving efficiency and precision. The Company seeks to lower the barriers to cooking, enabling people to enjoy the creative process, strengthen family and social bonds, and contribute to a more harmonious society while preserving and advancing culinary culture.

As a “provider of integrated full-chain cooking solutions,” the Company has, in response to the national strategy of fostering new quality productive forces, proactively undertaken social responsibility and explored new paths for self-transformation and industry development. Upholding the entrepreneurial spirit of “innovation, responsibility, and pragmatism,” the Company remains focused on its core business, continuously pursuing breakthroughs and long-term development in the kitchen appliance sector. This long-term commitment has driven performance growth, enabling the Company to become a leading enterprise in China’s kitchen appliance industry and to continue leading industry transformation and innovation.

2. Enhancing information disclosure quality and standardizing corporate governance

The information disclosure mechanism of listed companies is critical to ensuring market transparency and fairness. Over the years, the Company has strictly complied with relevant laws, regulations, and regulatory requirements in fulfilling its information disclosure obligations, while continuously improving its disclosure management system to ensure that disclosures are true, accurate, complete, timely, and fair. The Company also proactively enhances disclosure of key information, including industry trends, business developments, and risk factors, thereby improving disclosure quality. Since 2013, the Company has received an “A” rating in the Shenzhen Stock Exchange information disclosure assessment for twelve consecutive years. In addition, the Company places strong emphasis on communicating diversified intrinsic value to investors, having voluntarily disclosed nine CSR Reports and five ESG Reports to date.

3. Safeguarding shareholder interests and demonstrating long-term value

Since its listing in 2010, Robam Appliances has maintained stable annual dividend distributions, consistently prioritizing investor interests. In December 2023, the Company announced a special dividend plan, which was implemented the following month. Following the issuance of the new “Nine Guidelines for Capital Market,” the Company institutionalized special dividends and, in April 2024, released the *Shareholder Return Plan for the Next Three Years (2024–2026)*, which clearly stipulates two cash dividend distributions per year (one in each half of the year), with a payout ratio of no less than 50%, subject to steady increases based on operating conditions. The Company will continue to maintain stable profit distribution, expand communication channels for investor participation in dividend decisions, and uphold a long-term, stable shareholder return mechanism.

4. Strengthening investor relations management and enhancing capital market value

The Company attaches great importance to investor relations management and continuously strengthens communication with investors to better convey and enhance its investment value. Through multiple channels—including performance briefings, investor open days, on-site visits, dedicated investor hotlines, and the Shenzhen Stock Exchange’s “Hudongyi” platform (irm.cninfo.com.cn)—the Company fosters effective engagement with investors, enhances transparency in operations and management, and improves investor recognition of its value, thereby increasing its capital market value. For overseas investor relations, the Company aligns with the long-term investment style of international value investors and conducts regular roadshows, while timely disclosing English versions of periodic reports and ESG reports. Looking ahead, the Company will continue to fulfill its responsibilities as a listed company, steadfastly implement its strategic development plan, enhance core competitiveness, and promote high-quality, sustainable development. It will further strengthen its commitment to creating shareholder value and improving returns, adhere to an investor-oriented value philosophy, actively implement the guiding principles of the Political Bureau of the CPC Central Committee meeting and the executive meeting of the State Council, and rigorously execute its “Dual Improvement of Quality and Returns” action plan, thereby reinforcing investor confidence and contributing to the healthy and sustainable development of the capital market.

Section 4 Corporate Governance, Environment and Society

I. Changes in Directors or Senior Management During the Reporting Period:

□Applicable ☑Not applicable

There was no change in directors and senior management of the Company during the reporting period. For details, please refer to the Annual Report 2025.

II. Profit Distribution and Conversion of Capital Reserve into Capital Stock during the Reporting Period

☑Applicable □Not applicable

Number of bonus shares per 10 shares (shares)	0
Dividend per 10 shares (RMB) (including tax)	5
The share capital base for the distribution plan (shares)	944,992,916
Cash dividend amount (RMB) (including tax)	472,496,458.00
Cash dividend amount by other means (e.g., share repurchase) (RMB)	0.00
Total cash dividend amount (including other methods) (RMB)	472,496,458.00
Distributable profit (RMB)	10,131,941,794.29
Proportion of total cash dividends (including other methods) to total profit distribution	100%
Cash dividend distribution for this time	
Where the Company is in a mature development stage and has no significant capital expenditure arrangements, the cash dividend proportion in the current profit distribution should not be less than 80%.	
Detailed explanation of profit distribution and capital reserve conversion plan	
The Company plans to distribute a cash dividend of RMB 5 (including tax) per 10 shares to all shareholders, based on the total share capital of 944,992,916 shares. The total amount of dividends to be distributed is RMB 472,496,458.00. If the Company's share capital changes due to reasons such as new shares being listed, stock option exercises, convertible bonds being converted into shares, or share repurchases between the announcement of the distribution plan and the equity registration date for the dividend distribution, the total distribution amount will be adjusted accordingly based on the principle of maintaining a constant per-share cash dividend.	

III. Implementation of the Equity Incentive Plan, Employee Stock Ownership Plan or other Employee Incentives

☑Applicable □Not applicable

1. Equity incentive

I. Overview of the Company's 2023 stock option incentive plan

1. On April 25, 2023, the Company held the 14th Meeting of the 5th Board of Directors, during which the *Proposal on 2023 Stock Option Incentive Plan (Draft) of the Company and Its Summary* and other related proposals were reviewed and approved, and the independent directors expressed their independent opinions on and approved the matters related to the Company's stock

option incentive plan. The 14th meeting of the 5th Board of Supervisors of the Company reviewed and approved the above-mentioned proposals and expressed its concurring opinion. The Company disclosed the above matters on April 26, 2023.

2. From April 26, 2023 to May 8, 2023, the Company internally disclosed the names and titles of the incentive targets of the stock option incentive plan. On May 9, 2023, the Company's Board of Supervisors published the *Review Opinions of the Board of Supervisors on the List of Incentive Recipients of the Stock Option Incentive Plan in 2023 and Explanation on the Publicity*. On the same day, the Company disclosed the *Self-inspection Report on the Purchase and Sale of the Company's Shares by Insiders and Incentive Targets of the Stock Option Incentive Plan in 2023*.

3. On May 18, 2023, the Company held its annual general meeting of shareholders for 2022, which reviewed and approved the *Proposal on the Company's 2023 Stock Option Incentive Plan (Draft) and Its Summary*, among other related proposals. This plan was approved at the Company's annual general meeting of shareholders in 2022, and the board of directors was authorized to determine the grant date for stock options. The board is also responsible for granting stock options to eligible incentive recipients and handling all matters necessary for granting these stock options.

4. On June 20, 2023, the 15th meeting of the 5th Board of Directors and the 15th meeting of the 5th Board of Supervisors of the Company reviewed and approved the *Proposal on Granting Stock Options to Incentive Recipients*. The Board of Supervisors verified the list of incentive recipients again and expressed its concurring opinion, and the independent directors of the Company expressed their independent opinion on it.

5. On April 24, 2024, the Company held the 5th meeting of the 6th Board of Directors and the 5th meeting of the 6th Board of Supervisors, which reviewed and approved the *Proposal on the Cancellation of Part of the Stock Options under the 2023 Stock Option Incentive Plan* and other proposals. The Board of Supervisors has verified this and expressed its concurring opinion.

6. On June 20, 2024, the Company held the 8th meeting of the 6th Board of Directors and the 8th meeting of the 6th Board of Supervisors, which reviewed and approved the *Proposal on the Achievement 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 Board of Supervisors has verified this and expressed its concurring opinion.

7. On August 30, 2024, the Company held the 10th meeting of the 6th Board of Directors and the 10th meeting of the 6th Board of Supervisors, which reviewed and approved the *Proposal on Adjusting the Exercise Price of the 2023 Stock Option Incentive Plan.*

8. On June 4, 2025, the Company held the 15th meeting of the 6th Board of Directors and the 14th meeting of the 6th Board of Supervisors, which reviewed and approved the *Proposal on Adjusting the Exercise Price of the 2023 Stock Option Incentive Plan*.

9. On June 30, 2025, the Company held the 16th meeting of the 6th Board of Directors and the 15th meeting of the 6th Board of Supervisors, which reviewed and approved the *Proposal on the Cancellation of Part of the Stock Options under the 2023 Stock Option Incentive Plan* and other proposals.

10. On September 18, 2025, the Company held the 18th meeting of the 6th Board of Directors and the 17th meeting of the 6th Board of Supervisors, which reviewed and approved the *Proposal on Adjusting the Exercise Price of the 2023 Stock Option Incentive Plan*.

11. On April 28, 2026, the Company held the 21st meeting of the 6th Board of Directors, which reviewed and approved the *Proposal on the Cancellation of Part of the Stock Options under the 2023 Stock Option Incentive Plan* and other proposals. The Board of Directors' Compensation and Evaluation Committee verified this and expressed its concurring opinion.

II. Overview of the Company’s 2024 stock option incentive plan

1. On April 24, 2024, the Company held the 5th meeting of the 6th Board of Directors, which reviewed and approved the *Proposal on 2024 Stock Option Incentive Plan (Draft) of the Company and Its Summary*, the *Proposal on the Implementation and Assessment Measures for the Company's 2024 Stock Option Incentive Plan*, the *Proposal to Request the Shareholders’ Meeting to Authorize the Board of Directors to Handle Matters Related to Stock Option Incentives* and other proposals.

On the same day, the Company held the 5th meeting of the 6th Board of Supervisors, which reviewed and approved the *Proposal on 2024 Stock Option Incentive Plan (Draft) of the Company and Its Summary*, the *Proposal on the Implementation and Assessment Measures for the Company's 2024 Stock Option Incentive Plan*, the *Proposal on the Verification of the List of Incentive Recipients under the Company's 2024 Stock Option Incentive Plan* and other proposals, and expressed its concurring opinion. The Company disclosed the above matters on April 25, 2024.

2. From April 26, 2024 to May 06, 2024, the Company internally disclosed the names and titles of the incentive recipients of the stock option incentive plan. On May 08, 2024, the Company’s Board of Supervisors published the *Review Opinions of the Board of Supervisors on the List of Incentive Recipients of the Stock Option Incentive Plan in 2024 and Explanation on the Publicity*. On the same day, the Company disclosed the *Self-inspection Report on the Purchase and Sale of the Company’s Shares by Insiders and Incentive Targets of the Stock Option Incentive Plan in 2024*.

3. On May 16, 2024, the Company held its annual general meeting of shareholders for 2023, which reviewed and approved the *Proposal on the Company’s 2024 Stock Option Incentive Plan (Draft) and Its Summary*, among other related proposals. This plan was approved at the Company’s annual general meeting of shareholders in 2023, and the Board of Directors was authorized to determine the grant date for stock options. The board is also responsible for granting stock options to eligible incentive recipients and handling all matters necessary for granting these stock options.

4. On May 20, 2024, the 6th meeting of the 6th Board of Directors and the 6th meeting of the 6th Board of Supervisors of the Company reviewed and approved the *Proposal on Adjusting the List of Incentive Recipients and the Number of Grants for the 2024 Stock Option Incentive Plan* and the *Proposal on Granting Stock Options to Incentive Recipients*. The proposal was reviewed and approved at the 6th meeting of the Remuneration and Assessment Committee of the 6th Board of Directors of the Company in 2024. The Board of Supervisors also re-verified the list of incentive recipients and expressed its concurring opinion.

5. On April 28, 2025, the Company held the 13th meeting of the 6th Board of Directors and the 12th meeting of the 6th Board of Supervisors, which reviewed and approved the *Proposal on the Cancellation of Part of the Stock Options under the 2024 Stock Option Incentive Plan* and other proposals. The Board of Supervisors has verified this and expressed its concurring opinion.

6. On June 4, 2025, the Company held the 15th meeting of the 6th Board of Directors and the 14th meeting of the 6th Board of Supervisors, which reviewed and approved the *Proposal on Adjusting the Exercise Price of the 2024 Stock Option Incentive Plan*.

7. On September 18, 2025, the Company held the 18th meeting of the 6th Board of Directors and the 17th meeting of the 6th Board of Supervisors, which reviewed and approved the Proposal on Adjusting the Exercise Price of the 2024 Stock Option Incentive Plan.

8. On April 28, 2026, the Company held the 21st meeting of the 6th Board of Directors, which reviewed and approved the *Proposal on the Cancellation of Part of the Stock Options under the 2024 Stock Option Incentive Plan* and other proposals. The Board of Directors' Compensation and Evaluation Committee verified this and expressed its concurring opinion.

III. Overview of the Company’s 2025 stock option incentive plan

1. On April 28, 2025, the Company held the 13th meeting of the 6th Board of Directors, which reviewed and approved the *Proposal on the Company’s 2025 Stock Option Incentive Plan (Draft) and Its Summary*, the *Proposal on the Implementation and Assessment Measures for the Company's 2024 Stock Option Incentive Plan*, the *Proposal to Request the Shareholders’ Meeting to Authorize the Board of Directors to Handle Matters Related to Stock Option Incentives* and other proposals.

On the same day, the Company held the 12th meeting of the 6th Board of Supervisors, which reviewed and approved the *Proposal on the Company’s 2025 Stock Option Incentive Plan (Draft) and Its Summary*, the *Proposal on the Implementation and Assessment Measures for the Company's 2025 Stock Option Incentive Plan,* the *Proposal on the Verification of the List of Incentive Recipients under the Company's 2025 Stock Option Incentive Plan* and other proposals, and expressed its concurring opinion. The Company disclosed the above matters on April 29, 2025.

2. From April 29, 2025 to May 8, 2025, the Company internally disclosed the names and titles of the incentive recipients of the stock option incentive plan. On May 10, 2025, the Company’s Board of Supervisors published the Review Opinions of the Board of Supervisors on the List of Incentive Targets of the Stock Option Incentive Plan in 2025 and Explanation on the Publicity.

3. On May 19, 2025, the Company held its annual general meeting of shareholders for 2024, which reviewed and approved the *Proposal on the Company's 2025 Stock Option Incentive Plan (Draft) and Its Summary*, among other related proposals. This plan was approved at the Company's annual general meeting of shareholders in 2024, and the Board of Directors was authorized to determine the grant date for stock options. The board is also responsible for granting stock options to eligible incentive recipients and handling all matters necessary for granting these stock options. The Company disclosed the above matters on May 20, 2025. On the same day, the Company disclosed the Self-inspection Report on the Purchase and Sale of the Company's Shares by Insiders and Incentive Targets of the Stock Option Incentive Plan in 2025.

4. On May 23, 2025, the 14th meeting of the 6th Board of Directors and the 13th meeting of the 6th Board of Supervisors of the Company reviewed and approved the *Proposal on Granting Stock Options to Incentive Recipients*. The proposal was reviewed and approved at the 6th meeting of the Remuneration and Assessment Committee of the 6th Board of Directors of the Company, and the Board of Supervisors and the Remuneration and Assessment Committee of the Board of Directors verified the list of incentive recipients and expressed their concurring opinions.

5. On June 30, 2025, the Company held the 16th meeting of the 6th Board of Directors and the 15th meeting of the 6th Board of Supervisors, which reviewed and approved the *Proposal on Adjusting the Exercise Price of the 2025 Stock Option Incentive Plan*.

6. On September 18, 2025, the Company held the 18th meeting of the 6th Board of Directors and the 17th meeting of the 6th Board of Supervisors, which reviewed and approved the *Proposal on Adjusting the Exercise Price of the 2025 Stock Option Incentive Plan*.

7. On April 28, 2026, the Company held the 21st meeting of the 6th Board of Directors, which reviewed and approved the *Proposal on the Cancellation of Part of the Stock Options under the 2025 Stock Option Incentive Plan* and other proposals. The Board of Directors' Compensation and Evaluation Committee verified this and expressed its concurring opinion.

8. On May 22, 2026, the Company held the 22nd meeting of the 6th Board of Directors, which reviewed and approved the *Proposal on the Achievement of Exercise Conditions for the First Exercise Period of the 2025 Stock Option Incentive Plan* and other proposals. The Board of Directors' Compensation and Evaluation Committee verified this and issued its opinion.

2. Implementation of the employee stock ownership plan

□Applicable ☑Not applicable

3. Other employee incentive plans

☑Applicable □Not applicable

I. Overview of the Company's phase II partner equity ownership plan

On April 24, 2024, the Company held the 5th meeting of the 6th Board of Directors, which reviewed and approved the *Proposal on the Company's Phase II Partner Equity Ownership Plan (Draft) and Its Summary*, among other related proposals. The 5th Meeting of the 6th Board of Supervisors of the Company reviewed and approved the above-mentioned proposal and expressed its concurring opinion. The Company disclosed the above matters on April 25, 2024.

On May 16, 2024, the Company held its annual shareholder meeting for the year 2023, which reviewed and approved the *Proposal on the Company's Phase II Partner Equity Ownership Plan (Draft)* and other related proposals. This plan was approved by the Company's annual shareholder meeting for the year 2023, authorizing the board of directors to decide on or handle matters related to this plan.

3. On April 29, 2025, the Company disclosed the *Announcement on the Failure to Meet the Assessment Conditions for the 2024 Phase II Partner Equity Ownership Plan*. According to the relevant provisions of the ownership plan, the assessment conditions for the 2024 Phase II Partner Equity Ownership Plan were not met, and the Company will not allocate the special fund for the ownership plan for that year.

4. On April 29, 2026, the Company disclosed the Announcement on the Failure to Meet the Assessment Conditions for the 2025 Phase II Partner Equity Ownership Plan. According to the relevant provisions of the ownership plan, the assessment conditions for the 2024 Phase II Partner Equity Ownership Plan were not met, and the Company will not allocate the special fund for the ownership plan for that year.

IV. Disclosure of Environmental Information

Whether the listed company and its major subsidiaries are included in the list of entities required to disclose environmental information in accordance with laws and regulations

□ Yes ☑No

V. Social Responsibility

For details, please refer to the *2025 Environmental, Social and Governance (ESG) Report* disclosed by the Company on the designated information disclosure platform (CNINFO).

Section 5 Significant Matters

I. Commitments made by the Company's actual controllers, shareholders, affiliates, purchasers and the Company itself and other relevant parties already fulfilled during the reporting period and not yet fulfilled at the end of the reporting period

□Applicable ☑Not applicable

There were no commitments made by the Company's actual controllers, shareholders, affiliates, purchasers and the Company itself and other relevant parties already fulfilled during the reporting period and not yet fulfilled at the end of the reporting period

II. Non-operating Occupation of Funds of the Listed Company by the Controlling Shareholder and Other Affiliated Parties

□Applicable ☑Not applicable

There was no non-operating occupation of funds of the listed company by the controlling shareholder and other affiliated parties during the reporting period.

III. Illegal External Guarantee

□Applicable ☑Not applicable

There is no illegal external guarantee during the reporting period.

IV. Appointment and Dismissal of Accounting Firm

Whether the semi-annual financial report has been audited

□ Yes ☑No

The semi-annual financial report of the Company has not been audited.

V. Statements of the Board of Directors on the "Non-standard Audit Report" Issued by the Accounting Firm for the Reporting Period

□Applicable ☑Not applicable

VI. Statements of the Board of Directors on the "Non-standard Audit Report" for the Last Year

□Applicable ☑Not applicable

VII. Matters Related to Bankruptcy Reorganization

□Applicable ☑Not applicable

The Company did not have any matters related to bankruptcy reorganization during the reporting period.

VIII. Litigation Matters

Material litigation and arbitration

□Applicable ☑Not applicable

The Company had no material litigation and arbitration during the reporting period.

Other litigation matters

□Applicable ☑Not applicable

IX. Punishment and Rectification

□Applicable ☑Not applicable

There was no penalty or rectification during the reporting period.

X. Integrity Conditions of the Company and its Controlling Shareholders

□Applicable ☑Not applicable

XI. Major Connected Transactions

1. Connected transactions concerning daily operations

□Applicable ☑Not applicable

The Company had no connected transactions concerning daily operations during the reporting period.

2. Connected transactions related to the acquisition or sales of assets or equity

□Applicable ☑Not applicable

The Company had no connected transactions related to the acquisition or sales of assets or equity during the reporting period.

3. Connected transactions related to joint outward investment

□Applicable ☑Not applicable

The Company had no connected transactions related to joint outward investment during the reporting period.

4. Connected transactions on credit and debt

□Applicable ☑Not applicable

The Company had no connected transactions on credit and debt during the reporting period.

5. Transactions with connected finance companies

□Applicable ☑Not applicable

There were no deposits, loans, credits or other financial operations between the Company and connected finance companies and affiliates.

6. Transactions between finance companies controlled by the Company and affiliates

□Applicable ☑Not applicable

There were no deposits, loans, credits or other financial operations between finance companies controlled by the Company and affiliates.

7. Other major connected transactions

□Applicable ☑Not applicable

There were no other major connected transactions during the reporting period.

XII. Major Contracts and Their Performance

1. Entrustment, contracting and leasing

(1) Entrustment

□Applicable ☑Not applicable

The Company had no entrustment during the reporting period.

(2) Contracting

□Applicable ☑Not applicable

There was no contracting during the reporting period.

(3) Leasing

□Applicable ☑Not applicable

There was no leasing during the reporting period.

2. Material guarantee

□Applicable ☑Not applicable

The Company had no material guarantee during the reporting period.

3. Financial management entrusting

☑Applicable □Not applicable

Unit: RMB 10,000

Product category	Risk profile	Balance of entrusted finance during the reporting period	Overdue amount not recovered
Bank financial products	Low to Moderate Risk	224,000	0
Other Categories	Moderate risk	40,000	0

Specific circumstances where the Company, as a single principal, entrusts financial institutions with asset management, or invests in high-risk financial management products with lower safety and liquidity

□Applicable ☑Not applicable

4. Other material contracts

□Applicable ☑Not applicable

The Company had no other material contracts during the reporting period.

XIII. Registration Form for Receiving Researches, Communications, Interviews and Other Activities during the Reporting Period

☑Applicable □Not applicable

Date	Location	Ways of reception	Type of participants	Participants	Key topics and materials provided	Reference
May 13, 2026	Panorama Network	Online communication via platform	Individual	Individual	See "Investor Relations Activity Record (May 13, 2026)"	See "Investor Relations Activity Record (May 13, 2026)"
May 21, 2026	In the Company	On-site visit	Organization	Organization	See "Investor Relations Activity Record (May 21, 2026)"	See "Investor Relations Activity Record (May 21, 2026)"

XIV. Explanation of Other Significant Matters

□Applicable ☑Not applicable

The Company had no other significant matters that need to be explained during the reporting period.

XV. Significant Matters of Subsidiaries of the Company

□Applicable ☑Not applicable

Section 6 Changes in Shares and Shareholders

I. Changes in Shares

1. Changes in shares

Unit: share

	Before change		Change (+. -)					After change	
	Quantity	Percentage (%)	Issue of new shares	Bonus shares	Shares converted from capital reserve	Others	Subtotal	Quantity	Percentage (%)
I. Shares subject to sales restrictions	11,387,129	1.21%						11,387,129	1.21%
1. Shares held by the state									
2. Shares held by the state-owned legal persons									
3. Shares held by other domestic investors	11,387,129	1.21%						11,387,129	1.21%
Including: shares held by domestic legal persons									
Including: shares held by domestic natural persons	11,387,129	1.21%						11,387,129	1.21%
4.									

Shares held by overseas investors									
Including: shares held by overseas legal persons									
Shares held by overseas natural persons									
II. Shares without sales restrictions	933,551,787	98.79%				45,000	45,000	933,596,787	98.79%
1. RMB ordinary shares	933,551,787	98.79%				45,000	45,000	933,596,787	98.79%
2. Domestically listed foreign shares									
3. Overseas listed foreign shares									
4. Others									
III. Total shares	944,938,916	100.00%				45,000	45,000	944,983,916	100.00%

Reason for share changes

☑Applicable □Not applicable

This was due to the exercise of 45,000 shares by the incentive targets in the 2025 Stock Option Incentive Plan.

Approval of changes in shares

□Applicable ☑Not applicable

Transfer of ownership of changes in shares

□Applicable ☑Not applicable

Progress in the implementation of shares repurchase

□Applicable ☑Not applicable

Progress of transferring repurchased shares by means of centralized bidding

□Applicable ☑Not applicable

The impact of changes in shareholding on the financial indicators such as basic earnings per share (EPS), diluted EPS, and net assets per share attributable to common shareholders for the latest year and the latest period.

□Applicable ☑Not applicable

Other information deemed necessary by the Company or required to be disclosed by securities regulatory authorities.

□Applicable ☑Not applicable

2. Changes in shares subject to sales restrictions

□Applicable ☑Not applicable

II. Securities Issuance and Listing

□Applicable ☑Not applicable

III. Number of Shareholders of the Company and Their Shareholdings

Unit: share

Total number of common shareholders at the end of the reporting period		46,067		Total number of preference shareholders with voting rights recovered at the end of the reporting period (if any) (see Note 8)		0	
Shareholdings of shareholders holding more than 5% of the Company's shares or top 10 shareholders (excluding share lent through refinancing)							
Name of shareholder	Nature of shareholder	Shareholding ratio	Number of shares held at the end of the reporting period	Change during the reporting period	Number of shares subject to sales restrictions	Number of shares not subject to sales restrictions	Pledged, marked or frozen shares	
							Status	Quantity
Hangzhou Robam Industrial Group Co., Ltd.	Domestic non-state-owned corporation	49.90%	471,510,000	0	0	471,510,000	Not Applicable	
Hong Kong Securities Clearing Company Limited	Overseas corporation	4.11%	38,799,656	-24,015,582	0	38,799,656	Not Applicable	
China Merchants Bank Co., Ltd. - ICBC Credit Suisse Value Selected Hybrid Securities Investment Fund	Others	1.64%	15,473,952	214,426	0	15,473,952	Not Applicable	
Shen Guoying	Domestic natural person	1.30%	12,240,000	0	0	12,240,000	Not Applicable	
Industrial	State-owned	0.97	9,193,000	4,296,500	0	9,193,000	Not	

Securities Co., Ltd.	corporation	%					Applicable	
China Life Insurance (Group) Company - Traditional - Ordinary Insurance Products - Hong Kong Stock Connect (Innovative Strategy)	Others	0.94 %	8,906,200	0	0	8,906,200	Not Applicable	
China Pacific Life Insurance Co., Ltd. — Traditional — Ordinary Insurance Products	Others	0.72 %	6,786,700	252,400	0	6,786,700	Not Applicable	
Hangzhou Jinchuang Investment Co., Ltd.	Domestic non-state-owned corporation	0.70 %	6,640,085	0	0	6,640,085	Not Applicable	
Schroder Investment Management (Hong Kong) Limited - Schroder Global Equity Fund China A-Shares (Exchange)	Overseas corporation	0.68 %	6,435,300	0	0	6,435,300	Not Applicable	
Hangzhou Yinchuang Investment Co., Ltd.	Domestic non-state-owned corporation	0.67 %	6,318,000	0	0	6,318,000	Not Applicable	
Strategic investor or general legal person who becomes one of the top 10 shareholders due to rights issue (if any) (see Note 3)		N/A						
Description of the associated relationship or consistent actions of the above shareholders		Mr. Ren Jianhua is the actual controller of the controlling shareholder of the Company - Hangzhou Robam Industrial Group Co., Ltd., and the shareholder of the Company - Hangzhou Jinchuang Investment Co., Ltd.; and the natural person shareholder, Shen Guoying, is his wife. Therefore, there is a possibility that these shareholders will act in concert.						
Statements of the above shareholders on proxy/trustee voting rights and abstention from voting rights		N/A						
Special note on the presence of repurchase accounts among the top 10 shareholders (if any) (see Note 11)		N/A						

Shareholdings of the top 10 shareholders not subject to sales restrictions (excluding shares lent through refinancing and executive locked shares)			
Name of shareholder	Number of shares without sales restrictions held at the end of the reporting period	Type of share	
		Type of share	Quantity
Hangzhou Robam Industrial Group Co., Ltd.	471,510,000	RMB ordinary shares	471,510,000
Hong Kong Securities Clearing Company Limited	38,799,656	RMB ordinary shares	38,799,656
China Merchants Bank Co., Ltd. - ICBC Credit Suisse Value Selected Hybrid Securities Investment Fund	15,473,952	RMB ordinary shares	15,473,952
Shen Guoying	12,240,000	RMB ordinary shares	12,240,000
Industrial Securities Co., Ltd.	9,193,000	RMB ordinary shares	9,193,000
China Life Insurance (Group) Company - Traditional - Ordinary Insurance Products - Hong Kong Stock Connect (Innovative Strategy)	8,906,200	RMB ordinary shares	8,906,200
China Pacific Life Insurance Co., Ltd. － Traditional － Ordinary Insurance Products	6,786,700	RMB ordinary shares	6,786,700
Hangzhou Jinchuang Investment Co., Ltd.	6,640,085	RMB ordinary shares	6,640,085
Schroder Investment Management (Hong Kong) Limited - Schroder Global Equity Fund China A-Shares (Exchange)	6,435,300	RMB ordinary shares	6,435,300
Hangzhou Yinchuang Investment Co., Ltd.	6,318,000	RMB ordinary shares	6,318,000
Description on associated relationship or consistent actions among the top 10 shareholders not subject to sales restrictions and between the top 10 shareholders not subject to sales restrictions and the top 10 common shareholders	Mr. Ren Jianhua is the actual controller of the controlling shareholder of the Company - Hangzhou Robam Industrial Group Co., Ltd., and the shareholder of the Company - Hangzhou Jinchuang Investment Co., Ltd.; and the natural person shareholder, Shen Guoying, is his wife. Therefore, there is a possibility that these shareholders will act in concert.		
Description on the top 10 common shareholders engaging in securities margin trading (if any) (see Note 4)	N/A		

Shares lending through refinancing involving shareholders holding more than 5% of the shares, the top 10 shareholders, and the top 10 holders of unrestricted circulating shares

□Applicable ☑Not applicable

Compared to the previous period, a change existed due to the top 10 shareholders and the top 10 holders of unrestricted circulating shares lending/returning shares for refinancing purposes

□Applicable ☑Not applicable

Did any of the top 10 common shareholders and the top 10 common shareholders not subject to sales restrictions of the Company have any agreed repurchase trading during the reporting period

□ Yes ☑No

There was no agreed repurchase trading between the top 10 common shareholders and the top 10 common shareholders not subject to sales restrictions of the Company during the reporting period.

IV. Changes in Shares Held by Directors and Senior Management

□Applicable ☑Not applicable

There was no change in the shareholdings of directors and senior management of the Company during the reporting period. For details, please refer to the Annual Report 2025.

V. Changes in the Controlling Shareholder and the Actual Controller

If the Company has previously disclosed that its actual controller is planning a change in control but the change has not yet been completed, please describe the progress of the change in control.

□Applicable ☑Not applicable

Changes in the controlling shareholder during the reporting period

□Applicable ☑Not applicable

There was no change in the controlling shareholder of the Company during the reporting period.

