

MELING 美菱

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Changhong Meiling Co., Ltd.

Environmental,
Social and Governance
(ESG) Report

2025



Report Preparation Notes

Introduction

This report is the third Environmental, Social and Governance (ESG) Report (hereinafter the "ESG Report" or the "Report") released by Changhong Meiling Co., Ltd. Prepared in accordance with the principles of objectivity, standardization, transparency, and comprehensiveness, this Report provides a detailed disclosure of the Company's practices and performance in environmental, social, and governance aspects for the year 2025.

Preparation Basis

Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange — Sustainability Report (Trial) issued by the Shenzhen Stock Exchange (hereinafter referred to as the "Guidelines")

Self-Regulatory Guidance No. 3 for Companies Listed on Shenzhen Stock Exchange — Preparation of Sustainability Report issued by the Shenzhen Stock Exchange

China Corporate Sustainability Reporting Guide (CASS-ESG 6.0) issued by the China Enterprise Reform and Development Society, and Zeren Yun Research Institute

Sustainability Reporting Standards (GRI Standards 2021) issued by the Global Reporting Initiative (GRI)

United Nations 2030 Sustainable Development Goals (SDGs)

Sustainability Accounting Standards Board Standards (SASB Standards)

International Financial Reporting Sustainability Disclosure Standards No. 1 — General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1) and International Financial Reporting Sustainability Disclosure Standards No. 2 — Climate-related Disclosures (IFRS S2) issued by the International Sustainability Standards Board (ISSB)

Guiding Opinions on Central Enterprises' Fulfillment of High-Standard Social Responsibility in the New Era issued by the State-owned Assets Supervision and Administration Commission of the State Council

Report Scope

The reporting period of this Report is from January 1, 2025, to December 31, 2025 (referred to as the "Reporting Period"). To enhance the comparability and forward-looking nature

of this Report, certain disclosures appropriately reference data from previous years or includes forward-looking descriptions. The preparation of this Report covers Changhong Meiling and its subsidiaries. Unless otherwise specified, the statistical scope aligns with the annual report.

Data Description

The data used in this Report is sourced from the Company's operational raw data, publicly available government data, annual financial data, internal statistical reports, and other relevant sources. Financial data in this Report is denominated in RMB. In case of any discrepancies with the financial report, the financial report shall prevail.

Definitions

Terms to be defined	Definition
Changhong Meiling, the Company, we	Changhong Meiling Co., Ltd.
Changhong Air Conditioner	Sichuan Changhong Air Conditioner Co., Ltd.
Zhongshan Changhong	Zhongshan Changhong Electric Co., Ltd.
Zhongke Meiling	Zhongke Meiling Cryogenic Technology Co., Ltd.
Changmei Living Appliances	Hefei Changhong Meiling Life Appliances Co., Ltd.
Jiangxi Meiling	Jiangxi Meiling Electric Appliance Co., Ltd.
Mianyang Meiling	Mianyang Meiling Refrigeration Co., Ltd.
Hefei Industrial	Hefei Changhong Industry Co., Ltd.
Ridian Technology	Changhong Meiling Ridian Technology Co., Ltd.
Hongmei Intelligent	Sichuan Hongmei Intelligent Technology Co., Ltd.

Report Access and Feedback

This Report is published in electronic format and can be accessed and downloaded from the Shenzhen Stock Exchange website (www.szse.cn) or the Juchao Information website (www.cninfo.com.cn). If you have any comments or suggestions regarding this Report or the Company's social responsibility performance, please email us at info@meiling.com, or call 0551-62219021.

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Chairman's Message

2025 was a crucial year for bringing the 14th Five-Year Plan to a successful conclusion and a pivotal year for Changhong Meiling to accelerate its leapfrog development and achieve new breakthroughs. In the face of a rapidly changing market environment, we remained firmly committed to high-quality development. Focusing on four key dimensions—compliant governance, intelligent transformation, low-carbon development, and social responsibility—we advanced our ESG strategy in a coordinated manner, steadily fulfilled our ESG responsibilities, and continued to create diversified value, delivering solid results amid challenges and forging ahead with strong momentum.

During the year, we maintained strong governance discipline and continuously improved governance effectiveness.

We consistently regarded compliant operations as the lifeline of the Company's development. On this basis, we further improved our corporate governance structure, refined the operating mechanisms of the shareholders' meeting, the Board of Directors, and management, clarified the boundaries of powers and responsibilities at each level, and enhanced the scientific rigor, standardization, and efficiency of decision-making. We also strengthened our internal control, compliance, and risk management systems, reinforced the "three lines of defense" for risk prevention and control, and upheld business ethics. We also continued to improve investor relations management, ensured compliant and transparent information disclosure, and effectively safeguarded investor interests.

During the year, we pursued excellence and sustained strong innovation momentum.

We remained committed to enabling product renewal through technological breakthroughs. The Meiling M Fresh Ultra 501S refrigerator pioneered a new industry paradigm with its all-scenario freshness-preservation technology, while the Blue Oxygen Garment-Care Washer made its global debut, setting a new benchmark for the industry. Guided by our user-centered philosophy, we comprehensively advanced the "Quality Improvement Year" initiative, accelerated the digital transformation of marketing, and advanced the full online, mobile, and data-driven transformation of our business operations. Through stronger innovation capabilities and a steadfast commitment to quality, we continued to enhance users' experience of better living.

During the year, we remained committed to our mission and advanced green development in a solid and orderly manner.

We consistently regarded green development as one of our core strategies and remained committed to reducing the environmental impact of our products and operations across the full lifecycle. We strictly complied with environmental regulations and continuously strengthened pollution prevention and control. Following a development path centered on energy conservation, resource efficiency, and circularity, we integrated green development concepts throughout the entire lifecycle, covering raw material procurement, product design, manufacturing, packaging and logistics, and product recycling. We continued to promote the green upgrading of our products and injected strong momentum into the Company's low-carbon transformation through concrete actions to protect the environment.

During the year, we actively fulfilled our responsibilities and continued to create value for stakeholders.

We attached great importance to supply chain development and worked closely with our partners to practice responsible procurement and build a green, secure, and sustainable supply chain. We adhered to a people-oriented philosophy by protecting employees' rights and interests and providing broad platforms for their growth and development. We also actively fulfilled our social responsibilities by supporting rural revitalization and participating in public welfare initiatives, demonstrating corporate care through concrete actions. In doing so, we generated social value while creating economic value and contributed to building a better society.

With solid development momentum and a keen awareness of the significant responsibilities we bear, we are embarking on a new journey with renewed determination.

Looking ahead, Changhong Meiling will remain firmly committed to high-quality development, with product innovation as the core driver, digital transformation as the underpinning, and talent development as the foundation. We will continue to deepen green technology innovation and advance low-carbon practices across the entire value chain. By leveraging strong technological capabilities to drive the industry toward higher-end, smarter, and greener development, fulfilling our ESG commitments through pragmatic actions, rewarding shareholders' trust with solid performance, and responding to social expectations with a strong sense of responsibility, we will strive to write a new chapter of sustainable development for Changhong Meiling in advancing Chinese modernization.

Board of Directors' ESG Statement

The Board of Directors is the highest decision-making body for the Company's ESG matters, responsible for integrating ESG considerations into the Company's management policies and operational decision-making processes. The Board places significant emphasis on ESG initiatives and has established an ESG Management Committee, chaired by the Chairman of the Board. The ESG Management Committee is responsible for studying and formulating the Company's ESG strategic plans and objectives, establishing the management system, evaluating and reviewing the Company's ESG-related strategies, risks, and implementation performance, and reviewing the ESG Report prior to its submission to the Board for approval.

Changhong Meiling highly values the expectations of stakeholders regarding ESG matters. Taking into account industry characteristics and key issues arising from the Company's operations, the Company conducts stakeholder engagement surveys, assesses, prioritizes and screens ESG topics, and timely adjusts and determines its material ESG topics.

About Changhong Meiling Corporate Profile

Founded in 1983 and headquartered in Hefei, Anhui, China, Changhong Meiling became the first listed company in Anhui Province when its A-share stock was listed on the Shenzhen Stock Exchange (hereinafter the "SZSE") in 1993 (Stock Code: 000521.SZ). In 1996, its B-share stock was also listed on the SZSE (Stock Code: 200521.SZ), making it Anhui Province's first dual-listed company (A- and B-shares) and earning recognition that same year as one of the Shenzhen Stock Exchange's top ten high-performing listed companies.

As a national benchmark enterprise for technological innovation, the Company has consistently strengthened its core competitiveness through technology and product innovation. The Company has achieved continuous breakthroughs across multiple domains, including intelligent and simulation technologies; freshness preservation, odor purification, and ultra-low temperature refrigeration; energy-saving and air-cooling solutions; thin-wall and ultra-thin design; as well as washing performance and fabric care. The Company's achievements have been recognized with numerous national honors, such as being designated a "National Green Factory" and a "National Technology Innovation Demonstration Enterprise." It has also been named a "Leading Enterprise in Quality in China's Home Appliance Industry" and a "National Demonstration Enterprise for Industry-Academia-Research Collaboration Innovation," while its "Smart Refrigerator Intelligent Manufacturing" initiative was selected as a national pilot demonstration project.

Corporate Culture

Corporate Spirit

Hard Work, Pioneering, Perseverance, and Excellence

Core Values

User-Centricity

Corporate Mission

Let Better Days Come

Code of Conduct

Accountability, Initiative, Innovation, and Cooperation

Brand Proposition

Beautiful China, Fresh Meiling



Corporate Development Course



Meiling 2025 Milestones

April 2025

The Company was successfully selected for the first batch of China's Consumer Premium Brands announced by the Ministry of Industry and Information Technology of the People's Republic of China.

The Company globally launched the new AI refrigerator product, Frozen Fresh 505, introducing the concept of "freshness defined by technology rather than environment." This launch marked a technological breakthrough that subverted traditional preservation logic, empowering AI to redefine freshness standards.

A subsidiary, Mianyang Changhong Smart Home Appliance Co., Ltd., was established to invest in and construct a washing machine project with an annual single-shift production capacity of one million units.

June 2025

The Six Sigma Green Belt project of Changhong Air Conditioner was recognized as a "Professional-level Achievement" in China's national quality appraisal.

July 2025

Changhong Meiling officially launched the industry-disruptive product – the M-Fresh Ultra 502F Refrigerator, applying "rose-grade freshness preservation" technology to reshape industry standards.

The Shanshuijian EA Series new products of Changhong Air Conditioner were officially launched, creating an indoor "micro-climate" close to natural mountain-and-water conditions and delivering an integrated air solution featuring "constant temperature, humidity, oxygen, cleanliness and quietness," thereby advancing air conditioners from standalone temperature-control devices to comprehensive air environment management platforms.

The Hand-Wash Like · White Whale drum washing machine was officially launched. Its "Hand-Wash Like" redefines industry cleanliness standards, establishing another milestone in the field of fabric care and opening a new chapter for Changhong Meiling's washing appliance division.

December 2025

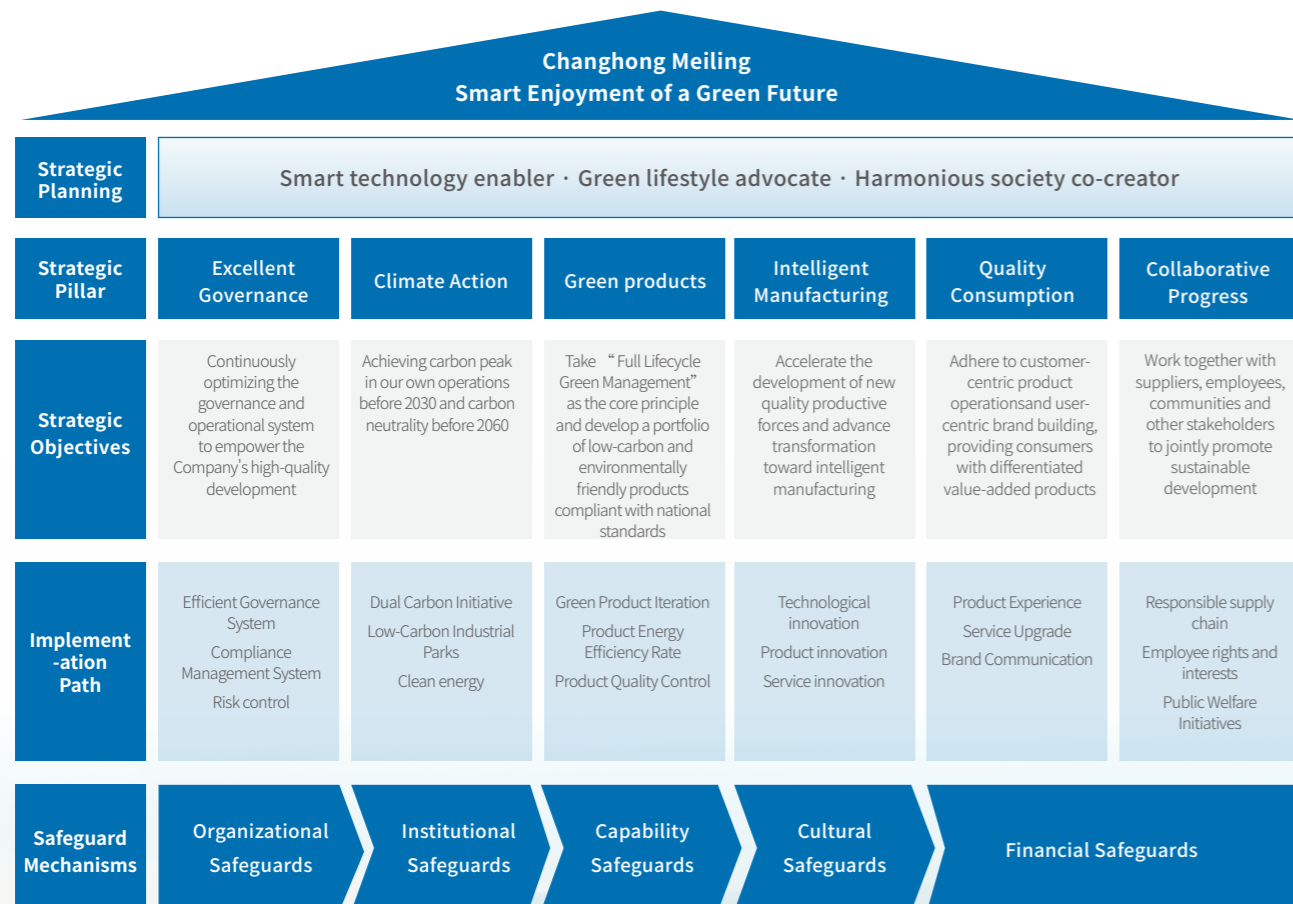
The Company held a new freezer product launch event themed "The Power Combination, Peak Debut," unveiling two new freezer products: "Inverter Energy-Saving King" and "Inverter Frost-Free King."

ESG Management

In response to sustainable development trends and in compliance with national laws, regulations and governance requirements for listed companies, Changhong Meiling formulated a clear sustainability strategy. This involved systematically enhancing its ESG management system, conducting a materiality assessment, and deeply integrating ESG principles into its corporate governance.

Sustainability Strategy

Guided by its vision and mission of "Meiling, Let Better Days Come," and anchored in its core positioning of "Smart Enjoyment of a Green Future," Changhong Meiling has formulated a medium-to-long-term ESG strategy. This strategy centers on our roles as a "Green Lifestyle Advocate, Technology Innovation Driver, and Compliant Governance Practitioner." This strategy is built upon six strategic pillars, supported by five key enablers: organization, systems, capabilities, culture, and finance. It comprehensively integrates green transition with intelligent transformation, demonstrating the Company's ambition to lead the industry in sustainable development.