Changes in the actual controller during the reporting period

□Applicable ☑Not applicable

There was no change in the actual controller of the Company during the reporting period.

VI. Information on Preferred Shares

□Applicable ☑Not applicable

The Company had no preferred shares during the reporting period.

Section 7 Bonds

□Applicable ☑Not applicable

Section 8 Financial Report

I. Audit Report

Whether the semi-annual report has been audited

□ Yes ☑No

The semi-annual financial report of the Company has not been audited.

II. Financial Statements

The financial statement notes are represented in RMB.

1. Consolidated Balance Sheet

Prepared by: Hangzhou Robam Appliances Co., Ltd.

June 30, 2026

In RMB

Item	Ending balance	Beginning balance
Current assets:		
Cash and cash equivalents	1,569,931,346.24	1,236,257,860.53
Deposit reservation for balance		
Lendings to banks and other financial institutions		
Financial assets held for trading	2,640,000,000.00	3,230,000,000.00
Derivative financial assets		
Notes receivable	535,809,020.34	578,435,043.55
Accounts receivable	1,600,748,816.27	1,501,774,623.23
Accounts receivable financing		
Prepayments	193,531,858.61	186,281,708.91
Receivable premium		
Reinsurance accounts receivable		
Reinsurance contract reserves receivable		
Other receivables	108,769,365.44	73,533,704.37
Inc: Interests receivable		
Dividends receivable		400,000.00
Redemptory monetary capital for sale		
Inventory	1,418,951,648.01	1,360,022,769.09
Including: Data resources		
Contract assets		
Assets held for sale		
Non-current assets due within one year	3,300,412,030.50	499,143,689.50
Other current assets	83,464,762.36	88,468,071.99

Total current assets	11,451,618,847.77	8,753,917,471.17
Non-current assets:		
Loans and advances		
Debt investment		
Other debt investment		
Long-term account receivable		
Long-term equity investment	3,998,179.24	4,395,119.95
Investment in other equity instruments	2,116,023.22	2,116,023.22
Other non-current financial assets		800,451,400.00
Investment properties	78,650,988.15	81,013,670.91
Fixed assets	2,131,092,604.48	2,173,675,186.21
Construction in process	28,427,693.17	46,511,377.40
Biological assets for production		
Oil & gas assets		
Right-of-use assets	7,014,165.53	8,102,992.49
Intangible assets	190,192,871.41	196,406,397.41
Including: Data resources		
Development expenditure		
Including: Data resources		
Goodwill		
Long-term prepaid expenses	15,961,590.31	3,252,717.83
Deferred income tax assets:	353,367,501.53	325,584,003.83
Other non-current assets	2,289,528,254.91	4,812,636,753.73
Total non-current assets	5,100,349,871.95	8,454,145,642.98
Total assets	16,551,968,719.72	17,208,063,114.15
Current liabilities:		
Short-term borrowings	105,220,163.89	97,738,579.05
Borrowings from the central bank		
Borrowings from banks and other financial institutions		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payables	910,139,795.24	1,102,064,932.55
Accounts payable	2,200,075,762.05	2,655,136,329.40
Advance receipts		
Contract liabilities	905,147,385.40	932,559,161.31
Financial assets sold for repurchase		
Deposits from customers and interbank		
Receivings from vicariously traded securities		
Receivings from vicariously traded securities		

Payroll payable	34,640,108.59	179,852,713.89
Taxes payable	177,999,114.59	121,036,736.76
Other payables	289,581,022.37	294,434,125.10
Inc: Interests payable		
Dividends payable		
Fees and commissions payable		
Dividends payable for reinsurance		
Liabilities held for sale		
Non-current liabilities due within one year	1,715,819.85	1,967,891.30
Other current liabilities	96,883,559.92	102,759,019.62
Total current liabilities	4,721,402,731.90	5,487,549,488.98
Non-current liabilities:		
Reserves for insurance contracts		
Long-term loans		
Bonds payable		
Inc: Preferred shares		
Perpetual bonds		
Lease liabilities	6,927,697.49	7,867,003.07
Long-term accounts payable		
Long-term payroll payable		
Estimated liabilities		
Deferred income	92,402,790.19	100,318,829.17
Deferred income tax liabilities	48,787,305.39	40,433,744.03
Other non-current liabilities		
Total non-current liabilities	148,117,793.07	148,619,576.27
Total liabilities	4,869,520,524.97	5,636,169,065.25
Owner’s equity:		
Capital stock	944,983,916.00	944,938,916.00
Other equity instruments		
Inc: Preferred shares		
Perpetual bonds		
Capital reserve	255,677,185.02	245,855,894.16
Less: treasury share		
Other comprehensive income	-102,272,238.42	-99,859,332.25
Special reserve		
Surplus reserve	474,516,412.50	474,516,412.50
General risk reserves		
Undistributed profits	10,037,769,444.57	9,932,003,800.67
Total owners’ equity attributable to the parent company	11,610,674,719.67	11,497,455,691.08
Minority interests	71,773,475.08	74,438,357.82
Total owners’ equity	11,682,448,194.75	11,571,894,048.90
Total liabilities and owner’s equity	16,551,968,719.72	17,208,063,114.15

Legal representative: Ren Fujia Person in charge of accounting: Zhang Guofu Head of the accounting body: Zhang Guofu

2. Balance Sheet of the Parent Company

In RMB

Item	Ending balance	Beginning balance
Current assets:		
Cash and cash equivalents	1,294,122,780.40	918,874,104.42
Financial assets held for trading	2,610,000,000.00	3,150,000,000.00
Derivative financial assets		
Notes receivable	532,527,772.22	523,249,511.10
Accounts receivable	1,559,946,532.86	1,602,061,559.51
Accounts receivable financing		
Prepayments	146,657,260.02	165,128,922.34
Other receivables	57,097,798.34	46,373,203.37
Inc: Interests receivable		
Dividends receivable		400,000.00
Inventory	1,256,925,249.66	1,236,807,100.71
Including: Data resources		
Contract assets		
Assets held for sale		
Non-current assets due within one year	3,300,412,030.50	499,143,689.50
Other current assets	82,633,645.41	85,399,390.87
Total current assets	10,840,323,069.41	8,227,037,481.82
Non-current assets:		
Debt investment		
Other debt investment		
Long-term account receivable		
Long-term equity investment	375,626,387.84	359,003,369.68
Investment in other equity instruments	2,116,023.22	2,116,023.22
Other non-current financial assets		800,000,000.00
Investment properties	5,685,702.36	5,844,077.68
Fixed assets	1,978,080,262.66	2,014,588,155.12
Construction in process	28,427,693.17	46,511,377.40
Biological assets for production		
Oil & gas assets		
Right-of-use assets		
Intangible assets	134,235,476.38	138,595,427.42
Including: Data resources		
Development expenditure		
Including: Data resources		
Goodwill		
Long-term prepaid expenses	1,477,112.04	1,293,597.65
Deferred income tax assets:	295,800,174.50	303,767,891.68
Other non-current assets	2,288,796,466.52	4,812,563,358.50

Total non-current assets	5,110,245,298.69	8,484,283,278.35
Total assets	15,950,568,368.10	16,711,320,760.17
Current liabilities:		
Short-term borrowings		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payables	893,939,795.24	1,039,112,638.02
Accounts payable	1,973,947,688.66	2,506,156,790.78
Advance receipts		
Contract liabilities	784,117,483.30	868,921,179.27
Payroll payable	19,204,786.20	142,644,938.67
Taxes payable	118,366,010.61	104,865,287.45
Other payables	265,795,601.43	269,282,117.78
Inc: Interests payable		
Dividends payable		
Liabilities held for sale		
Non-current liabilities due within one year		
Other current liabilities	81,759,146.32	94,783,314.31
Total current liabilities	4,137,130,511.76	5,025,766,266.28
Non-current liabilities:		
Long-term loans		
Bonds payable		
Inc: Preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term accounts payable		
Long-term payroll payable		
Estimated liabilities		
Deferred income	62,147,694.79	69,101,835.67
Deferred income tax liabilities	44,373,470.77	35,534,453.35
Other non-current liabilities		
Total non-current liabilities	106,521,165.56	104,636,289.02
Total liabilities	4,243,651,677.32	5,130,402,555.30
Owner's equity:		
Capital stock	944,983,916.00	944,938,916.00
Other equity instruments		
Inc: Preferred shares		
Perpetual bonds		
Capital reserve	255,632,202.15	245,810,911.29
Less: treasury share		
Other comprehensive income	-100,157,634.16	-100,157,634.16
Special reserve		
Surplus reserve	474,516,412.50	474,516,412.50
Undistributed profits	10,131,941,794.29	10,015,809,599.24

Total owners' equity	11,706,916,690.78	11,580,918,204.87
Total liabilities and owner's equity	15,950,568,368.10	16,711,320,760.17

3. Consolidated Income Statement

In RMB

Item	The first half of 2026	The first half of 2025
I. Total operating income	3,972,387,199.38	4,607,524,703.26
Inc: Operating income	3,972,387,199.38	4,607,524,703.26
Interest income		
Earned premium		
Fee and commission income		
II. Total operating costs	3,408,030,684.17	3,856,874,131.23
Inc: Operating costs	1,964,839,571.74	2,283,762,522.42
Interest expenses		
Fee and commission expenses		
Surrender value		
Net payments for insurance claims		
Net allotment of reserves for insurance liabilities		
Policy dividend expenditures		
Reinsurance expenses		
Taxes and surcharges	21,982,994.50	27,865,265.95
Sales expenses	1,089,904,534.74	1,249,377,013.90
Administrative expenses	235,361,486.07	206,605,747.81
R&D expenses	157,591,442.53	158,939,711.88
Financial expenses	-61,649,345.41	-69,676,130.73
Including: Interest expenses	1,833,305.15	1,817,820.74
Interest income	69,902,801.73	73,328,708.38
Add: other income	81,392,197.02	57,093,555.90
Investment income ("-" for losses)	47,351,275.36	17,324,530.35
Including: Income from investment in joint ventures and affiliated enterprises	-396,940.73	-6,437,701.16
Gains on derecognition of financial assets measured at amortized cost		
Exchange gains ("-" for losses)		
Net exposure hedging gains ("-" for losses)		
Gains from changes in fair value ("-" for losses)		
Losses from credit impairment ("-" for losses)	27,945,844.52	15,145,957.90

Losses from asset impairment ("-" for losses)	-41,120,659.20	3,783,969.51
Gains on disposal of assets ("-" for losses)	-591,998.67	-3,797,996.87
III. Operating profits ("-" for losses)	679,333,174.24	840,200,588.82
Add: non-operating income	3,414,476.34	1,015,943.00
Less: non-operating expenditure	2,248,327.62	3,867,742.03
IV. Total profits ("-" for total losses)	680,499,322.96	837,348,789.79
Less: income tax expenses	104,883,916.74	134,376,892.39
V. Net profits ("-" for net losses)	575,615,406.22	702,971,897.40
(I) By operational sustainability		
1. Net profits from continuing operations ("-" for net losses)	575,615,406.22	702,971,897.40
2. Net profits from discontinued operations ("-" for net losses)		
(II) By ownership		
1. Net profit attributable to shareholders of the parent company ("-" for net losses)	578,235,101.90	711,640,958.19
2. Minority shareholders' gains and losses ("-" for net losses)	-2,619,695.68	-8,669,060.79
VI. After-tax net amount of other comprehensive income	-2,458,093.23	-398,030.76
After-tax net amount of other comprehensive income attributable to the owners of parent company	-2,412,906.17	-387,130.35
(I) Other comprehensive income that cannot be reclassified into gains and losses		
1. Changes in re-measured and defined benefit plans		
2. Other comprehensive income which cannot be transferred into gains or losses under the equity method		
3. Changes in fair value of the investment in other equity instruments		
4. Changes in fair value of the credit risk of the Company		
5. Others		
(II) Other comprehensive income which will be reclassified into gains and losses	-2,412,906.17	-387,130.35
1. Other comprehensive income which can be transferred into gains and losses under the equity method		
2. Changes in fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Provision for credit impairment of other debt investments		
5. Cashflow hedge reserve		
6. Converted difference in foreign currency statements	-2,412,906.17	-387,130.35

7. Others		
After-tax net amount of other comprehensive income attributable to minority shareholders	-45,187.06	-10,900.41
VII. Total comprehensive income	573,157,312.99	702,573,866.64
Total comprehensive income attributable to owners of the parent company	575,822,195.73	711,253,827.84
Total comprehensive income attributable to minority shareholders	-2,664,882.74	-8,679,961.20
VIII. Earnings per share (EPS):		
(I) Basic EPS	0.61	0.75
(II) Diluted EPS	0.61	0.75

In the case of merger of enterprises under the same control in the current period, the net profit realized by the merged party before the merger is: RMB 0.00, and the net profit realized by the merged party in the previous period is: RMB 0.00.

Legal representative: Ren Fujia Person in charge of accounting: Zhang Guofu Head of the accounting body: Zhang Guofu

4. Income Statement of the Parent Company

In RMB

Item	The first half of 2026	The first half of 2025
I. Operating income	3,473,771,907.44	4,060,211,446.03
Less: Operating costs	1,871,756,776.10	2,137,740,574.34
Taxes and surcharges	17,014,535.57	22,994,807.41
Sales expenses	711,584,942.66	884,188,940.64
Administrative expenses	185,124,539.84	159,648,381.97
R&D expenses	162,772,953.06	163,548,602.29
Financial expenses	-63,603,738.16	-71,109,440.73
Including: Interest expenses	55,527.44	
Interest income	69,510,979.68	72,075,069.52
Add: other income	72,294,366.42	52,300,832.02
Investment income (“-” for losses)	47,482,863.01	20,876,281.61
Including: Income from investment in joint ventures and affiliated enterprises	468,484.80	-2,846,136.10
Gains on derecognition of financial assets measured at amortized cost (“-” for losses)		
Net exposure hedging gains (“-” for losses)		
Gains from changes in fair value ("-" for losses)		
Losses from credit impairment (“-” for losses)	24,221,770.82	22,945,371.07
Losses from asset impairment (“-” for losses)	-41,115,902.98	3,783,969.51
Gains on disposal of assets (“-” for losses)	-591,379.21	-3,797,214.45

II. Operating profits ("-" for losses)	691,413,616.43	859,308,819.87
Add: non-operating income	2,981,928.61	957,115.20
Less: non-operating expenditure	1,269,065.00	2,652,147.26
III. Total profits ("-" for total losses)	693,126,480.04	857,613,787.81
Less: income tax expenses	104,524,826.99	133,084,761.58
IV. Net profits ("-" for net losses)	588,601,653.05	724,529,026.23
(I) Net profits from continuing operations ("-" for net losses)	588,601,653.05	724,529,026.23
(II) Net profits from discontinued operations ("-" for net losses)		
V. After-tax net amount of other comprehensive income		
(I) Other comprehensive income that cannot be reclassified into gains and losses		
1. Changes in re-measured and defined benefit plans		
2. Other comprehensive income which cannot be transferred into gains or losses under the equity method		
3. Changes in fair value of the investment in other equity instruments		
4. Changes in fair value of the credit risk of the Company		
5. Others		
(II) Other comprehensive income which will be reclassified into gains and losses		
1. Other comprehensive income which can be transferred into gains and losses under the equity method		
2. Changes in fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Provision for credit impairment of other debt investments		
5. Cashflow hedge reserve		
6. Converted difference in foreign currency statements		
7. Others		
VI. Total comprehensive income	588,601,653.05	724,529,026.23
VII. EPS:		
(I) Basic EPS		
(II) Diluted EPS		

5. Consolidated Cash Flow Statement

In RMB

Item	The first half of 2026	The first half of 2025
I. Cash flow from operating activities:		
Cash received for the sale of goods and rendering of services	4,210,186,977.11	5,515,395,015.22

Net increase in customers' deposits and deposits from banks and other financial institutions		
Net increase in borrowings from the central bank		
Net increase in borrowings from other financial institutions		
Cash received from receiving insurance premium of the original insurance contract		
Net cash from receiving reinsurance premium		
Net increase in deposits and investment of insured persons		
Cash received from interests, fees and commissions		
Net increase in borrowed funds		
Net increase in repurchase business funds		
Net cash received from vicariously traded securities		
Refunds of taxes	48,804,088.19	13,660,908.41
Cash received relating to other operating activities	27,576,736.26	46,269,735.27
Subtotal of cash inflow from operating activities	4,286,567,801.56	5,575,325,658.90
Cash paid for purchased products and received services	2,483,827,670.14	2,774,795,454.99
Net increase in loans and advances to customers		
Net increase in deposits with the central bank and other financial institutions		
Cash paid for claims of original insurance contract		
Net increase in lending funds		
Cash paid for interests, fees and commissions		
Cash paid for policy dividends		
Cash paid to and on behalf of employees	595,070,052.04	585,787,861.57
Cash paid for taxes	232,461,537.27	351,113,323.34
Cash paid related to other operating activities	1,337,499,468.02	1,352,422,258.15
Subtotal of cash outflow from operating activities	4,648,858,727.47	5,064,118,898.05
Net cash flow from operating activities	-362,290,925.91	511,206,760.85
II. Cash flow from investment activities:		
Cash received from return of investments	3,685,071,726.22	1,250,000,000.00
Cash received from return on investments	49,502,485.64	24,585,416.98
Net cash received from disposal of	2,864.96	66,977.35

fixed assets, intangible assets and other long-term assets		
Net cash received from disposal of subsidiaries and other business entities		
Cashes received related to other investment activities	105,780,968.46	1,454,835,086.78
Subtotal of cash inflow from investment activities	3,840,358,045.28	2,729,487,481.11
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	100,619,237.52	124,713,474.39
Cash paid to investments	2,290,100,000.00	2,000,000,990.00
Net increase in pledged loans		
Net cash from subsidiaries and other operating entities		
Cash paid related to other investment activities	283,073,600.00	950,000,000.00
Subtotal of cash outflow from investment activities	2,673,792,837.52	3,074,714,464.39
Net cash flow from investment activities	1,166,565,207.76	-345,226,983.28
III. Cash flow from financing activities:		
Cash from acquiring investments		6,159,891.20
Including: Cash received by subsidiaries from investments of minority shareholders		2,396,306.20
Cash from acquiring debts	84,100,000.00	94,600,000.00
Other cashes received in relation to financing activities		
Subtotal of cash inflow from financing activities	84,100,000.00	100,759,891.20
Cash paid for repayments of debts	76,614,342.27	91,660,278.92
Cash paid for distribution of dividends, profits or interest expenses	472,472,228.37	472,975,605.06
Including: Dividends or profits paid by subsidiaries to minority shareholders		
Other cashes paid in relation to financing activities	1,109,049.00	1,056,237.08
Subtotal of cash outflow from financing activities	550,195,619.64	565,692,121.06
Net cash flow from financing activities	-466,095,619.64	-464,932,229.86
IV. Effect of change in exchange rate on cash and cash equivalents	-1,601,816.77	-227,519.05
V. Net increase in cash and cash equivalents	336,576,845.44	-299,179,971.34
Plus: Opening balance of cash and cash equivalents	1,169,244,689.17	1,518,303,556.89
VI. Closing balance of cash and cash equivalents	1,505,821,534.61	1,219,123,585.55

6. Cash Flow Statement of the Parent Company

In RMB

Item	The first half of 2026	The first half of 2025
I. Cash flow from operating activities:		
Cash received for the sale of goods	3,724,143,563.40	4,816,982,368.90

and rendering of services		
Refunds of taxes	48,769,142.02	13,626,004.77
Cash received relating to other operating activities	16,136,661.39	35,016,713.15
Subtotal of cash inflow from operating activities	3,789,049,366.81	4,865,625,086.82
Cash paid for purchased products and received services	2,308,965,004.69	2,618,433,452.90
Cash paid to and on behalf of employees	460,092,085.66	450,809,922.17
Cash paid for taxes	189,832,312.90	293,362,457.93
Cash paid related to other operating activities	1,079,494,265.11	1,002,491,152.07
Subtotal of cash outflow from operating activities	4,038,383,668.36	4,365,096,985.07
Net cash flow from operating activities	-249,334,301.55	500,528,101.75
II. Cash flow from investment activities:		
Cash received from return of investments	3,555,071,726.22	1,200,000,000.00
Cash received from return on investments	48,768,647.77	24,545,603.18
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	884.96	66,977.35
Net cash received from disposal of subsidiaries and other business entities		
Cashes received related to other investment activities	105,780,968.46	1,454,835,086.78
Subtotal of cash inflow from investment activities	3,709,622,227.41	2,679,447,667.31
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	99,492,784.62	123,907,338.44
Cash paid to investments	2,225,490,240.00	1,953,235,095.00
Net cash from subsidiaries and other operating entities		
Cash paid related to other investment activities	283,073,600.00	950,000,000.00
Subtotal of cash outflow from investment activities	2,608,056,624.62	3,027,142,433.44
Net cash flow from investment activities	1,101,565,602.79	-347,694,766.13
III. Cash flow from financing activities:		
Cash from acquiring investments		3,763,585.00
Cash from acquiring debts		
Other cashes received in relation to financing activities		
Subtotal of cash inflow from financing activities		3,763,585.00
Cash paid for repayments of debts		
Cash paid for distribution of dividends, profits or interest expenses	472,469,458.00	472,469,458.00
Other cashes paid in relation to financing activities		
Subtotal of cash outflow from financing activities	472,469,458.00	472,469,458.00
Net cash flow from financing activities	-472,469,458.00	-468,705,873.00
IV. Effect of change in exchange rate on	-977,114.71	-182,555.45

cash and cash equivalents		
V. Net increase in cash and cash equivalents	378,784,728.53	-316,055,092.83
Plus: Opening balance of cash and cash equivalents	857,153,977.36	1,209,816,970.63
VI. Closing balance of cash and cash equivalents	1,235,938,705.89	893,761,877.80

7. Consolidated Statement of Changes in Owners' Equity

Current amount

In RMB

Item	The first half of 2026														
	Owners' equity attributable to the parent company													Minority interests	Total owners' equity
	Capital stock	Other equity instruments			Capital reserve	Less: treasury share	Other comprehensive income	Special reserve	Surplus reserve	General risk reserves	Undistributed profits	Others	Subtotal		
		Preferred shares	Perpetual bonds	Others											
I. Closing balance of last year	944,938,916.00				245,855,894.16		-99,859,332.25		474,516,412.50		9,932,003,800.67		11,497,455,691.08	74,438,357.82	11,571,894,048.90
Plus: Changes in accounting policies															
Correction of errors of the previous period															
Others															
II. Opening balance of this year	944,938,916.00				245,855,894.16		-99,859,332.25		474,516,412.50		9,932,003,800.67		11,497,455,691.08	74,438,357.82	11,571,894,048.90
III. Change in current period ("-" for decrease)	45,000.00				9,821,290.86		-2,412,906.17				105,765,643.90		113,219,028.59	-2,664,882.74	110,554,145.85
(I) Total comprehensive income							-2,412,906.17				578,235,101.90		575,822,195.73	-2,664,882.74	573,157,312.99
(II) Capital invested and	45,000.0				9,821,29								9,866,29		9,866,29

decreased by the owners	0				0.86								0.86		0.86
1. Common shares invested by the owners	45,000.00				678,600.00								723,600.00		723,600.00
2. Capital invested by holders of other equity instruments															
3. Amount of share-based payments recognized in owners' equity					9,142,690.86								9,142,690.86		9,142,690.86
4. Others															
(III) Profit distribution											-472,469,458.00		-472,469,458.00		-472,469,458.00
1. Withdrawal of surplus reserve															
2. Appropriation of general risk reserve															
3. Distribution to owners (or shareholders)											-472,469,458.00		-472,469,458.00		-472,469,458.00
4. Others															
(IV) Internal carry-forward of owners' equity															
1. Capital reserve converted into capital (or capital stock)															
2. Surplus reserve converted into capital (or capital stock)															

3. Surplus reserves making up for losses															
4. Changes of defined benefit plans carried forward to retained earnings															
5. Other comprehensive income carried forward to retained earnings															
6． Others															
(V) Special reserve															
1. Withdrawn in current period															
2. Used in current period															
(VI) Others															
IV. Closing balance of current period	944,983,916.00				255,677,185.02		-102,272,238.42		474,516,412.50		10,037,769,444.57		11,610,674,719.67	71,773,475.08	11,682,448,194.75

Amount of last year

In RMB

Item	The first half of 2025														
	Owners’ equity attributable to the parent company													Minority interests	Total owners’ equity
	Capital stock	Other equity instruments			Capital reserve	Less: treasury share	Other comprehensive income	Special reserve	Surplus reserve	General risk reserves	Undistributed profits	Others	Subtotal		
		Preferred shares	Perpetual bonds	Others											
I. Closing balance of last year	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
Plus:															

Changes in accounting policies															
Correction of errors of the previous period															
Others															
II. Opening balance of this year	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
III. Change in current period ("-" for decrease)	156,750.00				13,217,394.34		-387,130.35				239,171,500.19		252,158,514.18	-6,283,655.00	245,874,859.18
(I) Total comprehensive income							-387,130.35				711,640,958.19		711,253,827.84	-8,679,961.20	702,573,866.64
(II) Capital invested and decreased by the owners	156,750.00				13,217,394.34								13,374,144.34	2,396,306.20	15,770,450.54
1. Common shares invested by the owners	156,750.00				3,058,192.50								3,214,942.50	2,396,306.20	5,611,248.70
2. Capital invested by holders of other equity instruments															
3. Amount of share-based payments recognized in owners' equity					10,159,201.84								10,159,201.84		10,159,201.84
4. Others															
(III) Profit distribution											-472,469,458.00		-472,469,458.00		-472,469,458.00
1. Withdrawal of surplus reserve															
2. Appropriatio															

n of general risk reserve															
3. Distribution to owners (or shareholders)											-472,469,458.00		-472,469,458.00		-472,469,458.00
4. Others															
(IV) Internal carry-forward of owners' equity															
1. Capital reserve converted into capital (or capital stock)															
2. Surplus reserve converted into capital (or capital stock)															
3. Surplus reserves making up for losses															
4. Changes of defined benefit plans carried forward to retained earnings															
5. Other comprehensive income carried forward to retained earnings															
6． Others															
(V) Special reserve															
1. Withdrawn in current period															
2. Used in current period															

(VI) Others															
IV. Closing balance of current period	944,938,916.00				250,844,941.53		-99,938,723.30		474,516,412.50		9,860,234,410.64		11,430,595,957.37	81,365,642.92	11,511,961,600.29

8. Statement of Changes in Owners' Equity of the Parent Company

Current amount

In RMB

Item	The first half of 2026											
	Capital stock	Other equity instruments			Capital reserve	Less: treasury share	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Others	Total owners' equity
		Preferred shares	Perpetual bonds	Others								
I. Closing balance of last year	944,938,916.00				245,810,911.29		-100,157,634.16		474,516,412.50	10,015,809,599.24		11,580,918,204.87
Plus: Changes in accounting policies												
Correction of errors of the previous period												
Others												
II. Opening balance of this year	944,938,916.00				245,810,911.29		-100,157,634.16		474,516,412.50	10,015,809,599.24		11,580,918,204.87
III. Change in current period ("-" for decrease)	45,000.00				9,821,290.86					116,132,195.05		125,998,485.91
(I) Total comprehensive income										588,601,653.05		588,601,653.05
(II) Capital invested and decreased by the owners	45,000.00				9,821,290.86							9,866,290.86
1. Common shares invested by the owners	45,000.00				678,600.00							723,600.00

2. Capital invested by holders of other equity instruments												
3. Amount of share-based payments recognized in owners' equity					9,142,690.86							9,142,690.86
4. Others												
(III) Profit distribution										-472,469,458.00		-472,469,458.00
1. Withdrawal of surplus reserve												
2. Distribution to owners (or shareholders)										-472,469,458.00		-472,469,458.00
3． Others												
(IV) Internal carry-forward of owners' equity												
1. Capital reserve converted into capital (or capital stock)												
2. Surplus reserve converted into capital (or capital stock)												
3. Surplus reserves making up for losses												
4. Changes of defined benefit plans carried forward to retained earnings												
5. Other												

comprehensive income carried forward to retained earnings												
6． Others												
(V) Special reserve												
1. Withdrawn in current period												
2. Used in current period												
(VI) Others												
IV. Closing balance of current period	944,983,916.00				255,632,202.15		-100,157,634.16		474,516,412.50	10,131,941,794.29		11,706,916,690.78

Amount of last year

In RMB

Item	The first half of 2025											
	Capital stock	Other equity instruments			Capital reserve	Less: treasury share	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Others	Total owners' equity
		Preferred shares	Perpetual bonds	Others								
I. Closing balance of last year	944,782,166.00				237,582,564.32		-100,157,634.16		474,516,412.50	9,692,521,823.09		11,249,245,331.75
Plus: Changes in accounting policies												
Correction of errors of the previous period												
Others												
II. Opening balance of this year	944,782,166.00				237,582,564.32		-100,157,634.16		474,516,412.50	9,692,521,823.09		11,249,245,331.75
III. Change in current period ("-"	156,750.00				13,217,394.34					252,059,568.23		265,433,712.57

for decrease)												
(I) Total comprehensive income										724,529,026.23		724,529,026.23
(II) Capital invested and decreased by the owners	156,750.00				13,217,394.34							13,374,144.34
1. Common shares invested by the owners	156,750.00				3,058,192.50							3,214,942.50
2. Capital invested by holders of other equity instruments												
3. Amount of share-based payments recognized in owners' equity					10,159,201.84							10,159,201.84
4. Others												
(III) Profit distribution										-472,469,458.00		-472,469,458.00
1. Withdrawal of surplus reserve												
2. Distribution to owners (or shareholders)										-472,469,458.00		-472,469,458.00
3． Others												
(IV) Internal carry-forward of owners' equity												
1. Capital reserve converted into capital (or capital stock)												
2. Surplus reserve converted into capital (or capital												

stock)												
3. Surplus reserves making up for losses												
4. Changes of defined benefit plans carried forward to retained earnings												
5. Other comprehensive income carried forward to retained earnings												
6． Others												
(V) Special reserve												
1. Withdrawn in current period												
2. Used in current period												
(VI) Others												
IV. Closing balance of current period	944,938,916.00				250,799,958.66		-100,157,634.16		474,516,412.50	9,944,581,391.32		11,514,679,044.32

III. Basic Information of the Company

Hangzhou Robam Appliances Co., Ltd. (hereinafter referred to as ROBAM or the Company) is an incorporated company established by overall changing Hangzhou Robam Home Appliances Co., Ltd. on November 7, 2000. Approved by China Securities Regulatory Commission (ZJXK [2010] No.1512) in 2010, the Company for the first time offered 40 million ordinary shares in RMB to the public on November 23, 2010 (stock code: 002508), with the par value per share of RMB 1 and the issue price per share of RMB 24.00.

As of June 30, 2026, the total capital stocks of the Company reached 944,983,916 shares, with a registered capital of RMB 949,024,050. The Company’s unified social credit code is 91330000725252053F; the legal representative is Ren Jianhua; and the registered address is No. 592, Linping Avenue, Linping Economic and Technological Development Zone, Linping District, Hangzhou City, Zhejiang Province. The RMB-denominated A-shares issued by the Company have been listed on the Shenzhen Stock Exchange.

The Company is a manufacturing company, with major businesses covering research & development, production, sales and comprehensive services of kitchen appliances. Its main products include range hoods, gas stoves, disinfection cabinets, steam ovens, baking ovens, dishwashers, water purifiers, microwave ovens, integrated stoves, and purification sinks.

These financial statements were approved for issuance by the Board of Directors of the Company on 27 August 2026.

IV. Basis for Preparation of Financial Statements

1. Preparation basis

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

2. Going concern

The Company has assessed its ability to continue as a going concern for the 12 months following December 31, 2025, and has not identified any significant doubts about its ability to continue operating. These financial statements are prepared on a going concern basis.

V. Significant Accounting Policies and Estimates

Notes on specific accounting policies and accounting estimates:

Notes on specific accounting policies and accounting estimates: Specific accounting policies and accounting estimates formulated by the Company in accordance with the actual production and operation characteristics include bad debt provision for receivables, provision for inventory write-down, depreciation of fixed assets, amortization of intangible assets, conditions for capitalization of research and development expenses, and recognition and measurement of revenue.

1. Statement on compliance with Accounting Standards for Business Enterprises

The financial statements comply with the requirements of the Accounting Standards for Business Enterprises, and truthfully and completely reflect the financial status of the Company as of June 30, 2026, as well as its business results, cash flow and other relevant information for the first half of 2026.

2. Accounting period

The Company's accounting period starts on January 1 and ends on December 31 on the Gregorian calendar.

3. Operating cycle

The normal operating cycle of the Company shall be one year (12 months).

4. Bookkeeping base currency

The Company adopts RMB as the bookkeeping base currency.

Subsidiaries of the Company determine their respective base currencies for bookkeeping in accordance with the major economic environments in which they operate. In preparing the financial statements, such foreign currencies are translated into RMB in accordance with the methods described in III. Significant Accounting Policies and Accounting Estimates - 10. Foreign currency business and conversion of foreign currencies in financial statements.

5. Methods for determining significance standards and selection criteria

☑Applicable □Not applicable

Item	Significance standards
Significant accounts receivable with individual bad debt provisions	Individual amount exceeding RMB 10 million
Significant amount of bad debt provisions to be recovered or reversed for receivables during the reporting period	Individual amount exceeding RMB 5 million
Significant receivables write-offs during the reporting period	Individual amount exceeding RMB 5 million
Significant accounts payable with an aging over one year	Individual amount exceeding RMB 5 million
Significant contract liabilities with an aging over one year	Individual amount exceeding RMB 10 million
Significant other payables with an aging over one year	Individual amount exceeding RMB 5 million
Significant projects under construction	Increase, decrease, or ending balance of a single project exceeding RMB 20 million in the year
Significant investment activities	Individual investment amount exceeding RMB 50 million
Significant non-wholly owned subsidiaries/joint ventures/joint operations and important overseas entities/structured entities included in the consolidation scope	Investments in a single company exceeding RMB 50 million; or income, net profit, net assets, or total assets of a single entity exceeding 5% of the relevant items in the consolidated financial statements

6. Accounting treatment to business combinations under or not under common control

- **Business combinations under common control**

A business combination involving entities that are ultimately controlled by the same party or parties both before and after the combination, and where such control is not temporary, is accounted for as a business combination under common control.

The assets and liabilities acquired by the Company as the combining party in a business combination under common control shall be measured at the book value of the combined party in the final controller's consolidated statements on the combination date. The capital reserve shall be adjusted against the difference between the carrying value of the net assets acquired by the combining party and the carrying value of the combination consideration paid by it. If the capital reserve is insufficient to offset the difference, the retained earnings shall be adjusted.

- **Business combinations not under common control**

A business combination involving entities that are not ultimately controlled by the same party or parties before and after the combination is accounted for as a business combination not under common control.

As the acquirer, the Company measures the identifiable assets, liabilities and/or contingent liabilities of the acquiree at their fair values on the acquisition date in a business combination not under common control. If the combination cost is greater than the fair value share of the acquiree's identifiable net assets acquired from the acquiree in the combination, the case is recognized as goodwill. Where the combination cost is less than the fair value share of the identifiable net assets acquired from the acquiree, the fair values of the identifiable assets, liabilities and/or contingent liabilities as well as the combination cost acquired in the combination shall be rechecked first, and then in case the combination cost is less than the fair value shares of the identifiable net assets acquired from the acquiree, the difference shall be included in the non-operating income in the period of the combination.

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

The scope of the consolidated financial statements of the Company is determined on the basis of control, including the Company and all subsidiaries controlled by the Company. The criteria for determining control by the Company is that the Company has the power over the investees, enjoys variable returns by participating in the investees' relevant activities, and has the ability to influence the amount of returns through its power over the investees.

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

All intra-group transactions between the Company and its subsidiaries, and among subsidiaries, and their effects on the consolidated financial statements are eliminated on consolidation. The portion of owner's equity of subsidiaries not held by the parent company and net current profit & loss, other comprehensive incomes and the portion of total comprehensive incomes belonging to minority equity are presented under "minority equity, minority interest income, other comprehensive incomes belonging to minority shareholders and total comprehensive incomes belonging to minority shareholders, respectively".

For a subsidiary acquired from a business combination under common control, its operating results and cash flows are included into the consolidated financial statements since the beginning of the consolidation period. When the comparable consolidated financial statements are being prepared, relevant items in the financial statements of the last year are adjusted with the stated party formed after merging deemed to exist from the time of the ultimate controlling party starting to control.

For a subsidiary acquired through business combinations not under the same control, its operating results and cash flows shall be included into the consolidated financial statement since the date when the Company obtains control. When preparing the consolidated financial statements, the subsidiary's financial statements shall be adjusted on basis of the fair value of all identifiable assets, liabilities and contingent liabilities ascertained on the purchasing date.

8. Classification of joint arrangements and accounting treatment for joint operations

The Company's joint arrangements include joint operations and joint ventures. A joint operation means a joint arrangement in which the joint venturers have rights to the assets and obligations for the liabilities associated with the arrangement. A joint venture is a joint arrangement in which the venturers have rights only to the net assets of the arrangement.

For jointly-operated projects, the Company, as a joint operator, recognizes assets held and liabilities assumed individually, as well as assets held and liabilities assumed on a share basis, and recognizes the related income and expenses either individually or on a share basis in accordance with the relevant agreements. For transactions involving the purchase or sale of assets with a joint operation that do not constitute a business, only the portion of gains or losses attributable to other parties to the joint operation is recognized.

9. Recognition standard of cash and cash equivalents

Cash presented in the Company's cash flow statement refers to cash on hand and deposits that are available for payment at any time. Cash equivalents presented in the cash flow statement refer to short-term investments (not exceeding three months) with high liquidity and that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

10. Foreign currency business and conversion of foreign currencies in statements

- **Foreign currency transactions**

Foreign currency transactions of the Company are converted into the base currency at the spot exchange rates prevailing on the transaction dates upon initial recognition. On the balance sheet date, foreign currency monetary items are converted at the spot exchange rate on that date. Exchange differences arising therefrom are recognized in gains or losses for the current period, except for those arising from specific foreign currency borrowings for the acquisition or construction of qualifying assets, which are capitalized in accordance with the relevant accounting policy. Foreign currency non-monetary items measured at historical cost continue to be converted at the spot exchange rate on the transaction date, with no change to their base currency amounts. Foreign currency non-monetary items measured at fair value are converted at the spot exchange rate on the date the fair value is determined; the resulting difference between the converted amount and the original base currency amount is treated as a change in fair value (including exchange differences) and recognized in gains or losses for the current period. Capital contributions received from investors in foreign currencies are converted at the spot exchange rate on the transaction date, and no exchange differences arise between the foreign currency capital contribution and the corresponding monetary items.

- **Conversion of foreign currencies in financial statements**

In preparing consolidated financial statements, the financial statements of foreign operations are converted into RMB as follows: assets and liabilities in the foreign currency balance sheet are converted at the spot exchange rate on the balance sheet date; owners' equity items, except for retained earnings, are converted at the spot exchange rates on the transaction dates; income and expense items in the income statement are converted at the spot exchange rates on the transaction dates. The difference arising from the above translation is presented separately under other comprehensive income. Cash flows denominated in foreign currencies are converted at the spot exchange rates on the dates of the cash flows. The effect of exchange rate changes on cash is presented separately in the cash flow statement.

11. Financial instruments

(1) Recognition and derecognition of financial instruments

The Company shall recognize a financial asset or a financial liability when it becomes a party to a financial instrument contract.

A financial asset (or part thereof, or part of a group of similar financial assets) is derecognized when one of the following conditions is met, and the asset is removed from the accounts and the balance sheet: 1) the rights to receive cash flows from the financial asset expire; 2) the rights to receive cash flows from the financial asset are transferred or the obligation to pay the cash flows received to a third party in full and in a timely manner is assumed under a pass-through agreement; and substantially all of the risks and rewards of ownership of the financial asset are transferred or, although substantially all of the risks and rewards of ownership of the financial asset are neither transferred nor retained, control over the financial asset has been relinquished.

A financial liability is derecognized if the obligation for the financial liability has been discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same creditor on substantially different terms, or the terms of an existing liability are substantially modified in almost its entirety, such replacement or modification is accounted for a derecognition of the original liability and the recognition of a new liability, with the difference recognized in profit and loss for the current period.

The purchase and sale of financial assets on a regular basis is recognized and derecognized on a trade date accounting basis.

(2) Classification and measurement of financial assets

Upon initial recognition, the Company classifies its financial assets based on the business model for management of financial assets and the contractual cash flow characteristics of financial assets into three types: 1) the financial asset measured at amortized cost; 2) the financial asset measured at fair value through other comprehensive income; and 3) and the financial asset measured at fair value through profit and loss. Financial assets are reclassified only when, and only if, the Company changes its business model for managing financial assets, and such reclassification is applied to all affected financial assets.

In assessing the business model, the Company considers, among other factors, how the performance of financial assets is evaluated and reported to key management personnel, the risks affecting the performance of financial assets and how those risks are managed, and how the management of the business is compensated. In determining whether the objective is to collect contractual cash flows, the Company analyzes the reasons for, timing, frequency and value of sales of financial assets prior to maturity.

In assessing contractual cash flow characteristics, the Company determines whether the contractual cash flows are solely payments of principal and interest on the principal amount outstanding. When assessing modifications to the time value of money, the Company evaluates whether such modifications result in significant differences compared with benchmark cash flows. For financial assets containing prepayment features, the Company assesses whether the fair value of the prepayment feature is insignificant.

Financial assets are initially measured at fair value. However, accounts receivable or notes receivable arising from the sale of goods or provision of services that do not contain a significant financing component, or where the financing component is not considered if it is less than one year, are initially measured at the transaction price.

For financial assets measured at fair value through profit and loss, the related transaction costs are recognized directly in the current profit and loss; for other categories of financial assets, the related transaction costs are included in their initial recognition amounts.

The subsequent measurement of a financial asset depends on its classification:

1) Financial assets measured at amortized cost

The financial assets meeting all of the following conditions shall be classified as those measured at amortized cost: ① the Company adopts the business management mode of financial assets for the purpose of collecting contractual cash flow. ② the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company's financial assets in this classification mainly include: Cash and cash equivalents, accounts receivable, notes receivable and other receivables.

2) Debt instrument investment measured at fair value through other comprehensive income

Where the following conditions are met at the same time, the financial assets can be classified as those measured at fair value through other comprehensive income: ① the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; ② the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income is recognized on such financial assets using the effective interest method. Changes in fair value are recognized in other comprehensive income, except for interest income, impairment losses and exchange differences, which are recognized in the current profit and loss. Upon derecognition of the financial assets, the accumulated gains or losses previously recognized in other comprehensive incomes shall be transferred out of such other comprehensive incomes and included into the current profit and loss. The Company's financial assets in this classification mainly include: other debt investments, receivables financing.

3) Equity instrument investment measured at fair value through other comprehensive income

The Company has irrevocably designated certain investments in non-trading equity instruments as financial assets at fair value through other comprehensive income, and the designation, once made, cannot be revoked. The Company recognizes only the related dividend income (except for dividend income clearly representing a recovery of part of the investment cost) in profit and loss for the current period, and subsequent changes in fair value are recognized in other comprehensive income without provision for impairment. Upon derecognition, the accumulated gains or losses previously included into other comprehensive incomes are transferred from other comprehensive incomes and included into retained earnings. The Company's financial assets in this classification are other equity instrument investments.

4) Financial assets measured at fair value with changes included in current profit or loss

Except for the financial assets classified or designated to be measured at the amortized cost and those measured at fair value through other comprehensive income, other financial assets are classified by the Company as those measured at fair value through profit and loss. Such financial assets are subsequently measured at fair value, with all changes in fair value recognized in the current profit and loss except those relating to hedge accounting. The Company's financial assets in this classification mainly include: financial assets held for trading.

The financial asset formed by the contingent consideration confirmed during business combination not under the same control are classified as those measured by its fair value by the Company, with changes included into current profits and losses.

(3) Classification, recognition and measurement of financial liability

The Company's financial liabilities, except for financial guarantee contracts issued, loan commitments at below-market interest rates and financial liabilities arising from transfers of financial assets that do not meet the conditions for derecognition or from continuing involvement in the transferred financial assets, are classified upon initial recognition as follows: financial liabilities measured at fair value through profit and loss, and financial liabilities at amortized cost. For financial liabilities measured at fair value through profit and loss, the related transaction costs are recognized directly in profit and loss, and for financial liabilities measured at amortized cost, the related transaction costs are included in their initial recognition amount.

The subsequent measurement of financial liabilities depends on their classification:

1) Financial liabilities measured at amortized cost

Such financial liabilities are measured subsequently at the amortized cost by adopting the effective interest method.

2) Financial liabilities measured at fair value through profit and loss

Financial liabilities measured at fair value through profit and loss (including derivatives that are financial liabilities) comprise financial liabilities held for trading and financial liabilities designated to be measured at fair value through profit and loss upon initial recognition. Financial liabilities held for trading (including derivatives that are financial liabilities) are subsequently measured at fair value, with all changes in fair value recognized in the current profit and loss (except those relating to hedge accounting). For financial liabilities measured at fair value through profit and loss, subsequent measurement is performed at fair value, and changes in fair value are recognized in profit and loss, except for the portion attributable to changes in the Company’s own credit risk, which is recognized in other comprehensive income. However, if recognizing the effect of changes in own credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit and loss, all changes in fair value (including the effect of changes in own credit risk) are recognized in profit and loss.

(4) Impairment of financial instruments

The Company impairs and recognizes a loss provision on the basis of expected credit losses for financial assets measured at amortized cost, debt investments measured at fair value through other comprehensive income, contract assets, lease receivables, loan commitments and financial guarantee contracts.

The expected credit loss is a weighted average of credit losses on financial instruments weighted at the risk of default. Credit loss refers to the difference between all contractual cash flows discounted as per the original effective interest rate and receivable from the contract and all cash flows expected to be received by the Company, namely, the present value of a shortage of cash. The Company considers the measurement of expected credit losses by reflecting the following elements: ① an unbiased probabilityweighted average amount determined by evaluating a range of possible outcomes; ② the time value of money; and ③ reasonable and supportable information about past events, current conditions and forecasts of future economic conditions that is not subject to undue additional cost or available on the balance sheet date.

The Company assesses expected credit losses on financial instruments on an individual and portfolio basis. When assessing on a portfolio basis, the Company categorizes financial instruments into groups based on common credit risk characteristics. The Company uses common credit risk characteristics including: type of financial instrument, credit risk rating, geographical location of the debtor, industry in which the debtor operates, past due information and ageing of receivables.

The impairment of financial instruments and contract assets is assessed by the Company using the expected credit loss model, which requires to make significant judgment and estimation, taking account into all reasonable and supportable information, including forward-looking information. In making these judgments and estimates, the Company extrapolates the expected changes in debtors' credit risk based on historical repayment data combined with economic policies, macroeconomic indicators, industry risks and other factors. Different estimates may affect the provision for impairment, and the provision for impairment that has been made may not equal the actual amount of future impairment losses.

For accounts receivable, notes receivable, accounts receivable financing, contract assets and other receivables that do not contain significant financing components and that arise from ordinary operating activities, such as sales of goods and rendering of services, the Company applies a simplified measurement methodology to measure the allowance for losses at an amount equal to the expected credit losses over the entire period of existence.

For lease receivables, receivables with significant financing components and contract assets, the Company applies a simplified approach to measure the allowance for losses at an amount equal to the expected credit losses over the entire period of existence.

12. Notes receivable

The Company, based on the acceptor credit risk of the notes receivable as common risk characteristics, divides the notes receivable into different portfolios and determines the accounting estimation policy of expected credit loss.

Portfolio classification	Basis for classification	Provision method
Banker’s acceptance bill portfolio	The acceptor is a banking financial institution.	The Company believed that there was no significant credit risk in the banker's acceptance bills held by the Company and there will be no significant loss due to the default of the bank; the expected credit loss rate is 0.
Commercial acceptance bill portfolio	The acceptor is a non-bank financial institution or enterprise like a finance company.	The Company shall measure the bad-debt provision of receivable commercial acceptance bill based on the expected credit loss during the entire period of existence.

13. Account receivable

For receivables, except for those that are individually assessed as credit-impaired, the Company generally evaluates expected credit losses on a portfolio basis grouped by shared credit risk characteristics. Taking into account the elements required under the expected credit loss measurement framework and historical credit loss experience, the Company develops an aging schedule matrix correlating accounts receivable aging with loss rates to calculate expected credit losses. If the credit risk characteristics of a customer are significantly different from those of other customers in the portfolio, or if there is a significant change in the credit risk characteristics of the customer, for example, the customer is in severe financial difficulty, the expected credit loss rate on receivables from the customer has been significantly higher than the expected credit loss rate in the ageing and overdue ranges in which the customer is located, the Company makes a provision for losses on the basis of a single loss provision for the receivables from the customer.

The Company's accounts receivable (and contract assets) are grouped according to the similarity and relevance of credit risk characteristics based on the ageing, nature of the amount, credit risk exposure, and history of repayment of accounts receivable (and contract assets), which are summarized as follows:

Portfolio classification	Basis for classification	Provision method
Aging-based portfolio	Accounts receivable with the same aging have similar credit risk characteristics	Measurement of bad debt provisions based on expected credit losses over the entire period of existence
Related-party portfolio within consolidation scope	Receivables from related parties within the scope of consolidation	No provision for bad debts

For receivables classified as an aging-based portfolio, the Company calculates expected credit losses by referring to historical credit loss experience and preparing a table comparing the age of the receivables with the expected credit loss rate over the entire duration of the receivables, taking into account current conditions and forecasts of future economic conditions. The comparison table is based on historical default rates observed over the expected repayment period of the accounts receivable, adjusted for forward-looking estimates. Observed historical default rates are updated on each reporting date and analyzed for changes in forward-looking estimates.

The Company's accounting estimation policy for measuring expected credit losses is based on actual credit losses in prior years, taking into account forward-looking information in the current period:

Aging	Expected rates of credit loss
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%
Over 5 years	100.00%

14. Other receivables

Determination and accounting method for expected credit loss of other accounts receivable

The Company's other receivables mainly include account current, deposits, margin deposits, cash reserves and third-party collections. Depending on the nature of the receivables and the credit risk characteristics of different counterparties, the Company's other receivables are individually subject to a bad-debt provision and an expected credit loss is recognized for the individual other receivable when there is objective evidence that the other receivable has suffered credit impairment. The remaining other receivables are grouped according to the similarity and correlation of credit risk characteristics based on information such as ageing, nature of the amount, credit risk exposure, and history of repayment as follows:

Portfolio classification	Basis for classification	Provision method
Aging-based portfolio	Accounts receivable with the same aging have similar credit risk characteristics	Measurement of bad debt provisions based on expected credit losses over the entire period of existence
Related-party portfolio within consolidation scope	Receivables from related parties within the scope of consolidation	No provision for bad debts

The Company divides the process of credit impairment of other receivables into three stages and adopts different accounting treatment methods for the impairment of other receivables in different stages:

- Credit risk has not increased significantly since initial recognition (Stage I).

For the financial instruments in this stage, the Company shall measure the loss provisions based on the expected credit loss in the next 12 months.

- Credit risk has increased significantly since initial recognition but has not been impaired (Stage II).

For the financial instruments in this stage, the Company shall measure the loss provisions based on the expected credit loss during the entire period of existence.

- Credit impairment after initial recognition (Stage III).

For the financial instruments in this stage, the Company shall measure the loss provisions based on the expected credit loss during the entire period of existence.

15. Contract assets

Contract asset refers to the rights of the Company to receive consideration for goods transferred to the customer, which depend on other factors except for the lapse of time. Where the Company sells two clearly distinguished commodities to the customer and has the right to collect the payment because one commodity is delivered and the payment relies on the delivery of the other commodity, the Company will treat the collection rights as the contract assets.

The Company's accounts receivable (and contract assets) are grouped according to the similarity and relevance of credit risk characteristics based on the ageing, nature of the amount, credit risk exposure, and history of repayment of accounts receivable (and contract assets), which are summarized as follows:

Portfolio classification	Basis for classification	Provision method
Aging-based portfolio	Accounts receivable with the same aging have similar credit risk characteristics	Measurement of bad debt provisions based on expected credit losses over the entire period of existence
Related-party portfolio within consolidation scope	Receivables from related parties within the scope of consolidation	No provision for bad debts

For receivables classified as an aging-based portfolio, the Company calculates expected credit losses by referring to historical credit loss experience and preparing a table comparing the age of the receivables with the expected credit loss rate over the entire duration of the receivables, taking into account current conditions and forecasts of future economic conditions. The comparison table is based on historical default rates observed over the expected repayment period of the accounts receivable, adjusted for forward-looking estimates. Observed historical default rates are updated on each reporting date and analyzed for changes in forward-looking estimates.

The Company's accounting estimation policy for measuring expected credit losses is based on actual credit losses in prior years, taking into account forward-looking information in the current period:

Aging	Expected rates of credit loss
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%
Over 5 years	100.00%

16. Inventory

Inventories of the Company mainly include raw materials, low-value consumables, goods in-process, finished goods and goods on consignment.

Inventories are initially measured by cost. Inventory costs include purchase costs, processing costs, and other costs. The Group adopts a perpetual inventory system. The actual cost of inventories issued or consumed is determined using the first-in, first-out (FIFO) method. Low-value consumables and packaging materials are amortized using one-off amortization method.

On the balance sheet date, inventories are measured at the lower of cost and net realizable value. If the cost of inventories is higher than their net realizable value, a provision for decline in value of inventories is made and recognized in profit and loss for the current period. Net realizable value is the estimated selling price of inventories in the ordinary course of activities, less costs estimated to be incurred to completion, estimated selling expenses and related taxes.

For raw materials and finished goods, the Company assesses inventory write-downs on an item-by-item basis. In determining net realizable value: For finished goods, goods in-process, and materials held for sale, net realizable value is determined based on the estimated selling price less estimated selling expenses and related taxes; for materials held for production, net realizable value is determined based on the estimated selling price of the finished goods, less estimated costs to completion, estimated selling expenses, and related taxes.

For raw and auxiliary materials with large quantities and low unit values, provisions for inventory write-down are determined on a portfolio basis. Net realizable value is determined based on the overall estimated selling price of the inventory portfolio less estimated selling expenses and related taxes.

17. Long-term equity investments

Long-term equity investment of the Company includes the investment to the subsidiaries, and the equity investment to associated enterprises and joint ventures.

(1) Determination of significant influence and joint control

Equity investments over which the Company has significant influence are classified as investments in associates. Significant influence refers to that the Company has the power to participate in the decision-making process with respect to the financial and operating policies of the investee, but does not have the ability to control, or jointly control with other parties, the formulation of those policies. The Company is generally considered to have significant influence over an investee when it owns, directly or indirectly through its subsidiaries, more than 20% but less than 50% of the investee's voting power, unless there is clear evidence that the Company is unable to participate in the investee’s production and operation decision-making or to develop control over the investee.

An equity investment in an investee in which the Company, together with other joint venturers, exercises joint control over the investee and has rights to the net assets of the investee is an investment in a joint venture. Joint control refers to the contractually agreed sharing of control, requiring unanimous consent of all parties sharing control for decisions about relevant activities. The Company follows the basis to judge the joint control: all the participants or group of participants collectively control the arrangements, and the decisions for activities related to such arrangement must be agreed by all such participants.

(2) Accounting treatment method

The Company initially measures long-term equity investments acquired at initial investment cost.

For long-term equity investments acquired through business combinations under common control, the initial investment cost is measured at the share of the carrying value of the acquiree’s net assets in the consolidated financial statements of the ultimate controlling party on the acquisition date. If the carrying value of net assets is negative, the initial investment cost is recognized as zero.

For long-term equity investments acquired through business combinations not under common control, the combined cost is used as the initial investment cost;

Where a business combination not under common control is achieved in stages and does not constitute a package transaction, the initial investment cost is the sum of the carrying value of previously held equity interests and the cost of additional investment.

For long-term equity investments acquired other than through business combinations, those acquired by cash are initially measured at the actual purchase price paid plus directly attributable costs, taxes, and other necessary expenditures. Those acquired through issuance of equity securities are measured at the fair value of the equity securities issued.

The Company's investments in subsidiaries are accounted for using the cost method in certain financial statements. When the cost method is used, long-term equity investments are measured at initial investment cost. When additional investments are made, the carrying value of the cost of long-term equity investments is increased by the fair value of the cost amount paid for the additional investment and the related transaction costs incurred. The cash dividends or profits declared to be distributed by the investee shall be recognized as the current investment income to the extent of the Group's entitlement.

The Company's investments in joint ventures and associates are accounted for using the equity method. When the equity method is adopted, if the initial investment cost of a long-term equity investment exceeds the share of the fair value of the identifiable net assets of the investee at the time of investment, no adjustment is made to the carrying value of the long-term equity investment; if the initial investment cost of a long-term equity investment is less than the share of the fair value of the identifiable net assets of the investee at the time of investment, the difference is adjusted to the carrying value of the long-term equity investment, and at the same time is recognized in profit and loss for the current period.

For long-term equity investment calculated by equity method in subsequent measurement, the carrying value of the long-term equity investment shall be increased or decreased accordingly with the changes in owner's equity of the investee. In recognizing the Company's share of the investee's net profit and loss, such amount is determined based on the fair values of the investee's identifiable assets and liabilities on the acquisition date, and in accordance with the Company's accounting policies and accounting period. In addition, unrealized profits and losses arising from transactions between the Company and its associates and joint ventures that do not constitute a business are eliminated to the extent of the Company's attributable interest, and the investee's net profit is adjusted accordingly before recognition. However, where such unrealized losses represent impairment losses on assets, they are recognized in full. The Company recognizes net losses incurred by an investee to the extent that the carrying value of the long-term equity investment and other long-term interests that in substance constitute net investments in the investee are written down to zero, except to the extent that the Company has an obligation to assume additional losses.

When disposing the long-term equity investment, the balance between the carrying value and the acquired price actually shall be included in the current profit and loss.

(In the case of full disposal of long-term equity investments accounted for under the equity method) Long-term equity investments accounted for under the equity method, the related other comprehensive income previously recognized under the equity method is accounted for, upon cessation of the equity method, on the same basis as would apply if the investee had directly disposed of the related assets or liabilities. In addition, any changes in the investee's equity—other than net profit and loss, other comprehensive income, and profit distribution—that had been recognized in equity under the equity method are reclassified in full to investment income for the current period when the equity method is discontinued.

(In the case that a long-term equity investment accounted for under the equity method remains accounted for under the equity method after partial disposal of the long-term equity investment accounted for under the equity method) If the remaining equity interest after partial disposal of the long-term equity investment is still accounted for under the equity method, the portion of other comprehensive income previously recognized under the equity method is accounted for on the same basis as would apply if the investee had directly disposed of the related assets or liabilities, and is reclassified to profit and loss on a pro rata basis. Similarly, changes in the investee's equity—other than net profit and loss, other comprehensive income, and profit distribution—that had been recognized in equity are reclassified to investment income for the current period on a proportionate basis.

(In the case of partial disposal of long-term equity investments accounted for under the equity method and then converted to financial instruments) If the loss of joint control or significant influence over the investee is caused by the disposal of a portion of the equity interest, the remaining equity interest after disposal is accounted for by applying the *Accounting Standard for Business*

Enterprises (ASBE) No. 22 - Recognition and Measurement of Financial Instruments (Cai Kuai [2017] No. 7). The difference between the fair value and the carrying amount of the remaining equity interest on the date of loss of joint control or significant influence is recognized in profit and loss for the current period.

(In the case that the remaining portion after partial disposal of equity interests in subsidiaries is accounted for under the equity method) If control over the investee is lost as a result of the disposal of a portion of the long-term equity investment, and if the remaining equity interests after disposal enables the Group to exercise joint control or significant influence over the investee, the equity interests will be reclassified to be accounted for under the equity method, with the difference between the carrying value of the equity interests disposed of and the consideration for the disposal being recognized in investment income, and such remaining equity interests will be treated as if they were accounted for using the equity method from the time of their acquisition. If the remaining equity interest after disposal does not provide joint control or significant influence over the investee, the accounting treatment of A*ccounting Standard for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments (Cai Kuai [2017] No. 7)* is applied, and the difference between the carrying value of the equity interest disposed of and the consideration for the disposal is included in the investment income, and the difference between the fair value and carrying value of the remaining equity interest on the date of loss of control is recognized in profit and loss for the current period.

(Where there are multiple transactions of stepwise disposal of equity interests in subsidiaries resulting in loss of control) The Company separately accounts for each transaction of stepwise disposal of equity interests to loss of controlling interest if the transactions are not part of a package. In case of package transaction, all transactions shall be calculated as one transaction of disposing subsidiaries and losing control power for accounting treatment. However, the difference between disposal cost of each transaction and carrying value of long-term equity investment corresponding to equity disposed before losing control power shall be recognized as other comprehensive income and then shall be transferred into current profits and losses of losing control power upon such loss.

18. Investment real estates

Investment real estates held by the Company refer to real estates held for the purpose of earning rental income, capital appreciation, or both. Measurement is carried out by cost model.

The investment real estates of the Company are depreciated or amortized by the composite life method. The estimated service life, net residual value ratio and annual depreciation (amortization) rate of the investment real estate are as follows:

Category	Depreciation period (year)	Estimated residual value ratio (%)	Annual depreciation rate (%)
Buildings and structures	20 years	5.00	4.75
Land use right	50 years	0.00	2.00

19. Fixed assets

(1) Recognition conditions

The Company’s fixed assets are tangible assets held for the production of goods, provision of services, rental or business management, with service life of more than one year and a unit value of more than RMB 5,000.00.