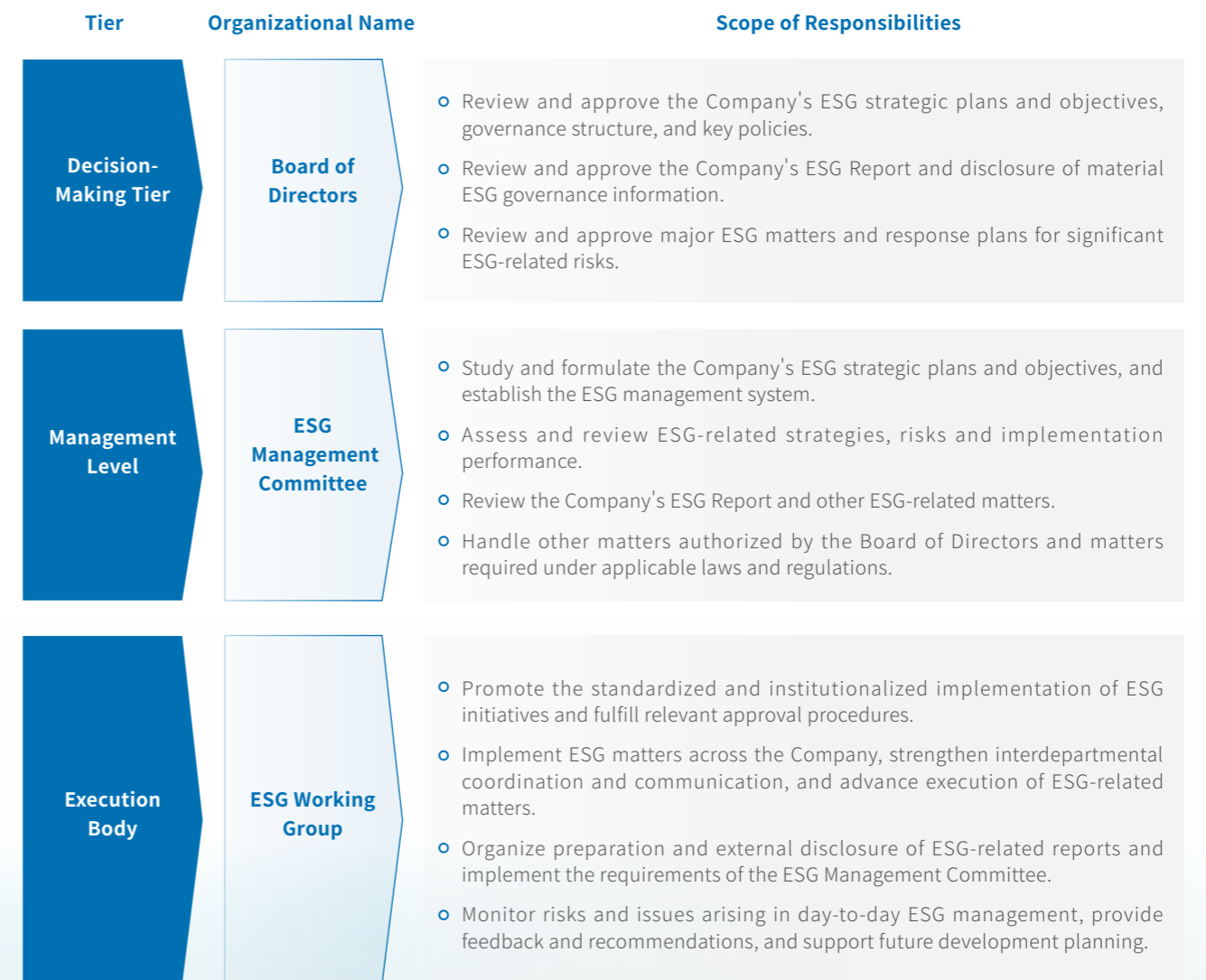


Changhong Meiling Sustainability Strategy

Sustainability Governance

Governance Structure

The Company has established a "three-tier linkage mechanism" for sustainability governance composed of the Board of Directors, the ESG Management Committee, and the ESG Working Group. Within this structure, the Board of Directors serves as the highest responsibility body. The ESG Management Committee, formed by key members of the Board, acts as the overarching leadership body for ESG initiatives. Under the ESG Management Committee, the ESG Working Group is responsible for the daily execution of the Committee's affairs, implementation of resolutions, and advancement of related tasks. This ensures the effective implementation of strategic plans and management requirements set by the ESG Management Committee. This tiered and specialized ESG governance framework provides solid organizational support for achieving sustainability goals.



Institutional Mechanism

The Company has established and continuously improved internal systems for sustainability management, information reporting, and oversight and performance assessment. It has formulated and issued Implementation Rules of the Board ESG Management Committee, which clarify the authority, workflow and decision-making mechanisms of the ESG Management Committee. The ESG Management Committee convenes dedicated meetings on a regular basis. Review results are submitted in a timely manner to the Board of Directors and the ESG Working Group to guide follow-up implementation. An internal mechanism shall be established to monitor and supervise the management of ESG-related matters. The primary responsibilities of the ESG Management Committee are defined to oversee and guide the effective implementation of the Company's ESG initiatives. The performance of senior executives in advancing ESG work shall be incorporated into the comprehensive performance appraisal system for management. This includes formulating the Company's ESG strategic plan, establishing the ESG management system, reviewing the Company's ESG management performance, and fulfilling key performance indicators (KPIs) for specific ESG topics such as talent development, environmental management, safe production, occupational health, scientific and technological innovation, and the management of major liability accidents.

Capability Enhancement

The Company actively organizes internal ESG training programs and participates in external industry ESG training activities to enhance ESG expertise and overall professional competence among relevant personnel. This has fostered a broad consensus centered on ESG principles to drive the Company's high-quality development, laying a solid foundation for the deepening and continuous improvement of its ESG initiatives.



Changhong Meiling Participates in ESG Training



Changhong Meiling Awarded the Top 100 of the 3rd Guoxin Cup • ESG Golden Bull Award

Risk Management

The Company has established a comprehensive sustainability risk management system, a normalized risk reporting mechanism, and differentiated risk response strategies to ensure transparent risk information and timely decision-making.



Risk Management System

A closed-loop management mechanism of "risk identification – remediation – tracking and early warning – remediation verification" has been established. The Company has also set up a Compliance and Risk Control Committee to conduct comprehensive risk identification and assessment.

A reporting mechanism for major risk matters has been established. Continuous oversight of the progress of major risk incidents is maintained through a monthly reporting system, which is integrated into the performance assessment framework.



Risk Reporting and Supervision

Risks arising from changes in the external business environment: Identified risk matters are tracked monthly, developments are closely monitored, and proactive and prudent preventive measures are adopted.

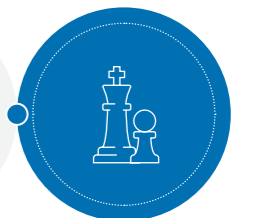
Risks related to incremental business: Comprehensive contingency plans and response strategies are formulated, with phased implementation schedules and execution requirements clearly defined. Compliance and Risk Control Departments convene regular meetings to solicit views from functional management departments and risk decision-making bodies.

Risks related to existing business: Major risks are assessed and response proposals are developed, with clear objectives for risk resolution, organizational leadership, management processes, resource support, and specific response measures.



Risk Response Strategies and Measures

The Company has established sustainability objectives and a quantitative indicator system. For the framework design, implementation pathways, and phased achievements of relevant targets and indicators, please refer to the respective chapters on material topics in this Report.

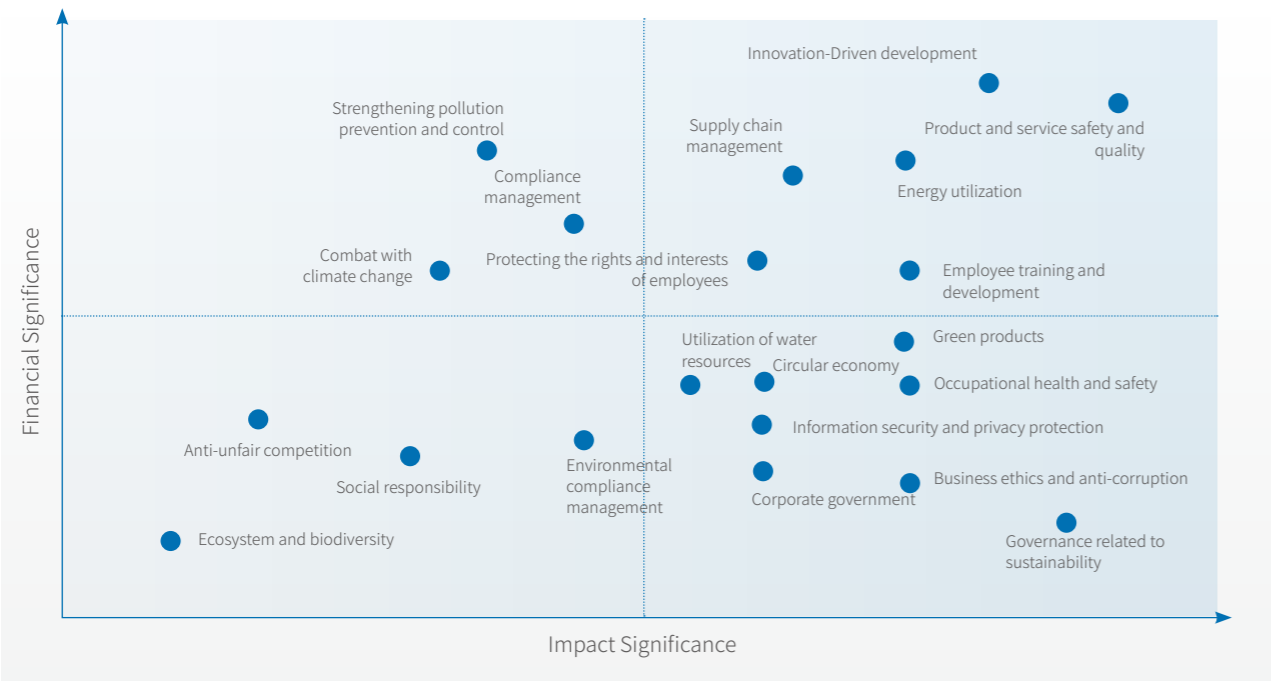


Indicators and Targets

Materiality Assessment

In accordance with the requirements of Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange — Sustainability Report (Trial), Self-Regulatory Guidance No. 3 for Companies Listed on Shenzhen Stock Exchange — Preparation of Sustainability Report issued by the Shenzhen Stock Exchange and Reference Indicator System for ESG Special Reports of Central Enterprises Controlled Listed Companies issued by the General Office of the State-owned Assets Supervision and Administration Commission of the State Council, the Company conducted its materiality assessment by taking into account industry characteristics, actual operating conditions, and its business model. The Company also incorporated its strategic development priorities and the key concerns of both internal and external stakeholders, and adopted a dual materiality assessment framework. Based on this process, a total of 21 material topics related to Environmental, Social and Governance (ESG) were identified.

Changhong Meiling Dual Materiality Matrix



Changhong Meiling 2025 Dual Material Topics List

<p>High Financial and Impact Materiality Topics</p> <ul style="list-style-type: none"> • Innovation-Driven development • Supply chain management • Product and service safety and quality • Energy utilization • Protecting the rights and interests of employees • Employee training and development 	<p>Low Financial Materiality, High Impact Materiality Topics</p> <ul style="list-style-type: none"> • Business ethics and anti-corruption • Information security and privacy protection • Circular economy • Occupational health and safety • Utilization of water resources • Governance related to sustainability • Corporate government • Green products
<p>High Financial Materiality, Low Impact Materiality Topics</p> <ul style="list-style-type: none"> • Combat with climate change • Strengthening pollution prevention and control • Compliance management 	<p>Low Financial and Impact Materiality Topics</p> <ul style="list-style-type: none"> • Environmental compliance management • Anti-unfair competition • Social responsibility • Ecosystem and biodiversity

Due Diligence and Stakeholder Communication

The Company conducted on-site due diligence with stakeholders including heads of departments and key employees, Company suppliers, and shareholders. Background research was carried out on the sustainability context of the regions where the Company operates, industry characteristics, and the full product lifecycle. The Company conducted in-depth analysis of local policy guidance documents, industry standards and regulatory requirements, topic lists and weighting methodologies adopted by internationally recognized ESG rating agencies, and ESG reports of peer companies, with a focus on key factors that may affect ESG topic selection as well as associated risks and opportunities. Through online questionnaires, the Company collected views from internal stakeholders regarding financial materiality and from external stakeholders regarding impact materiality, in order to ensure the comprehensiveness and accuracy of ESG topic identification.

Stakeholder	Expectations and Demands	Communication and Response
Government	Risk & internal control Anti-fraud measures	Risk screening Complaint mechanism
Customer	Service quality Protect customer rights and interests	Ensure service standards Improve service quality
Employee	Compensation and benefits protection Promotion mechanisms Employee growth and development Employee caring	Improving compensation and benefits systems Optimizing career development pathways Enriching diversified employee training Employee care initiatives and cultural activities
Community	Rural revitalization Supporting public welfare initiatives	Implementing assistance programs Actively participating in charitable activities
Partners	Operational compliance Compliance with business ethics Supply chain management	Performance of contracts and agreements in accordance with law Transparent and fair business principles Full lifecycle management of suppliers
Investors	Accurate information disclosure Communication with investors Enhanced ESG performance	Sufficient information disclosure Diversified communication channels Elevate ESG management capability



Ensuring Compliance Cultivating Responsible Business

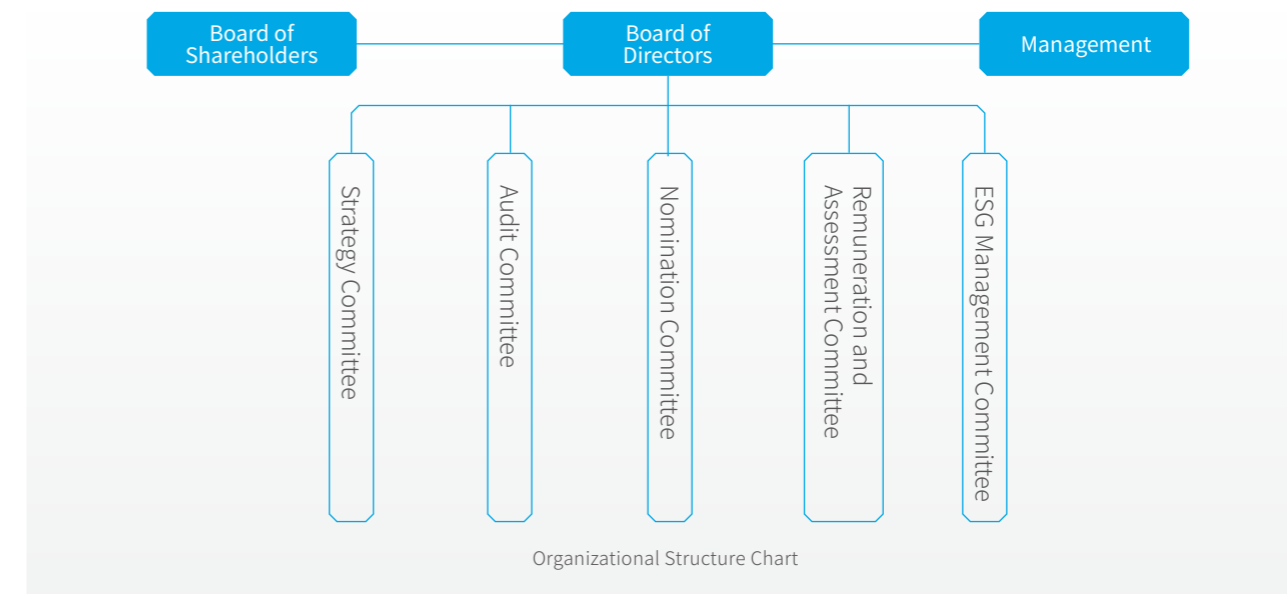
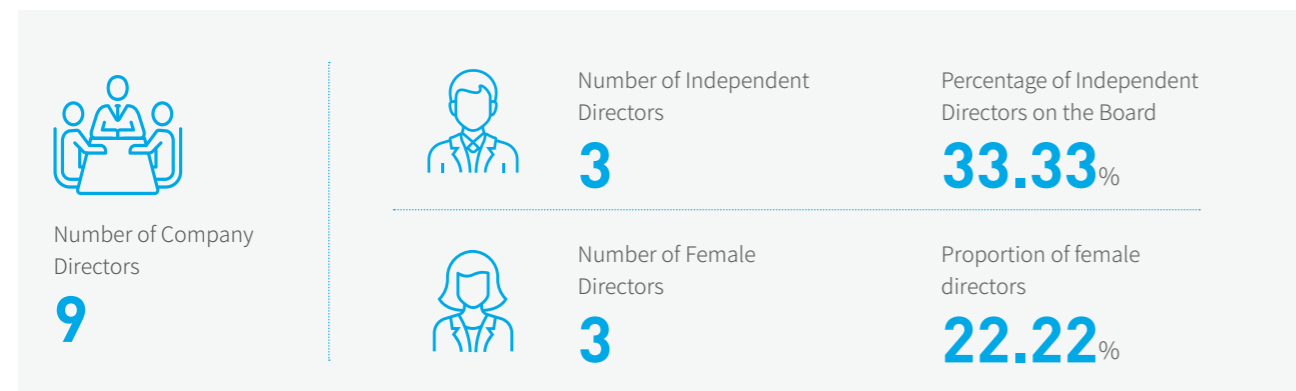
Changhong Meiling strictly complies with applicable laws, regulations, and listed company governance requirements, and continuously improves its corporate governance framework while strengthening tax, compliance, and risk management. Guided by the principles of integrity and fairness, the Company fosters a sound market environment and creates long-term value for shareholders through high-quality development.