Fixed assets are recognized when the economic benefits related thereto are likely to flow into the Company and their costs can be measured reliably. The Company's fixed assets include buildings and structures, machinery and equipment, electronic equipment, transportation equipment and other equipment.

(2) Depreciation method

Category	Depreciation method	Depreciation method	Residual value rate	Annual depreciation rate
Buildings and structures	Straight-line method	20-30 years	5.00%	3.17%-4.75%
Machinery and equipment	Straight-line method	10 years	5.00%	9.50%
Transportation equipment	Straight-line method	5 years	5.00%	19.00%
Other equipment	Straight-line method	5 years	5.00%	19.00%

20. Construction in progress

Construction in progress is measured at actual construction cost, including all necessary expenditures incurred during the construction period, borrowing costs that should be capitalized before the asset reaches its intended usable condition, and other related costs.

Construction in progress is transferred to fixed assets upon reaching the intended usable condition. Based on project budgets, construction costs, or actual project costs, it is carried forward at an estimated value and depreciation is commenced from the following month. After completion of the final settlement procedures, any differences in the original carrying amount of the fixed assets are adjusted accordingly.

Construction in progress is transferred to fixed assets upon reaching the intended usable state, based on the following criteria:

Item	Standard for carrying forward fixed assets
Buildings and structures	(1) Physical construction, including installation work, has been fully completed or substantially completed; (2) Expenditures incurred on the buildings and structures under construction are minimal or have substantially ceased; (3) The constructed buildings and structures have achieved the design specifications or contractual requirements, or are substantially in conformity therewith; (4) Where a construction project has reached its intended usable condition but the final settlement procedures have not yet been completed, it is transferred to property, plant and equipment at an estimated value based on actual construction cost from the date it reaches the intended usable condition.
Machinery and equipment	The equipment management department and the equipment manufacturer are jointly responsible for the installation and commissioning of the equipment, including hardware debugging and process condition adjustments. Once commissioning is completed and the equipment has reached its predetermined usable state, it will be transferred to fixed assets after the approval process is completed.
Transportation equipment	Transferred to fixed assets upon reaching the intended usable condition and completion of approval procedures.
Other equipment	Transferred to fixed assets upon reaching the intended usable condition and completion of approval procedures.

21. Borrowing costs

The Company capitalizes borrowing costs directly attributable to the construction or production of qualifying assets and includes them in the cost of the related assets. Other borrowing costs are expensed and recognized in profit or loss for the current period. Qualifying assets identified by the Company include fixed assets, investment properties, and inventories that necessarily take a substantial period of time, typically more than one year, to get ready for their intended use or sale. Capitalization of borrowing costs commences when expenditures for the asset have been incurred, borrowing costs have been incurred, and activities necessary to prepare the asset for its intended use or sale have begun. Capitalization ceases when the asset is ready for its intended use or sale, and subsequent borrowing costs are recognized in profit and loss for the current period. Where the acquisition, construction or production of a qualifying asset are interrupted abnormally and such interruption lasts for more than three consecutive months, capitalization of borrowing costs is suspended until the activities necessary to prepare the asset for its intended use or sale resume.

During each accounting period of the capitalization period, the amount of borrowing costs to be capitalized is determined as follows: for specific borrowings, the amount is based on the actual interest expense incurred during the period, less any interest income earned from the temporary investment of the unused borrowed funds or from deposits with banks; for general borrowings, the amount is determined by applying a capitalization rate to the weighted average of accumulated expenditures in excess of the amount financed by specific borrowings, where the capitalization rate is calculated based on the weighted average interest rate of the general borrowings.

22. Intangible assets

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

The service life, its determination basis and the amortization method for each category of intangible assets of the Company are as follows:

No.	Category	Amortization method	Amortization period	Basis of determination
1	Land use right	Straight-line method	50 years	Land grant term
2	Patents	Straight-line method	10 years	The shortest of the estimated service life, contractual benefit period, and statutory validity period
3	Software	Straight-line method	3-5 years	The shortest of the estimated service life, contractual benefit period, and statutory validity period
4	Trademark or domain name	Straight-line method	10 years	The shortest of the estimated service life, contractual benefit period, and statutory validity period

The amortized amount is allocated to the cost of related assets and to current profit and loss according to its beneficiaries. The estimated service life and amortization methods for intangible assets with finite service life are reviewed at the end of each fiscal year, and any changes are treated as changes in accounting estimates.

(2) Scope of attribution of R&D expenditure and related accounting treatment

The scope of the Company's R&D expenditures primarily includes employee compensation for R&D personnel, direct input costs, depreciation and amortization expenses, design fees, equipment commissioning expenses, commissioned external research and development expenses, and other expenditures.

The internal R&D expenditures of the Company can be divided into expenditures incurred during the research stage and those incurred during the development stage, depending on the nature of the expenditure and the extent of uncertainty on whether the R&D activities will finally form intangible assets.

Expenditures incurred during the research stage are recognized in current profit and loss as incurred. Expenditures incurred during the development stage are capitalized only when all of the following conditions are satisfied simultaneously: the Company has demonstrated the technical feasibility of completing the intangible asset so that it will be available for use or sale; the Company has the intention to complete and use or sell the intangible asset; the intangible asset is expected to generate economic benefits for the Company; the Company has adequate technical, financial, and other resources to complete the development of the intangible asset and has the ability to use or sell the intangible asset; and the expenditures attributable to the development stage of the intangible asset can be measured reliably. Expenditures incurred during the development stage that fail to meet the above conditions shall be included in the current profit and loss as incurred.

The development expenditures previously included in the profit and loss statement will not be recognized as assets in subsequent periods. The expenditures incurred and capitalized at the development stage are recorded as development expenditures on the balance sheet and will be carried over as the intangible asset on the date when the project is ready for its intended use.

If the expenditures made at the research and development stages cannot be distinguished, all the R&D expenditures incurred will be fully included in the current profits and losses. The costs of the intangible assets generated by internal development activities only include the total expenditures incurred from the time when the capitalization conditions are met to the point when the intangible assets are used for their intended purposes; for expenditures that are already recorded as such in the profit and loss statement before the capitalization conditions are met during development of the same intangible asset, no adjustments will be made.

23. Impairment of long-term assets

The Company examines long-term equity investments, investment properties measured using the cost model, fixed assets, construction in progress, right-of-use assets, and intangible assets with finite service life on each balance sheet date, and performs impairment testing when there are indications of impairment. Goodwill, intangible assets with indefinite service life, and development expenditures not yet ready for intended use are tested for impairment at the end of each reporting period, regardless of whether impairment indicators exist.

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

When conducting impairment testing, the Company determines the recoverable amount of an asset as the higher of: (i) the net amount of fair value less costs of disposal; and (ii) the present value of estimated future cash flows expected to be generated by the asset. If, after impairment testing, the carrying amount of the asset exceeds its recoverable amount, the excess is recognized as an impairment loss.

The Company estimates the recoverable amount on an individual asset basis. If it is difficult to estimate the recoverable amount of an individual asset, the recoverable amount is determined based on the asset group to which the asset belongs. An asset group is identified based on whether the major cash inflows generated by the asset group are largely independent of the cash inflows from other assets or asset groups.

The net amount of fair value less costs of disposal is determined with reference to the sales agreement price of similar assets in arm's-length transactions or observable market prices, less incremental costs directly attributable to the disposal of the asset. In determining the present value of estimated future cash flows, management is required to estimate the future cash flows expected to be generated by the asset or asset group and select an appropriate discount rate to determine the present value of those future cash flows.

(2) Goodwill impairment

For goodwill arising from business mergers, the Company allocates its carrying amount to the relevant asset groups in a reasonable manner from the acquisition date. If it is difficult to allocate goodwill to the relevant asset groups, it is allocated to the relevant group of asset groups. When conducting impairment testing on asset groups or combinations of asset groups that include goodwill, if there are indications of impairment related to the asset group or combination of asset groups with goodwill, firstly conducting impairment testing on the asset group or combination of asset groups without goodwill, calculating the recoverable amount, and comparing it with the carrying amount to determine the corresponding impairment loss. Then, conducting impairment testing on the asset group or combination of asset groups with goodwill, comparing the carrying amount with the recoverable amount, and if the recoverable amount is lower than the carrying amount, the impairment loss amount is firstly offset against the carrying amount of goodwill in the asset group or combination of asset groups, and then proportionally offset against the carrying amount of other assets in the asset group or combination of asset groups, excluding goodwill, based on the proportion of their carrying amounts.

The methodology, parameters and assumptions used in the goodwill impairment testing are described in Note VII. Notes to Items in the Consolidated Financial Statements—18. Goodwill

Once recognized, impairment losses for the above assets shall not be reversed in subsequent accounting periods.

24. Long-term deferred expenses

The Company's long-term deferred expenses are expenses that have already been paid but are to be amortized over the current and future periods with an amortization period exceeding one year. Such expenses are amortized on a straight-line basis over the respective benefit periods. If long-term deferred expense items no longer provide economic benefits to the future accounting periods, the amortized value of such items yet to be amortized shall be fully transferred into the current profits and losses.

25. Contract liabilities

Contract liabilities reflect the obligations of the Company to transfer goods to the client for which consideration is received or receivable from the client. Before the Company transfers goods to the client, and the client has paid the consideration in the contract or the Company has obtained the right of unconditionally collecting the consideration, the contract liabilities are recognized according to the received or receivable amount either at the time of actual payment by the client or when the payment is due—whichever is earlier.

26. Employee remuneration

(1) Accounting treatment method of short-term compensation

Short-term compensation mainly includes wages, bonuses, allowances and subsidies, employee welfare, housing funds, labor union funds, employee education funds, medical insurance premiums, industrial injury insurance premiums, and maternity insurance premiums. In the accounting period during which the employee has rendered service, the actual short-term compensation incurred is recognized as a liability and recorded in the current profits and losses or related asset costs based on the beneficiary.

(2) Accounting treatment method of post-employment benefits

Post-employment benefits primarily include basic pension insurance contributions, unemployment insurance contributions, enterprise annuity contributions, and other related benefits. Based on the risks and obligations assumed by the Company, such benefits are classified as defined contribution plans. Under defined contribution plans, contributions payable to an independent fund or entity in exchange for employee services rendered during the accounting period are recognized as liabilities on the balance sheet date and charged to current profit or loss or the cost of related assets according to the beneficiaries of the services.

(3) Accounting treatment method of termination benefits

Termination benefits arise from the termination of employment relationships with employees before the expiration of their employment contracts by the Company. Employee compensation liabilities arising from termination benefits are recognized and included in current profit or loss at the earlier of: (i) the date on which the Company can no longer unilaterally withdraw the termination benefit plan or redundancy proposal; and (ii) the date on which the Company recognizes costs or expenses related to a restructuring involving the payment of termination benefits. Compensation amounts payable more than one year after the balance sheet date are discounted and recognized in current profit and loss at their present value.

(4) Accounting treatment method of other long-term employee benefits

Other long-term benefits mainly include long-term incentive plans and long-term benefits. The Company conducts accounting treatment according to relevant provisions of the defined contribution plans.

27. Provisions

When obligations relating to contingencies such as external guarantee, pending litigation or arbitration, product quality assurance and similar matters also meet the following conditions, the Company recognizes it as a liability: the obligation is currently being undertaken by the Company; there is a high possibility that the fulfillment of the obligation will result in the outflow of economic benefits from the enterprise; and the amount of the obligation can be reliably measured.

Provisions are initially measured according to the best estimate of the expenditure required to settle the present obligation, taking into account factors relating to contingencies such as risks, uncertainties and the time value of money. On the balance sheet date, the Company reviews the current best estimates and adjusts the carrying amount of the provisions.

For acquired entities, not under common control, in business mergers, contingent liabilities are initially measured at fair value. After initial recognition, subsequent measurement is based on the higher of the amount recognized as a provision or the remaining balance after deducting cumulative amortization determined by revenue recognition principles from the initial recognition amount.

28. Share-based payment

Equity-settled share-based payments made in exchange for the service of employees are measured at the fair value on the date at which the equity instrument is granted to employees. If excisable immediately after the grant, the fair value of the equity instruments shall be included in the relevant costs or expenses on the granting date, and the capital reserve shall be increased accordingly. Where vesting is conditional upon the completion of service during a vesting period or the achievement of specified performance conditions, on each balance sheet date during the vesting period, based on the best estimate of the number of equity instruments expected to vest, the Group recognizes the services received during the current period in the relevant costs or expenses and capital reserve based on the fair value of the equity instruments on the grant date. If the terms of equity-settled share-based payments are modified, the services received are recognized at least as if the terms had not been modified. In addition, modifications that increase the fair value of equity instruments granted, or are beneficial to employees measured on the date of modification, are recognized as an additional service received.

If equity-settled share-based payments are cancelled, they are treated as accelerated exercise on the date of cancellation and the unrecognized amount is recognised immediately. If an employee or another party chooses not to fulfill a non-vesting condition during the vesting period, this is treated as a cancellation of the equity-settled share-based payment. However, if new equity instruments are granted and it is determined on the grant date that these new equity instruments are intended to replace the canceled ones, then the replacement equity instruments are treated in the same manner as a modification of the terms and conditions of the original equity instruments.

Cash-settled share-based payments shall be measured at the fair value of liabilities, and recognized on the basis of share options or other equity instruments undertaken by the Company. If excisable immediately after the grant, the fair value of the liabilities assumed shall be included in the relevant costs or expenses on the granting date, and the liabilities shall be increased accordingly. If it is necessary to complete the services in the waiting period or achieve the specified performance conditions before the right is excisable, on each balance sheet date of the waiting period, the services acquired in the current period shall be included in the cost or expense based on the best estimation of the excisable right, and the liabilities shall be adjusted accordingly according to the fair values of the liabilities assumed by the Company. On each balance sheet date and settlement date prior to the settlement of relevant liabilities, the fair value of the liabilities will be re-measured, with any changes recorded in the profits and losses at the current period.

29. Income

Disclose the accounting policies adopted for revenue recognition and measurement by business type

The Company recognizes the income upon fulfillment of its performance obligations within the contract, that is, when the client obtains control of the relevant goods or services. Acquisition of control over relevant goods or services means the ability to manage the use of such goods or the provision of services and to receive almost all economic benefits therefrom.

(1) General recognition principle

The contract is evaluated on the commencement date of the contract, identifying each individual performance obligation included in that contract and determining whether each individual performance obligation is to be performed over a period of time or at a point in time, and then revenue is recognized separately when each individual performance obligation has been satisfied.

A performance obligation is fulfilled over time if one of the following conditions is met; otherwise, the performance obligation is fulfilled at a point in time:

1) The customer obtains and consumes the economic benefits while the Company fulfills the performance obligations;

2) The customer can control goods or services still under construction while the Company is still in the process of fulfilling the performance obligations;

3) The goods manufactured while the Company is in the process of performing the contract are indispensable, and the Company has the right to collect partial payments for the cumulative performance obligations that have been fulfilled so far within the contract period.

For performance obligations that are to be fulfilled within a certain period of time, the Company shall recognize revenue over that period of time based on the progress of performance, unless the progress of performance is not reasonably determinable. If the performance progress cannot be reasonably determined and the costs incurred by the Company are expected to be compensated, the revenue shall be ascertained according to the costs incurred, until the performance progress can be reasonably determined.

If the performance obligations are performed at the specified time point, the Company shall recognize the revenue at the time when the customer obtains control over the relevant goods. In judging whether the customer has obtained control over goods, the Company shall consider the following signs:

1) The Company has a present right to receive payment for the goods, i.e., the customer has a present obligation to pay for the goods;

2) The Company has transferred legal ownership of the goods to the customer, i.e. the customer has legal ownership of the goods;

3) The Company has physically transferred the goods to the customer, i.e., the customer has taken physical possession of the goods;

4) The Company has transferred the principal risks and rewards of ownership of the goods to the customer, i.e., the customer has acquired the principal risks and rewards of ownership of the goods;

5) The customer has accepted the goods;

6) Other indications that the customer has gained control of the goods.

(2) Measurement principles

The Company shall measure revenue based on the transaction price apportioned to each individual performance obligation. If the contract contains two or more performance obligations, the Company shall apportion the transaction price to each individual performance obligation in the relative proportion of the standalone selling price of the promised goods associated with each individual performance obligation on the commencement date of the contract. In determining the transaction price, the Company considers the following factors:

1) where the contract contains variable consideration, the Company determines the best estimate of the variable consideration using either the expected value method or the most likely amount method; however, the transaction price that includes variable consideration shall not exceed the amount for which it is highly probable that a significant reversal in cumulative recognized revenue will not occur when the relevant uncertainty is subsequently resolved;

2) where the contract contains a significant financing component, the Company determines the transaction price based on the amount that the customer would have paid in cash if payment had been made when control of the goods was transferred to the customer;

3) where the customer provides non-cash consideration, the Company determines the transaction price based on the fair value of the non-cash consideration; and

(4) where the Company pays consideration to a customer (or to a third party that purchases the Company's goods from the customer), such consideration shall reduce the transaction price and be recognized as a reduction of current-period revenue at the later of: (i) the recognition of the related revenue; or (ii) the payment or commitment to pay such consideration to the customer, unless the consideration payable to the customer is in exchange for other distinct goods or services obtained from the customer.

(3) Specific confirmation methods

Operating income of the Company are mainly from sales of goods and transferring right to use assets.

1) Revenue from sales of goods

The Company sells electrical appliances, spare parts, materials, and other products. Such sales constitute performance obligations satisfied at a point in time.

Revenue recognition conditions for domestic sales: The Company has delivered the product to the customer according to the contract terms and the customer has received the product; the payment has been collected or the receipt voucher has been provided and relevant economic profits might flow into the Company; main risks and remuneration as for the ownership of the goods have been transferred; and legal ownership and control right of the goods have been transferred.

Revenue recognition conditions for exported sales: The Company has declared the product to the customs and the product has been delivered according to the contract terms; the bill of lading has been obtained, the payment has been collected or the receipt voucher has been provided and relevant economic profits might flow into the Company; main risks and remuneration as for the ownership of the goods have been transferred; and legal ownership and control right of the goods have been transferred.

2) Revenue from granting rights to use assets

Contracts between the Company and customers relating to the leasing of properties constitute performance obligations satisfied over time. Revenue is recognized over the lease term based on the progress toward satisfaction of the performance obligations. The situation involves different revenue recognition methods and measurement methods for similar businesses using different operating models.

The situation involves different revenue recognition methods and measurement methods for similar businesses using different operating models.

30. Contract costs

(1) Methods for determining asset amount related to contract cost

The Company’s assets related to the contract cost comprise the contract performance cost and the contract acquisition cost. Depending on their liquidity, costs to fulfill a contract are presented under inventories or other non-current assets, while costs to obtain a contract are presented under other current assets or other non-current assets.

Costs to fulfill a contract refer to costs incurred by the Company in fulfilling a contract that are outside the scope of other relevant accounting standards governing inventories, fixed assets, intangible assets, and similar items, and that simultaneously satisfy all of the following conditions, in which case they are recognized as assets related to contract fulfillment costs: the costs are directly related to a specific current or expected contract, including direct labor, direct materials, manufacturing overheads (or similar costs), costs explicitly borne by the customer, and other costs incurred solely due to the contract; the costs enhance the Company's resources for fulfilling future performance obligations; and the costs are expected to be recoverable.

The contract acquisition cost refers to the incremental cost incurred by the Company for the purpose of securing a contract, which will be recognized in the form of contract acquisition cost as an asset if it is expected to be recovered. If the amortization period of such asset does not exceed one year, the Company opts for the simplified treatment of current profit and loss when incurred. Incremental cost refers to the cost which will not incur unless a contract is secured (e.g. sales commission, etc.). Other costs (such as the travel expense, whether or not the contract will be acquired, except the incremental cost which can be recovered as expected) incurred the Company for purpose of acquiring the contract shall be included in the current profit or loss at the time of occurrence, unless those clearly specified to be borne by the customer.

(2) Amortization of assets related to contract cost

The Company’s assets related to contract costs are amortized on the same basis as revenue recognition of goods related to the asset and recorded in the current profits or losses.

(3) Impairment of assets related to contract cost

Where the carrying amount of assets related to contract costs exceeds the difference between the following two amounts, the Company recognizes an impairment provision for the excess and records it as an asset impairment loss: ① the remaining consideration that the enterprise expects to receive in exchange for transferring the goods related to the asset; and ② the estimated costs to be incurred in transferring the related goods.

31. Government subsidies

Government subsidies are recognized when the conditions attached to them are met and it is probable that the subsidies will be received. If a government subsidy is a monetary asset, it will be measured at the amount received; for the subsidy appropriated according to the fixed quota or for the subsidy where there is concrete evidence showing that the Company is qualified to receive governmental financial support and will be able to receive the support by the end of the period, the subsidy will be measured at the receivable; if the government subsidy is a non-monetary asset, it will be measured at the fair value, or measured at its nominal amount (RMB 1) if the fair value cannot be obtained reliably.

Asset-related government subsidies refer to government subsidies obtained by the Company for purchasing and acquiring long-term assets or forming long-term assets by other ways. Income-related government subsidies refer to those other than asset-related government subsidies. In case the purpose of a subsidy is not expressly stipulated in the government document, the Company will categorize the subsidy according to these above principles. If it is difficult to categorize the subsidy, it will be categorized as the income-related government subsidy.

If a government subsidy relating to assets is recognized as deferred income, such subsidy is recognized in the current profit and loss based on equal division within the service life of the relevant asset. If the relevant asset has been sold, transferred, retired or damaged before the end of the service life, the balance of the relevant deferred income that has not been allocated will be transferred into the current profit and loss of asset disposal.

Government subsidies relating to income that compensate future costs, expenses or losses are recognized as deferred income, and recognized in the current profit and loss in the period of reporting the related costs, expenses or losses. The government subsidies relating to the ordinary activities are included in other income or deducted against relevant costs and expenses according to the nature of the accounting event, otherwise, they are included in non-operating income. Government subsidies unrelated to daily activities will be included in non-operating income.

Where the Company obtains interest subsidies on policy-based preferential loans, the accounting treatment differs depending on whether the fiscal authority disburses the interest subsidy funds to the lending bank or directly to the Company, and is accounted for in accordance with the following principles: (1) Where the fiscal authority disburses the interest subsidy funds to the lending bank, and the lending bank provides loans to the Company at a policy-based preferential interest rate, the Company recognizes the actual amount of borrowings received as the carrying amount of the loan and calculates the related borrowing costs based on the loan principal and the policy-based preferential interest rate. (2) Where the Ministry of Finance directly appropriate the interest subsidy to the Company, the Company will deduct the corresponding interest subsidy against the borrowing costs.

32. Deferred income tax asset/deferred income tax liability

Deferred income tax assets and deferred income tax liabilities of the Company are recognized based on the differences between the tax bases of assets and liabilities and their carrying amounts, as well as the differences (temporary differences) between the tax bases and carrying amounts of items that are not recognized as assets or liabilities but whose tax bases can be determined in accordance with tax laws.

The Company recognizes deferred income tax liabilities for all taxable temporary differences except: (1) temporary differences arising from the initial recognition of goodwill or the initial recognition of assets or liabilities arising from transactions other than business combinations that affect neither the accounting profit nor taxable income (or deductible losses); (2) taxable temporary differences related to investments in subsidiaries, associates and joint ventures, where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

The Company recognizes deferred income tax assets for deductible temporary differences, deductible losses and tax credits to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, deductible losses and tax credits can be utilized, except: (1) the temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination that affects neither the accounting profit nor taxable income (or deductible losses); and (2) deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, unless both of the following conditions are satisfied simultaneously: the temporary differences are probable to reverse in the foreseeable future, and sufficient taxable income will probably be available in the future against which the deductible temporary differences can be utilized.

The Company recognizes deferred income tax assets for all unused deductible losses to the extent that it is probable that sufficient taxable income will be available against which the deductible losses can be utilized. Management exercises significant judgment in estimating the timing and amount of future taxable income and, together with tax planning strategies, determines the amount of deferred income tax assets to be recognized; accordingly, uncertainties exist.

On the balance sheet date, the deferred income tax asset and liability are measured at the applicable tax rates during the period when the asset is realized or the liability is settled as expected.

Deferred income tax assets and deferred income tax liabilities are presented at net amounts after offsetting when the following conditions are simultaneously met: the Company has the legal right to settle current income tax assets and current deferred income tax liabilities on a net basis; the deferred income tax assets and deferred income tax liabilities are related to income taxes levied by the same tax authority on the same taxable entity or on different taxable entities but will not be realized in future periods. In each period in which significant deferred income tax assets and deferred income tax liabilities are reversed, the taxable entity involved intends to either settle the current income tax assets and current income tax liabilities on a net basis or to realize the assets and settle the liabilities at the same time.

33. Lease

(1) Accounting treatment of the lease as lessee

1） Lease confirmation

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

The right-of-use asset refers to the right of the Company, as a lessee, to use the leased assets during the lease term and is initially measured at cost. The cost includes: ① initial measurement amount of lease liabilities; ② the amount of lease payment made on or before commencement date of lease term, less any lease incentives received; ③ the initial direct cost incurred; ④ costs expected to be incurred to disassemble and remove the leased assets, restore the site where the leased assets are located or restore the leased assets to the conditions as agreed under the terms of the lease (excluding costs incurred to produce the inventory). Where the Company remeasures the lease liabilities according to relevant provisions of the lease criterion, the carrying value of the use-of-right asset shall be adjusted correspondingly.

The Company depreciates right-of-use assets on a straight-line basis based on the manner in which the economic benefits associated with the right-of-use asset are expected to be consumed. Where ownership of the leased asset is reasonably certain to be obtained at the end of the lease term, depreciation is provided over the remaining service life of the leased asset. Where it is not reasonably certain that the ownership of the lease assets can be obtained upon expiry of lease term, the lease assets shall be depreciated over the shorter of the lease term and the remaining service life of the lease assets. The accrued depreciation amount shall be recognized as the cost of relevant assets or current profit and loss according to the purpose of the right-of-use assets.

The Company shall initially measure the lease liabilities according to the present value of the lease payment unpaid on the commencement date of the lease term. Lease payments include: ① fixed payments and substantially fixed payments, net of amounts related to lease incentives; ② variable lease payments that depend on indices or ratios; ③ the exercise price of the purchase option in the event that the Company reasonably determines that the purchase option will be exercised; ④ payments to be made upon exercise of the termination option in the event that the lease term reflects that the Company will exercise its termination option; and ⑤ payments expected to be made based on the residual value of the guarantees provided by the Company.

In calculating the present value of the lease payments, the Company adopts the interest rate embedded in the lease as the discount rate. If the Company is unable to determine the interest rate embedded in the lease, it will adopt the incremental borrowing rate as the discount rate. The interest expenses of lease liabilities in each period of the lease term are calculated by the Company in accordance with the fixed periodic interest rate, and are included in the current profit and loss, unless capitalization is required.

After the commencement date of the lease term, the carrying amount of the lease liability is increased to reflect interest on the lease liability and reduced to reflect lease payments made. Where there are changes in in-substance fixed payments, changes in expected amounts payable under residual value guarantees, changes in the indices or ratios used to determine lease payments, or changes in the assessment or actual exercise of purchase options, renewal options, or termination options, the Company remeasures the lease liability based on the present value of the revised lease payments.

2) Lease change

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

When the lease changes and meets the following conditions, the Company will treat it as a separate lease: ① the lease change expands the lease scope by adding one or more right-of-use leased assets or extended leases; ② the increased consideration is equivalent to the single price of the expanded lease scope or extension of lease term adjusted according to the contract.

In case where accounting treatment is not made for lease change as a single lease, on the effective date of lease change, the Company will appropriate the consideration of the changed contract according to the relevant provisions of the lease criteria and redefine the updated lease term. In addition, the Company will discount the changed lease payment according to the revised discount rate, so as to remeasure the lease liabilities. With regard to the impact of the above adjustment of lease liabilities, the Company adopts accounting methods in the following situations: ① In the event that the lease scope is narrowed down or the lease term is shortened as a result of the lease change, the lessee shall reduce the carrying value of the right-of-use assets, and the relevant gains or losses from the partial or complete termination of the lease shall be included into the current profit and loss. ② For the lease liabilities remeasured due to other lease changes, the lessee shall adjust the carrying value of the right-of-use assets accordingly.

3) Short-term leases and leases of low-value assets

For short-term leases with a lease term of no more than 12 months and low-value asset leases at a low value when individual leased assets are brand new, the Company chooses not to recognize the right-of-use assets and lease liabilities. Lease payments under short-term leases and leases of low-value assets are recognized by the Company on a straight-line basis or other systematic and reasonable basis over the lease term, and included into the cost of the related assets or the current profit and loss.

4) Sale-and-Leaseback

The Company, as the seller and lessee in a sale and leaseback transaction, evaluates whether the transfer of the relevant underlying asset constitutes a sale, based on Note V. X. Lease. Where the Company determines that the transfer does not constitute a sale, the Company continues to recognize the transferred asset and recognizes a financial liability equal to the transfer proceeds received. Where the transfer constitutes a sale, the Company measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained through the leaseback, and recognizes only the amount of any gain or loss relating to the rights transferred to the lessor.

(2) Accounting treatment of the lease as lessor

The Company, as lessor, classifies a lease as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the leased asset; otherwise it is classified as an operating lease.

1) Financial lease

On the commencement date of lease term, the Company recognizes finance lease receivables for finance lease and derecognizes finance lease assets. Upon initial measurement of financial lease accounts receivable, the Company takes net investment in lease as entry value of financial lease accounts receivable.

Net investment in lease is the sum of unsecured residual value and the present value of outstanding lease receipts discounted on interest rate implicit in lease on the commencement date of the lease term. The Company calculates and recognizes the interest income in each period of the lease term according to the fixed periodic rate. Variable lease payments acquired by the Company that are not included in the measurement of the net investment in leases are recognized in profit and loss when they are actually incurred.

2) Operating lease

The Company adopts the straight-line method or other systematic and reasonable methods to recognize the lease receipts from operating leases as rental income during all periods within the lease term.

The initial direct costs incurred by the Company related to the operating lease are capitalized to the cost of leased underlying asset and shall be included in current profits and losses on the same basis as recognition of rental income during the lease term. Variable lease payments acquired by the Company in connection with operating leases that are not included in the lease receipts are recognized in the current profits and losses when actually incurred.

In case of changes in the operating lease, the Company will treat it as a new lease as of the effective date of the change, and the lease advance or accounts receivable related to the lease before the change will be regarded as the amount received from the new lease.

3) Sale-and-Leaseback

When the Company acts as the buyer and lessor in a sale and leaseback transaction and the control of the related underlying assets has not been transferred to the Company, the Company does not recognize the transferred assets but recognizes a financial asset equal to the proceeds from the transfer; when the control of the related underlying assets has been transferred to the Company and the transfer of the assets constitutes a sale, the Company accounts for the purchase of the assets and the lease of the assets in accordance with the aforementioned policy.

34. Other significant accounting policies and accounting estimates

35. Significant changes in accounting policy and accounting estimate

(1) Significant accounting policy changes

□Applicable ☑Not applicable

(2) Significant accounting estimate changes

□Applicable ☑Not applicable

(3) Relevant financial statement items at the beginning of 2026 when the adjustments stipulated in the new accounting standards apply for the first time

□Applicable ☑Not applicable

36. Others

VI. Taxation

1. Main tax categories and tax rates

Category	Tax base	Tax rate
VAT	Revenue from sales of goods, installation work, technical services, house lease	13%, 9%, 6%, 5%
City maintenance and construction tax	Turnover tax payable	7.00%
Business income tax	Taxable income	15%, 25%, 20%
Education surcharge	Turnover tax payable	3.00%
Local education surcharge	Turnover tax payable	2.00%
Property tax	70% of the original value of the property, rental income	1.20%, 12.00%
Land use tax	Total land area	RMB 1.5-20/m^2

Disclosure of taxpayers with different corporate income tax rates

Name of taxpayer	Income tax rate
Hangzhou Robam Appliances Co., Ltd.	15%
Shanghai Robam Appliances Sales Co., Ltd.	25%
Beijing Robam Appliances Sales Co., Ltd.	25%
Hangzhou MingQi Electric Co., Ltd.	25%
Shengzhou Kinde Intelligent Kitchen Appliances Co., Ltd.	15%
Shengzhou Dijia Technology Co., Ltd.	20%
De Dietrich Household Appliances Trading (Shanghai) Co., Ltd.	20%
Hangzhou Jinhe Electric Appliances Co., Ltd.	25%
Hangzhou Robam Fuchuang Investment Management Co., Ltd.	20%
Robam Appliances Holding (HK) Co., Ltd. (Note 1)	Two-tiered tax system
Robam International (HK) Trading Co., Ltd. (Note 1)	Two-tiered tax system
Robam Appliances U.S. Holding Co., Ltd. (Note 2)	Fixed + variable tax system
Robam Appliances Los Angeles Trade LLC (Note 3)	Fixed + variable tax system
Robam Appliances (HK) Excellence Co., Ltd. (Note 1)	Two-tiered tax system
Indonesia Robam Appliances LLC	22%
Robam Appliances International Trading (Malaysia) Co., Ltd.	24%
Hangzhou Robam E-commerce Co., Ltd.	25%
Chengdu Robam Innovation Technology Co., Ltd.	20%
Ningbo Jinhe E-commerce Co., Ltd.	20%
Hangzhou Yuhang Jinhe E-commerce Co., Ltd.	20%
Chengdu Robam E-commerce Co., Ltd.	25%
Qingdao MingQi E-commerce Co., Ltd.	20%
Wuhan Jinhe E-commerce Co., Ltd.	20%
Hangzhou Robam Commercial Kitchen Technology Co., Ltd.	20%
Hainan Robam Intelligent Technology Co., Ltd.	20%
Robam Appliances Investment (HK) Co., Ltd. (Note 1)	Two-tiered tax system

2. Preferential tax policy

(1) Preferential income tax policy

The Company obtained the Certificate of High-Tech Enterprise (Certificate No.: GR202333003384) jointly issued by Department of Science and Technology of Zhejiang Province, Zhejiang Provincial Department of Finance, Zhejiang Provincial Tax Service, State Taxation Administration, on December 8, 2023. The certificate is valid for 3 years. According to the relevant provisions, after being identified as a high-tech enterprise, the Company will enjoy the relevant preferential policies of the state on high-tech enterprises for three consecutive years (i.e., the Company is entitled to the preferential income tax policy from January 01, 2023 to December 31, 2025), and the corporate income tax shall be levied at the rate of 15%.

According to the Announcement of the State Taxation Administration on the Implementation of Preferential Income Tax Policy for Hi-tech Enterprises (Announcement 2017 No. 24 of the State Taxation Administration), an enterprise shall prepay the income tax temporarily at the rate of 15% before passing the re-certification in the year when the enterprise's Certificate of High-Tech Enterprise expires, and if it still fails to obtain the qualification as a high-tech enterprise before the end of the year, it shall make up for the taxes of the corresponding period in accordance with the regulations The Company has reapplied for the qualification of high-tech enterprise. Before the recognition is approved, the corporate income tax will be temporarily prepaid at a tax rate of 15% in 2026

The subsidiary of the Company, Shengzhou Kinde Intelligent Kitchen Appliances Co., Ltd., obtained the Certificate of High-tech Enterprise (Certificate No.: GR202533001951) jointly issued by Department of Science and Technology of Zhejiang Province, Zhejiang Provincial Department of Finance, and Zhejiang Provincial Tax Service, State Taxation Administration on December 19, 2025. After the recognition, it will enjoy the preferential tax policy of the state on high-tech enterprises for three consecutive years (i.e., it is entitled to the preferential income tax policy from January 1, 2025 to December 31, 2027), and its corporate income tax shall be levied at the tax rate of 15%.

The Company's subsidiaries, Hangzhou Robam Fuchuang Investment Management Co., Ltd., Shengzhou Dijia Technology Co., Ltd., De Dietrich Household Appliances Trading (Shanghai) Co., Ltd., Chengdu Robam Innovation Technology Co., Ltd., Ningbo Jinhe E-commerce Co., Ltd., Hangzhou Yuhang Jinhe E-commerce Co., Ltd., Qingdao MingQi E-commerce Co., Ltd., Wuhan Jinhe E-commerce Co., Ltd., and Hangzhou Robam Commercial Kitchen Technology Co., Ltd. and Hainan Robam Intelligent Technology Co., Ltd. are entitled to the preferential tax policy for small and low-profit enterprises pursuant to Announcement No. 12 [2023] of the Ministry of Finance and the State Taxation Administration, *Announcement on Further Supporting the Development of Small and Micro Enterprises and Individually Owned Businesses Through Tax and Fee Policies*. Under this policy, taxable income is calculated at 25% of the taxable income amount, and enterprise income tax is levied at a rate of 20%. The policy will continue to be implemented through December 31, 2027.

(2) Preferential VAT policy

According to the *Notice on Value-Added Tax Policies for Software Products Issued by the Ministry of Finance and the State Taxation Administration* (CS [2011] No. 100), the Company's sales of embedded software products are eligible for immediate VAT refund after collection.

According to the Announcement No. 43 of 2023 issued by the Ministry of Finance and the State Administration of Taxation, *Announcement on the Additional Value-Added Tax Credit Policy for Advanced Manufacturing Enterprises*, the Company will enjoy the policy of incremental deduction of 5% of the payable value-added tax amount by advanced manufacturing enterprises based on the deductible input tax amount for the period from January 1, 2023 to December 31, 2027.

3. Others

Note 1: The Company's subsidiaries, Robam Appliances Holding (HK) Co., Ltd., Robam International (HK) Trading Co., Ltd., Robam Appliances (HK) Excellence Co., Ltd. and Robam Appliances Investment (HK) Co., Ltd. are subject to the Hong Kong Profits Tax regime. Under the two-tiered tax system, taxable profits up to HKD 2.00 million are subject to a tax rate of 8.25%, while the portion of taxable profits exceeding HKD 2.00 million is taxed at a rate of 16.50%.

Note 2: The Company's indirectly controlled subsidiary, Robam Appliances U.S. Holding Co., Ltd. is subject to the tax policies of the State of Delaware, United States, which apply a fixed tax rate plus variable tax amount/rate system. The applicable tax amounts are as follows:

Total annual gross revenue (USD)	Fixed tax rate	Variable tax amount + rate (USD)
＜50,000	8.7%	15%
50,000-75,000	8.7%	7,500 + 25% of the excess over 50,000
75,000-100,000	8.7%	13,750 + 34% of excess over 75,000
100,000-335,000	8.7%	22,250 + 39% of excess over 100,000
335,000-10,000,000	8.7%	113,900 + 34% of excess over 335,000
10,000,000-15,000,000	8.7%	3,400,000 + 35% of the excess over 10,000,000
15,000,000-18,333,333	8.7%	5,150,000 + 38% of the excess over 15,000,000
≥18,333,333	8.7%	6,416,667 + 35% of the excess over 18,333,333

Note 3: Robam Appliances Los Angeles Trade LLC, an indirectly controlled subsidiary of the Company, is subject to the tax policies of the State of California, United States, which apply a fixed tax plus variable tax system. The applicable tax amounts are as follows:

Total annual gross revenue (USD)	Fixed tax amount (USD)	Variable 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 the Consolidated Financial Statements

1. Cash and cash equivalents

In RMB

Item	Ending balance	Beginning balance
Cash in hand	102,922.02	90,657.72
Deposit in bank	1,504,839,595.49	1,167,338,722.58
Other cash and cash equivalents	64,988,828.73	68,828,480.23
Total	1,569,931,346.24	1,236,257,860.53
Including: total amount of funds	12,060,140.86	10,894,779.09

deposited overseas		

Other description

The other cash and cash equivalents are RMB 64,988,828.73, including the L/G margin deposit of RMB 59,235,811.47, the bill acceptance margin of RMB 4,860,000.16 and the ETC margin of RMB 14,000.00, the uses of which are limited; and the Alipay and WeChat wallet balance is RMB 879,017.10, which can be withdrawn without any limit at any time.

2. Financial assets held for trading

In RMB

Item	Ending balance	Beginning balance
Financial assets measured at fair value through profit and loss	2,640,000,000.00	3,230,000,000.00
Including:		
Structured deposits	1,100,000,000.00	1,800,000,000.00
Financial products	1,540,000,000.00	1,430,000,000.00
Including:		
Total	2,640,000,000.00	3,230,000,000.00

3. Notes receivable

(1) Classified presentation of notes receivable

In RMB

Item	Ending balance	Beginning balance
Banker's acceptance	535,068,020.34	577,431,523.95
Trade acceptance	780,000.00	1,056,336.42
Less: provision for bad debts	39,000.00	52,816.82
Total	535,809,020.34	578,435,043.55

(2) Classification of disclosure according to the bad debt provision method

In RMB

Category	Ending balance					Beginning balance				
	Book balance		Bad debt reserve		Carrying value	Book balance		Bad debt reserve		Carrying value
	Amount	Percentage (%)	Amount	Percentage of provision		Amount	Percentage (%)	Amount	Percentage of provision	
Notes receivable with an individual bad debt provision	0.00	0.00%	0.00	0.00%	0.00	0.00	0.00%	0.00	0.00%	0.00

Including:										
Notes receivable with provision for bad debts on a collective basis	535,848,020.34	100.00%	39,000.00	0.01%	535,809,020.34	578,487,860.37	100.00%	52,816.82	0.01%	578,435,043.55
Including:										
Banker's acceptance	535,068,020.34	99.85%	0.00	0.00%	535,068,020.34	577,431,523.95	99.82%	0.00	0.00%	577,431,523.95
Trade acceptance	780,000.00	0.15%	39,000.00	5.00%	741,000.00	1,056,336.42	0.18%	52,816.82	5.00%	1,003,519.60
Total	535,848,020.34	100.00%	39,000.00	0.01%	535,809,020.34	578,487,860.37	100.00%	52,816.82	0.01%	578,435,043.55

If provision for bad debts of notes receivable is made according to the general model of expected credit loss:

□Applicable ☑Not applicable

(3) Bad debt provision, and its recovery or reversal in the current period

Bad debt provision in the current period:

In RMB

Category	Beginning balance	Amount of change in the current period				Ending balance
		Provision	Recovery or reversal	Write-off	Others	
Bad debt provision for notes receivable	52,816.82	0.00	13,816.82	0.00	0.00	39,000.00
Total	52,816.82	0.00	13,816.82	0.00	0.00	39,000.00

Significant recoveries or reversals of provisions for bad debts during the reporting period:

□Applicable ☑Not applicable

4. Accounts receivable

(1) Disclosure by aging of accounts

In RMB

Aging	Book balance at the end of the period	Book balance at the beginning of the period
Within 1 year (including 1 year)	1,348,804,179.53	1,229,707,366.34
1-2 years	173,751,010.63	198,352,510.27
2-3 years	191,715,692.90	316,491,000.44

Over 3 years	426,314,803.52	329,461,925.46
3-4 years	170,973,255.04	203,098,560.52
4-5 years	189,993,671.22	106,648,765.68
Over 5 years	65,347,877.26	19,714,599.26
Subtotal	2,140,585,686.58	2,074,012,802.51
Less: provision for bad debts	539,836,870.31	572,238,179.28
Total	**1,600,748,816.27**	**1,501,774,623.23**

(2) Classification of disclosure according to the bad debt provision method

In RMB

Category	Ending balance					Beginning balance				
	Book balance		Bad debt reserve		Carrying value	Book balance		Bad debt reserve		Carrying value
	Amount	Percentage (%)	Amount	Percentage of provision		Amount	Percentage (%)	Amount	Percentage of provision	
Accounts receivable with provision for bad debts on an individual basis	654,884,981.47	30.59%	414,292,307.72	63.26%	240,592,673.75	772,629,500.18	37.25%	466,600,596.37	60.39%	306,028,903.81
Including:										
Accounts receivable with provision for bad debts on a collective basis	1,485,700,705.11	69.41%	125,544,562.59	8.45%	1,360,156,142.52	1,301,383,302.33	62.75%	105,637,582.91	8.12%	1,195,745,719.42
Including:										
Aging-based portfolio	1,485,700,705.11	69.41%	125,544,562.59	8.45%	1,360,156,142.52	1,301,383,302.33	62.75%	105,637,582.91	8.12%	1,195,745,719.42
Total	2,140,585,686.58	100.00%	539,836,870.31	25.22%	1,600,748,816.27	2,074,012,802.51	100.00%	572,238,179.28	27.59%	1,501,774,623.23

Category by individual bad debt provision:

In RMB

Name	Beginning balance		Ending balance			
	Book balance	Bad debt reserve	Book balance	Bad debt reserve	Percenta	Reasons for

					ge of provision	provision
Unit 1	182,374,947.60	87,850,013.32	139,487,225.91	69,870,478.34	50.09%	Expected to be difficult to fully recover
Unit 2	94,692,708.65	65,299,506.65	94,423,248.00	64,840,631.32	68.67%	Expected to be difficult to fully recover
Unit 3	71,896,103.57	71,896,103.57	71,808,376.05	71,808,376.05	100.00%	Expected to be difficult to recover
Unit 4	89,342,910.96	26,845,843.67	42,062,439.02	12,618,731.71	30.00%	Expected to be difficult to fully recover
Unit 5	30,605,439.56	13,917,042.04	34,677,639.87	16,767,582.26	48.35%	Expected to be difficult to fully recover
Unit 6	22,008,442.37	14,471,075.41	22,281,046.87	14,661,898.56	65.80%	Expected to be difficult to fully recover
Unit 7	22,235,928.00	14,842,515.85	20,793,789.68	13,833,019.03	66.52%	Expected to be difficult to fully recover
Unit 8	14,153,466.07	8,329,895.14	13,098,654.75	7,729,027.21	59.01%	Expected to be difficult to fully recover
Unit 9	11,666,204.38	7,101,201.84	11,082,229.31	6,831,522.30	61.64%	Expected to be difficult to fully recover
Unit 10	9,785,174.12	6,849,621.88	9,785,174.12	6,849,621.88	70.00%	Expected to be difficult to fully recover
Unit 11	6,149,051.83	4,304,336.28	6,149,051.83	4,304,336.28	70.00%	Expected to be difficult to fully recover
Unit 12	5,729,564.29	3,684,795.00	5,454,207.48	3,492,045.24	64.02%	Expected to be difficult to fully recover
Summary of other companies	211,989,558.78	141,208,645.72	183,781,898.58	120,685,037.54	65.67%	Expected to be difficult to fully recover
Total	772,629,500.18	466,600,596.37	654,884,981.47	414,292,307.72		

Category for bad debt provision on a collective basis: account age

In RMB

Name	Ending balance		
	Book balance	Bad debt reserve	Percentage of provision
Within 1 year	1,255,275,531.49	62,767,098.57	5.00%
1-2 years	108,838,091.16	10,883,809.12	10.00%
2-3 years	59,022,736.30	11,804,547.26	20.00%
3-4 years	40,369,126.38	20,184,563.19	50.00%
4-5 years	11,453,376.64	9,162,701.31	80.00%
Over 5 years	10,741,843.14	10,741,843.14	100.00%
Total	1,485,700,705.11	125,544,562.59	

Description on basis for determining portfolio：

If provision for bad debts of accounts receivable is made according to the general model of expected credit loss:

□Applicable ☑Not applicable

(3) Bad debt provision, and its recovery or reversal in the current period

Bad debt provision in the current period:

In RMB

Category	Beginning balance	Amount of change in the current period				Ending balance
		Provision	Recovery or reversal	Write-off	Others	
Bad debt reserves for accounts receivable	572,238,179.28	38,392,866.80	32,606,523.74	852,940.10	37,334,711.93	539,836,870.31
Total	572,238,179.28	38,392,866.80	32,606,523.74	852,940.10	37,334,711.93	539,836,870.31

Significant recoveries or reversals of provisions for bad debts during the reporting period:

In RMB

Unit	Recovery or reversal	Reason for reversal	Recovery method	Basis and reasonableness of determining the original provision ratio for bad debts
Unit 1	47,715,404.44	Collection of accounts receivable	Bank transfer, offset	The debtor experiences cash flow difficulties, and it is expected to be difficult to fully recover
Total	47,715,404.44			

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

In RMB

Item	Amounts written off
Accounts receivable actually written off	852,940.10

(5) Top five debtors with the largest ending balances of accounts receivable and contract assets

In RMB

Unit	Ending balance of accounts receivable	Ending balance of contract assets	Closing balance of accounts receivable and contract assets	Proportion in the total ending balance of accounts receivable and contract assets	Closing balance of provision for bad debts on accounts receivable and impairment of contract assets
Unit 1	463,171,450.54	0.00	463,171,450.54	21.64%	23,155,439.41
Unit 2	81,476,358.38	0.00	81,476,358.38	3.81%	37,564,127.32
Unit 3	69,945,762.56	0.00	69,945,762.56	3.27%	3,497,288.13
Unit 4	55,987,747.71	0.00	55,987,747.71	2.62%	39,191,423.40

Unit 5	44,795,558.46	0.00	44,795,558.46	2.09%	12,860,608.97
Total	715,376,877.65	0.00	715,376,877.65	33.43%	116,268,887.23

5. Other receivables

In RMB

Item	Ending balance	Beginning balance
Dividends receivable		400,000.00
Other receivables	108,769,365.44	73,133,704.37
Total	108,769,365.44	73,533,704.37

(1) Dividends receivable

1) Classification of dividends receivable

In RMB

Item (or investee)	Ending balance	Beginning balance
Zhejiang Tingshuo Brand Operation Management Co., Ltd.		400,000.00
Total		400,000.00

2) Classification of disclosure according to the bad debt provision method

□Applicable ☑Not applicable

(2) Other accounts receivable

1) Classification of other accounts receivable by nature

In RMB

Nature of receivable	Book balance at the end of the period	Book balance at the beginning of the period
Collections by a third party	72,447,193.01	40,881,838.97
Margin deposits/deposits	28,800,940.34	29,981,876.29
Proxy holding of project mortgage properties	14,540,426.23	14,537,654.00
Withholdings	7,092,836.68	4,047,262.25
Cash reserve	8,760,565.05	4,720,272.88
Others	4,730,897.65	3,803,557.29
Less: provision for bad debts	27,603,493.52	24,838,757.31
Total	108,769,365.44	73,133,704.37

2) Disclosure by aging of accounts

In RMB

Aging	Book balance at the end of the period	Book balance at the beginning of the period
Within 1 year (including 1 year)	106,175,024.13	68,817,484.17

1-2 years	8,440,500.02	7,075,900.68
2-3 years	4,294,283.74	5,744,411.97
Over 3 years	17,463,051.07	16,334,664.86
3-4 years	3,380,323.26	4,665,541.03
4-5 years	4,468,118.13	4,282,350.83
Over 5 years	9,614,609.68	7,386,773.00
Less: provision for bad debts	27,603,493.52	24,838,757.31
Total	108,769,365.44	73,133,704.37

3) Classification of disclosure according to the bad debt provision method

☑Applicable □Not applicable

In RMB

Category	Ending balance					Beginning balance				
	Book balance		Bad debt reserve		Carrying value	Book balance		Bad debt reserve		Carrying value
	Amount	Percentage (%)	Amount	Percentage of provision		Amount	Percentage (%)	Amount	Percentage of provision	
Provision for bad debts on an individual basis	14,755,854.00	10.82%	6,760,144.30	45.81%	7,995,709.70	14,759,354.00	15.06%	6,763,644.30	45.83%	7,995,709.70
Including:										
Provision for bad debts on a collective basis	121,617,004.96	89.18%	20,843,349.22	17.14%	100,773,655.74	83,213,107.68	84.94%	18,075,113.01	21.72%	65,137,994.67
Including:										
Aging-based portfolio	121,617,004.96	89.18%	20,843,349.22	17.14%	100,773,655.74	83,213,107.68	84.94%	18,075,113.01	21.72%	65,137,994.67
Total	136,372,858.96	100.00%	27,603,493.52	20.24%	108,769,365.44	97,972,461.68	100.00%	24,838,757.31	25.35%	73,133,704.37

Category by individual bad debt provision:

In RMB

Name	Beginning balance		Ending balance			
	Book balance	Bad debt reserve	Book balance	Bad debt reserve	Percentage of provision	Reasons for provision
Unit 1	9,976,291.00	4,489,330.95	9,976,291.00	4,489,330.95	45.00%	Expected impairment
Unit 2	1,892,194.00	851,487.30	1,892,194.00	851,487.30	45.00%	Expected impairment
Unit 3	1,205,059.00	542,276.55	1,205,059.00	542,276.55	45.00%	Expected impairment
Unit 4	657,783.00	296,002.35	657,783.00	296,002.35	45.00%	Expected

						impairment
Unit 5	636,327.00	286,347.15	636,327.00	286,347.15	45.00%	Expected impairment
Unit 6	170,000.00	76,500.00	170,000.00	76,500.00	45.00%	Expected impairment
Unit 7	103,000.00	103,000.00	103,000.00	103,000.00	100.00%	Expected to be difficult to recover
Unit 8	45,200.00	45,200.00	45,200.00	45,200.00	100.00%	Expected to be difficult to 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	20,000.00	20,000.00	20,000.00	20,000.00	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	10,000.00	10,000.00	10,000.00	10,000.00	100.00%	Expected to be difficult to recover
Unit 13	10,000.00	10,000.00	10,000.00	10,000.00	100.00%	Expected to be difficult to recover
Unit 14	3,500.00	3,500.00				
Total	14,759,354.00	6,763,644.30	14,755,854.00	6,760,144.30		

Category for bad debt provision on a collective basis: account age

In RMB

Name	Ending balance		
	Book balance	Bad debt reserve	Percentage of provision
Within 1 year	94,424,766.48	4,723,074.01	5.00%
1-2 years	5,616,390.02	561,639.00	10.00%
2-3 years	4,294,283.74	858,856.75	20.00%
3-4 years	3,380,323.26	1,690,161.63	50.00%
4-5 years	4,458,118.13	3,566,494.50	80.00%
Over 5 years	9,443,123.33	9,443,123.33	100.00%
Total	121,617,004.96	20,843,349.22	

Description on basis for determining portfolio：

Provision for bad debts according to the general model of expected credit loss:

In RMB

Bad debt reserve	Phase I	Phase II	Phase III	Total
	Expected credit loss over the next 12 months	Expected credit loss over the entire period of existence (without credit impairment)	Expected credit loss over the entire period of existence (with credit impairment)	
Balance as of January 1, 2026	13,140,847.76	11,476,209.55	221,700.00	24,838,757.31
Balance on January 1, 2026 in the current period				
Provision in the current	2,809,838.61			2,809,838.61

period				
Derecognition/write-offs in the current period	45,102.40			45,102.40
Balance as of June 30, 2026	15,905,583.97	11,476,209.55	221,700.00	27,603,493.52

Basis of classification in different stages and percentage of provision for bad debts

Changes in the book balance with significant change in amount of the loss provision in the current period

□Applicable ☑Not applicable

4) Bad debt provision, and its recovery or reversal in the current period

Bad debt provision in the current period:

In RMB

Category	Beginning balance	Amount of change in the current period				Ending balance
		Provision	Recovery or reversal	Write-offs	Others	
Bad debt provision for other receivables	24,838,757.31	2,809,838.61		45,102.40		27,603,493.52
Total	24,838,757.31	2,809,838.61		45,102.40		27,603,493.52

5) Other receivables actually written off in the current period

In RMB

Item	Amounts written off
The actual write-off of other receivables	45,102.40

6) Top five debtors with the largest ending balances of other accounts receivable

In RMB

Unit	Nature of receivable	Ending balance	Aging	Proportion in the total ending balance of other accounts receivable	Ending balance of bad debt reserves
Unit 1	Collections by a third party/deposits	20,027,026.13	0-2	14.69%	1,054,286.82
Unit 2	Proxy holding of project mortgage properties	9,976,291.00	Within 1 year	7.32%	4,489,330.95
Unit 3	Collections by a third party/deposits	24,010,940.21	0-5 years	17.61%	1,577,985.49
Unit 4	Collections by a third party	4,670,989.23	Within 1 year	3.43%	233,549.46
Unit 5	Collections by a	6,866,511.82	0-5 years	5.04%	369,590.59

	third party/deposits				
Total		65,551,758.39		48.09%	7,724,743.31

6. Advance payments

(1) Advance payments presented by age

In RMB

Aging	Ending balance		Beginning balance	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	184,987,638.57	95.58%	171,506,990.75	92.07%
1-2 years	7,189,764.87	3.72%	13,750,625.98	7.38%
2-3 years	1,092,496.32	0.56%	907,477.59	0.49%
Over 3 years	261,958.85	0.14%	116,614.59	0.06%
Total	193,531,858.61		186,281,708.91	

(2) Top five payers with the largest ending balances of advance payments

The ending balances of advance payments of the top five payers by the end of this year totaled RMB 65,950,437.85, accounting for 34.08% of the total.

7. Inventory

Whether the company is subject to disclosure requirements for the real estate industry
No

(1) Classification of inventories

In RMB

Item	Ending balance			Beginning balance		
	Book balance	Provision for obsolete inventory or for impairment of the cost of contract performance	Carrying value	Book balance	Provision for obsolete inventory or for impairment of the cost of contract performance	Carrying value
Raw materials	66,551,585.88	9,156,978.54	57,394,607.34	58,592,833.63	6,863,404.45	51,729,429.18
Products in process	75,430,921.25		75,430,921.25	82,472,309.49	0.00	82,472,309.49
Finished goods	407,404,209.28	21,033,570.49	386,370,638.79	462,122,415.82	17,827,890.31	444,294,525.51
Contract performance costs	160,123,712.67		160,123,712.67	94,994,339.86	0.00	94,994,339.86
Goods on consignment	759,477,425.38	45,860,500.15	713,616,925.23	704,650,720.50	46,786,601.01	657,864,119.49

Low-value consumables	26,014,842.73		26,014,842.73	28,668,045.56	0.00	28,668,045.56
Total	1,495,002,697.19	76,051,049.18	1,418,951,648.01	1,431,500,664.86	71,477,895.77	1,360,022,769.09

(2) Provision for obsolete inventory or for impairment of the cost of contract performance

In RMB

Item	Beginning balance	Increased amount in the current period		Decreased amount in the current period		Ending balance
		Provision	Others	Reversals or write-off	Others	
Raw materials	6,863,404.45	2,550,298.30	0.00	256,724.20	0.00	9,156,978.55
Finished goods	17,827,890.31	3,205,680.18	0.00	0.00	0.00	21,033,570.49
Goods on consignment	46,786,601.01	0.00	0.00	926,100.87	0.00	45,860,500.14
Total	**71,477,895.77**	**5,755,978.48**	**0.00**	**1,182,825.07**	**0.00**	**76,051,049.18**

Item	**Specific Basis for Determining Net Realizable Value**	**Reasons for Reversal or Write-off in This Reporting Period**
Shipped Goods, Inventory Goods	Determined based on industry and market conditions, taking into account the estimated selling price, sales expenses, liquidation costs, and related taxes and fees.	Sales transfer out
Raw materials, products in progress	Determined based on industry and market conditions, taking into account the estimated selling price of the products to be manufactured and the estimated costs and expenses to be incurred until completion.	Production issuance

8. Non-current assets due within one year

In RMB

Item	Ending balance	Beginning balance
Fixed term deposits maturing within one year	3,110,000,000.00	470,000,000.00
Accrued interest on fixed term deposits maturing within one year	190,412,030.50	29,143,689.50
Total	3,300,412,030.50	499,143,689.50

(1) Debt investments due within one year

□Applicable ☑Not applicable

(2) Other debt investments due within one year

□Applicable ☑Not applicable

9. Other current assets

In RMB

Item	Ending balance	Beginning balance
Prepaid taxes	731,116.95	3,068,681.12
Fixed-term deposit within one year	81,830,800.00	84,345,600.00

Accrued interest on fixed term deposits within one year	902,845.41	1,053,790.87
Total	83,464,762.36	88,468,071.99

10. Other equity instrument investments

In RMB

Name of item	Beginning balance	Gains recognized in other comprehensive income for the current period	Loss recognized in other comprehensive income for the current period	Gains recognized in other comprehensive income at the end of the period	Loss recognized in other comprehensive income at the end of the period	Recognized dividends income in the period	Ending balance	Reason for being designated to be measured at fair value through 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				17,832,510.78		2,116,023.22	
Total	2,116,023.22				117,832,510.78		2,116,023.22	

11. Long-term equity investments

In RMB

Investee	Beginning balance (carrying value)	Opening balance of impairment provision	Increase/decrease in the current period								Ending balance (carrying value)	Ending balance of impairment provision
			Additional investment	Negative investment	Investment profit and loss recognized using the equity metho	Adjustment of other comprehensive incomes	Other changes in equity	Cash dividends or profits declared and distributed	Impairment provision	Others		

					d							
I. Joint venture												
II. Associated enterprises												
Zhejiang Tingshuo Brand Operation Management Co., Ltd.	1,748,308.55				468,484.80						2,216,793.35	
Shaoxing Shuaige Kitchen and Bathroom Technology Co., Ltd.	2,646,811.40				-865,425.51						1,781,385.89	
Subtotal	4,395,119.95				-396,940.71						3,998,179.24	
Total	4,395,119.95				-396,940.71						3,998,179.24	

Recoverable amount is determined as fair value less costs of disposal

□Applicable ☑Not applicable

The recoverable amount is determined as the present value of the estimated future cash flows

□Applicable ☑Not applicable

12. Other non-current financial assets

In RMB

Item	Ending balance	Beginning balance
Financial products		800,451,400.00
Total		800,451,400.00

13. Investment real estates

(1) Investment real estate under the cost measurement mode

☑Applicable □Not applicable

In RMB

Item	Buildings	Land use right	Construction in process	Total
I. Original carrying value				
1. Beginning balance	102,868,253.38	1,062,744.00		103,930,997.38
2. Increased amount in the current period				