Improvement of Company Governance

The Company has established a governance system centered on the General Meeting of Shareholders, Board of Directors, and Management, in accordance with relevant laws and regulations such as the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies, the Shenzhen Stock Exchange Listing Rules, and internal regulations including the Company's Articles of Association, the Independent Director System, and the Board of Directors Rules of Procedure. To strengthen governance effectiveness, the Company has formulated a detailed delegation-of-authority manual and implemented differentiated authorization management for subsidiaries, with clearly defined approval procedures and authority limits, enabling scientific, rational, and efficient subsidiary management. At the same time, the Company has established and continuously refined a scientific, fair, and transparent performance evaluation system and incentive-restraint mechanism for directors and senior management. We continuously enhance the governance framework, improve the level of standardized operations, and strengthen policy enforcement to ensure the General Meeting of Shareholders, the Board of Directors, and the Management perform their respective duties effectively, maintain checks and balances, and enable sound decision-making, thereby safeguarding the Company's high-quality development.

The Company promotes the development of board diversity policies, the selection and appointment of Company directors strictly prioritize compliance as the premise, professionalism as the core, and role suitability as the guiding principle. Multiple factors are comprehensively considered, including basic qualifications, professional competence, ethical standards, structural compliance, and industry experience, actively building a diverse, complementary, balanced, and inclusive Board team. Establish a scientific evaluation mechanism to conduct regular assessments of Board members, ensure that they devote sufficient time and energy to the Company's affairs, and guarantee the effectiveness of their performance of duties.

In 2025, the size and composition of the Board fully complied with applicable laws, regulations, and the Articles of Association. The Board maintained a standardized governance structure and diversified composition, effectively safeguarding scientific decision-making and governance effectiveness.



Board of Shareholders

The General Meeting of Shareholders is the Company's highest authority and is responsible for reviewing and approving major corporate matters.

Board of Directors

The Board of Directors is accountable to the General Meeting of Shareholders and serves as the Company's decision-making body. It is responsible for implementing resolutions of the General Meeting of Shareholders, formulating business plans and investment proposals, among other duties.

Management

The Management acts as the executive body of the Company and is responsible for carrying out day-to-day operational and managerial affairs.

Organizational Name	Total Number	Female Members	Breakdown
Board of Directors	9	2	3 Independent Directors, 6 Non-Independent Directors
ESG Management Committee	6	2	1 Independent Directors, 5 Non-Independent Directors
Audit Committee	5	1	3 Independent Directors, 2 Non-Independent Directors
Strategy Committee	7	1	1 Independent Directors, 6 Non-Independent Directors
Remuneration and Assessment Committee	4	1	3 Independent Directors, 1 Non-Independent Directors
Nomination Committee	5	1	3 Independent Directors, 2 Non-Independent Directors

Building a Robust Risk Control Defense Line

Changhong Meiling consistently adheres to integrity-based operations and maintains compliance as a core business principle. Compliance concepts are integrated into all aspects of operations and management through continuous improvement of compliance operating mechanisms, stronger compliance risk prevention, enhanced compliance review procedures, and deeper development of compliance culture, thereby promoting high-quality corporate development through efficient compliance management.

Compliance Management



Governance Related to Compliance Operations

The Company has established a comprehensive compliance management system, including the Basic Compliance and Risk Control Management System, the Measures for Compliance Review Management, the Detailed Rules for Compliance and Risk Control Work, the Standards for the Internal Control System, the Measures for the Management of Compliance and Risk Control Administrators, and the Measures for Investigating Liability for Non-compliant Business Operations and Investments. These systems form an institutional framework covering key areas such as investment, operations, risk control, and human resources, ensuring that compliance requirements are embedded throughout all operational processes.

The Company has established a Compliance and Risk Control Committee, composed primarily of senior executives and management members. Under this structure, a Compliance Leadership Group serves as the decision-making core, primarily responsible for reviewing and deploying strategic plans and objectives for compliance and risk control work, and coordinating solutions for key and difficult issues in the compliance management domain. A Compliance Committee Office is set up as the executive center, focusing on the day-to-day management of compliance and risk control to ensure the precise implementation of all compliance requirements and the continuous optimization of the compliance management organizational system. Annually, the Company conducts comprehensive risk identification across strategic, financial, compliance, market, operational, and legal domains. Using a risk assessment model, risks are categorized into three levels—low, medium, and high—resulting in a risk identification list that clarifies responsible persons and units for risk events. Regular reviews are organized.



Strategy Related to Compliant Operations

To ensure sustainable compliant operations, risk management is treated as a primary task. The goal is to establish a closed-loop risk management mechanism of "risk identification – remediation – tracking and early warning – remediation verification," build a risk management system encompassing risk identification, assessment, monitoring, and response, and implement a regular risk reporting mechanism to ensure transparent risk information and timely decision-making.

Types of Risk and Opportunity	Risk and Opportunity Description	Impact Severity	Impact Timeframe	Mitigation Measures
Policy and Regulatory Risk	Changes in domestic and international laws and regulations (e.g., Anti-Monopoly Law) may lead to increased compliance costs.	Medium	Medium to Long Term	Closely monitor changes in relevant policies and regulations, and implement preventive risk measures in advance.
Market Reputation Risk	Non-compliant incidents may lead to customer loss and stock price decline.	High	Short term	Formulate relevant reputation management and response policies, clarify incident handling procedures and division of responsibilities, and swiftly mitigate the adverse impact of negative publicity on the Company.
Brand Value Opportunity	A positive corporate image contributes to enhanced brand value.	Medium	Long-term	Improve compliance credibility with reference to ISO 37301 and other recognized standards.
Overseas Market Policy and Compliance Risk	International business operations face risks from policy changes in foreign customs, compliance, taxation, export controls, etc., potentially leading to surging export costs, supply chain restructuring, and restricted market access.	Medium	Medium to Long Term	Continuously monitor customs, tax, and export control policy developments in trade partner countries, establish a "penetrative" early-warning mechanism, and formulate differentiated policy response plans for key markets; leverage a diversified supply system and accelerate the regionalization of supply chain layout to reduce reliance on any single market.

Types of Risk and Opportunity	Risk and Opportunity Description	Impact Severity	Impact Timeframe	Mitigation Measures
Staff Integrity Risk	Unethical behavior by company employees may lead to a decline in consumer recognition of the Company brand.	Medium	Long-term	Strengthen awareness of discipline and rules. Continuously enhance the integrity and risk prevention awareness of management and staff through measures such as signing Integrity Undertakings and conducting integrity education and training.



Management of Impacts, Risks and Opportunities Related to Compliance Operation

The Company has established an integrated compliance, risk control, and internal control management system that is risk-oriented, compliance-focused, and internal control-driven. This system features scientifically designed management bodies with clearly defined responsibilities and appropriately allocated personnel. Based on three risk levels—low, medium, and high—a "three lines of defense" framework for compliance and risk control management has been constructed, comprising business departments, the Compliance and Risk Control Department, the Audit and Supervision Department, and decision-making bodies. Compliance review is embedded into operational management processes as a mandatory procedure for critical business activities, including the formulation of core policies, decision-making on significant matters, execution of major contracts, operation of key projects, large-value procurement and sales, and management of substantial funds. The Company conducts compliance training and awareness programs, requires all employees to sign compliance commitment letters, and continuously strengthens the legal mindset, compliance awareness, and legal/compliance execution capabilities of both staff and compliance personnel, effectively advancing compliance initiatives.



The Company held the 2025 Internal Auditor Training for the Management System



Indicators and Targets Related to Compliance Operation

In 2025, the Company completed all target tasks related to compliance governance. No major litigation, arbitration, or other risk events occurred during the reporting period, and no violations or penalties were recorded, with no fines incurred.

2025, the Company



Total Number of Standardized Governance & Compliance Training Sessions

11 Times



Total Duration of Standardized Governance & Compliance Training

15 Hour



Total Number of Participants in Standardized Governance & Compliance Training

2,024 Person

Over the next 3-5 years, the Company will continue to focus on the objectives of "Stable Operations, Compliant Management, Asset Security, and Strategic Realization." It commits to adhering to laws, regulations, industry supervisory requirements, and internal rules and systems, aiming to achieve zero occurrences of major operational risk events.

Internal Control

In accordance with the Basic Standards for Enterprise Internal Control and relevant governmental policy directives, the Company has formulated various internal control systems, including the Basic Compliance and Risk Control Management System, the Measures for Compliance Review Management, the Standards for the Internal Control System, and the Risk Management Policy. These documents define internal control governance bodies, division of responsibilities, management principles, operational requirements, and procedural arrangements. The Company's internal control system consists of the Board of Directors (providing guidance and evaluating internal control effectiveness), the Compliance and Risk Control Department (the primary responsible department), the Audit Department (the department organizing internal control evaluations), and various functional departments (departments responsible for implementing and executing internal controls). Internal control audits are conducted at both internal and external levels, encompassing comprehensive audits and inspections across areas such as production and warehousing, procurement and payments, sales and receivables, research and development, and capital and investment. For key domains—including tender-based procurement, financial management, personnel management, service management, and safety management—as well as for high-risk business activities, specific operational policies or specialized guidelines have been established to strengthen internal control. A contract review mechanism has been implemented, supported by a contract management system, to effectively monitor the signing and fulfillment of contracts and prevent disputes or inadequate performance. Monthly screening for significant risks is conducted, with remediation measures formulated and advanced monthly for identified risk issues. The Company places high importance on the development of financial internal controls, establishing a system centered on accounting control and management control. The Internal Audit Management System has been formulated to provide an institutional foundation for internal audit work, ensuring the effective execution of the Company's internal control procedures. Tax management policies such as the Measures for Value-Added Tax Invoice Management and the Measures for the Management of Pre-Tax Deduction Vouchers for Corporate Income Tax have been established, promoting the digital transformation of tax management to mitigate tax-related risks.

The Company earnestly fulfills its tax obligations, declares tax information in a timely and accurate manner, conducts tax declaration and tax payment in an orderly manner, and voluntarily accepts tax inspections. For many years, the Company's tax credit rating has been rated as Class A by the tax authorities.

Ensuring Information Transparency

Changhong Meiling has established and refined mechanisms to protect investors' rights and interests. We proactively build communication bridges with investors, respond promptly to their concerns, and communicate the Company's value. Our compliant information disclosure practices enhance investors' understanding and recognition of the Company. We continuously improve investor relations management to build and maintain a positive image in the capital markets.

Protection of Investors' Rights and Interests

The Company maintains a complete business system and independent operational capabilities. It operates independently from its actual controller and controlling shareholders in terms of business operations, personnel, assets, Organizational structure, and finance. The Company implements a continuous, stable, and transparent profit distribution policy. While balancing the Company's long-term interests and sustainable development, it emphasizes providing reasonable returns to investors. In accordance with the Company's Articles of Association and the Shareholder Return Plan for the Next Three Years (2024-2026), profit distribution is conducted under the premise that the Company's profitability and cash flow support normal operations and long-term development, thereby safeguarding investors' rights and interests. In any single fiscal year, the total cash dividends to be distributed (including any interim cash dividends) shall be no less than 15% of the distributable profits of the listed company's parent entity for that year, but shall not exceed the lower of the distributable profits presented in the parent company financial statements and the consolidated financial statements.

Based on confidence in the Company's development prospects and recognition of its value, during the reporting period, the Company implemented a share repurchase to enhance investor returns and market confidence. A repurchase plan was formulated and executed for A-share repurchase, with a total repurchase amount ranging from RMB 150 million (inclusive) to RMB 300 million (inclusive). The repurchased shares are intended for implementing equity incentive plans, aiming to strengthen investor confidence, improve shareholder returns, further improve the Company's long-term incentive mechanism, and promote the Company's sustained, stable, and healthy development.

2024 Annual Profit Distribution Amount

RMB **339.8748** million

Percentage of Net Profit Attributable to Shareholders of the Listed Company Distributed

48.60%

Number of Shares Repurchased During the Reporting Period

12,487,901 shares

Percentage of Repurchased Shares to Total Share Capital During the Reporting Period

1.2125%

Investor Relations Management

The Company has established policies including the Investor Relations Management Policy, the Reception and Promotion Work Policy, and the Brand Crisis Early Warning Management Regulations, diligently carrying out all aspects of investor relations management. We engage with investors through various channels such as the Shenzhen Stock Exchange's "Interactive Easy" platform, hotline, email, institutional research meetings, brokerage strategy conferences, reverse roadshows, and earnings briefings. We actively listen to investors' opinions and suggestions to deepen communication. The Company strengthens public sentiment management through proactive monitoring, real-time handling, and post-event follow-up, providing appropriate responses promptly to guide positive discourse and effectively prevent and properly manage reputational risks.

2025, the Company

Number of Investor Inquiries Responded to via the "Interactive Easy" Platform

191 times

Earnings Briefings Held

1 times

Investor Reception Sessions

20 times

Investor Hotline Calls Answered

674 times

Institutional Investor Visits Received

106 person-times

Enhancing Information Disclosure

The Company complies with the relevant requirements of Shenzhen Stock Exchange Stock Listing Rules and the Self-Regulatory Guidelines No. 1 for Companies Listed on Shenzhen Stock Exchange —Standard Operation of Main Board Listed Companies issued by Shenzhen Stock Exchange. It has formulated information disclosure-related policies including the Information Disclosure Management Policy and the Financial Reporting Management Provisions, continuously strengthening information disclosure management and fulfilling disclosure obligations for major events to ensure that information disclosure is truthful, accurate, complete, timely, fair, and effective. In addition, on the basis of ensuring compliant information disclosure, the Company appropriately increased voluntary information disclosure to improve the reference value and utility of its disclosed information. Adhering to regulations including the Inside Information Confidentiality Policy and the Registration Management System for Persons with Access to Insider Information

of Listed Companies, the Company standardizes internal procedures for reporting, transmitting, and confidentiality procedures for major information, strictly controlled the scope of informed persons, and effectively prevented risks of information leakage. In 2025, the Company cumulatively disclosed 93 announcements and related documents. No incidents of insider information leakage or violations of information disclosure occurred during the reporting period, effectively safeguarding the legitimate rights and interests of the Company and its stakeholders.