(1) Outsourcing				
(2) Transfer from inventories/fixed assets/construction in progress				
(3) Increased amount in business combination				
3. Decreased amount in the current period				
(1) Disposal				
(2) Other transfer-out				
4. Ending balance	102,868,253.38	1,062,744.00		103,930,997.38
II. Accumulated depreciation and amortization				
1. Beginning balance	20,982,390.13	394,986.51		21,377,376.64
2. Increased amount in the current period	2,352,055.31	10,627.45		2,362,682.76
(1) Accrual or amortization	2,352,055.31	10,627.45		2,362,682.76
3. Decreased amount in the current period				
(1) Disposal				
(2) Other transfer-out				
4. Ending balance	23,334,445.44	405,613.96		23,740,059.40
III. Impairment provision				
1. Beginning balance	1,539,949.83			1,539,949.83
2. Increased amount in the current period				
(1) Provision				
3. Decreased amount in the current period				
(1) Disposal				

(2) Other transfer-out				
4. Ending balance	1,539,949.83			1,539,949.83
IV. Carrying value				
1. Ending carrying value	77,993,858.11	657,130.04		78,650,988.15
2. Beginning carrying value	80,345,913.42	667,757.49		81,013,670.91

Recoverable amount is determined as fair value less costs of disposal

□Applicable ☑Not applicable

The recoverable amount is determined as the present value of the estimated future cash flows

□Applicable ☑Not applicable

14. Fixed assets

In RMB

Item	Ending balance	Beginning balance
Fixed assets	2,131,088,542.33	2,173,620,976.82
Disposal of fixed assets	4,062.15	54,209.39
Total	2,131,092,604.48	2,173,675,186.21

(1) Fixed assets

In RMB

Item	Buildings and structures	Machinery and equipment	Transportation equipment	Other equipment	Total
I. Original carrying value:					
1. Beginning balance	2,355,093,322.91	901,175,317.21	23,304,916.01	149,083,933.77	3,428,657,489.90
2. Increased amount in the current period	36,697.24	26,522,201.69	230,292.72	17,241,045.35	44,030,237.00
(1) Purchase	36,697.24	5,154,697.94	230,292.72	2,381,826.02	7,803,513.92
(2) Transfer from construction in progress		21,367,503.75		14,859,219.33	36,226,723.08
(3) Increased amount in business combination					
3. Decreased amount in the current period		1,178,808.87	13,292.29	1,171,149.53	2,363,250.69

(1) Disposal or retirement		1,178,808.87		1,171,149.53	2,349,958.40
(2) Other decreases			13,292.29		13,292.29
4. Ending balance	2,355,130,020.15	926,518,710.03	23,521,916.44	165,153,829.59	3,470,324,476.21
II. Accumulated depreciation					
1. Beginning balance	549,987,491.60	583,667,521.45	17,732,735.62	103,648,764.41	1,255,036,513.08
2. Increased amount in the current period	51,811,535.34	25,177,591.30	800,945.29	8,436,086.51	86,226,158.44
(1) Provision	51,811,535.34	25,177,591.30	800,945.29	8,436,086.51	86,226,158.44
3. Decreased amount in the current period	13,451.33	1,049,413.50	1,917.21	961,955.60	2,026,737.64
(1) Disposal or retirement	13,451.33	1,049,413.50		961,955.60	2,024,820.43
(2) Other decreases			1,917.21		1,917.21
4. Ending balance	601,785,575.61	607,795,699.25	18,531,763.70	111,122,895.32	1,339,235,933.88
III. Impairment provision					
1. Beginning balance					
2. Increased amount in the current period					
(1) Provision					
3. Decreased amount in the current period					
(1) Disposal or retirement					
4. Ending balance					
IV. Carrying value					
1. Ending carrying value	1,753,344,444.54	318,723,010.78	4,990,152.74	54,030,934.27	2,131,088,542.33
2. Beginning carrying value	1,805,105,831.31	317,507,795.76	5,572,180.39	45,435,169.36	2,173,620,976.82

(2) Fixed asset without certificate of title

In RMB

Item	Carrying value	Reasons for failure to obtain the certificate of title
Robam Building	673,716,040.70	In process

(3) Disposal of fixed assets

In RMB

Item	Ending balance	Beginning balance
Machinery and equipment	4,062.15	54,209.39
Total	4,062.15	54,209.39

15. Construction in progress

In RMB

Item	Ending balance	Beginning balance
Construction in process	28,427,693.17	46,511,377.40
Total	28,427,693.17	46,511,377.40

(1) Construction in progress

In RMB

Item	Ending balance			Beginning balance		
	Book balance	Impairment provision	Carrying value	Book balance	Impairment provision	Carrying value
Robam Building project	19,915,668.84		19,915,668.84	41,762,075.08		41,762,075.08
Project of the First Production Department	2,317,699.22		2,317,699.22	619,469.04		619,469.04
Project of the Third Production Department	103,716.82		103,716.82	478,331.62		478,331.62
Project of the Second Production Department				856,637.17		856,637.17
Project of the Fourth Production Department	164,601.77		164,601.77	754,031.67		754,031.67
Customized management software	3,545,045.93		3,545,045.93	1,444,624.32		1,444,624.32
Other smaller projects	2,380,960.59		2,380,960.59	596,208.50		596,208.50

Total	28,427,693.17		28,427,693.17	46,511,377.40		46,511,377.40

(2) Current changes in major projects under construction

In RMB

Name of item	Budget	Beginning balance	Increased amount in the current period	Amount transferred into fixed assets in the current period	Other decreases in the current period	Ending balance	Proportion of accumulative construction investment in the budget	Project progress (%)	Accumulated amount of capitalized interest	Including: capitalized interests in the current period	Interest capitalization rate in the current period	Funding source
Robam Building project	823,750,800.00	41,762,075.08	1,483,398.44	23,329,804.68		19,915,668.84	87.65%	97.24%				Others
Total	823,750,800.00	41,762,075.08	1,483,398.44	23,329,804.68		19,915,668.84						

(3) Impairment testing of construction in progress

□Applicable ☑Not applicable

16. Right-of-use assets

(1) Right-of-use assets

In RMB

Item	Buildings and structures	Total
I. Original carrying value		
1. Beginning balance	16,779,791.90	16,779,791.90
2. Increased amount in the current period		
3. Decreased amount in the current period		
4. Ending balance	16,779,791.90	16,779,791.90
II. Accumulated depreciation		
1. Beginning balance	8,676,799.41	8,676,799.41
2. Increased amount in the current period	1,088,826.96	1,088,826.96
(1) Provision	1,088,826.96	1,088,826.96
3. Decreased amount in the current period		

(1) Disposal		
4. Ending balance	9,765,626.37	9,765,626.37
III. Impairment provision		
1. Beginning balance		
2. Increased amount in the current period		
(1) Provision		
3. Decreased amount in the current period		
(1) Disposal		
4. Ending balance		
IV. Carrying value		
1. Ending carrying value	7,014,165.53	7,014,165.53
2. Beginning carrying value	8,102,992.49	8,102,992.49

17. Intangible assets

(1) Intangible assets

In RMB

Item	Land use right	3. Patent right	Non-patented technology	Software	Trademark right	Total
I. Original carrying value						
1. Beginning balance	224,593,935.95	7,300,000.00		67,003,923.85	24,624,622.64	323,522,482.44
2. Increased amount in the current period						
(1) Purchase						
(2) Internal research and development						
(3) Increased amount in business combination						
3. Decreased amount in the						

current period						
(1) Disposal						
4. Ending balance	224,593,935.95	7,300,000.00		67,003,923.85	24,624,622.64	323,522,482.44
II. Accumulated amortization						
1. Beginning balance	47,849,096.70	7,300,000.00		53,514,099.33	18,452,889.00	127,116,085.03
2. Increased amount in the current period	2,285,334.52			2,696,960.36	1,231,231.12	6,213,526.00
(1) Provision	2,285,334.52			2,696,960.36	1,231,231.12	6,213,526.00
3. Decreased amount in the current period						
(1) Disposal						
4. Ending balance	50,134,431.22	7,300,000.00		56,211,059.69	19,684,120.12	133,329,611.03
III. Impairment provision						
1. Beginning balance						
2. Increased amount in the current period						
(1) Provision						
3. Decreased amount in the current period						
(1) Disposal						
4. Ending balance						
IV. Carrying value						

1. Ending carrying value	174,459,504.73			10,792,864.16	4,940,502.52	190,192,871.41
2. Beginning carrying value	176,744,839.25			13,489,824.52	6,171,733.64	196,406,397.41

18. Goodwill

(1) Original carrying value of goodwill

In RMB

Name of investee or item that generates goodwill	Beginning balance	Increase in the current period		Decrease in current Period		Ending balance
		Generated by business combination		Disposal		
Kinde Intelligent	80,589,565.84					80,589,565.84
Total	80,589,565.84					80,589,565.84

(2) Goodwill impairment provision

In RMB

Name of investee or item that generates goodwill	Beginning balance	Increase in the current period		Decrease in current Period		Ending balance
		Provision		Disposal		
Kinde Intelligent	80,589,565.84					80,589,565.84
Total	80,589,565.84					80,589,565.84

(3) Information regarding the asset group or portfolio of asset groups to which the goodwill relates

Name	Composition of the Asset Group or Portfolio and the Basis Therefor	Operating Segment and Basis for Classification	Is This Consistent with Previous Years?
Kinde Intelligent	The asset groups to which goodwill is allocated at the end of this period are the same as those recognized upon goodwill impairment tests conducted on the date of acquisition and in previous year.	The asset groups to which goodwill is allocated at the end of this period are the same as those recognized upon goodwill impairment tests conducted on the date of acquisition and in previous year.	Yes

Other description

The Company calculates the present value model of Kinde Intelligent’s future cash flows based on the five-year financial budget for 2025–2029 approved by the management, using the going-concern assumption, and performs goodwill impairment tests by using the higher of the asset’s fair value less costs of disposal and the present value of the asset’s projected future cash flows. Based on testing, the Kinde Intelligent asset group continues to show signs of impairment, and the Company has fully provisioned for the impairment of the RMB 80,589,600 in goodwill arising from its acquisition of Kinde Intelligent.

(4) Specific methods for determining the recoverable amount

Recoverable amount is determined as fair value less costs of disposal

□Applicable ☑Not applicable

The recoverable amount is determined as the present value of the estimated future cash flows

□Applicable ☑Not applicable

(5) Fulfillment of performance commitments and corresponding goodwill impairments

Performance commitments existed at the time goodwill was recognized, and the current reporting period or the preceding reporting period fell within the performance commitment period.

□Applicable ☑Not applicable

19. Long-term deferred expenses

In RMB

Item	Beginning balance	Increased amount in the current period	Amount of amortization in the current period	Other decreases	Ending balance
Service fee	2,473,903.50	609,638.28	761,123.30		2,322,418.48
Advertisement expenses		14,150,943.40	1,933,188.99		12,217,754.41
Tooling cost	441,301.43		30,371.69		410,929.74
Others	337,512.90	789,675.91	116,701.13		1,010,487.68
Total	3,252,717.83	15,550,257.59	2,841,385.11		15,961,590.31

20. Deferred income tax asset/deferred income tax liability

(1) Deferred income tax assets before offset

In RMB

Item	Ending balance		Beginning balance	
	Deductible temporary differences	Deferred income tax assets:	Deductible temporary differences	Deferred income tax assets:
Asset impairment provision	218,045,448.67	32,706,817.30	186,403,231.29	27,966,489.76
Unrealized profits of internal transactions	26,303,797.25	3,672,778.50	8,966,724.68	1,345,008.70
Loss from credit impairment	538,876,061.11	93,637,031.59	590,389,219.26	97,807,785.52
Income that should be recognized according to tax laws but have not been confirmed by the accountant yet	174,506,826.53	26,176,023.98	227,843,758.87	34,176,563.83
Those recognized based on the provisional estimated expenses	1,012,430,107.47	165,134,516.12	884,447,451.20	132,667,117.68
Deferred income	62,147,694.67	9,322,154.20	69,101,835.67	10,365,275.35

Changes in the fair value of other equity instrument investments	117,832,510.80	17,674,876.62	117,832,510.80	17,674,876.62
Equity incentive	29,352,241.80	4,597,044.64	20,209,550.94	3,120,512.36
Lease liabilities	1,785,034.32	446,258.58	1,841,496.02	460,374.01
Total	2,181,279,722.62	353,367,501.53	2,107,035,778.73	325,584,003.83

(2) Deferred income tax liabilities before offset

In RMB

Item	Ending balance		Beginning balance	
	Taxable temporary difference	Deferred income tax liabilities	Taxable temporary difference	Deferred income tax liabilities
Appreciation arising from asset valuation in a business combination not under common control	9,222,823.13	1,383,423.47	10,661,295.26	1,599,194.29
Temporary taxable difference incurred from pre-tax deduction of fixed assets	80,336,310.14	12,050,446.52	86,784,538.79	13,017,680.83
Interest accrued on deposits not yet matured	235,607,804.80	35,341,170.72	172,075,927.98	25,811,389.20
Right-of-use assets	49,058.72	12,264.68	109,594.14	5,479.71
Total	325,215,996.79	48,787,305.39	269,631,356.17	40,433,744.03

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

In RMB

Item	Amount of deferred income tax assets offset against deferred income tax liabilities at the end of the period	Ending balance of deferred income tax assets or liabilities after offset	Initial amount of deferred income tax assets offset against deferred income tax liabilities	Beginning balance of deferred income tax assets or liabilities after offset
Deferred income tax assets:		353,367,501.53		325,584,003.83
Deferred income tax liabilities		48,787,305.39		40,433,744.03

(4) Presentation of unrecognized deferred income tax assets

In RMB

Item	Ending balance	Beginning balance
Deductible temporary differences	34,534,008.52	35,378,023.90
Deductible tax losses	107,602,591.65	90,925,810.39
Total	142,136,600.17	126,303,834.29

(5) The deductible losses of unrecognized deferred income tax assets will be due in the following years

In RMB

Year	Ending amount	Beginning amount	Remarks
2026			
2027		6,776,597.45	
2028	30,994,598.62	31,603,994.30	
2029	18,575,484.11	18,575,484.11	
2030	33,969,734.53	33,969,734.53	
2031	24,062,774.39		
Total	107,602,591.65	90,925,810.39	

21 Other non-current assets

In RMB

Item	Ending balance			Beginning balance		
	Book balance	Impairment provision	Carrying value	Book balance	Impairment provision	Carrying value
Fixed term deposits over one year	2,050,652,580.00		2,050,652,580.00	4,510,000,000.00		4,510,000,000.00
Interest on fixed term deposits over one year	49,594,886.23		49,594,886.23	147,180,404.97		147,180,404.97
Prepayments for equipment purchase	14,602,633.46		14,602,633.46	13,628,039.50		13,628,039.50
Prepayment for house purchase	31,716,499.44	14,272,424.75	17,444,074.69	44,212,716.45	19,895,722.40	24,316,994.05
Commercial properties held for sale	285,880,146.41	128,646,065.88	157,234,080.53	213,656,936.74	96,145,621.53	117,511,315.21
Total	2,432,446,745.54	142,918,490.63	2,289,528,254.91	4,928,678,097.66	116,041,343.93	4,812,636,753.73

22. Assets with limited ownership and right to use

In RMB

Item	Ending of the period				Beginning of the period			
	Book balance	Carrying value	Type of restriction	Restrictions	Book balance	Carrying value	Type of restriction	Restrictions
Cash and cash equivalents	59,235,811.47	59,235,811.47	L/G margin deposit		62,151,811.20	62,151,811.20	L/G margin deposit	
Fixed assets	152,993,151.92	121,382,819.33	Mortgage loan		159,412,368.74	128,700,135.64	Mortgage loan	
Intangible assets	34,367,725.00	29,847,674.90	Mortgage loan		58,626,799.92	51,620,046.12	Mortgage loan	
Cash and cash equivalents	4,860,000.16	4,860,000.16	Bank acceptance bill margin		4,848,360.16	4,848,360.16	Bank acceptance bill margin	

			deposit				deposit	
Cash and cash equivalents	14,000.00	14,000.00	ETC deposit		14,000.00	14,000.00	ETC deposit	
Cash and cash equivalents					40,252.34	40,252.34	Litigation freeze	
Total	251,470,688.55	215,340,305.86			285,093,592.36	247,374,605.46		

23. Short-term borrowings

(1) Short-term borrowing classification

In RMB

Item	Ending balance	Beginning balance
Mortgage loan	105,100,000.00	97,600,000.00
Others	120,163.89	138,579.05
Total	105,220,163.89	97,738,579.05

Description on the classification of short-term borrowings:

Kinde Intelligent, a subsidiary of the Company, entered into a secured loan agreement with the Shaoxing Shengzhou Branch of Bank of Communications Co., Ltd., securing a credit line of RMB 80,000,000 from Bank of Communications. During the current year, RMB 68,500,000 of the credit line was utilized, with an interest rate ranging from 2.97% to 3.02%. The collateral for this loan is its Factory No. 1 building and the land located at 888 Ruanpeng Road, Shengzhou City, with a combined net value of RMB 110,875,900. Kinde Intelligent, a subsidiary of the Company, entered into a secured loan agreement with the Shaoxing Shengzhou Branch of China Minsheng Bank Co., Ltd., securing a credit line of RMB 40,000,000 from Minsheng Bank. During the current year, the Company utilized RMB 36,600,000 of this credit line, with an interest rate ranging from 2.80% to 3.00%. The collateral for this loan is its Factory No. 3 building and the land located at 888 Ruanpeng Road, Shengzhou City, with a combined net value of RMB 40,354,600.

24. Notes payable

In RMB

Type	Ending balance	Beginning balance
Banker's acceptance	910,139,795.24	1,102,064,932.55
Total	910,139,795.24	1,102,064,932.55

25. Accounts payable

(1) Presentation of accounts payable

In RMB

Item	Ending balance	Beginning balance
Payment for materials	933,283,257.56	1,138,496,064.99
Payment for expenses	1,149,133,874.14	1,314,267,726.79
Payment for construction	98,836,886.63	198,859,801.32

Payment for equipment	18,821,743.72	3,512,736.30
Total	2,200,075,762.05	2,655,136,329.40

(2) Important accounts payable with an age of more than one year or in arrears

In RMB

Item	Ending balance	Reasons for outstanding or carried-forward balances
Outstanding payables for materials, service fees and construction costs not yet settled	80,582,496.59	Not yet due for settlement
Total	80,582,496.59	

26.Other payables

In RMB

Item	Ending balance	Beginning balance
Security deposits payable	275,859,819.48	274,086,791.21
Collections by a third party	3,245,728.39	7,020,719.71
Guarantee deposits payable	2,716,021.00	5,953,773.95
Others	7,759,453.50	7,372,840.23
Total	289,581,022.37	294,434,125.10

(1) Other payables

1) Other payables presented by nature

In RMB

Item	Ending balance	Beginning balance
Other payables	289,581,022.37	294,434,125.10
Total	289,581,022.37	294,434,125.10

2) Important accounts payable with an age of more than one year

In RMB

Item	Ending balance	Reasons for outstanding or carried-forward balances
Sales deposit	62,740,000.00	In a long-term partnership
Total	62,740,000.00	

27. Contract liabilities

In RMB

Item	Ending balance	Beginning balance
Advances on sales	905,147,385.40	932,559,161.31
Total	905,147,385.40	932,559,161.31

Significant contract liabilities with an aging over one year

In RMB

Item	Ending balance	Reasons for outstanding or carried-forward balances
Payments for goods not yet accepted	28,120,371.75	Not yet accepted
Total	28,120,371.75	

28. Employee benefits payable

(1) Presentation of employee compensation payable

In RMB

Item	Beginning balance	Increase in the current period	Decrease in current Period	Ending balance
I. Short-term compensation	172,896,873.26	409,488,234.98	549,691,837.70	32,693,270.54
II. Post-employment benefits - defined contribution plan	6,738,759.33	43,945,539.71	48,903,259.61	1,781,039.43
III. Termination benefits	217,081.30	1,194,140.85	1,245,423.53	165,798.62
Total	179,852,713.89	454,627,915.54	599,840,520.84	34,640,108.59

(2) Presentation of short-term compensation

In RMB

Item	Beginning balance	Increase in the current period	Decrease in current Period	Ending balance
1. Salaries, bonuses, subsidies and allowances	167,864,605.78	338,812,372.94	479,205,762.20	27,471,216.52
2. Employee welfare		8,901,349.72	7,977,148.11	924,201.61
3. Social insurance	4,100,989.52	26,600,766.46	29,652,822.01	1,048,933.97
Including: medical insurance	3,855,893.07	24,966,497.47	27,812,882.99	1,009,507.55
Work-related injury insurance	245,096.45	1,634,268.99	1,839,939.02	39,426.42
4. Housing provident funds	264,916.00	24,244,850.12	24,253,338.12	256,428.00
5. Labor union and staff education expenses	666,361.96	10,928,895.74	8,602,767.26	2,992,490.44
Total	172,896,873.26	409,488,234.98	549,691,837.70	32,693,270.54

(3) Presentation of the defined contribution plans

In RMB

Item	Beginning balance	Increase in the current period	Decrease in current Period	Ending balance
1. Basic pensions	6,534,561.45	42,549,665.54	47,367,685.80	1,716,541.19

2. Unemployment insurance	204,197.88	1,395,874.17	1,535,573.81	64,498.24
Total	6,738,759.33	43,945,539.71	48,903,259.61	1,781,039.43

29. Taxes payable

In RMB

Item	Ending balance	Beginning balance
VAT	81,940,613.20	67,418,099.86
Business income tax	84,187,944.63	16,554,366.22
Individual income tax	2,314,087.24	6,098,883.58
City maintenance and construction tax	4,565,808.75	4,749,489.91
Property tax	18,256.60	15,322,296.22
Land use tax		5,674,367.50
Stamp tax	1,709,635.45	1,815,714.01
Education surcharge	1,956,015.94	2,035,495.68
Local education surcharge	1,304,517.31	1,356,997.22
Other taxes	2,235.47	11,026.56
Total	177,999,114.59	121,036,736.76

30. Non-current liabilities due within one year

In RMB

Item	Ending balance	Beginning balance
Lease liabilities due within one year	1,715,819.85	1,967,891.30
Total	1,715,819.85	1,967,891.30

31. Other current liabilities

In RMB

Item	Ending balance	Beginning balance
Output VAT to be carried forward	96,883,559.92	102,759,019.62
Total	96,883,559.92	102,759,019.62

32. Lease liabilities

In RMB

Item	Ending balance	Beginning balance
Lease payment amount	9,534,054.59	10,966,863.79
Unrecognized financial expenses	-890,537.25	-1,131,969.42
Non-current liabilities due within one year after reclassification	-1,715,819.85	-1,967,891.30
Total	6,927,697.49	7,867,003.07

33. Deferred income

In RMB

Item	Beginning balance	Increase in the	Decrease in	Ending balance	Cause of formation

		current period	current Period		
Government subsidies	100,318,829.17		7,916,038.98	92,402,790.19	
Total	100,318,829.17		7,916,038.98	92,402,790.19	

34. Capital stock

In RMB

	Beginning balance	Increase and decrease of this change (+, -)					Ending balance
		Issue of new shares	Bonus shares	Shares converted from capital reserve	Others	Subtotal	
Total number of shares	944,938,916.00				45,000.00	45,000.00	944,983,916.00

35. Capital reserve

In RMB

Item	Beginning balance	Increase in the current period	Decrease in current Period	Ending balance
Capital (stock) premium	225,554,311.40	678,600.00		226,232,911.40
Other capital reserves	20,301,582.76	9,142,690.86		29,444,273.62
Total	245,855,894.16	9,821,290.86		255,677,185.02

36. Other comprehensive incomes

In RMB

Item	Beginning balance	Amount of the current period						Ending balance
		Amount incurred before income tax in the current period	Less: amount included in other comprehensive incomes previously and then transferred into the current profit and loss	Less: amount included in other comprehensive incomes previously and then transferred into current retained earnings	Less: income tax expenses	Net income after tax attributable to the parent company	Net income after tax attributable to minority shareholders	
I. Other comprehensive incomes that cannot be reclassified	-100,157,634.16							-100,157,634.16

into profit and loss								
Changes in the fair value of other equity instrument investments	-100,157,634.16							-100,157,634.16
(II) Other comprehensive income which will be reclassified into gains and losses	298,301.91	-2,458,093.23				-2,412,906.17	-45,187.06	-2,114,604.26
Converted difference in foreign currency statements	298,301.91	-2,458,093.23				-2,412,906.17	-45,187.06	-2,114,604.26
Total of other comprehensive incomes	-99,859,332.25	-2,458,093.23				-2,412,906.17	-45,187.06	-102,272,238.42

37. Surplus reserve

In RMB

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

38. Undistributed profit

In RMB

Item	Current period	Previous period
Undistributed profit at the end of previous period before adjustment	9,932,003,800.67	9,621,062,910.45
Undistributed profit at the beginning of the period after adjustment	9,932,003,800.67	9,621,062,910.45
Add: Net profits attributable to owners of the parent company in the current period	578,235,101.90	1,255,879,806.22
Dividends payable for ordinary shares	472,469,458.00	944,938,916.00

Undistributed profit at the end of the period	10,037,769,444.57	9,932,003,800.67

39. Operating income and operating cost

In RMB

Item	Amount of the current period		Amount of the previous period	
	Income	Cost	Income	Cost
Main business	3,856,285,331.43	1,907,371,654.26	4,498,866,991.01	2,225,624,008.17
Other businesses	116,101,867.95	57,467,917.48	108,657,712.25	58,138,514.25
Total	3,972,387,199.38	1,964,839,571.74	4,607,524,703.26	2,283,762,522.42

Breakdown of operating income and operating costs:

In RMB

Contract categories	**Amount of the current period**		**Amount of the previous period**	
	Operating income	**Operating costs**	**Operating income**	**Operating costs**
Industry	**3,972,387,199.38**	**1,964,839,571.74**	**4,607,524,703.26**	**2,283,762,522.42**
Kitchen and bathroom appliances	3,856,285,331.43	1,907,371,654.26	4,498,866,991.01	2,225,624,008.17
Other businesses	116,101,867.95	57,467,917.48	108,657,712.25	58,138,514.25
Product category	**3,972,387,199.38**	**1,964,839,571.74**	**4,607,524,703.26**	**2,283,762,522.42**
Range hood	1,971,708,236.17	929,446,723.65	2,205,199,571.60	1,027,472,744.29
Gas stove	988,230,835.36	422,296,463.03	1,156,313,826.74	519,651,653.74
Other products	1,012,448,127.85	613,096,385.06	1,246,011,304.92	736,638,124.39
Region	**3,972,387,199.38**	**1,964,839,571.74**	**4,607,524,703.26**	**2,283,762,522.42**
East China	1,647,049,698.62	725,748,412.38	2,148,385,617.34	949,234,266.57
South China	480,801,254.09	270,675,280.48	551,644,073.12	307,422,092.92
North China	552,537,467.68	280,393,643.53	562,967,521.52	296,556,086.26
Central China	494,580,143.91	278,942,622.27	450,059,047.37	244,508,844.18
Southwest China	231,595,050.56	109,561,880.25	330,009,393.98	183,878,473.53
Other regions	565,823,584.52	299,517,732.83	564,459,049.93	302,162,758.96
Channels	**3,972,387,199.38**	**1,964,839,571.74**	**4,607,524,703.26**	**2,283,762,522.42**
Direct sales	1,928,263,325.28	860,560,685.88	2,009,164,217.47	912,053,111.84
Sales by proxy	1,589,897,280.01	834,659,375.29	1,909,275,641.63	987,826,778.38
Developer channel	419,472,588.12	254,732,512.37	651,359,170.21	372,826,017.14
Other channels	34,754,005.97	14,886,998.20	37,725,673.95	11,056,615.06
Total	**3,972,387,199.38**	**1,964,839,571.74**	**4,607,524,703.26**	**2,283,762,522.42**

As of the end of the reporting period, revenue corresponding to performance obligations under contracts that have been signed but have not yet been fulfilled or have not yet been fully fulfilled amounted to RMB 905,147,385.40, of which RMB 905,147,385.40 is expected to be recognized as income in fiscal year 2026.