The Company held the 2025 Confidentiality Work Conference

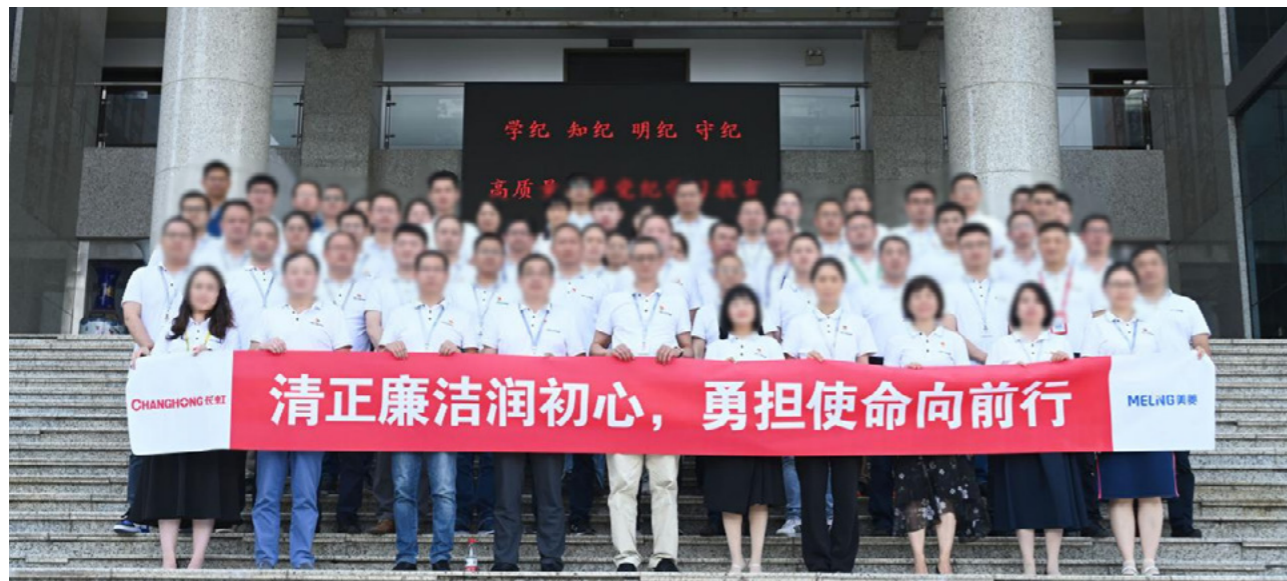
Adhering to Business Ethics

Changhong Meiling has established an integrated management system of compliance, risk control, and internal control under a rule-of-law framework, and conducts supervision and inspections of potential violations and irregularities on an irregular basis. The Company consistently maintains a zero-tolerance stance towards illegal activities, disciplinary violations, and any conduct not in good faith.

Anti-Corruption Management

The Company attaches great importance to the prevention and control of risks related to commercial bribery, corruption, fraud, and integrity compliance. It has formulated systems including the Management Provisions on Anti-Corruption, Anti-Bribery and Anti-Fraud, the Contract Management System, and the Trademark Management System, embedding integrity requirements into core processes such as procurement and bidding, supplier admission, and channel development authorization. The Company has established a leadership group for anti-commercial bribery and anti-corruption/fraud management, with senior management serving as the core decision-making body for specialized management. At the same time, the Compliance and Risk Control Department has been designated as the department responsible for daily implementation and advancement of related work, tracking rectification progress and effectiveness throughout the process to ensure closed-loop risk prevention and control management. The Company organized management personnel and employees in key positions to sign the Integrity Undertakings, conducted one-on-one integrity interviews with newly appointed management personnel and employees in key positions, and provided thematic training on anti-corruption laws and regulations for management personnel and employees in important positions. In addition, the Company organized warning education activities, including the study of typical corruption cases and visits to integrity warning education bases, in order to foster a sound environment for integrity compliance. The Company also carried out accountability assessments in strict accordance with the Special Rectification Plan for Integrity Work and the Implementation Measures for Accountability for Illegal Operation and Investment, promptly addressing loopholes in operational management. Furthermore, integrity clauses were incorporated into anti-corruption management policies, procurement contracts, and distributor agreements, or separate integrity cooperation agreements were signed with business partners, clearly specifying integrity obligations, breach liabilities, and reporting channels, thereby continuously improving the Company's operational and management standards.

In 2025, a total of 3,367 employees participated in anti-commercial bribery and anti-corruption training, representing 74% of all employees. Neither the Company nor its employees were involved in any corruption, bribery, or fraud cases concluded by or under trial in court. No employees were dismissed or subject to disciplinary action due to corruption, and no contracts with business partners were terminated or not renewed as a result of corruption-related incidents.



The Company organized a visit to an Integrity Warning Education Base

Whistleblower Protection

Changhong Meiling has formulated the Measures for Petition and Reporting Management, which clearly stipulate reporting channels, reporting methods, and whistleblower protection measures. Multiple public reporting channels have been established, including a reporting hotline, disciplinary inspection email, and reporting mailbox. Whistleblowers may submit complaints or reports anonymously, fundamentally preventing the disclosure of whistleblower information. All reporting channel terminals are directly managed by the Company's disciplinary inspection office, thereby reducing the risk of information leakage.

For individuals making real-name reports and providing valid evidence, the Company adopts strict confidentiality measures and strictly prohibits any form of suppression or retaliation. Personnel responsible for violating confidentiality requirements will be subject to strict and severe disciplinary action. In addition, the Company has established a whistleblower reward mechanism, under which effective whistleblowers are commended and rewarded, in order to encourage employee participation and jointly safeguard the Company's integrity image.

Mobile OA Communication QQ Group

539027***

Reporting Hotline

0551-62219043

Reporting Email

chmljiwei@meiling.com

Anti-unfair Competition

The Company strictly complies with the Anti-Monopoly Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, the Foreign Trade Law of the People's Republic of China, as well as applicable laws and regulations governing overseas business operations. It has formulated institutional documents including the Legal Affairs Management System and the Management System for the Protection of Trade Secrets, and establish a Market Order Management Committee in charge of anti-monopoly and fair competition compliance, to prevent unfair competition practices such as false advertising, monopolistic conduct, and infringement of trade secrets, thereby establishing an honest and fair competition mechanism and fostering a fair market environment. The Company actively responded to the 2025 China Fair Competition Policy Publicity Week, organizing special training sessions on anti-monopoly law, anti-unfair competition law, and trade secret protection. These sessions focused on topics including antitrust filing and review of business operator concentration, emerging anti-monopoly risk points, anti-monopoly investigations, and anti-monopoly civil litigation. In addition, the Company established a full-process anti-monopoly and fair competition

risk management mechanism, systematically standardizing anti-monopoly and fair competition risk control. Based on industry characteristics and business models, the Company identified potential compliance risk points, rejected clauses violating fair competition principles, and opposed price monopoly provisions. In 2025, the Company did not experience any litigation or major administrative penalties arising from unfair competition practices.



The Company organized special training sessions on anti-monopoly law and anti-unfair competition law



Advancing Smart Manufacturing Renewing Better Services

Changhong Meiling adheres to fundamental principles while pursuing innovation, guided by the orientation of "pursuing innovation, advancing intelligence, and improving quality." The Company integrates technological innovation throughout the entire development process, continuously tackling core technological bottlenecks; deepens the upgrading of intelligent and digital manufacturing, empowering production efficiency and process improvement through smart manufacturing; strictly controls product quality to consolidate the foundation for development with high-quality products; and upgrades its customer service system to enhance user experience through considerate full-process services, thereby creating a new corporate benchmark for China's home appliance industry.

Stimulating Innovation Vitality

Changhong Meiling regards technological innovation as a core strategy and concentrates on integrating scientific and technological innovation resources. The Company continuously improves R&D innovation incentive measures from multiple dimensions, including system construction, platform support, and talent assurance, while promoting the efficient transformation and application of innovation achievements, strengthening full-chain intellectual property protection, improving the technology ethics governance system, and comprehensively driving technological and product innovation upgrades to consolidate the scientific and technological foundation for high-quality development.

Governance Related to Innovation-Driven

The Company attaches great importance to and continuously strengthens its R&D innovation system by establishing a technological R&D structure composed of the User and Product Development Center, Innovation Design Center, and Testing and Experimental Center. The senior management shall be responsible for research and development and innovation management, and leverage a dual-driven model of "independent R&D + collaborative innovation," the Company conducts innovation research across multiple fields and continuously expands the boundaries of technological application.

The Company has established and improved an internal management system for technological innovation and implemented innovation management regulations including the Product Design and Development Control Procedure, the Technical Innovation Project Management Provisions, the Product Development Project Management Measures, the Enterprise Technical Standardization Management Provisions, and the Annual Incentive Plan for Standards and Norms.

Strategy Related to Innovation-Driven

The Company consistently adheres to a market-oriented approach, focusing on the development and application of high and new technologies and new products, with research into new materials, new processes, and technologies with independent intellectual property rights as key priorities. It has established a new pattern of technological research and product development featuring "developing one generation, reserving one generation, and commercializing one generation," continuously strengthening capabilities in AI technology, inverter technology, simulation technology, freshness preservation technology, refrigeration technology, and new material technology to enhance core competitiveness.

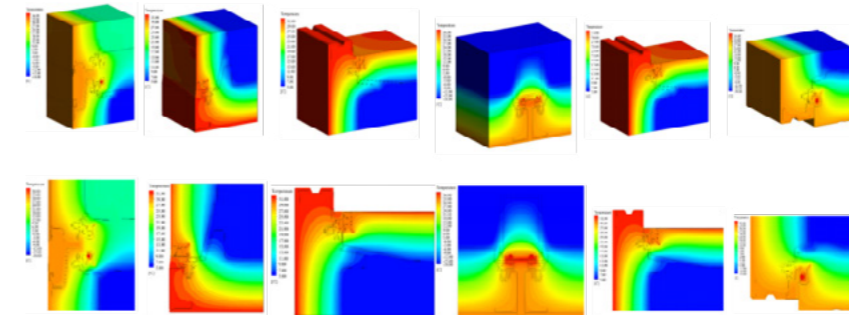
Types of Risk and Opportunity	Risk and Opportunity Description	Impact Severity	Impact Timeframe	Mitigation Measures
Market risks	R&D in smart home appliances and energy-saving technologies requires substantial capital investment, and market acceptance can vary, creating potential risks of unsuccessful market promotion.	High	Medium term	Shortens product development cycles; fully utilizes academic resources such as universities to address technical challenges; reduce trial-and-error costs.
	As consumer demand for high-end and personalized products continues to increase, a mismatch between R&D direction and market demand may lead to inventory accumulation.	Medium	Medium term	Comprehensively implement the Integrated Product Development (IPD) process to establish a business and customer-oriented R&D workflow.
Intellectual property risk	Insufficient patent protection for core technologies may result in technology leakage.	High	Short term	Establish a patent early warning system to proactively avoid infringement risks.
	International patent barriers (e.g., EU energy efficiency standards) may restrict the global expansion of technologies.	Medium	Medium term	Plan ahead by establishing overseas R&D centers to accelerate the localization process for technology and production.
Market opportunities	Driven by the national "Dual Carbon" goals, demand for high-energy-efficiency and low-emission products continues to grow. High-energy-efficiency and low-energy-consumption products have become core growth drivers.	Medium	Medium to Long Term	Accelerate R&D in low-energy-consumption and environmentally friendly products to strengthen core competitiveness.

Management of Impacts, Risks and Opportunities Related to Innovation-Driven

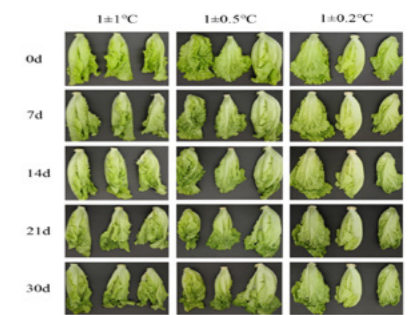
Changhong Meiling consistently adheres to an innovation-driven development strategy and has established and continuously improved a risk identification, assessment, and response mechanism in the field of innovation. The Company has embedded opportunity assessment and risk management related to innovation-driven development throughout its overall internal control and risk management system, ensuring that its strategic planning and operational decision-making can effectively seize opportunities arising from industry transformation, properly address various risks brought by technological iteration and market competition, and safeguard stable operation and sustainable development.

Innovation System Layout

The Company continuously strengthens the construction of its R&D innovation system by establishing an innovation model of "talent + platform + mechanism." It actively attracts and cultivates innovative talent, builds innovation platforms, optimizes incentive mechanisms, consolidates the four foundational pillars: team, technology, platform, and product. The Company deepens industry-university-research cooperation, promotes collaborative R&D across the industrial chain, and advances the IPD process to accelerate the transformation of technological innovation into practical products. In 2025, the Company possessed 3 national-level, 9 provincial/ministerial-level, and 6 municipal-level scientific research and technology service platforms.



Technical Research on "Heat Transfer Characteristics of Sealing Components and Performance Enhancement of Anti-Condensation Tubes": Established a CFD heat transfer simulation model



Technical Research on "Impact Mechanism of Refrigerator Temperature Fluctuations on Food Quality and Flavor": Established a detection method for volatile flavor compounds in food



Changmei Living Appliances further deepened strategic cooperation with higher education institutions

Innovation Achievements Application

Leveraging its strong industrial technology foundation and professional expertise, Changhong Meiling continuously promotes the industrialization of scientific and technological achievements in line with its actual development needs and technology application directions, creating diversified value for users and injecting innovative momentum into the high-quality development of the industry.

Honors and Awards

The human-sensing air conditioner jointly developed by Changhong Air Conditioner and higher education institutions received certification from **China Household Electric Appliances Research Institute**.



Intellectual Property Protection

Changhong Meiling has established intellectual property management systems including the Special Trademark Authorization Management Provisions, the Detailed Rules for Trademark Management System Implementation, the Trademark Management System, and the Project Management Measures, clearly defining requirements for the creation, application, protection, and management of intellectual property at every stage, and controlling product infringement risks from the project source. The Company encourages active employee innovation, provides timely patent incentives for generated patents, actively promotes patent transformation and product application, and encourages intellectual property creation to maximize intellectual property value. During the reporting period, the Company did not experience any infringement litigation.



Changhong Meiling Intellectual Property Management System Certification

Science and Technology Ethics Governance

Changhong Meiling strictly adheres to technology ethics principles, and continuously improves its science and technology ethics governance system. The Company standardizes science and technology ethics risk management throughout the full process of R&D, production, and sales, regularly carries out science and technology ethics safety education and specialized training, and continuously deepens employees' awareness and understanding of AI ethics. During the reporting period, the Company did not record any violations of science and technology ethics.

○ Innovation achievements

The Company innovatively applied Changhong Meiling's AI self-optimization technology and globally launched the new AI refrigerator product "Frozen Fresh 505."

Refrigerator and Freezer Products

The Company upgraded and launched air conditioner series including "Living & Dining Room Pro" and "Super Energy Saving Pro," continuously pushing the boundaries of product performance.

Air Conditioner Products

The Company launched an intelligent full-scenario vaccine solution and successfully delivered the fully air-cooled low-temperature storage unit with frost-free defrosting technology.

Biomedical Sector

Washing Machine Products

The Company launched the "Hand-Wash Like · White Whale" drum washing machine, redefining industry cleanliness standards.

Kitchen Appliances and Small Household Appliances

The Company developed core technology for multi-chamber direct-injection high-firepower gas stoves, which has been successfully applied in five end products.



Changhong Meiling Frozen Fresh 505 Refrigerator



"Hand-Wash Like · White Whale" Drum Washing Machine



Indicators and Targets Related to Innovation-Driven

In 2025, the Company recorded

R&D investment of	3,776	1,705	224
RMB 96,753.67 million	valid patents	invention patents applied in core business operations	software copyrights

The statistical scope for "valid patents," "invention patents applied in core business operations," and "software copyrights" covers Changhong Meiling, Hongmei Intelligent, Jiangxi Meiling, Mianyang Meiling, Ridian Technology, Changmei Living Appliances, Changhong Air Conditioner, Zhongke Meiling, and Zhongshan Changhong.

Indicator	2025 Targets	Reporting Period	Progress During the Reporting Period
R&D investment	R&D expense ratio: 3.0%	Short term	Completed

The Company established overall targets to shorten R&D cycles and improve R&D efficiency. For A+ and A-class products, the product development cycle was shortened by 26%, while ensuring that innovation investment precisely matches market demand, improving returns on innovation investment. At the same time, through full life-cycle quality management, the Company enhanced product durability and customer satisfaction, reducing resource waste caused by quality issues. The Company also controlled the total number of refrigerator and freezer SKUs, focusing on core products, reducing redundant models, optimizing supply chain efficiency, lowering environmental and management costs associated with production and inventory, and continuously strengthening core competitiveness.

Accelerating Intelligent Transformation

Guided by its "data strategy," Changhong Meiling focuses on the goals of "comprehensive digitalization" and "comprehensive intelligence," deepening the establishment of intelligent digital management systems and advancing digital infrastructure implementation. The Company promotes the deep integration and innovative application of next-generation information technology with manufacturing, driving digital transformation and data business restructuring.

Digital Operational Management

Changhong Meiling has deeply applied next-generation information technologies such as AI and big data. Based on the stable operation of systems including ERP, SCP, WMS, and PLM, and supported by the Doris data warehouse and BI platform, the Company has established a unified big-data intelligent decision-making service platform. This platform enables: real-time monitoring of key indicators such as accounts receivable and cash flow; intelligent early warning of operational risks; formation of a "data-driven" financial governance model covering the full value chain, supporting precise decision-making and continuous cost reduction. The Company has also achieved: automatic generation of core operational reports on a T+1 basis; near real-time updating of key indicators; and panoramic operational insight capabilities.



Changhong Meiling obtained the DCMM (Data Management Capability Maturity Model) Steady Level (Level 3) Certification



Changhong Meiling Refrigerator Intelligent Manufacturing Production Line



Changmei Living Appliances "AI Healthy Kitchen" Intelligent Ecosystem

Digital Transformation Development

In response to the characteristics and challenges of the home appliance industry, Changhong Meiling adheres to an operational philosophy of innovation-driven development, internal-external integration, industrial collaboration, marketing specialization, and digital specialization. Centered on users, the Company advances along three paths: digital support for business operations; digital value creation; and digital-driven innovation. This enables digitalization of core business processes, digital empowerment of business and products, and effective implementation of the Company's digital transformation strategy. In 2025, the Company was recognized as a provincial benchmark enterprise for integrated development of advanced manufacturing and modern service industries; the project "Promoting Smart Supply Chain Transformation and Upgrading Based on 5G + Industrial Internet Technology" was selected for the 2025 Typical Cases of Manufacturing Digital Transformation.

Honors and Awards

Two Changhong Meiling cases were recognized by China Association for Mechatronics Technology and Application as Typical AI Application Scenarios.



Changhong Air Conditioner Intelligent Control Center

Digital marketing

Using an intelligent transaction platform as the hub, the Company launched the unified business portal "Xinhongye APP" and upgraded the user-side smart home application, further deepening the "C+3 customer order model." AI tools are systematically applied for scenario-based marketing and user acquisition, building a digital marketing system.

Digital R&D

Based on the IPD (Integrated Product Development) project management system, the Company promoted the launch of a new product trial production control system, forming an integrated digital R&D and manufacturing system with: IPD as the framework; a collaborative platform as the linkage mechanism; trial production and asset management systems as support.

Digital Manufacturing

Through deep application of the MES system and industrial big data platform, the Company promoted deployment of the DQS digital quality management system and the carbon asset full life-cycle management platform. This forms a digital transformation matrix covering production operations, quality control, and carbon asset management.

Digital Supply Chain

Based on the industrial internet platform, the Company upgraded and promoted the ISRM intelligent supply chain management platform, building a unified data hub. Through continuous optimization of procurement, inventory, and logistics decisions using data models, the Company established a digital supply chain system covering the entire process.

Pursuing Excellence in Quality

Under the theme of "Quality as the Foundation, Users as the Priority," Changhong Meiling fully implements its corporate value of "user-centered" development, comprehensively advancing the "Year of Quality Improvement" initiative. Through a sound quality governance framework, strict internal control standards, and full-process quality monitoring, the Company is committed to providing customers with safe, reliable, and high-quality products and services.

Product Quality Assurance

Governance Related to Product and Service Safety and Quality

The Company has established a Quality Committee, chaired by the President, as the highest decision-making body for quality management, responsible for overall quality planning and major decision-making. The Quality Assurance Department, as the execution body, is responsible for supervision of system operation and risk control, while each business division and subsidiary assumes primary quality responsibility, forming a closed-loop quality management mechanism from decision-making to execution.

Strategy Related to Product and Service Safety and Quality

The Company has established a "dual-loop driven" model to deepen implementation of its quality strategy. In the internal loop of system management, adhering to the quality policy of "customer first, company-wide quality participation, source control, and continuous improvement," the Company uses "system management" and "closed-loop resolution" as dual drivers. During product design and development, tools such as FMEA (Failure Mode and Effects Analysis) are introduced to achieve full life-cycle product management. In the external loop of market environment management, the Company adopts advanced standards and continuously promotes innovation and improvement to ensure product quality and process stability. A policy early-warning mechanism has been established, under which the Standards Committee regularly identifies global energy-efficiency regulations across countries and regions. Through the PLM (Product Lifecycle Management) system, rapid iteration of product parameters is achieved to ensure market competitiveness.

Types of Risk and Opportunity	Risk and Opportunity Description	Impact Severity	Impact Timeframe	Mitigation Measures
Policy and Regulatory Factors	Failure in government supervision and inspection may result in reputational damage and financial losses at the corporate level.	High	Short term	The Company strengthens policy tracking and research, promptly obtains and analyzes latest regulatory requirements, and ensures product compliance.
Operational Risks	Insufficient quality inspection during production may lead to quality incidents or customer complaints.	High	Medium to Long Term	The Company uses intelligent digital technologies to realize automated inspection of key production processes and has established a digital after-sales platform to respond promptly to customer quality concerns.
Policy and Regulatory Opportunities	Government subsidies for trade-in replacement of household appliances encourage consumer demand.	High	Medium to Long Term	The Company develops new high-efficiency, low-carbon, environmentally friendly products aligned with consumer preferences to capture policy incentives and expand market share.
Brand Value Opportunity	High-quality products and excellent services are converted into long-term customer loyalty, enhancing brand value and increasing corporate returns.	Medium	Long-term	The Company continuously provides high-quality products and services while strengthening brand promotion to improve brand influence.

Management of Impacts, Risks, and Opportunities Related to Product and Service Safety and Quality

The Company strictly complies with national laws and regulations, including the Regulations on Supervision and Administration of Industrial Product Manufacturers' Implementation of Primary Responsibility for Quality Safety. It has formulated internal systems including the Quality Work Guidelines, the Quality Management System, the Quality Supervision and Management Standards, and the Comprehensive Quality Risk Management and Control Measures. These systems clarify quality objectives, management principles, and supervision mechanisms, and implement quality control throughout the entire product life cycle, including design, manufacturing, sales and other stages. The Company has formulated and decomposed annual quality targets, tracking and ensuring their effective fulfillment on a monthly basis. It has implemented a quality risk management system covering emergency response and closed-loop rectification to strengthen quality risk prevention. The Company formulated the Procedure for Inspection and Testing to standardize the processes of product quality inspection and testing. A high-standard quality control system spanning the entire value chain has been formed, with testing capabilities accredited by CNAS, the Ministry of Industry and Information Technology Laboratories, and recognized against standards such as CSA, BV, and ERP. The Company has also built a quality knowledge base, deepened its Quality Month activities, and enhanced the professional skills of quality management personnel, thereby systematically elevating the overall quality management capability.



Annual Quality Month activities organized by Zhongke Meiling



Changhong Meiling Quality Salon – Quality Improvement Special Sharing Session



ISO 9001 Quality Management System Certification

Honors and Awards

- Changhong Meiling was recognized by the China Association for Quality Inspection as the "2025 National 'Quality Month' Quality Integrity Initiative Enterprise"
- Changhong Meiling was recognized by the China Association for Quality Inspection as the "National Product and Service Quality Integrity Commitment Enterprise"

Indicators and Targets Related to Product and Service Safety and Quality

In 2025, the Company achieved: 100% product ex-factory qualification rate; CQC certification across the entire product portfolio; full completion of product- and service-related target tasks; no major accidents involving product and service safety and quality have occurred. There have been no administrative penalties, financial losses, or major reputational damage incidents.

Product Recall Management

The Company has established a product recall system and incorporated recall management into its major quality issue control framework. According to the internal Regulations on Quality Issue Handling, once a major quality incident occurs, the Company immediately initiates emergency response and recall procedures, formulates dedicated action plans, and rapidly implements corrective measures to protect consumer rights and interests. In 2025, product quality remained stable, and no product recall events occurred.

Product Accessibility Enhancement

The Company accurately responds to consumers' growing demands for enhanced interaction experience and personalized functionality by integrating accessibility requirements throughout the entire process of product planning, design, manufacturing, and service. Continuous improvements include: optimization of product operation interfaces and functional settings; simplification of control logic; enhancement of human-machine interaction interfaces; improved readability and comprehensibility of product instructions. These measures lower usage barriers for users of different age groups and varying levels of product experience, improving suitability for elderly users, first-time purchasers, and family users.

Changhong Meiling Builds Smart Living Scenarios for Elderly- and Child-Friendly Use

For Elderly Users

Based on intelligent products across refrigerators, air conditioners, and washing machines, the Company designed a "three-capability integrated care service" featuring conversational interaction, reminder functions, and emergency alarm functions. Elderly users can operate appliances through voice commands. Home appliance systems can provide scheduled reminders for daily activities. In emergency situations such as falls, users can simply say "help me call the police", enabling remote notification to family members and activation of monitoring functions, thereby providing enhanced safety protection.

For Maternal and Infant Users

The Company has developed a "Triple Assurance" service suite for maternal and infants, encompassing "Worry-Free Play, Effortless Control, and Safe & Restful Sleep." Parents can remotely monitor their children via mobile devices and utilize cross-category smart controls—such as soothing a crying child through connected appliances or operating the air conditioner via voice commands that require no vocal response—to prevent startling sleeping infants and mitigate safety risks from accidental contact.

Building Service Excellence

Changhong Meiling always adheres to a "user-centered" service philosophy and establishes a strategic orientation "focused on customer experience." Through standardized, digitalized, and human-oriented services, the Company deeply integrates responsible marketing, excellent customer experience, and data security governance, safeguarding consumer rights and continuously strengthening brand reputation.

Customer Service Management

The Company strictly complies with national laws and regulations such as the Law of the People's Republic of China on the Protection of Consumer Rights and Interests and the Product Quality Law of the People's Republic of China. It has revised and issued core institutional policies including the Quality Management Measures for Refrigeration and Washing Services, and established a standardized documentation system including the On-site Service Operation Standards and the Spare Parts Management Guidelines. Through Service Outsourcing Agreements signed with service providers containing strict quality clauses, the Company ensures consistent internal and external service standards. The Company has established specialized departments such as sales to be responsible for customer management. A nationwide grid-based service network enables digital tracking and management of service nodes, standardizes service procedures, and facilitates full-scenario customer access through internet platforms.

The Company has established a full-process after-sales service management system, covering rapid response through closed-loop improvement. Based on the Customer Complaint Management Measures, a unified complaint collection and hierarchical processing platform has been built, forming a standardized process of "response → assessment → resolution → improvement." The Company has also launched the ISRM intelligent customer service system, powered by large-model AI and a localized knowledge base, significantly improving service efficiency and customer experience. In 2025, the after-sales service complaint resolution rate reached 100%.

Responsible Marketing

The Company strictly complies with legal requirements including the Advertising Law of the People's Republic of China and the Anti-Unfair Competition Law of the People's Republic of China. It has formulated the Price Management Measures and established a Pricing Committee to conduct unified supervision and control over product pricing and channel pricing, preventing price disorder and unfair competition. The Company has also established a strict review mechanism to ensure compliance examination of media publicity and promotional information. Regular training and communication on responsible marketing are carried out, and the Company actively participates in special compliance training and self-inspection programs for emerging business formats organized by regulatory authorities. In addition, the Company strictly implements a customer visit system, maintaining regular and effective communication with distribution channels and end customers, to ensure that all marketing activities are conducted on the basis of truthfulness, accuracy, and respect for consumers. The Company strictly prohibits dissemination of misleading information regarding competing products and avoids any exaggerated claims concerning environmental or social benefits.

Service Experience Enhancement

The Company has established a multi-dimensional and normalized customer satisfaction survey system covering end users, distributors, and service providers. Through scientific data collection and analysis, the Company identifies service shortcomings and potential customer needs, and continuously improves services based on real feedback, thereby enhancing overall customer satisfaction. In 2025, overall satisfaction of end users reached 97.95%; overall distributor satisfaction reached 98.06%; overall service provider satisfaction reached 98.49%.

Data Security and Customer Privacy Protection

The Company strictly adheres to the information security management principles of "appropriate security, focused protection, integration of technology and management, and zoning by area" and "prevention first, graded accountability," systematically planning. It has established the Information Security and Confidentiality Committee and the Information Security and Confidentiality Office, responsible for formulating the overall information security policies and strategic planning. The Company strictly complies with the Cybersecurity Law of the People's Republic of China, the Data Security Law of the People's Republic of China, and other relevant laws and regulations, and has developed information security management systems, including the Information Security and Confidentiality Management Regulations, the Computer Equipment Management Regulations, and the Key Business Information Systems and Master Data Management Regulations. The Company has planned and constructed network security protection systems, including the industrial internet security architecture, network and information security platforms, local cross-platform application-level disaster recovery systems, and offsite disaster recovery systems for core data. Desktop terminal data security protection systems and cloud desktop management controls have been deployed. Comprehensive technical measures, such as encryption, identity authentication, and access authorization, are applied to ensure the security and availability of classified information throughout its full lifecycle. Employee training and confidentiality management are reinforced through confidentiality agreements and cybersecurity responsibility agreements, enhancing employee security awareness and ensuring the safe and stable operation of information systems. In 2025, the Company proactively completed the classification and grading management of industrial internet enterprise cybersecurity as required by the Ministry of Industry and Information Technology and passed the MLPS 2.0 (Multi-Level Protection Scheme 2.0) assessment, ensuring that the security management system meets the highest national standards.

The Company strictly observes the principles of "lawful, legitimate, and necessary" and "least privilege" in constructing a rigorous customer privacy protection management system in accordance with the Personal Information Protection Law of the People's Republic of China. The Company has improved its management mechanism by formulating systems including the Cybersecurity Management Measures and the Notice on Regulating the Use of Confidentiality Markings for China Region Documents. It has incorporated requirements for data security and privacy protection into the performance appraisal system of relevant positions, and regularly conducts data privacy and security training. Multiple technical measures such as data encryption, access control and regular auditing have been adopted to implement full life-cycle data management in an all-round way, and the Company has conducted audit and management over the entire process of critical data protection, including prior, during and subsequent stages, so as to prevent data abuse or exposure during authorized access to sensitive data. Strict non-disclosure agreements have been signed with third parties including suppliers and other business partners to ensure information security throughout its full life cycle. A three-tier emergency response mechanism for customer privacy incidents has been established, defining responsibilities and handling procedures at all levels. In the event of any information leakage risk, emergency procedures are immediately activated and accountability is strictly enforced to ensure timely containment of any loss. In 2025, the Company strictly executed full-process controls, and no incidents of customer privacy information leakage occurred throughout the year.



Driving Green and Low-Carbon Development Protecting Our Ecosystem

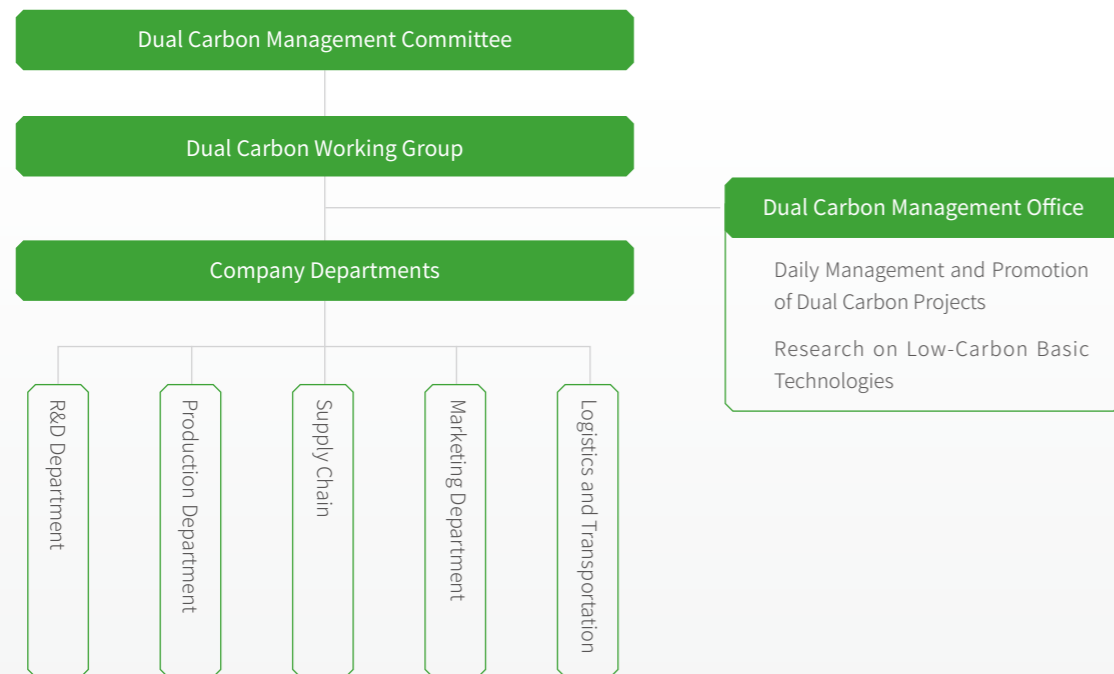
Changhong Meiling remains committed to green development and actively fulfills its corporate ecological responsibilities. The Company focuses on four key areas: climate change response, environmental compliance management, resource circularity, and green production operations. Through continuous optimization of environmental practices across the entire operational chain, Changhong Meiling promotes the harmonious coexistence of corporate development and ecological protection. By taking practical actions, the Company fulfills its sustainability mission and safeguards a healthy ecological environment.