40. Taxes and surcharges

In RMB

Item	Amount of the current period	Amount of the previous period
City maintenance and construction tax	10,135,458.19	13,700,731.55
Education surcharge	7,238,463.91	9,784,737.37
Property tax	1,489,264.73	1,191,102.58
Land use tax	38,466.24	353,985.29
Stamp tax	2,773,853.67	2,756,188.41
Vehicle and vessel tax	6,099.84	5,619.84
Environmental protection tax	8,506.48	
Others	292,881.44	72,900.91
Total	21,982,994.50	27,865,265.95

41. Administrative expenses

In RMB

Item	Amount of the current period	Amount of the previous period
Employees compensation	109,842,687.29	96,582,472.53
Depreciation and amortization	43,097,666.52	36,908,190.28
Consulting service fees	25,516,947.47	21,179,158.72
Material consumption	8,404,978.53	9,883,126.78
Office expenses	12,988,567.53	9,138,338.13
Rental and property fees	4,101,246.62	5,239,804.89
Business hospitality cost	6,444,280.73	4,286,357.11
Maintenance expenses	4,427,787.95	1,913,452.45
Communication expense	2,376,332.45	2,797,982.43
Costs of equity incentive	9,142,690.86	10,159,201.78
Travel expenses	1,605,535.55	1,306,584.06
Travel expenses	1,528,111.98	1,160,024.46
Others	5,884,652.59	6,051,054.19
Total	235,361,486.07	206,605,747.81

42. Sales expense

In RMB

Item	Amount of the current period	Amount of the previous period
Marketing service expenses	506,098,562.04	594,828,538.99
Advertisement expenses	202,871,055.80	313,257,521.30
Employees compensation	182,297,754.88	174,257,272.44
Booth decoration expenses	95,212,307.83	46,888,303.90
Promotional activity expenses	23,544,702.36	38,342,764.13
Material consumption	34,780,101.04	27,817,794.82
Intermediary service fees	6,002,827.19	10,799,797.12
Travel expenses	14,136,926.69	12,649,155.59
Business hospitality cost	6,280,054.49	6,762,389.99
Office expenses	4,230,500.04	7,764,500.01
Rental fees	5,694,116.54	7,005,201.68
Others	8,755,625.84	9,003,773.93
Total	1,089,904,534.74	1,249,377,013.90

43. R&D expenses

In RMB

Item	Amount of the current period	Amount of the previous period
Employees compensation	87,944,985.99	85,394,386.08
Direct input	55,002,045.58	57,971,604.10
Other expenses	5,310,718.92	1,837,129.72
Depreciation and amortization	7,738,446.15	7,323,019.35
Design fees	1,595,245.89	6,413,572.63
Total	157,591,442.53	158,939,711.88

44. Financial expenses

In RMB

Item	Amount of the current period	Amount of the previous period
Interest expenses	1,833,305.15	1,817,820.74
Less: Interest income	69,902,801.73	73,328,708.38
Add: foreign exchange gain/loss	5,476,211.70	187,003.57
Add: other expenses	943,939.47	1,647,753.34
Total	-61,649,345.41	-69,676,130.73

45. Other incomes

In RMB

Sources generating other incomes	Amount of the current period	Amount of the previous period
VAT and additional tax deduction	11,515,074.15	14,011,359.51
Amortization of deferred income	7,916,038.98	11,121,043.72
Embedded software tax refund	47,937,631.76	12,792,704.77
Financial support fund to boost the corporate development	0.00	10,734,420.00
Post allowance and social insurance allowance	892,163.52	823,797.77
Special funds for industrial development	7,983,850.00	4,980,950.00
R&D subsidies	0.00	640,975.00
Handling fee refund	1,012,715.90	1,186,583.09
Training subsidies	2,400.00	0.00
Patent awards	2,107,300.00	421,900.94
Other subsidies	2,025,022.71	379,821.10
Total	81,392,197.02	57,093,555.90

46. Investment income

In RMB

Item	Amount of the current period	Amount of the previous period
Income from long-term equity investments accounted for using the equity method	-396,940.72	-6,437,701.16
Investment income from disposal of financial assets held for trading	47,748,216.08	23,762,231.51
Total	47,351,275.36	17,324,530.35

47. Loss from credit impairment

In RMB

Item	Amount of the current period	Amount of the previous period
Bad debt losses on notes receivable	13,816.82	216,982.79
Bad debt losses from accounts receivable	23,519,688.59	16,979,494.27
Bad debt losses of other receivables	4,412,339.11	-2,050,519.16
Total	27,945,844.52	15,145,957.90

48. Loss from asset impairment

In RMB

Item	Amount of the current period	Amount of the previous period
I. Loss from obsolete inventory and from impairment of the cost of contract performance	-4,829,877.60	17,867,109.74
XII. Other	-36,290,781.60	-14,083,140.23
Total	-41,120,659.20	3,783,969.51

49. Asset disposal income

In RMB

Sources of asset disposal income	Amount of the current period	Amount of the previous period
Non-current asset disposal income	-591,998.67	-3,797,996.87
Including: Gains on disposal of non-current assets classified as held for sale	-391,036.69	-3,701,893.51
Gains on disposal of non-current assets not classified as held for sale	-200,961.98	-96,103.36
Including: income from disposal of fixed assets	-200,961.98	-96,103.36
Total	-591,998.67	-3,797,996.87

50. Non-operating revenue

In RMB

Item	Amount of the current period	Amount of the previous period	Amount included in the current non-recurring profit and loss
Gains on exchange of non-monetary assets	8.85		8.85
Gains from non-current asset damage or retirement			
Liquidated damages and fines		80.00	
Others	3,414,467.49	1,015,863.00	3,414,467.49
Total	3,414,476.34	1,015,943.00	3,414,476.34

Other description:

51. Non-operating expenditures

In RMB

Item	Amount of the current period	Amount of the previous period	Amount included in the current non-recurring profit and loss
Donations to external entities	1,023,500.00	2,120,000.00	1,023,500.00
Losses from non-current asset damage or retirement	3,441.67	12,761.47	3,441.67
Abnormal loss	244,773.20	1,518,446.34	244,773.20
Amercement outlay	389,274.80	82,179.97	389,274.80
Liquidated damages and compensation	2,135.16	3,000.00	2,135.16
Others	585,202.79	131,354.25	585,202.79
Total	2,248,327.62	3,867,742.03	2,248,327.62

52. Income tax expenses

(1) Presentation of income tax expenses

In RMB

Item	Amount of the current period	Amount of the previous period
Current income tax expenses	117,747,173.58	171,572,394.25
Deferred income tax expenses	-12,863,256.84	-37,195,501.86
Total	104,883,916.74	134,376,892.39

(2) Adjustment of accounting profit and income tax expense

In RMB

Item	Amount of the current period
Total profit	680,499,322.96
Income tax expense calculated based on statutory/applicable tax rate	102,074,898.44
Effects of the subsidiaries’ application of different tax rates	3,396,636.18
Effects of the adjustment of income tax in previous period	-245,245.28
Effects of the non-deductible costs, expenses and losses	1,220,752.99
Effects of using deductible losses of unrecognized deferred income taxes in the previous period	-415,629.46
Effects of the deductible temporary differences or deductible losses of unrecognized deferred income tax assets in the current period	1,180,273.67
Unrealized profits and losses of internal transactions	-2,327,769.80
Income tax expense	104,883,916.74

53. Other comprehensive incomes

For further details, see Note VII. Notes to Items in the Consolidated Financial Statements—36. Other comprehensive incomes.

54. Cash flow statement items

(1) Cash related to operating activities

Other cash received relating to operating activities

In RMB

Item	Amount of the current period	Amount of the previous period
Government subsidies	11,832,740.24	18,133,729.14
Deposits and margin deposits	6,414,939.32	9,022,818.14
Cash reserve	0.00	952,540.03
Revenue collected and payment made on behalf of other agencies	1,006,068.57	5,597,808.50
Interest revenue on deposits	3,663,549.10	8,692,154.10
Other payments	4,659,439.03	3,870,685.36
Total	27,576,736.26	46,269,735.27

Other cash paid relating to operating activities

In RMB

Item	Amount of the current period	Amount of the previous period
Expenses during the period	1,322,784,693.86	1,325,427,136.03
Revenue collected and payment made on behalf of other agencies	49,601.82	9,025,590.12
Letter of credit and acceptance bill margin	2,094,000.00	3,785,367.83
Deposits and margin deposits	10,002,959.54	10,452,605.41
Cash reserve	1,737,959.48	2,538,268.61
Others	830,253.32	1,193,290.15
Total	1,337,499,468.02	1,352,422,258.15

(2) Cash related to investment activities

Other cash received in relation to investment activities

In RMB

Item	Amount of the current period	Amount of the previous period
Fixed term deposit and interest	105,780,968.46	1,454,835,086.78
Total	105,780,968.46	1,454,835,086.78

Other cash paid relating to investment activities

In RMB

Item	Amount of the current period	Amount of the previous period
Fixed term deposit	283,073,600.00	950,000,000.00
Total	283,073,600.00	950,000,000.00

(3) Cash related to financing activities

Other cash paid in relation to financing activities

In RMB

Item	Amount of the current period	Amount of the previous period
Rental	1,109,049.00	1,056,237.08
Total	1,109,049.00	1,056,237.08

Changes in liabilities arising from financing activities

□Applicable ☑Not applicable

55. Supplementary information of Cash Flow Statement

(1) Supplementary information of Cash Flow Statement

In RMB

Supplementary information	Current amount	Amount in the previous period
1.Reconciliation of net profit to cash flow from operating activities:		
Net profit	575,615,406.22	702,971,897.40
Add: Asset impairment provision	41,120,659.20	-3,783,969.51
Depreciation of fixed assets, depreciation of oil and gas assets, and depreciation of productive biological assets	88,588,841.22	84,369,617.37
Depreciation of right-of-use assets	1,088,826.96	1,083,434.51
Amortization of intangible assets	6,213,526.00	6,715,739.02
Amortization of long-term deferred expenses	2,841,385.11	1,542,033.55
Losses arising from disposal of fixed assets, intangible assets and other long-term assets (gains expressed with "-")	591,998.67	-3,797,996.87
Losses on disposal of fixed assets (gains indicated with “-”)	3,441.67	12,761.47
Losses from fair value change (gains expressed with “-”)		
Financial expenses (profit shall be indicated with“-”)	-56,222,359.95	66,634,765.63
Investment losses (gains expressed with “-”)	-47,351,275.36	-17,324,530.35
Decrease in deferred income tax assets (increase shall be indicated with “-”)	-27,783,497.70	-41,242,805.69
Increase in deferred income tax liabilities (decrease shall be indicated with “-”)	8,353,561.36	1,429,390.97
Decrease in inventories (increase shall be indicated with “-”)	-63,502,032.34	-42,194,983.14
Decrease in operating receivables (increase shall be indicated with “-”)	-61,262,130.69	91,739,738.61
Increase in operating payables (decrease expressed with “-”)	-802,641,431.76	-321,808,721.01
Others	-27,945,844.52	-15,139,611.11
Net cash flow from operating activities	-362,290,925.91	511,206,760.85

2.Non-cash flow-involved major investing and financing activities:		
Conversion of debt into capital		
Convertible bonds due within one year		
Fixed assets acquired under financing leases		
3.Net increase/decrease in cash and cash equivalents:		
Ending balance of cash	1,505,821,534.61	1,219,123,585.55
Less: cash beginning balance	1,169,244,689.17	1,518,303,556.89
Add: ending balance of cash equivalents		
Less: cash equivalents at the beginning of the period		
Net increase in cash and cash equivalents	336,576,845.44	-299,179,971.34

(2) Composition of cash and cash equivalents

In RMB

Item	Ending balance	Beginning balance
I. Cash	1,505,821,534.61	1,169,244,689.17
Including: cash on hand	102,922.02	90,657.72
deposits available for payment at any time	1,504,839,595.49	1,167,338,722.58
other cash and cash equivalents available for payment at any time	879,017.10	1,815,308.87
III. Closing balance of cash and cash equivalents	1,505,821,534.61	1,169,244,689.17

56. Foreign currency monetary item

(1) Foreign currency monetary item

In RMB

Item	Ending balance in foreign currency	Exchange rate for conversion	Ending balance in RMB
Cash and cash equivalents			
Including: USD	6,460,536.80	6.8109	44,002,070.09
EUR	1,148.54	7.7671	8,920.83
HKD	1,021.90	0.86855	887.57
AUD	3.86	4.6804	18.07
MYR (Malaysian ringgit)	686,492.50	1.67342	1,148,790.28
IDR (Indonesian rupiah)	616,853,148.00	0.000381	235,021.05
Accounts receivable			
Including: USD	8,742,404.70	6.8109	59,543,644.17
IDR (Indonesian rupiah)	690,869,917.19	0.000381	263,221.44

MYR (Malaysian ringgit)	1,994,478.73	1.67342	3,337,600.60

(2) The nature of currency non-convertibility and its financial implications, the spot rates used and the process for estimating them, and the risks faced by the entity due to currency non-convertibility

□Applicable ☑Not applicable

(3) Description for overseas operating entities, including the disclosure of the main business location overseas, bookkeeping base currency and selection basis for the important business entity overseas as well as the reason for the change of bookkeeping base currency (if any).

□Applicable ☑Not applicable

(4) Cases where the bookkeeping base currency of a foreign operation is not convertible into the entity's presentation currency

□Applicable ☑Not applicable

VIII. R&D expenditure

In RMB

Item	Amount of the current period	Amount of the previous period
Total	157,591,442.53	158,939,711.88
Total	157,591,442.53	158,939,711.88
Including: Expensed R&D expenditure	157,591,442.53	158,939,711.88

IX. Interests in other entities

1. Equity in subsidiaries

(1) Composition of the Robam Group

In RMB

Subsidiary	Registered capital	Principal place of business	Registration place	Nature of business	Shareholding ratio		Acquisition method
					Direct	Indirect	
Shanghai Robam Appliances Sales Co., Ltd.	5,000,000.00	Shanghai	Shanghai	Sales of kitchen appliances	100.00%		Businesses combination under common control
Beijing Robam Appliances Sales Co., Ltd.	5,000,000.00	Beijing	Beijing	Sales of kitchen appliances	100.00%		Businesses combination under common control
Hangzhou MingQi Electric Co., Ltd.	50,000,000.00	Hangzhou	Hangzhou	Sales of kitchen appliances	100.00%		Acquisition upon its establishment
Shengzhou	32,653,061.0	Shaoxing	Shaoxing	Production	51.00%		Business

Kinde Intelligent Kitchen Appliances Co., Ltd.	0			and sales of kitchen appliances			combination not under common control
Shengzhou Dijia Technology Co., Ltd.	8,000,000.00	Shaoxing	Shaoxing	Production and sales of kitchen appliances	51.00%		Establishment of a subsidiary
De Dietrich Household Appliances Trading (Shanghai) Co., Ltd.	80,000,000.00	Shanghai	Shanghai	Sales of kitchen appliances	51.00%		Acquisition upon its establishment
Hangzhou Jinhe Electric Appliances Co., Ltd.	10,000,000.00	Hangzhou	Hangzhou	Sales of kitchen appliances	100.00%		Acquisition upon its establishment
Hangzhou Robam Fuchuang Investment Management Co., Ltd.	10,000,000.00	Hangzhou	Hangzhou	Asset, investment management, etc.	100.00%		Acquisition upon its establishment
Robam Appliances Holding (HK) Co., Ltd.	2,250,000.00	Hong Kong	Hong Kong	Asset, investment management, etc.	100.00%		Acquisition upon its establishment
Robam International (HK) Trading Co., Ltd.	500,000.00	Hong Kong	Hong Kong	Sales of kitchen appliances		100.00%	Acquisition upon its establishment
Robam Appliances U.S. Holding Co., Ltd.	1,750,000.00	Los Angeles	Los Angeles	Asset, investment management, etc.		100.00%	Acquisition upon its establishment
Robam Appliances Los Angeles Trade Co., Ltd.	2,500,000.00	Los Angeles	Los Angeles	Sales of kitchen appliances		70.00%	Acquisition upon its establishment
Robam Appliances (HK) Excellence Co., Ltd.	50,000.00	Hong Kong	Hong Kong	Asset, investment management, etc.		100.00%	Acquisition upon its establishment
Indonesia Robam Appliances LLC	1,200,000.00	Jakarta	Jakarta	Sales of kitchen appliances		100.00%	Acquisition upon its establishment
Robam Appliances International Trading	1,000.00	Kuala Lumpur	Kuala Lumpur	Sales of kitchen appliances		100.00%	Acquisition upon its establishment

(Malaysia) Co., Ltd.							
Hangzhou Robam E-commerce Co., Ltd.	10,000,000.00	Hangzhou	Hangzhou	Sales of kitchen appliances	100.00%		Acquisition upon its establishment
Chengdu Robam Innovation Technology Co., Ltd.	5,000,000.00	Chengdu	Chengdu	Software development services	100.00%		Acquisition upon its establishment
Ningbo Jinhe E-commerce Co., Ltd.	5,000,000.00	Ningbo	Ningbo	Sales of kitchen appliances	100.00%		Acquisition upon its establishment
Hangzhou Yuhang Jinhe E-commerce Co., Ltd.	5,000,000.00	Hangzhou	Hangzhou	Sales of kitchen appliances	100.00%		Acquisition upon its establishment
Chengdu Robam E-commerce Co., Ltd.	5,000,000.00	Chengdu	Chengdu	Sales of kitchen appliances	100.00%		Acquisition upon its establishment
Qingdao MingQi E-commerce Co., Ltd.	5,000,000.00	Qingdao	Qingdao	Sales of kitchen appliances	100.00%		Acquisition upon its establishment
Wuhan Jinhe E-commerce Co., Ltd.	5,000,000.00	Wuhan	Wuhan	Sales of kitchen appliances	100.00%		Acquisition upon its establishment
Hangzhou Robam Commercial Kitchen Technology Co., Ltd.	50,000,000.00	Hangzhou	Hangzhou	Sales of kitchen appliances	100.00%		Acquisition upon its establishment
Hainan Robam Intelligent Technology Co., Ltd.	200,000,000.00	Haikou	Haikou	Sales of kitchen appliances	100.00%		Acquisition upon its establishment
Robam Appliances Investment (HK) Co., Ltd.	10,000.00	Hong Kong	Hong Kong	Asset, investment management, etc.		100.00%	Acquisition upon its establishment

(2) Major non-wholly owned subsidiaries

In RMB

Subsidiary	Proportion of shares held by minority shareholders	Gains/losses attributable to minority shareholders in the current period	Dividend declared and distributed to minority shareholders in the current period	Shengzhou Kinde Intelligent Kitchen

Shengzhou Kinde Intelligent Kitchen Appliances Co., Ltd.	49.00%	-3,718,357.66		68,723,407.21
Robam Appliances Los Angeles Trade LLC	30.00%	353,299.79		1,640,069.34

(3) Main financial information of important partially-owned subsidiaries

In RMB

Subsidiary	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 Appliances Co., Ltd.	49,457,557.73	274,409,113.56	323,866,671.29	148,958,154.54	34,656,665.34	183,614,819.88	49,942,501.08	284,684,103.59	334,626,604.67	150,675,463.74	36,110,804.47	186,786,268.21
Robam Appliances Los Angeles Trade LLC	36,064,151.13	1,278,967.90	37,343,119.03	29,719,781.63	0.00	29,719,781.63	30,190,452.92	3,186,560.16	33,377,013.08	25,516,101.17	0.00	25,516,101.17

In RMB

Subsidiary	Amount of the current period				Amount of the previous period			
	Operating income	Net profit	Total consolidated income	Operating cash flow	Operating income	Net profit	Total consolidated income	Operating cash flow
Shengzhou Kinde Intelligent Kitchen Appliances Co., Ltd.	24,584,328.69	-7,588,485.05	-7,588,485.05	-9,815,178.65	32,899,556.79	-16,410,940.70	-16,410,940.70	-18,808,886.63
Robam Appliances Los Angeles Trade LLC	25,427,145.23	1,384,517.80	1,233,896.38	-2,197,549.63	23,671,924.59	-1,026,475.89	-1,026,475.89	-631,035.86

2. Equity in joint ventures or associates

(1) Summary of the financial information of minor joint ventures and associates

In RMB

	Ending balance/amount incurred in current period	Beginning balance/amount incurred in previous period
Joint ventures:		
Total carrying value of investment		1,808,918.87
Totals of the following items calculated as per respective shareholding proportion		
- Net profit	-5,929,180.03	-4,542,282.24
- Total comprehensive income	-5,929,180.03	-4,542,282.24
Associates:		
Total carrying value of investment	3,998,179.24	4,366,896.36
Totals of the following items calculated as per respective shareholding proportion		
- Net profit	-4,117,526.16	157,036.68
- Total comprehensive income	-4,117,526.16	157,036.68

X. Government subsidies

1. Government subsidies recognized based on receivables at the end of the reporting period

□Applicable ☑Not applicable

Reasons for not receiving the projected amount of government subsidies at the projected point in time

□Applicable ☑Not applicable

2. Liabilities involving government subsidies

☑Applicable □Not applicable

In RMB

Account	Beginning balance	Added subsidy amount in the current period	Amount included in non-operating income in the current period	Amount transferred to other income in the current period	Other changes this period	Ending balance	Related to assets/income
Deferred income	100,318,829.17			7,916,038.98		92,402,790.19	Related to assets

3. Government subsidies included in the current profit and loss

☑Applicable □Not applicable

In RMB

Account	Amount of the current period	Amount of the previous period

Other income	81,392,197.02	57,093,555.90

XI. Risks Relating to Financial Instruments

The Company is exposed to a variety of financial instrument risks in its day-to-day activities, including market risk (such as exchange rate risk, interest rate risk and commodity price risk), credit risk and liquidity risk. Risks related to these financial instruments and risk management policies adopted by the Company to reduce such risks are outlined as follows. The management of the Company manages and monitors such risk exposures to ensure to keep the risks above within limited scope.

1. Objectives and policies of risk management

Risk management conducted by the Company is to properly balance risk and income, minimize negative impacts of the risks on the Company’s business performance and maximize benefits of the shareholders and other equity investors. Based on the risk management objective, the Company’s basic risk management policy is to determine and analyze all kinds of risks faced by the Company, establish appropriate risk bottom line for risk management, and monitor all risks promptly and reliably to keep risks within a limited range.

（1） Market risk

1） Exchange rate risk

The Company's exposure to exchange rate risk is mainly related to U.S. dollars, the Malaysian ringgit, and the Indonesian rupiah. Except for a few subsidiaries of the Company which make purchases and sales in U.S. dollars, the Company's other major business activities are denominated and settled in Renminbi. As at June 30, 2026, except for the U.S. dollar-, ringgit- and rupiah-denominated balances of assets and liabilities and the insignificant balances denominated in Euro and Hong Kong dollar as disclosed in Note VII. Notes to Items in the Consolidated Financial Statements—56. Foreign currency monetary items, the Company’s assets and liabilities were denominated in Renminbi. Exchange risk resulting from the assets and liabilities whose balances are in U.S. dollars may affect the Company’s performance.

2） Price risk

Since the Company sells its products at market prices, it may be affected by such price fluctuations.

（2） Credit risk

The Company manages credit risk by portfolio classification. Credit risk arises primarily from cash and cash equivalents, notes receivable, accounts receivable, and other receivables.

To reduce credit risk, the Company has established a dedicated department responsible for determining the credit limits, conducting credit approval and implementing other monitoring procedures, to ensure that necessary measures are taken to recover due debt. In addition, the Company reviews the recovery of each account payable on each balance sheet date, so as to ensure sufficient bad debt provisions for unrecoverable accounts. Therefore, the management of the Company holds that the credit risk faced by the Company has been significantly reduced.

The credit risk of the Company’s liquid capital is low since it is deposited at banks with relatively high credit rating.

Because the risk exposures of the Company are related to multiple contracting parties and multiple clients, the Company has no major credit risk concentration. The Company adopts necessary policies to ensure all of the clients involved in the sales of our products have good credit record. The Company has no major credit risk concentration.

（3） Liquidity risk

Liquidity risk is faced by the Company where it cannot meet its financial obligations as they fall due. Company manages the liquidity risk by ensuring capital liquidity to fulfill its due obligations to avoid unacceptable losses or damages to corporate reputation. The Company management has closely examined the liquid assets of the Company and regularly analyzed the liability structure/term and bank lines and so on to endure fund sufficiency. It is concluded that the Company has sufficient funds to meet the demands of short-term loans and capital expenditure of the Company.

1) Analysis of the financial assets and financial liabilities of the Company as per maturity of the undiscounted contract obligations remained is made as follows:

Item	Ending amount				
	Within 1 year	1-2 years	2-5 years	Over 5 years	Total
Financial assets					
Cash and cash equivalents	1,569,931,346.24	0.00	0.00	0.00	**1,569,931,346.24**
Financial assets held for trading	2,640,000,000.00	0.00	0.00	0.00	**2,640,000,000.00**
Notes receivable	535,809,020.34	0.00	0.00	0.00	**535,809,020.34**
Accounts receivable	1,600,748,816.27	0.00	0.00	0.00	**1,600,748,816.27**
Other receivables	108,769,365.44	0.00	0.00	0.00	**108,769,365.44**
Non-current assets due within one year	3,300,412,030.50	0.00	0.00	0.00	**3,300,412,030.50**
Other current assets	83,464,762.36	0.00	0.00	0.00	**83,464,762.36**
Other non-current assets	0.00	1,292,558,151.15	807,689,315.08	0.00	**2,100,247,466.23**
Financial liabilities					
Short-term borrowings	105,220,163.89	0.00	0.00	0.00	**105,220,163.89**
Notes payables	910,139,795.24	0.00	0.00	0.00	**910,139,795.24**
Accounts payable	2,200,075,762.05	0.00	0.00	0.00	**2,200,075,762.05**
Other payables	289,581,022.37	0.00	0.00	0.00	**289,581,022.37**
Payroll payable	34,640,108.59	0.00	0.00	0.00	**34,640,108.59**
Non-current liabilities due within one year	1,715,819.85	0.00	0.00	0.00	**1,715,819.85**
Lease liabilities	0.00	1,949,664.40	4,978,033.09	0.00	**6,927,697.49**

(continued)

Item	Amount at the beginning of the year				
	Within 1 year	1-2 years	2-5 years	Over 5 years	Total
Financial assets					
Cash and cash equivalents	1,236,257,860.53	0.00	0.00	0.00	**1,236,257,860.53**

Financial assets held for trading	3,230,000,000.00	0.00	0.00	0.00	**3,230,000,000.00**
Notes receivable	578,435,043.55	0.00	0.00	0.00	**578,435,043.55**
Accounts receivable	1,501,774,623.23	0.00	0.00	0.00	**1,501,774,623.23**
Other receivables	73,533,704.37	0.00	0.00	0.00	**73,533,704.37**
Non-current assets due within one year	499,143,689.50	0.00	0.00	0.00	**499,143,689.50**
Other current assets	88,468,071.99	0.00	0.00	0.00	**88,468,071.99**
Other non-current financial assets	0.00	800,451,400.00	0.00	0.00	**800,451,400.00**
Other non-current assets	0.00	140,051,984.80	16,441,461.31	0.00	**156,493,446.11**
Financial liabilities					
Short-term borrowings	97,738,579.05	0.00	0.00	0.00	**97,738,579.05**
Notes payables	1,102,064,932.55	0.00	0.00	0.00	**1,102,064,932.55**
Accounts payable	2,655,136,329.40	0.00	0.00	0.00	**2,655,136,329.40**
Other payables	294,434,125.10	0.00	0.00	0.00	**294,434,125.10**
Payroll payable	179,852,713.89	0.00	0.00	0.00	**179,852,713.89**
Other current liabilities					
Non-current liabilities due within one year	1,967,891.30	0.00	0.00	0.00	**1,967,891.30**
Lease liabilities	0.00	6,129,458.89	1,737,544.18	0.00	**7,867,003.07**

2. Sensitivity analysis

The Company applies sensitivity analysis techniques to assess the potential impact of reasonably possible changes in risk variables on the current profit or loss or shareholders’ equity. As changes in any individual risk variable rarely occur independently and correlations among variables may significantly affect the ultimate impact of changes in a particular risk variable, the following analysis is conducted on the assumption that each variable changes independently.

（1） Sensitivity analysis of foreign exchange risk

The foreign exchange risk sensitivity analysis assumes that all hedges of net investments in foreign operations and cash flow hedges are highly effective.

Based on the above assumptions, the after-tax effect on current profit and loss and equity of a reasonable possible change in exchange rates, with all other variables held constant, would be as follows: The Company's exposure to exchange rate risk relates primarily to currencies such as the U.S. dollar, Euro and Australian dollar. The foreign exchange risk borne by the Company is mainly associated with USD. As of June 30, 2026, except for the foreign currency balances of assets and liabilities disclosed in Note VII. Notes to Items in the Consolidated Financial Statements—56. Foreign currency monetary items, the Company’s assets and liabilities were denominated in Renminbi. Exchange risk resulting from the assets and liabilities whose balances are in foreign currency may affect the Company’s performance.

The Company pays close attention to the impact of change in exchange rate on the Company’s exchange risk. Currently, the Company hasn’t adopted any measures to avoid foreign exchange risk.

XII. Disclosure of Fair Value

1. Assets and liabilities measured at fair value at the end of the period

In RMB

Item	Ending fair value			
	Fair value measurement (Level 1)	Fair value measurement (Level 2)	Fair value measurement (Level 3)	Total
Continuous fair value measurement	--	--	--	--
(I) Financial assets held for trading			2,640,000,000.00	2,640,000,000.00
1. Financial assets measured at fair value through profit and loss			2,640,000,000.00	2,640,000,000.00
(4) Financial products			2,640,000,000.00	2,640,000,000.00
(III) Investment in other equity instruments			2,116,023.22	2,116,023.22
Total assets measured continuously at fair value			2,642,116,023.22	2,642,116,023.22
II. Non-continuous fair value measurement	--	--	--	--

2. Valuation techniques adopted and qualitative and quantitative information on important parameters for the items involved in Level 3 continuous and non-continuous fair value measurement

Item	**Ending fair value**	**Valuation techniques**	**Significant unobservable value**	**Relationship between unobservable value and fair value**
Financial products	2,640,000,000.00	Optimal fair value estimation	Investment cost	—
Investment in other equity instruments	2,116,023.22	Optimal fair value estimation	Investment cost	—

XIII. Related Party and Related Party Transactions

1. The Company's parent company

Parent company	Registration place	Nature of business	Registered capital	Proportion of the voting right of the parent company	Proportion of Company's shares held by the parent company in the Company
Hangzhou Robam Industrial Group Co., Ltd.	Hangzhou, Zhejiang	Investment and industrial management	RMB 60 million	49.90%	49.90%

Description of the parent company

The ultimate controlling party of the Company is Ren Jianhua.

2. The Company’s subsidiaries

For details regarding the Company’s subsidiaries, please refer to Note IX. Interests in Other Entities—1. Equity in subsidiaries.

3. The Company’s joint ventures and associated companies

For details on the Company’s significant joint ventures and associates, see Note IX. Interests in Other Entities—2. Equity in joint ventures or associates.