Combat with Climate Change

Changhong Meiling attaches great importance to climate change response and has established a systematic, all-dimensional climate response framework. The Company coordinates the implementation of dual-carbon initiatives, continuously enhances climate risk management and low-carbon development capabilities, and steadily advances its transition toward a green and low-carbon operating model.

Climate-Related Governance

Changhong Meiling has established a climate governance structure centered on the Dual Carbon Management Committee. The Committee is chaired by the Company President, the Dual Carbon Working Group is responsible for project evaluation and incentive mechanisms, and each Company department is responsible for the implementation of dual carbon projects. This ensures that carbon reduction measures are embedded at all levels of operations and continuously enhances the Company's dual carbon governance capacity.



Changhong Meiling Climate Governance Structure

Detailed Climate Governance Responsibilities

Dual Carbon Management Committee

Formulates the Company's dual-carbon targets and implementation plans. Provides guidance and resources to support the Working Group's progress. Supervises and evaluates the advancement of dual-carbon initiatives and makes decisions on critical matters.

Dual Carbon Working Group

Develops assessment plans for dual-carbon projects and establishes corresponding incentive and penalty mechanisms. Coordinates carbon emission management across departments, sets departmental reduction targets and plans, promotes the implementation of carbon reduction projects and the adoption of carbon reduction technologies. Reports regularly to the Management Committee on project progress.

Dual Carbon Management Office

Oversees the full lifecycle management of dual-carbon projects, including planning, schedule control, and quality management. Organizes coordination among relevant departments. Assists in supervising the progress of dual carbon work, evaluates project implementation effectiveness, and reports regularly to the Management Committee.

Company Departments

Strictly implement assigned responsibilities and execute dual carbon projects at the operational level.

Climate-Related Strategy

Climate Scenario Analysis and Adaptation Assessment

The Company refers to the climate scenario models in the Intergovernmental Panel on Climate Change Sixth Assessment Report (AR6) and, in combination with changes in the external ecological, economic, and social operating environment, selected the SSP5-8.5 and SSP1-2.6 pathways to conduct climate scenario analysis. A standardized process has been established covering: determining the scope of climate-related scenario analysis; selecting climate-related scenarios; identifying variables used in scenario analysis; determining analytical methodologies; conducting climate-related scenario analysis. Through this process, the Company identifies potential business risks and opportunities, formulates climate response strategies, and ensures that operations remain aligned with the global climate transition.

Scenario	Reference	Temperature Range	Description
High-Emission Scenario	IPCC Shared Socioeconomic Pathway SSP5-8.5	>4° C above pre-industrial levels	A fossil fuel-driven rapid development pathway relying on traditional energy expansion to support high economic growth, with ineffective climate governance, resulting in a high-emission scenario with significant warming.
Low-Emission Scenario	IPCC Shared Socioeconomic Pathway SSP1-2.6	<2° C above pre-industrial levels	A sustainable green development pathway, achieving a low-carbon future by controlling temperature rise within 2° C through inclusive growth, clean energy transition, and global deep cooperation.

Climate-related Risks and Opportunities

Risk Type	Risks	Risk Description	Financial Impact	Impact Timeframe	Impact Severity	Mitigation Measures
Physical risks	Risk of rising extreme weather severity	Extreme weather events such as typhoons and heavy rainfall may damage infrastructure at multiple production bases, causing production stoppages and logistics interruptions, affecting operational continuity.	Increased infrastructure repair costs; production downtime and logistics disruptions directly reduce revenue.	Short to medium term	Medium	Plan production and transportation based on weather early warnings, develop emergency response plans, and conduct drills.
	Risk of rising average temperature	Continuous global temperature rise may affect outdoor production operations and increase the difficulty of adapting operations to environmental conditions.	Increased energy consumption during production, raising overall operational costs.	Long-term	Low	Implement heat stress prevention and cooling measures, and avoid outdoor operations during periods of extreme heat.
	Persistent drought risk	High water-risk levels at key production bases; prolonged drought may cause water shortages for production, directly affecting production stability.	Costs increase due to backup water source construction and water-saving retrofits; unstable production affects revenue.	Medium term	Medium	Promote water-saving measures, replace equipment with water-efficient alternatives, and establish emergency water storage tanks to secure water supply for production.
Transformation risks	Policy and legal risks for overseas products	Overseas carbon tariffs and carbon footprint regulations may increase compliance difficulty for international operations.	Increased compliance costs related to carbon tariffs and carbon footprint.	Medium to Long Term	Medium	Monitor carbon-related regulations, expand carbon footprint certification, and advance the development of high-energy-efficiency products.
	Mandatory regulatory requirements for existing products and services	Pose compliance challenges to the Company's existing product portfolio, compelling a comprehensive upgrade and transformation of both products and production lines.	Significant increases in high-efficiency technology R&D and production line retrofit costs.	Medium term	High	Increase investment in high-energy-efficiency technology R&D and production line upgrades, and apply for policy subsidies and tax incentives.
	Low-carbon technology R&D risk	Uncertainty in low-carbon technology transition; failed R&D or delayed implementation may cause loss of product competitiveness.	Increased costs for R&D, decommissioning old equipment, and deploying new equipment.	Medium to Long Term	High	Conduct preliminary technology research to optimize R&D pathways and increase applications for low-carbon technology patents.
	Changes in consumer behavior	Rising demand, if not met in a timely manner, may cause products to fall out of market preference.	Mismatch with market demand may directly impact revenue.	Medium to Long Term	High	Adjust the product and service portfolio to align with customer preferences and meet demand for green consumption.
	Risks associated with low-carbon raw materials	Requirements for low-carbon materials increase supply chain selection and adaptation difficulty.	Higher procurement costs for low-carbon materials compared to conventional materials, raising production costs and reducing profit margins.	Medium to Long Term	Medium	Optimize the supply chain, enter into long-term procurement agreements, and explore low-cost, low-carbon alternative materials.
	Reputational risks raised by stakeholders	Underperformance in addressing expectations may trigger negative external evaluation, harming brand image.	Potential revenue decline, brand value loss, and higher financing costs.	Short, Medium and Long Term	Medium	Establish stakeholder communication mechanisms, improve the quality of ESG disclosure, and strengthen green branding and communication.
Opportunity Type	Opportunity	Opportunity description	Financial Impact	Impact Timeframe	Impact Severity	Mitigation Measures
Technological innovation opportunities	Opportunities for breakthroughs in core low-carbon home appliance technologies	Driven by global climate transition needs, the Company can develop key core low-carbon and environmentally friendly technologies, such as heat pump technology, break through industry technical bottlenecks, and build differentiated competitive advantages.	Enhance the premium pricing capacity of low carbon products, driving sales growth of high value-added products, and improving the Company's profitability.	Medium to Long Term	High	Increase investment in low-carbon technology R&D, establish dedicated R&D teams, and strengthen patent deployment.
Market expansion opportunities	Opportunities for scenario-based deployment of green home appliances	In line with China's dual carbon policy orientation and global climate governance trends, launch one-stop green home appliance solutions for diverse scenarios, including household and commercial settings.	Explore new business avenues such as government-enterprise procurement and overseas low carbon markets, fostering new revenue growth drivers.	Medium to Long Term	Medium	Optimize the green home appliance product portfolio, develop scenario-based solutions, and strengthen the promotion of the green brand.

Note: Short term refers to within one year (inclusive) after the end of the Company's sustainability reporting period; medium term refers to one to five years (inclusive) after the end of the Company's sustainability reporting period; and long term refers to more than five years after the end of the Company's sustainability reporting period.

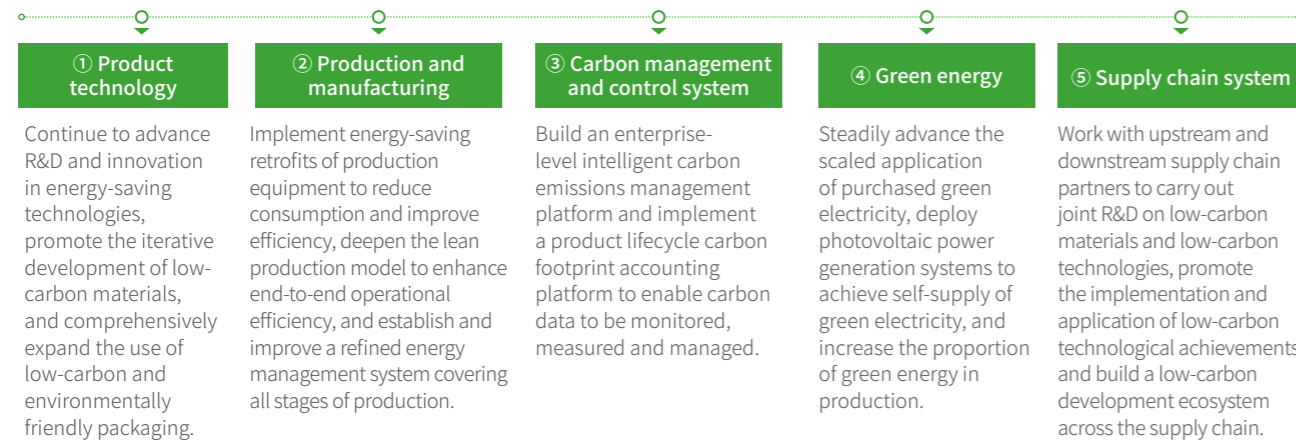
Climate-Related Impact, Risk and Opportunity Management

Changhong Meiling has established a systematic and science-based process for managing climate-related impacts, risks and opportunities, together with a decarbonization pathway, to ensure that the Company's strategic planning and production and operations are effectively aligned with climate change, enabling it to respond proactively to challenges and capture development opportunities.

Management Process

- ① **Background analysis of the subject matter** Review the Company's business activities, business linkages, and external development environment to identify stakeholders affected by climate change and their relevant concerns.
- ② **Identification of risks and opportunities** Conduct analysis based on the dual climate scenarios of SSP5-8.5 and SSP1-2.6 to identify climate-related impacts, risks and opportunities under different scenarios, and assess the gap between climate-related targets and the current state of operations.
- ③ **Risk assessment and prioritization** Carry out a comprehensive assessment of identified climate-related risks and rank them by level of impact.
- ④ **Formulation of response measures** Relevant responsible departments carry out targeted risk management, formulate dedicated response plans, and submit them to the dual carbon management committee for review.
- ⑤ **Dynamic monitoring and management** The dual carbon management committee regularly monitors the performance of key risk indicators and reports major climate-related risk matters to the Board of Directors on an annual basis.
- ⑥ **Information disclosure and reporting** Regularly disclose externally the identification of climate-related risks and opportunities and the implementation of full-process management.

Decarbonization Pathway



Climate-Related Indicators and Targets

Changhong Meiling has set carbon emission targets to achieve carbon peak for its own operations by 2030 and carbon neutrality for its own operations by 2060. To ensure the achievement of these long-term goals, the Company has also established detailed annual interim emission targets, regularly reviews and tracks progress on climate goals, reduces carbon emission intensity year by year, and steadily advances emission reduction plans through measures such as energy-saving equipment retrofits, optimized production processes, development of low-carbon products, promotion of clean energy, and participation in green electricity trading.

In 2025, the Company implemented decarbonization measures across multiple dimensions. From product design to supply chain, from production lines to office operations, energy-saving and carbon-reduction projects were comprehensively deployed. Particularly in equipment upgrades, the Company achieved notable results: the successful deployment of new energy-efficient equipment, including air-source temperature control machines, variable-frequency screw pumps, and variable-frequency motors, significantly reduced energy consumption during production and achieved dual breakthroughs in energy saving and carbon reduction. These solid practices not only optimized resource utilization efficiency through technological innovation but also further strengthened the Company's foundation for green development, effectively advancing its transition toward a green and low-carbon operating model.

Target Information

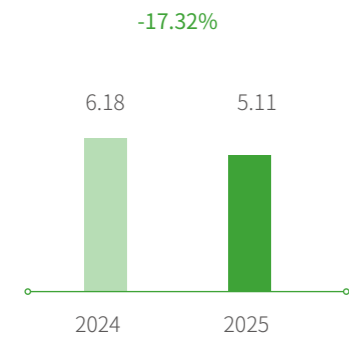
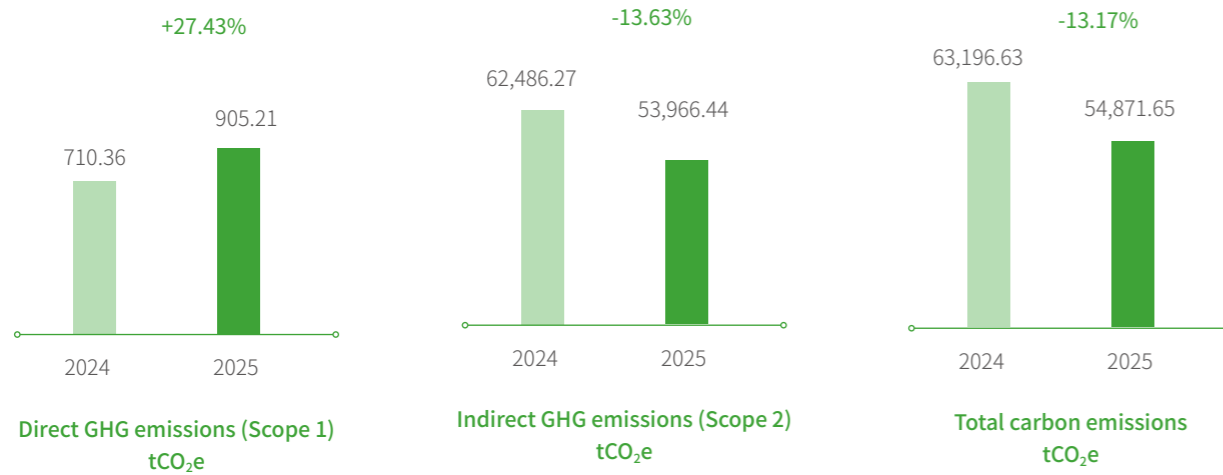
	Scope 1 and Scope 2
	Mainly includes natural gas, purchased electricity, and purchased steam
Scope covered	Direct emissions from diesel, wastewater treatment, fire extinguishing agents, and air-conditioning refrigerants are minor and not included in calculations
	For Scope 2 emissions, the market-based method is applied
Applicable Entity Scope	Includes refrigerator, freezer, washing machine produced at the Hefei base, as well as those from Mianyang Meiling and Jiangxi Meiling.
Target Type	Quantitative target\Intensity target
Base Year	6.176 tCO ₂ e per RMB million of output value
Target Year	5.106 tCO ₂ e per RMB million of output value, representing a 17.32% reduction in greenhouse gas emissions per RMB million of output value
Reduction Target as % of Base Year (%)	100%
Reduction Target as % of Current Year (%)	100%
Current Period Emissions	GHG emissions per million yuan of output value stood at 5.106 tCO ₂ e, representing a year-on-year decrease of 17.32%

Target Method

- Independent Third-Party Verification** Not yet verified by an independent third party. The Company intends to consider verification through Science Based Targets initiative (SBTi) or other third-party organizations.
- How the Target Is Achieved** Refer to climate-related impacts, risks and opportunities management/carbon reduction pathway.
- For intensity targets, provide a description of the method used to calculate carbon intensity** Per RMB million of output value
- For Scope 3 targets, provide a description of the method used to calculate Scope 3 emissions covered by the target** No Scope 3 emission targets have been established to date



Annual Greenhouse Gas Emissions



Total Carbon emissions per RMB million of output value tCO₂e/RMB million output value

Note 1: Data cover Changhong Meiling headquarters, Mianyang Meiling, and Jiangxi Meiling.
 Note 2: The year-on-year increase in direct GHG emissions (Scope 1) is due to approximately a 31% increase in washing machine production and the impact of in-house component recycling, resulting in higher natural gas consumption.
 Note 3: Greenhouse gases primarily include Scope 1 and Scope 2 emissions, i.e., natural gas, purchased electricity, and purchased steam. (Direct emissions from diesel, wastewater treatment, fire extinguishing agents, and air-conditioning refrigerants are minor and not included in calculations.)
 Note 4: In 2025, Hefei facilities procured 41 million kWh of green electricity, accounting for approximately 36.80% of total electricity consumption in Hefei base.
 Note 5: The 2025 emission factors adopted are 0.5568 kgCO₂e/kWh for electricity, 110 kgCO₂e/GT for steam, and 1.8222 kgCO₂e/m³ for natural gas.



Green Electricity Certificate Transaction Vouchers

Environmental Compliance Management

Guided by green development, Changhong Meiling adheres to environmental compliance standards, establishing a systematic, full-process environmental compliance management system. The Company strengthens risk prevention and pollution control capabilities, continuously improves the standardization and refinement of environmental management, and actively fulfills its corporate environmental responsibilities.

Environment Management System

Upholding the principles of green development, Changhong Meiling strictly complies with the Environmental Protection Law of the People's Republic of China, the Cleaner Production Promotion Law of the People's Republic of China, and other relevant laws and regulations. The Company has established a three-tier environmental management system, with the Board of Directors as the decision-making tier, the Environmental Management Committee as the management tier, and the Environmental Protection Department and environmental officers in each production unit as the execution tier. The Company has also developed management systems, including the Environmental Management Manual, Environmental Compliance Evaluation Control Procedure, and Internal Environmental Reporting and Disclosure System, continuously enhancing environmental management and ensuring that institutional frameworks and operational guidance cover all aspects of operations. In 2025, the Company's total environmental protection investment amounted to RMB 10.3209 million. The Company and its seven manufacturing subsidiaries have all obtained ISO 14001 Environmental Management System certification. No major environmental incidents, regulatory violations, or environmental crimes (criminally punishable) occurred during the reporting period.



Environmental Management System Certification

Environmental Risk Assessment and Response

Changhong Meiling strictly complies with the Emergency Response Law of the People's Republic of China and the National Emergency Response Plan for Environmental Emergencies, establishing an emergency management system centered on the "one plan with three supporting mechanisms" approach. According to internal environmental incident classification standards, the Company has set up an Emergency Command Headquarters for Environmental Emergencies led by the Company President. Specialized emergency teams are deployed for on-site response, emergency monitoring, logistics support, and information dissemination. The Company has prepared comprehensive plans, including the Comprehensive Emergency Response Plan for Environmental Emergencies, and established preventive measures covering hazard identification and inspection, emergency facility readiness, and emergency drills, ensuring timely and effective response throughout the entire process.

Environmental Risk Assessment Management Process



Environmental risks and opportunities are systematically identified through multiple channels, including regulatory scanning, lifecycle assessment, on-site inspections, supply chain audits, and stakeholder interviews.



A quantitative "Environmental Risk Map" is used to assess risks from three dimensions: probability, impact, and control effectiveness. High-risk points, such as chemical storage facilities, are subject to enhanced controls including dual-lock and dual-person protocols, real-time monitoring, and regular emergency drills.



The "Resilient Supply Chain" Green Partner Program is implemented, incorporating environmental compliance and carbon footprint performance into supplier admission and rating criteria. The program coordinates with upstream partners to address environmental risks and identify opportunities for green innovation.

Environmental Protection Training

Changhong Meiling conducts tiered environmental protection training. Environmental management personnel receive in-depth interpretations of the latest environmental laws and regulations, while frontline employees participate in practical training on the "Position-Specific Environmental Protection Code." The Company also organizes environmental awareness activities, such as "World Environment Day (June 5)" and "Open Day events," inviting employees' family members to visit factory environmental facilities, create environmental-themed artwork, and participate in the "Green Ideas" initiative to collect employee suggestions, thereby enhancing environmental awareness. In 2025, Changhong Meiling conducted tiered training: management personnel received in-depth briefings on the latest regulations, and frontline employees participated in practical training on the "Position-Specific Environmental Protection Code." More than 3,000 people participated in training sessions throughout the year. Through their involvement in training, employees not only contributed ideas for waste reduction, classification, and other green initiatives but also achieved an 85% participation rate in 2025, significantly boosting environmental awareness across the workforce.

Strengthening Pollution Prevention and Control



Governance Related to Pollution Prevention and Control

The Company has established an Environmental Management Committee, chaired by the President, with the responsible Vice Presidents and relevant department heads as members. A dedicated Environmental Protection Office is established under the Committee, with comprehensive authority to oversee, guide, and evaluate all daily environmental protection activities, as well as the management of pollution emissions including wastewater, waste gas, solid waste, noise and other pollutants. The Company strictly complies with the Environmental Protection Law of the People's Republic of China, the Air Pollution Prevention and Control Law of the People's Republic of China, the Water Pollution Prevention and Control Law of the People's Republic of China, and other relevant environmental laws, regulations, and rules. Core pollution prevention systems, including the Environmental Protection Management System and Pollutant Emission Control Procedure, have been established to create a standardized environmental management framework. A three-tier reporting system ("Workshop-Department-Company") is implemented, requiring any abnormal environmental data to be reported directly to the Environmental Management Committee within one hour. Environmental protection indicators are incorporated into the quarterly safety and environmental performance assessments.



Strategy Related to Pollution Prevention and Control

The Company prepared Risk Assessment Reports for Environmental Emergencies and applies process analysis, statistical methods, and surveys to monitor and analyze environmental pollution factors, providing a solid scientific basis for the Company's green and sustainable development strategies.

Types of Risk and Opportunity	Risk and Opportunity Description	Impact Severity	Impact Timeframe	Mitigation Measures
Wastewater Management Risks	Failure to regularly clean wastewater systems, improper facility operation, incorrect chemical dosing, or untimely water quality monitoring may result in non-compliant wastewater discharge.	High	Medium term	Conduct regular wastewater cleaning, clearly define procedures for handling anomalies at wastewater treatment plants, establish chemical dosing records and verification systems, and implement timely water quality monitoring and comparative checks according to schedule and regulatory requirements.
Exhaust Gas Management Risks	Non-compliance in kitchen exhaust treatment, facility malfunctions or insufficient maintenance, and improperly sealed waste paint or adhesive containers may cause exhaust gas to exceed standards.	High	Short term	Perform routine maintenance of air treatment facilities, conduct exhaust system inspections, and implement source-level emission reduction and control measures.
Solid Waste Management Risks	Improper storage or disposal, insufficient staff training, or use of unqualified hazardous waste disposal contractors may cause pollution incidents. Chemical containers may be returned to suppliers for recycling, thereby reducing the volume of hazardous waste disposal.	High	Short to medium term	Store general solid waste outdoors in enclosed areas as required, provide employee training on waste management, engage certified disposal contractors, and implement waste reduction and control plans. The production department shall centrally collect recyclable materials (chemical containers), and the procurement department shall arrange for their periodic return to suppliers for recycling.

Types of Risk and Opportunity	Risk and Opportunity Description	Impact Severity	Impact Timeframe	Mitigation Measures
Noise Control Risks	Excessive noise emissions from production equipment may lead to complaints from surrounding residents and environmental regulatory penalties.	High	Short to medium term	Install sound insulation on production equipment, workshop doors and windows, and other high-noise sources.
Opportunities in Pollution Prevention	Implementing high-standard pollution prevention measures enhances the Company's green development image, helps secure policy incentives, and improves market recognition.	Medium	Medium to Long Term	Strictly implementing pollution prevention and control policies, completing environmental facility upgrades, and establishing an industry benchmark for environmental protection.



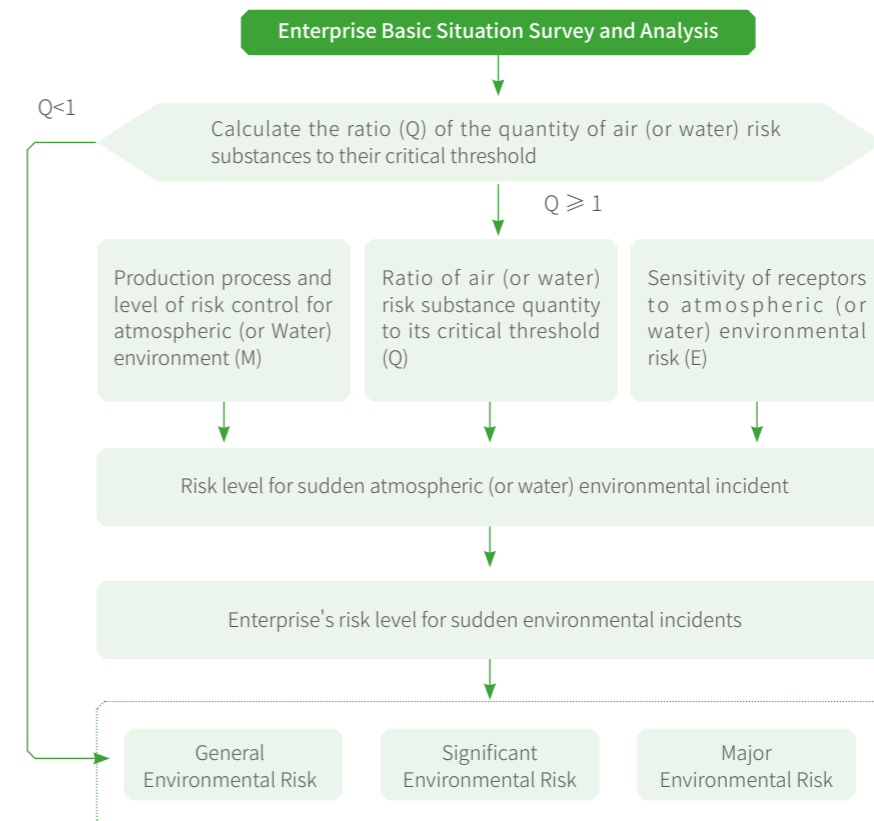
Impacts, Risks, and Opportunity Management Related to Pollution Prevention and Control

The Company defines environmental risk levels and corresponding management processes, accurately identifying potential environmental risks and opportunities. Additionally, scenario analysis is applied to evaluate the uncertainty of environmental pollution risks, assisting the Company in responding to potential future environmental changes and enhancing overall risk management capability.

Optimized Management Process

The Company conducts full-process identification, assessment, prioritization, monitoring, and management of pollutant emissions impacts, risks, and opportunities. Each year, multiple methods are used to systematically identify emissions of wastewater, exhaust gas, solid waste (including hazardous waste), and noise across all operational stages. Potential environmental risks and green development opportunities are simultaneously evaluated. A combination of quantitative and qualitative analyses is used for multi-dimensional prioritization, with the graded control list dynamically updated. For key emission sources and risk points, continuous monitoring mechanisms are established to enforce environmental management requirements and ensure effective system operation.

Environmental Risk Grading and Flowchart Illustration



Waste Water Management

The Company's wastewater mainly includes production and domestic wastewater and adopts a rain-sewage separation system. After treatment, key parameters—suspended solids, chemical oxygen demand (COD), ammonia nitrogen, petroleum substances, biochemical oxygen demand (BOD), and pH—meet discharge standards. The Company has upgraded certain aged pipelines within the industrial park to enhance network reliability and optimized the operation of the comprehensive wastewater treatment station to continuously improve wastewater treatment efficiency.

Exhaust Gas Management

The Company's exhaust gas primarily originates from organized and unorganized volatile organic compounds (VOCs) in production processes, boiler combustion exhaust, and crushed particulate matter, among other sources. During the reporting period, the Company established its own monitoring plan, defining monitoring requirements and commissioning qualified external agencies to test organized emissions. All monitored air pollutants met regulatory emission standards. Additionally, the Company upgraded organic exhaust treatment facilities for washing machines, optimized treatment processes to improve removal efficiency, strengthened unorganized emissions control, including implementing air recovery and treatment in relevant areas. Some forklifts meeting China National Stage II standards were retired, and fuel-powered forklifts were replaced with electric forklifts, enhancing end-of-pipe exhaust control and reducing tailpipe pollution. Specialized training on exhaust gas management was conducted for personnel, covering equipment operation, maintenance, safety, and environmental regulations to enhance professional capabilities.

Noise Control

The Company prioritizes noise management and implements multiple measures to reduce noise pollution. Noise-reducing enclosures are installed on major noise-generating equipment such as air compressors, fans, and pumps. Noise-reduction green belts are planted along factory walls and around sensitive areas. In addition, the Company adjusts the timing of certain high-noise operations and strengthens transport vehicle noise management. During the reporting period, factory boundary noise (day/night) complied with the Emission Standard for Industrial Enterprises' Environmental Noise at the Boundary.

Waste Management

The Company strictly complies with the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste and the National Catalogue of Hazardous Wastes, implementing classification and management of general and hazardous waste generated during operations. Dedicated storage areas are designated for solid waste, with clear labeling in place. Regular reporting, ledger maintenance, and standardized transfer procedures are conducted in accordance with regulatory requirements. New sludge drying machines have been installed to reduce sludge generation. Hazardous waste management follows internal regulations, including the Solid Waste Classification and Disposal Management Regulations and Hazardous Waste Emergency Response Plan, through which the Company develops specialized plans, maintains management ledgers, and implements clear temporary storage signage. Digital tools are utilized to enable real-time, full-process monitoring. Emergency disposal procedures are formulated to prevent leakage risks. Additionally, the Company cooperates with third-party institutions that hold appropriate disposal qualifications, which perform periodic on-site collection and standardized disposal.



The Company has installed new adhesive-dispensing machine environmental protection facilities, upgrading from uncontrolled gas emissions to collected and treated emissions

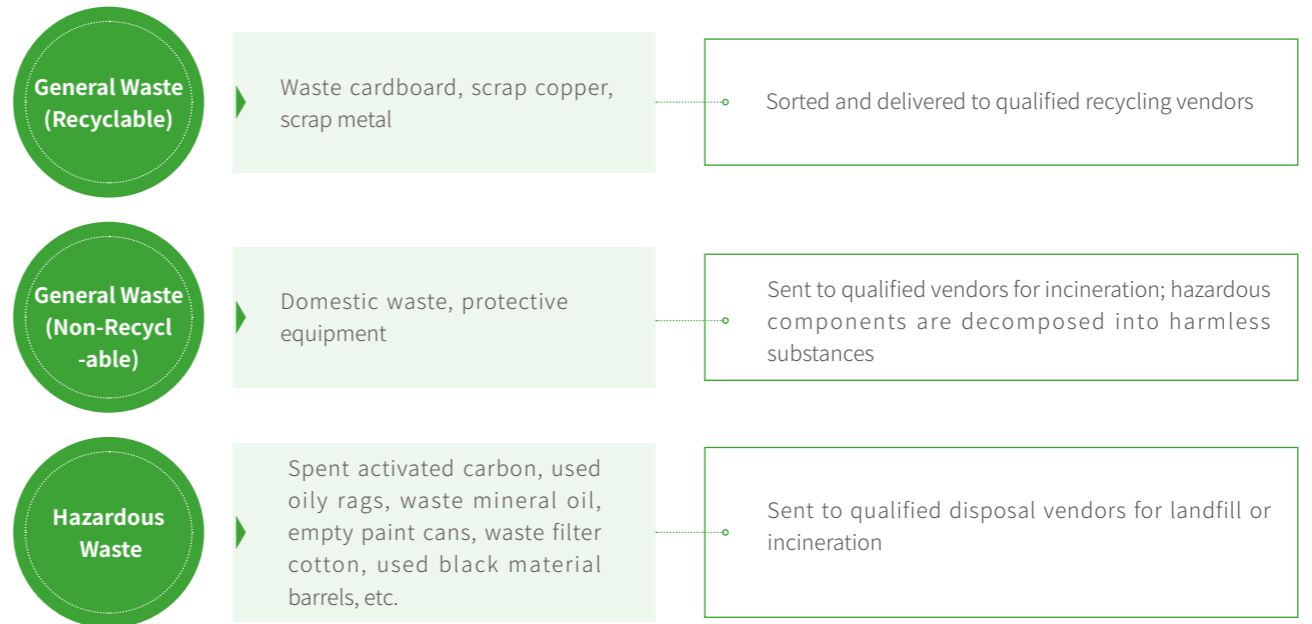


A newly purchased sludge drying machine has been deployed to reduce sludge volume

Types of Waste

Main Waste Items

Treatments / Disposal Methods



Indicators and Targets Related to Pollution Prevention and Control

In 2025, Changhong Meiling fully achieved the government-mandated annual total pollutant control targets for COD, ammonia nitrogen, and VOCs. Emission concentrations from all pollution sources remained consistently better than national and local discharge standards. Factory boundary noise compliance rates reached 100%, and monitored noise levels at sensitive points met functional area requirements. The lawful disposal rate of hazardous waste and general industrial solid waste reached 100%, successfully fulfilling the annual compliance target for solid waste management. No major environmental pollution incidents, mass incidents related to environmental issues, environmental penalties, complaints, or illegal dumping events occurred throughout the year.