4. Other related parties

Name of other related parties	Relation between other related parties and the Company
Hangzhou Amblem Household Co., Ltd.	Controlled by the same ultimate controlling party
Hangzhou Robam Fuel Station Co., Ltd.	Controlled by the same ultimate controlling party
Hangzhou Nbond Nonwovens Co., Ltd.	Controlled by the same ultimate controlling party
Hangzhou Bonyee Daily Necessity Technology Co., Ltd.	Controlled by the same ultimate controlling party
Hangzhou Guoguang Touring Commodity Co., Ltd.	Controlled by the same ultimate controlling party
Hangzhou Seazons Health Care Product Co., Ltd.	Controlled by the same ultimate controlling party
Hangzhou City Garden Hotel Co., Ltd.	Other related parties
Shaoxing Kinde Electric Appliances Co., Ltd.	Other related parties
Hangzhou Linping ROBAM Charity Foundation	Other related parties
Hangzhou Runqun Hardware Co., Ltd.	Other related parties
Shaoxing Shuaige Kitchen and Bathroom Technology Co., Ltd.	Other related parties
Zhejiang Cookingfuture Technology Co., Ltd.	Other related parties

5. Related transactions

(1) Related transactions regarding purchasing and selling goods and providing and accepting labor services

Table of the purchasing of goods and receiving of labor services

In RMB

Related parties	Description of the related transactions	Amount of the current period	Trading limit approved	Whether exceeds the approved limited or not (Y/N)	Amount of the previous period
Hangzhou Amblem Household Co., Ltd.	Purchase of goods	15,338,629.32	150,000,000.00	No	25,933,529.67
Hangzhou Seazons Health Care Product Co., Ltd.	Purchase of goods	2,799,257.26			2,658,410.14
Hangzhou Robam Fuel Station Co., Ltd.	Purchase of goods	334,927.86			381,938.26
Hangzhou City Garden Hotel Co., Ltd.	Receiving of labor services	0.00			101,413.81
Hangzhou Runqun Hardware Co., Ltd.	Purchase of goods	0.00			83,502.69
Hangzhou Bonyee	Purchase of goods	20,227.73			27,605.13

Daily Necessity Technology Co., Ltd.					
Shaoxing Shuaige Kitchen and Bathroom Technology Co., Ltd.	Purchase of goods	184,615.04			206,140.71
Zhejiang Cookingfuture Technology Co., Ltd.	Receiving of labor services	414,672.64			0.00
De Dietrich Trade (Shanghai) Co., Ltd.	Purchase of goods	0.00			134,338.94
Hangzhou Guoguang Touring Commodity Co., Ltd.	Purchase of goods	7,919.45			-1,675.66
Hangzhou Yuhang Yaguang Spray Coating Factory	Receiving of labor services	0.00			23.36

Goods sales/labor service provision

In RMB

Related parties	Description of the related transactions	Amount of the current period	Amount of the previous period
Hangzhou Linping ROBAM Charity Foundation	Sale of goods	1,845,119.23	2,295,858.44
Hangzhou Amblem Household Co., Ltd.	Sale of goods	410,000.85	-93,709.02
Zhejiang Cookingfuture Technology Co., Ltd.	Provision of services	1,274,025.51	87,090.08
Shaoxing Shuaige Kitchen and Bathroom Technology Co., Ltd.	Provision of services	561,687.96	0.00
Hangzhou Nbond Nonwovens Co., Ltd.	Sale of goods	0.00	29,203.54
Hangzhou Runqun Hardware Co., Ltd.	Sale of goods	0.00	37,755.07

（2） Related lease

The Company acts as the lessor:

Lessee	Type of leased asset	Rental income recognized in the current period	Lease income recognized in the prior period
Hangzhou Robam Appliances Co., Ltd.	Housing	14,400.00	14,400.00
Shengzhou Kinde Intelligent Kitchen Appliances Co., Ltd.	Housing	641,537.61	641,537.61
Shengzhou Kinde Intelligent Kitchen Appliances Co., Ltd.	Housing	268,172.94	292,552.29

The Company acts as the lessee:

In RMB

Lessor	Type of leased asset	Rental expenses for simplified short-term leases and leases of low-value assets (if applicable)		Variable lease payments not included in the measurement of lease liabilities (if applicable)		Rental paid		Interest expense incurred on lease liabilities		Increased right-of-use assets	
		Amount of the current period	Amount of the previous period	Amount of the current period	Amount of the previous period	Amount of the current period	Amount of the previous period	Amount of the current period	Amount of the previous period	Amount of the current period	Amount of the previous period
Robam Industrial Group Co., Ltd.	Housing						275,012.28				

(3) Benefits of key management personnel

In RMB

Item	Amount of the current period	Amount of the previous period
Total compensation	2,666,500.00	4,134,000.00

(4) Other related transactions

6. Receivables and payables of related parties

(1) Accounts receivable

In RMB

Name of item	Related parties	Ending balance		Beginning balance	
		Book balance	Bad debt reserve	Book balance	Bad debt reserve
Accounts receivable	De Dietrich Trade (Shanghai) Co., Ltd.	1,051,825.87		1,051,825.87	
Accounts receivable	Zhejiang Cookingfuture Technology Co., Ltd.	1,703,651.40		1,139,428.57	
Accounts receivable	Hangzhou Amblem Household Co., Ltd.	170,630.00		227,824.00	
Accounts receivable	Shaoxing Shuaige Kitchen and Bathroom Technology Co., Ltd.	661,244.00		276,326.16	
Accounts receivable	Hangzhou Linping ROBAM Charity Foundation	1,720,014.72			
Prepayments	Zhejiang	3,177,643.32		648,688.86	

	Cookingfuture Technology Co., Ltd.				
Prepayments	Hangzhou Guoguang Touring Commodity Co., Ltd.			6,549.45	
Other receivables	De Dietrich Trade (Shanghai) Co., Ltd.			2,867,534.74	

(2) Accounts payable

In RMB

Name of item	Related parties	Book balance at the end of the period	Book balance at the beginning of the period
Accounts payable	Hangzhou Robam Fuel Station Co., Ltd.	4,071,439.14	5,692,970.67
Accounts payable	Hangzhou Amblem Household Co., Ltd.	4,099,024.35	11,871,917.49
Accounts payable	Hangzhou Seazons Health Care Product Co., Ltd.	1,405,472.31	1,596,387.50
Accounts payable	Hangzhou Guoguang Touring Commodity Co., Ltd.	1,370.00	0.00
Accounts payable	Hangzhou Bonyee Daily Necessity Technology Co., Ltd.	10,168.81	21,935.83
Accounts payable	Shaoxing Shuaige Kitchen and Bathroom Technology Co., Ltd.	100,977.11	178,517.43
Accounts received in advance	Zhejiang Cookingfuture Technology Co., Ltd.	2,900.00	0.00
Other payables	Hangzhou Seazons Health Care Product Co., Ltd.	2,000.00	2,000.00
Other payables	Hangzhou Amblem Household Co., Ltd.	5,000.00	5,000.00
Other payables	Hangzhou Guoguang Touring Commodity Co., Ltd.	2,000.00	2,000.00
Other payables	Shaoxing Shuaige Kitchen and Bathroom Technology Co., Ltd.	2,000.00	0.00

XIV. Share-based Payment

1. Overview of share-based payment

☑Applicable □Not applicable

Category of grant recipients	Awarded during the period		Exercise during the period		Unlocking in the current period		Expired in the current period	
	Quantity (in 10,000 shares)	Amount (in RMB 10,000)	Quantity (in 10,000 shares)	Amount (in RMB 10,000)	Quantity (in 10,000 shares)	Amount (in RMB 10,000)	Quantity (in 10,000 shares)	Amount (in RMB 10,000)
Management	0.00	0.00	4.50	16.88	168.60	632.25	409.70	3084.78

Category of grant recipients	Awarded during the period		Exercise during the period		Unlocking in the current period		Expired in the current period	
	Quantity (in 10,000 shares)	Amount (in RMB 10,000)	Quantity (in 10,000 shares)	Amount (in RMB 10,000)	Quantity (in 10,000 shares)	Amount (in RMB 10,000)	Quantity (in 10,000 shares)	Amount (in RMB 10,000)
personnel								
Total	**0.00**	**0.00**	**4.50**	**16.88**	**168.60**	**632.25**	**409.70**	**3084.78**

Stock options or other equity instruments issued at the end of the period and held by external parties

□Applicable ☑Not applicable

Other description

On April 28, 2026, the Company held the 21st meeting of the 6th Board of Directors, which reviewed and approved the *Proposal on the Cancellation of Part of the Stock Options under the 2023 Stock Option Incentive Plan* and other proposals. A total of 2,036,000 stock options were canceled, with a total value of RMB 12,419,600. On May 7, 2026, the cancellation of part of the stock options under the Stock Option Incentive Plan was completed.

On April 28, 2026, the Company held the 21st meeting of the 6th Board of Directors, which reviewed and approved the *Proposal on the Cancellation of Part of the Stock Options under the 2024 Stock Option Incentive Plan* and other proposals. A total of 1,754,000 stock options, with a value of RMB 17,276,900, were canceled. On May 7, 2026, the cancellation of part of the stock options under the Stock Option Incentive Plan was completed.

On April 28, 2026, the Company held the 21st meeting of the 6th Board of Directors, which reviewed and approved the *Proposal on the Cancellation of Part of the Stock Options under the 2025 Stock Option Incentive Plan* and other proposals. A total of 307,000 stock options, with a value of RMB 1,151,300, were canceled. On May 8, 2026, the cancellation of part of the stock options under the Stock Option Incentive Plan was completed.

On May 22, 2026, the Company held the 22nd meeting of the 6th Board of Directors, which reviewed and approved *Proposal on the Achievement of Exercise Conditions for the First Exercise Period of the 2025 Stock Option Incentive Plan* and other proposals. The number of stock options eligible for exercise in this exercise period is 1,686,000, with a total value of RMB 6,322,500. As of the end of the reporting period, 45,000 shares had been exercised, totaling RMB 168,800.

2. Equity-settled share-based payment

☑Applicable □Not applicable

In RMB

Method for determining the fair value of equity instruments on the grant date	The Company evaluates the fair value of stock options using the internationally recognized Black-Scholes option pricing model.
Important parameters for determining the fair value of equity instruments on the grant date	Best estimate of the number of vested equity instruments
Reasons for material differences between the current estimate and the previous estimate	N/A
Cumulative amount of equity-settled share-based payments included in the capital reserve	29,444,273.62
Total expense recognized for equity-settled share-based payments in the current period	9,142,690.86

3. Cash-settled share-based payment

□Applicable ☑Not applicable

4. Share-based payment for the current period

☑Applicable □Not applicable

In RMB

Category of grant recipients	Equity-settled share-based payment expense	Cash-settled share-based payment expense
Management personnel	9,142,690.86	
Total	9,142,690.86	

Other description

XV. Commitments and Contingencies

1. Major commitments

(1) Major commitments on the balance sheet date

The Company committed to investing RMB 4 million in Zhejiang Tingshuo Brand Operation Management Co., Ltd., of which RMB 2 million has been paid in, accounting for 40% of the shares. The remaining RMB 2 million has not been paid in.

Apart from the above-mentioned commitments, the Company has no other significant commitments.

2. Contingencies

(1) Major contingencies on the balance sheet date

As of the balance sheet date, the Company had no material contingent liabilities that required disclosure.

(2) It’s also necessary to make it clear hereby that the Company has no major contingencies that need to be disclosed

The Company has no significant or pending matters that need to be disclosed.

XVI. Events After the Balance Sheet Date

1. Important non-adjustment matters

In RMB

Item	Content	Impact on financial position and results of operations	Reasons why the impact cannot be estimated
Debt restructuring matters after the period	As on the reporting date, the Company newly entered into accounts receivable settlement agreements through debt-for-asset		

	arrangements amounting to RMB 2.2761 million, of which RMB 0.00 had completed online filing and house delivery procedures; for debt settlement agreements entered into in the first half of 2026 and prior years, the amount for which online filing and house delivery procedures were completed during the period from the balance sheet date to the reporting date amounted to RMB 9.1363 million.		

2. Profit distribution

The proposed dividend per 10 shares (RMB)	5
The proposed number of bonus shares per 10 shares (shares)	0
The proposed number of additional shares per 10 shares (shares)	0
The dividend per 10 shares declared and approved for distribution (RMB)	5
The number of bonus shares per 10 shares declared and approved for distribution (shares)	0
The number of additional shares per 10 shares declared and approved for distribution (shares)	0
Profit distribution	On August 27, 2026, pursuant to the *Proposal on the Implementation of 2026 Interim Dividend Distribution Plan* approved at the 2nd meeting of the 7th Board of Directors of the Company, the Company proposed to distribute a cash dividend of RMB 5 (including tax) per 10 shares to all shareholders based on a total share capital of 944,992,916 shares, amounting to a total proposed cash dividend of RMB 472,496,458.00.

XVII. Other Significant Events

1. Debt restructuring

As of June 30, 2026, the Company's situation regarding the signing of the agreement on project mortgage properties and the completion of procedures for purchasing houses through online signing and filing is as follows:

Item	**Amount of debt repayment agreement signed**	**Including: Completion of procedures for online filing and delivery of houses Amount required for the procedures**	**Amount required in case of unfinished procedures for online filing or delivery of houses**
Real estate customers	749,804,984.13	466,145,466.11	283,659,518.02
Total	749,804,984.13	466,145,466.11	283,659,518.02

The Company signed an agreement on project mortgage properties with the aforementioned real estate customers, involving a total accounts receivable balance of RMB 749,805,000. The procedures for online filing and house delivery of the portion of RMB 466,145,500 has been completed, and the recognition of creditor's rights on accounts receivable has been terminated. The fair value of the real estate used for debt repayment at the time point of debt restructuring is presented in the item of other non-current assets, with a fair value of the portion of RMB 483,386,000 confirmed through public market inquiry. The Company paid a price difference of RMB 17,240,500 in cash. At the time point of debt restructuring, there was no profit and loss from the restructuring. The procedures for online signing and filing of the houses have not yet been completed for the remaining portion of RMB 283,659,500. The Company has not terminated the recognition of the creditor's rights on accounts receivable and has made a bad debt provision at an expected credit loss rate of 45%.

XVIII. Notes to Main Items of the Financial Statements of the Parent Company

1.Accounts receivable

(1) Disclosure by aging of accounts

In RMB

Aging	Book balance at the end of the period	Book balance at the beginning of the period
Within 1 year (including 1 year)	1,298,111,626.24	1,315,707,930.22
1-2 years	172,593,248.93	199,515,465.52
2-3 years	188,389,904.39	310,448,004.11
Over 3 years	352,870,700.01	259,820,318.39
3-4 years	168,120,456.56	137,969,463.95
4-5 years	145,080,704.61	105,890,527.98
Over 5 years	39,669,538.84	15,960,326.46
Subtotal	2,011,965,479.57	2,085,491,718.24
Less: provision for bad debts	452,018,946.71	483,430,158.73
Total	**1,559,946,532.86**	**1,602,061,559.51**

(2) Classification of disclosure according to the bad debt provision method

In RMB

Category	Ending balance					Beginning balance				
	Book balance		Bad debt reserve		Carrying value	Book balance		Bad debt reserve		Carrying value
	Amount	Percentage (%)	Amount	Percentage of provision		Amount	Percentage (%)	Amount	Percentage of provision	
Accounts receivable with provision for bad debts on	585,094,459.02	29.08%	344,501,785.27	58.88%	240,592,673.75	701,551,989.42	33.64%	395,523,085.61	56.38%	306,028,903.81

an individual basis										
Including:										
Accounts receivable with provision for bad debts on a collective basis	1,426,871,020.55	70.92%	107,517,161.44	7.54%	1,319,353,859.11	1,383,939,728.82	66.36%	87,907,073.12	6.35%	1,296,032,655.70
Including:										
Aging-based portfolio	1,220,687,732.97	60.67%	107,517,161.44	8.81%	1,113,170,571.53	1,002,976,016.02	48.09%	87,907,073.12	8.76%	915,068,942.90
Related-party portfolio within consolidation scope	206,183,287.58	10.25%			206,183,287.58	380,963,712.80	18.27%			380,963,712.80
Total	2,011,965,479.57	100.00%	452,018,946.71	22.47%	1,559,946,532.86	2,085,491,718.24	100.00%	483,430,158.73	23.18%	1,602,061,559.51

Category by individual bad debt provision:

In RMB

Name	Beginning balance		Ending balance			
	Book balance	Bad debt reserve	Book balance	Bad debt reserve	Percentage of provision	Reasons for provision
Unit 1	182,356,917.60	87,831,983.32	139,487,225.91	69,870,478.33	50.09%	Expected to be difficult to fully recover
Unit 2	94,692,708.65	65,299,506.65	94,423,248.00	64,840,631.32	68.67%	Expected to be difficult to fully recover
Unit 3	89,281,524.70	26,784,457.41	42,062,439.02	12,618,731.71	30.00%	Expected to be difficult to fully recover
Unit 4	30,605,439.56	13,917,042.04	34,677,639.87	16,767,582.26	48.35%	Expected to be difficult to fully recover
Unit 5	22,008,442.37	14,471,075.41	22,281,046.87	14,661,898.56	65.80%	Expected to be difficult to fully recover
Unit 6	22,235,928.00	14,842,515.85	20,793,789.68	13,833,019.03	66.52%	Expected to be difficult to fully recover

Unit 7	14,153,466.07	8,329,895.14	13,098,654.75	7,729,027.21	59.01%	Expected to be difficult to fully recover
Unit 8	11,666,204.38	7,101,201.84	11,082,229.31	6,831,522.30	61.64%	Expected to be difficult to fully recover
Unit 9	9,785,174.12	6,849,621.88	9,785,174.12	6,849,621.88	70.00%	Expected to be difficult to fully recover
Unit 10	9,166,561.06	9,166,561.06	9,166,561.06	9,166,561.06	100.00%	Expected to be difficult to recover
Unit 11	6,149,051.83	4,304,336.28	6,149,051.83	4,304,336.28	70.00%	Expected to be difficult to fully recover
Unit 12	5,729,564.29	3,684,795.00	5,454,207.48	3,492,045.24	64.02%	Expected to be difficult to fully recover
Summary of other clients	203,721,006.79	132,940,093.72	176,633,191.12	113,536,330.09	64.28%	Expected to be difficult to fully recover
Total	701,551,989.42	395,523,085.61	585,094,459.02	344,501,785.27		

Category for bad debt provision on a collective basis: bad debt provision for accounts receivable is provided by account age

In RMB

Name	Ending balance		
	Book balance	Bad debt reserve	Percentage of provision
Within 1 year	1,017,581,780.76	50,879,089.39	5.00%
1-2 years	88,561,671.32	8,856,167.13	10.00%
2-3 years	56,463,104.59	11,292,620.92	20.00%
3-4 years	38,692,696.99	19,346,348.50	50.00%
4-5 years	11,227,719.03	8,982,175.22	80.00%
Over 5 years	8,160,760.28	8,160,760.28	100.00%
Total	1,220,687,732.97	107,517,161.44	

If provision for bad debts of accounts receivable is made according to the general model of expected credit loss:

□Applicable ☑Not applicable

(3) Bad debt provision, and its recovery or reversal in the current period

Bad debt provision in the current period:

In RMB

Category	Beginning balance	Amount of change in the current period				Ending balance
		Provision	Recovery or reversal	Write-off	Others	
Bad debt reserves for accounts receivable	483,430,158.73	39,371,851.53	32,606,523.74	841,827.88	37,334,711.93	452,018,946.71
Total	483,430,158.73	39,371,851.53	32,606,523.74	841,827.88	37,334,711.93	452,018,946.71

Significant recoveries or reversals of provisions for bad debts during the reporting period:

In RMB

Unit	Recovery or reversal	Reason for reversal	Recovery method	Basis and reasonableness of determining the original provision ratio for bad debts
Suning	47,715,404.44	Collection of accounts receivable	Bank transfer, offset	The debtor is experiencing cash flow difficulties, and it is unlikely to recover the full amount.
Total	47,715,404.44			

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

In RMB

Item	Amounts written off
Accounts receivable actually written off	841,827.88

(5) Top five debtors with the largest ending balances of accounts receivable and contract assets

In RMB

Unit	Ending balance of accounts receivable	Ending balance of contract assets	Closing balance of accounts receivable and contract assets	Proportion in the total ending balance of accounts receivable and contract assets	Closing balance of provision for bad debts on accounts receivable and impairment of contract assets
Unit 1	391,359,664.10	0.00	391,359,664.10	19.45%	19,567,983.21
Unit 2	81,458,328.38	0.00	81,458,328.38	4.05%	37,546,097.32
Unit 3	62,837,390.19	0.00	62,837,390.19	3.12%	0.00
Unit 4	55,987,747.71	0.00	55,987,747.71	2.78%	39,191,423.40
Unit 5	53,084,942.06	0.00	53,084,942.06	2.64%	2,654,247.10
Total	644,728,072.44	0.00	644,728,072.44	32.04%	98,959,751.03

2. Other receivables

In RMB

Item	Ending balance	Beginning balance
Dividends receivable		400,000.00
Other receivables	57,097,798.34	45,973,203.37
Total	57,097,798.34	46,373,203.37

(1) Dividends receivable

1) Classification of dividends receivable

In RMB

Item (or investee)	Ending balance	Beginning balance

Zhejiang Tingshuo Brand Operation Management Co., Ltd.		400,000.00
Total		400,000.00

(2) Other accounts receivable

1) Classification of other accounts receivable by nature

In RMB

Nature of receivable	Book balance at the end of the period	Book balance at the beginning of the period
Related-party balances within the consolidation scope	4,114,000.00	4,114,000.00
Collections by a third party	28,081,094.04	15,728,131.10
Margin deposits/deposits	17,231,811.07	17,754,456.88
Proxy holding of project mortgage properties	14,537,654.00	14,537,654.00
Withholdings	6,665,853.10	3,389,076.99
Cash reserve	5,287,303.14	4,358,656.39
Others	3,791,188.46	2,967,667.63
Subtotal	79,708,903.81	62,849,642.99
Less: provision for bad debts	22,611,105.47	16,876,439.62
Total	57,097,798.34	45,973,203.37

2) Disclosure by aging of accounts

In RMB

Aging	Book balance at the end of the period	Book balance at the beginning of the period
Within 1 year (including 1 year)	56,266,764.19	43,318,441.78
1-2 years	6,037,038.02	4,893,036.89
2-3 years	2,742,335.04	4,422,478.97
Over 3 years	14,662,766.56	10,215,685.35
3-4 years	2,166,398.26	3,736,187.87
4-5 years	3,007,826.77	2,179,561.48
Over 5 years	9,488,541.53	4,299,936.00
Subtotal	79,708,903.81	62,849,642.99
Less: provision for bad debts	22,611,105.47	16,876,439.62
Total	57,097,798.34	45,973,203.37

3) Classification of disclosure according to the bad debt provision method

In RMB

Category	Ending balance					Beginning balance				
	Book balance		Bad debt reserve		Carrying value	Book balance		Bad debt reserve		Carrying value
	Amount	Percentage (%)	Amount	Percentage of provision		Amount	Percentage (%)	Amount	Percentage of provision	

Provision for bad debts on an individual basis	14,537,654.00	18.24%	6,541,944.30	45.00%	7,995,709.70	14,537,654.00	23.13%	6,541,944.30	45.00%	7,995,709.70
Including:										
Aging-based portfolio										
Provision for bad debts on a collective basis	65,171,249.81	81.76%	16,069,161.17	24.66%	49,102,088.64	48,311,988.99	76.87%	10,334,495.32	21.39%	37,977,493.67
Including:										
Aging-based portfolio	65,121,249.81	81.70%	16,069,161.17	24.66%	49,052,088.64	48,311,988.99	76.87%	10,334,495.32	21.39%	37,977,493.67
Related-party portfolio within consolidation scope	50,000.00	0.06%			50,000.00					
Total	79,708,903.81	100.00%	22,611,105.47	28.37%	57,097,798.34	62,849,642.99	100.00%	16,876,439.62	26.85%	45,973,203.37

Category by individual bad debt provision:

In RMB

Name	Beginning balance		Ending balance			
	Book balance	Bad debt reserve	Book balance	Bad debt reserve	Percentage of provision	Reasons for provision
Unit 1	9,976,291.00	4,489,330.95	9,976,291.00	4,489,330.95	45.00%	Expected impairment
Unit 2	1,892,194.00	851,487.30	1,892,194.00	851,487.30	45.00%	Expected impairment
Unit 3	1,205,059.00	542,276.55	1,205,059.00	542,276.55	45.00%	Expected impairment
Unit 4	657,783.00	296,002.35	657,783.00	296,002.35	45.00%	Expected impairment
Unit 5	636,327.00	286,347.15	636,327.00	286,347.15	45.00%	Expected impairment
Unit 6	170,000.00	76,500.00	170,000.00	76,500.00	45.00%	Expected impairment
Total	14,537,654.00	6,541,944.30	14,537,654.00	6,541,944.30		

Category for bad debt provision on a collective basis:

In RMB

Name	Ending balance		
	Book balance	Bad debt reserve	Percentage of provision
Within one year	44,553,220.19	2,226,399.28	5.00%

1-2 years	3,162,928.02	316,292.80	10.00%
2-3 years	2,742,335.04	548,467.01	20.00%
3-4 years	2,166,398.26	1,083,199.13	50.00%
4-5 years	3,007,826.77	2,406,261.42	80.00%
Over 5 years	9,488,541.53	9,488,541.53	100.00%
Total	65,121,249.81	16,069,161.17	

Provision for bad debts according to the general model of expected credit loss:

In RMB

Bad debt reserve	Phase I	Phase II	Phase III	Total
	Expected credit loss over the next 12 months	Expected credit loss over the entire period of existence (without credit impairment)	Expected credit loss over the entire period of existence (with credit impairment)	
Balance as of January 01, 2026	10,334,495.32	6,541,944.30		16,876,439.62
Balance on January 01, 2026 in the current period				
Provision in the current period	5,734,665.85			5,734,665.85
Balance as of June 30, 2026	16,069,161.17	6,541,944.30		22,611,105.47

Changes in the book balance with significant change in amount of the loss provision in the current period

□Applicable ☑Not applicable

4) Bad debt provision, and its recovery or reversal in the current period

Bad debt provision in the current period:

In RMB

Category	Beginning balance	Amount of change in the current period				Ending balance
		Provision	Recovery or reversal	Write-offs	Others	
Bad debt provision for other receivables	16,876,439.62	5,734,665.85				22,611,105.47
Total	16,876,439.62	5,734,665.85				22,611,105.47

5) Top five debtors with the largest ending balances of other accounts receivable

The aggregate amount of the top five debtors with the largest ending balances of other accounts receivable was RMB 30,114,680.73, accounting for 37.78% of the total ending balance of other receivables. The corresponding total ending balance of the bad debt provision was RMB 9,375,815.44.

3. Long-term equity investment

In RMB

Item	Ending balance			Beginning balance		
	Book balance	Impairment provision	Carrying value	Book balance	Impairment provision	Carrying value
Investments in subsidiaries	393,809,594.49	20,400,000.00	373,409,594.49	377,655,061.13	20,400,000.00	357,255,061.13
Investments in joint ventures and associated companies	2,216,793.35		2,216,793.35	1,748,308.55		1,748,308.55
Total	396,026,387.84	20,400,000.00	375,626,387.84	379,403,369.68	20,400,000.00	359,003,369.68

(1) Investment in subsidiaries

In RMB

Investee	Beginning balance（carrying value)	Opening balance of impairment provision	Increase/decrease in the current period				Ending balance（carrying value)	Ending balance of impairment provision
			Additional investment	Negative investment	Impairment provision	Others		
Beijing Robam Appliances Sales Co., Ltd.	5,814,980.82						5,814,980.82	
Shanghai Robam Appliances Sales Co., Ltd.	5,838,272.10						5,838,272.10	
Hangzhou MingQi Electric Co., Ltd.	52,929,348.56		412,632.48				53,341,981.04	
Shengzhou Kinde Intelligent Kitchen Appliances Co., Ltd.	162,320,000.00						162,320,000.00	
De Dietrich Household Appliances Trading (Shanghai) Co., Ltd.	630,900.00	20,400,000.00					630,900.00	20,400,000.00
Hangzhou Robam Fuchuang Investment Management Co., Ltd.	10,000,000.00						10,000,000.00	
Hangzhou Jinhe Electric Appliances Co., Ltd.	10,147,135.96		59,987.10				10,207,123.06	

Robam Appliances Holding (HK) Co., Ltd.	19,238,670.00		5,490,240.00				24,728,910.00	
Chengdu Robam Innovation Technology Co., Ltd.	5,220,650.37		119,263.74				5,339,914.11	
Hangzhou Robam E-commerce Co., Ltd.	10,071,939.57		45,256.26				10,117,195.83	
Ningbo Jinhe E-commerce Co., Ltd.	5,000,000.00						5,000,000.00	
Hangzhou Yuhang Jinhe E-commerce Co., Ltd.	5,043,163.75		27,153.78				5,070,317.53	
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 Jinhe E-commerce Co., Ltd.	5,000,000.00						5,000,000.00	
Hangzhou Robam Commercial Kitchen Technology Co., Ltd.	50,000,000.00						50,000,000.00	
Shengzhou Dijia Technology Co., Ltd.								
Hainan Robam Intelligent Technology Co., Ltd.			10,000,000.00				10,000,000.00	
Total	357,255,061.13	20,400,000.00	16,154,533.36				373,409,594.49	20,400,000.00

(2) Investment in joint ventures and associated companies

In RMB

Investor	Beginning balance (carrying value)	Opening balance of impairment provision	Increase/decrease in the current period								Ending balance (carrying value)	Ending balance of impairment provision
			Additional investment	Negative investment	Investment profit and loss recognized using the equity method	Adjustment of other comprehensive incomes	Other changes in equity	Cash dividends or profits declared and distributed	Impairment provision	Others		
I. Joint venture												
II. Associated enterprises												
Zhejiang Tingshuo Brand Operation Management Co., Ltd.	1,748,308.55				468,484.80						2,216,793.35	
Subtotal	1,748,308.55				468,484.80						2,216,793.35	
Total	1,748,308.55				468,484.80						2,216,793.35	

Recoverable amount is determined as fair value less costs of disposal

□Applicable ☑Not applicable

The recoverable amount is determined as the present value of the estimated future cash flows

□Applicable ☑Not applicable

4. Operating income and operating cost

In RMB

Item	Amount of the current period		Amount of the previous period	
	Income	Cost	Income	Cost
Main business	3,374,441,259.30	1,826,371,129.26	3,957,912,907.59	2,083,649,957.54
Other businesses	99,330,648.14	45,385,646.84	102,298,538.44	54,090,616.80
Total	3,473,771,907.44	1,871,756,776.10	4,060,211,446.03	2,137,740,574.34

As of the end of the reporting period, the revenue amount corresponding to performance obligations arising from contracts that had been signed but had not yet been fulfilled or had not yet been fully fulfilled was RMB 784,117,483.30, of which RMB 784,117,483.30 is expected to be recognized as income in fiscal year 2026.

5. Investment income

In RMB

Item	Amount of the current period	Amount of the previous period
Income from long-term equity investments accounted for using the equity method	468,484.80	-2,846,136.10
Investment income from disposal of financial assets held for trading	47,014,378.21	23,722,417.71
Total	47,482,863.01	20,876,281.61

6. Others

XIX. Supplementary Information

1. Non-recurring profits and losses in the current period

☑Applicable □Not applicable

In RMB

Item	Amount	Description
Gains and losses on disposal of non-current assets	-595,431.49	
Government subsidies included in current gains and losses (excluding government subsidies closely related to the Company's normal business, in line with national policy, enjoyed according to established standards, and having a sustained impact on the Company's gains and losses).	20,926,775.21	
Reversal of impairment provision for accounts receivable tested for impairment separately	69,941,235.67	
Other non-operating revenues and expenses except the above items	1,169,581.54	
Less: Affected amount of income tax	14,465,231.17	
Affected amount of minority shareholders' equity (after tax)	950,719.04	
Total	76,026,210.72	--

Other items of gains and losses meeting the definition of non-recurring gains and losses:

□Applicable ☑Not applicable

The Company does not have other items of gains and losses meeting the definition of non-recurring gains and losses

Explanation on the circumstance where items of the non-recurring gains and losses enumerated in the *Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public — Non-recurring Gains and Losses* (referred to as "*Announcement No.1*") are defined as recurring gains and losses

□Applicable ☑Not applicable

2. Return on net assets and earnings per share (EPS)

Profit within the Reporting	Weighted average return on	EPS

Period	net assets	Basic earnings per share (EPS) (RMB/share)	Diluted EPS (RMB/share)
Net profit attributable to common stockholders of the Company	4.91%	0.61	0.61
Net profit attributable to common shareholders of the Company after deducting non-recurring profits and losses	4.26%	0.53	0.53

3. Accounting data differences under domestic and foreign accounting standards

(1) Differences of net profits and net assets in the Financial Report disclosed as per the IAS and CAS

□Applicable ☑Not applicable

(2) Differences of net profits and net assets in the Financial Report disclosed as per the foreign accounting standard and CAS

□Applicable ☑Not applicable

(3) Explanation of the reasons of accounting data differences under domestic and foreign accounting standards shall be made, and where data audited by an overseas audit institution has been adjusted based on the differences, the name of the overseas institution shall be indicated.

□Applicable ☑Not applicable