From 2026 to 2028, the Company plans to benchmark against stricter international and domestic standards or state-of-the-art feasible technologies. Specific measures include consolidating multiple exhaust stacks in certain areas and adopting zeolite rotary wheel technology to further improve exhaust gas purification. Promoting sludge drying technology will serve as a key focus, with a gradual reduction in sludge generation as the core measure to achieve the "zero landfill" waste management goal and reduce waste generation.

Resource Recycling

Upholding the concept of circular development, Changhong Meiling continues to focus on efficient resource utilization and circular value creation. The Company integrates green and low-carbon principles throughout resource management processes, practicing energy saving, emission reduction, and symbiotic circularity. This demonstrates its commitment and responsibility toward sustainable development.

Strengthening Energy Utilization

Governance Related to Energy Utilization

The Company has established an Energy Management Leading Group, under which the Office for Energy Saving and Emission Reduction operates. Key personnel from each department and workshop participate to ensure multi-level control. Energy-related laws, industry standards, and local regulations are regularly collected and updated. The Energy Management Regulations are compiled and revised as needed. Annual energy compliance evaluations and performance assessments are conducted, with clear focus on controlling major energy-consuming equipment, improving energy data collection and analysis, and implementing energy-saving process upgrades. In 2025, the Company obtained Energy Management System certification.

Strategies Related to Energy Utilization

The Company follows the energy management philosophy of “empowerment, stimulating internal potential, maximizing efficiency, and continuous cost reduction.” Comprehensive and feasible energy management plans and implementation measures are developed. Each business unit is encouraged to fully leverage policy-based incentives and reform benefits, exploring energy-saving potential through management optimization, process improvements, and technological upgrades to continuously improve energy efficiency.

Types of Risk and Opportunity	Risk and Opportunity Description	Impact Severity	Impact Timeframe	Mitigation Measures
Policy and Regulatory Risk	Tighter energy and carbon emission policies may result in compliance risks, production restrictions, and increased costs.	Medium	Medium to Long Term	The Company mitigates these risks by strengthening research on energy management policies and optimizing its energy mix in advance.
Operational Risks	Low energy management efficiency, aging equipment, and energy price volatility may increase operational costs.	High	Medium to Long Term	Regularly maintain and upgrade equipment and introduce intelligent energy management systems to reduce energy consumption.
Policy and Regulatory Opportunities	Government-issued energy-saving subsidies, tax incentives, and green finance support policies facilitate the Company's low-carbon transition.	High	Medium to Long Term	Monitor government energy-related tax reduction and subsidy policies, and leverage green financial instruments to lower financing costs.
Opportunities from Externally Supplied Energy	Optimize the energy structure and reduce costs through externally purchased centralized energy, and expand revenue opportunities by leveraging externally supplied energy.	High	Medium to Long Term	All costs for externally supplied energy must be fully accounted for to ensure a balanced energy consumption budget.
Brand Value Opportunity	The transition to green energy can enhance the Company's social image, strengthen investor confidence, and support sustainable development.	Medium	Long-term	The Company strengthens green branding, regularly discloses sustainability reports, and enhances corporate reputation.

Impact, Risk, and Opportunity Management Related to Energy Utilization

Changhong Meiling attaches great importance to managing energy-related impacts, risks, and opportunities. The Company conducts detailed analyses of specific energy-consuming processes, operations, and equipment to identify risks and potential energy-saving opportunities. Key energy-intensive equipment and their energy efficiency factors are reviewed. Opportunities for energy performance improvement are determined based on technical feasibility, economic feasibility, and potential adverse impacts (safety, quality, environment). Corresponding control measures and targets are developed, with continuous monitoring of implementation and effectiveness.

Energy Performance Improvement

The Company systematically identifies and manages risks and opportunities in the field of energy management. Specific energy-consuming processes and equipment are analyzed to identify risks and energy-saving opportunities. Key energy-intensive equipment and energy efficiency factors are reviewed. Multidimensional analyses are used to determine performance improvement opportunities, control measures and targets are established, and implementation results are tracked to optimize energy management.

Energy Usage Monitoring

The Company's production and operations primarily consume purchased electricity, gasoline, diesel, natural gas, steam, and renewable energy. During the reporting period, the Company monitored similar energy-consuming equipment, calculated relevant parameters, and plotted energy consumption curves. Through benchmarking analysis, efficiency gaps were identified and corresponding improvement measures determined.

Use Clean Energy

The Company continuously optimizes its energy structure and actively introduces renewable energy. The types of clean energy utilized mainly include rooftop photovoltaic systems and purchased green electricity. Distributed rooftop photovoltaic power stations were installed on the roofs of multiple buildings in office and residential areas, adopting a “self-consumption with surplus electricity fed into the grid” approach. At the same time, green electricity is procured on a large scale, with a significant proportion of total electricity consumption supplied by green energy, advancing practical green and low-carbon development. In 2025, the distributed rooftop PV systems at Changhong Meiling generated 680,000 kWh, effectively supplementing the industrial park's electricity demand. The company purchased a total of 47,970,200 kWh of green electricity.

Note 1: Annual generation data for the distributed rooftop PV systems are calculated for Changhong Meiling headquarters.

Note 2: The statistical scope of the total green electricity purchased covers Changhong Meiling, Hefei Industrial, Hongmei Intelligent, Jiangxi Meiling, Mianyang Meiling, Changmei Living Appliances, Ridian Technology, Zhongke Meiling, Zhongshan Changhong and Changhong Air Conditioner.

Energy-Saving Retrofit

Changhong Meiling conducts in-depth analyses of energy consumption characteristics across the entire production and manufacturing process. Energy-saving retrofits are implemented through optimization of production processes and improvements in equipment operating efficiency, effectively reducing energy consumption during production.

Zhongshan Changhong Energy-Saving Technical Retrofit Performance

Department	Category	Reduction Ratio of Standard Unit Consumption in Jan–Feb 2026 Compared to Jan–Feb 2025
Two Key Energy-Consuming Equipment Types	Electricity	4.34%
	Natural gas	15.67%
Pray Coating	Electricity	7.18%
	Natural gas	0.40%



The Company has obtained ISO 50001:2018 Energy Management System certification



The Company's manufacturing plants commissioned air-source mold temperature units to replace traditional models, achieving electricity savings

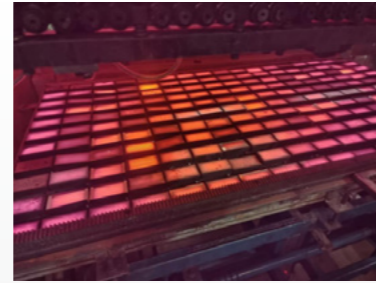
Changhong Meiling Energy-Saving Technical Retrofit Projects



Acquisition of variable frequency air compressors, resulting in significant energy savings and effective reduction of energy waste.



Injection molding machine energy-saving project: the original ceramic heating method was replaced with infrared heating, saving approximately 40% of the heating energy, with a monthly energy cost reduction of RMB 77,455 year-on-year.

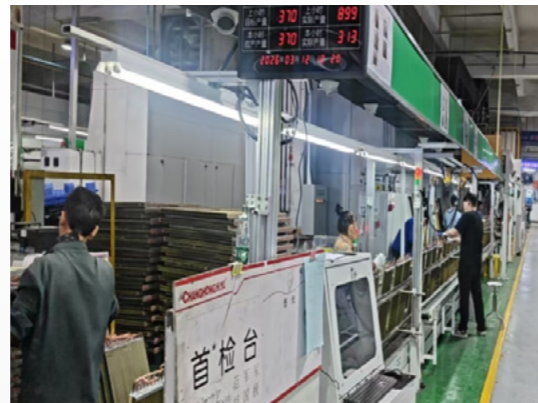


Adoption of enhanced vacuum insulation and black ceramic heaters with plate-penetrating light waves, effectively reducing energy consumption and improving equipment operating efficiency.

Zhongshan Changhong Energy-Saving Technical Retrofit Projects



Helium Inspection Line 1 (internal)



Helium Inspection Line 2 (external)



Replacement of the old D7 steam line with the new D5 steam line on Line 6



Replacement of the old D7 steam line with the new D7 steam line on Line 8

Indicators and Targets Related to Energy Utilization

In 2025, the Company saved RMB 3.129 million in energy costs, achieving its energy management-related performance targets.

Goal	Reporting period	Progress During the Reporting Period
In 2025, the energy cost per unit decreased by 10% compared with the previous year.	Short term	Achieved
In 2025, the total energy cost decreased by 10% compared with the previous year.	Short term	Achieved

Note 1: The above energy management improvement targets primarily apply to the production and manufacturing systems, Quality Assurance Department, and Administration Department.

From 2025 to 2027, the Company's energy management plan aims to achieve cumulative energy cost savings of RMB 9 million. To ensure the realization of this target, the Company plans to develop annual energy management plans, establish a comprehensive energy management platform, regularly monitor the progress of energy-saving targets, carry out energy-saving promotion activities, and enhance energy-saving awareness across all employees.

Utilization of Water Resources

Changhong Meiling places great emphasis on water resources management. The Company strengthens efficient water use through regular inspection and maintenance of water facilities, comprehensive deployment of water-saving equipment, posting of water conservation signage, and targeted inspections of pipelines to detect "leaks, overflows, and drips". The Company also applies the World Resources Institute's water risk assessment tools to model water-related risks, identifying regions such as Hefei, Mianyang, and Jingdezhen as areas classified with a high water-risk level. In response, the Company implements targeted measures, including the construction of emergency water storage tanks and enhanced water conservation awareness campaigns, effectively mitigating water resource pressure and continuously improving water management capabilities.

Definition

"High water-risk level" generally refers to a relatively high level of risk identified in flood and drought disaster prevention or water-related hazard assessments, arising from threats such as rainfall, river overflow, dam failure, or flash floods.

Developing a Circular Economy

Changhong Meiling actively responds to the national circular economy development plan, strictly complies with relevant circular economy laws and regulations, and establishes key objectives including energy saving and emission reduction, as well as increasing the proportion of recyclable and renewable materials in products. The Company prioritizes the use of environmentally friendly recycled materials and promotes lightweight product packaging; optimizes stamping molds to improve sheet metal utilization; and crushes waste cabinet plastics for reuse in sheet production, advancing waste reduction and resource recovery. The Company also actively participates in the national "trade-in" program for household appliances, recycling used appliances to practice the circular economy and accelerate the development of a green circular industry. In 2025, through circular packaging and source reduction, Changhong Meiling achieved packaging material procurement cost savings of approximately RMB 0.5 million. Recycling and selling scrap metal, plastic, and cardboard generated resource recovery revenue of approximately RMB 9.8 million.



Changhong Air Conditioner participated in the "Trade-In for New Appliances" initiative

Packaging material procurement savings and resource recovery revenue are reported on the basis of Changhong Meiling headquarters.

Case Changhong Meiling's Ongoing Promotion of Packaging Material Circularity

In 2025, the Company adhered to standardized container use, aiming to reduce employee handling time and minimize natural resource consumption. By encouraging suppliers to replace cardboard boxes with Euro-standard containers or returnable carts for all materials, the Company gradually achieved a cardboard-free manufacturing process, realizing a fully recyclable packaging system.

During the reporting period, Changhong Air Conditioner's suppliers switched to green packaging and implemented packaging recycling, covering 800,000 compressor units and 450,000 motor units, cumulatively reducing waste by approximately 390 tons, significantly decreasing the generation of solid packaging waste.



Previously used non-reusable packaging



Currently used reusable packaging



Supplier's previously used non-reusable packaging



Supplier's currently used reusable packaging



Green Production and Operations

Changhong Meiling remains committed to green development, integrating environmental protection principles throughout its entire production and operational chain. The Company actively advances green practices, fulfills its ecological responsibilities, and promotes sustainable development.

Advancing Green Products

Changhong Meiling follows industry trends of green, high-efficiency, and energy-saving products, placing sustainable development as a core guiding principle. Adopting a prevention-first approach, the Company integrates environmental protection concepts across the full product lifecycle—including raw material procurement, product design, manufacturing, packaging and logistics, and product recycling—continuously advancing the green upgrading of its products.

Raw Material Procurement

Priority is given to recyclable and renewable raw materials, all of which comply with WEEE, RoHS, and other relevant regulatory certifications.

Bio-based materials are applied at scale, incorporating degradable and environmentally friendly components such as straw and bamboo/wood powder, effectively reducing plastic consumption.

Green Design

Continuously develop high-efficiency, low-energy-consumption products to improve energy efficiency ratios. Promote standardization of core components, simplifying the variety and quantity of parts.

Complete the environmental upgrade of air-conditioning refrigerants, replacing the ozone-depleting R22 with environmentally friendly R290 propane, thereby reducing greenhouse gas emissions at the source and supporting both ozone layer protection and carbon reduction targets, demonstrating responsibility in green manufacturing.

Product Manufacturing

Advance the upgrading and retrofitting of production line equipment, eliminate high-energy-consuming and non-compliant devices, and implement technological upgrades on outdated equipment. Reduce the consumption of scarce resources such as copper, aluminum, and tin, while improving the level of clean production.

Optimize production processes and develop new surface decoration technologies to replace traditional spraying, improving material recyclability.

Product Packaging

Develop and promote low-carbon, environmentally friendly packaging materials to gradually replace non-recyclable packaging;

Optimize user manuals by providing simplified paper instructions alongside electronic guides to reduce paper usage;

Fully implement green packaging concepts, moving toward cardboard-free packaging with Euro-standard containers, achieving a material switching rate of 76% in 2025.

Product Recycling

Incorporate principles of disassembly, reparability, and reusability at the design stage to enhance secondary product utilization.

Standardize material labeling to reduce complexity in recycling at the product end-of-life stage.

Production Line Upgrades

In the freezer production park, air-source mold temperature units replaced traditional temperature control units, achieving a 20% reduction in electricity consumption.

In the refrigerator production park, remote-controlled automatic valves were used to precisely control steam usage time, resulting in a 19.4% year-on-year reduction in steam consumption in 2025.



Changhong Meiling applied Euro-standard container packaging throughout its operations, fully implementing green packaging practices.

Establishing Green Factories

Changhong Meiling strictly adheres to national green factory evaluation standards and construction requirements, systematically advancing the creation of green factories across all subsidiaries. In 2018, the Company was successfully approved as a "National-Level Green Factory," establishing a fully integrated green framework to strengthen the foundation for sustainable development. In 2025, the Green Manufacturing Grading Cultivation List recognized Changhong Air Conditioner as a "Provincial-Level Green Factory."

Honors and Awards



Owing to its outstanding contributions in green technology R&D, intelligent manufacturing, and sustainable development, Changhong Air Conditioner was awarded the "Green Pioneer Enterprise" title at the "Green Certification Driving High-Quality Enterprise Development Conference," hosted by the Zhonghuan United Certification Center.

Case

Changhong Living & Dining Room Pro Shared Air Conditioner Receives Energy-Saving, Carbon-Reduction, and Environmental Product Certification

In May 2025, the Changhong Living & Dining Room Pro Shared Air Conditioner was recognized for its excellent energy-saving performance and low-carbon environmental features, successfully being listed in the "2024 Energy-Saving, Carbon-Reduction, and Environmental Technology Product Catalog" published at the Chinese Association of Refrigeration Member Conference. The air conditioner employs refrigerant flow adaptive adjustment technology to optimize energy use. Its APF value reaches 5.20, representing a 23.81% improvement over the Level 1 energy efficiency standard of 4.2, positioning it as an industry-leading cabinet air conditioner.



Split-type air conditioners and cabinet units produced by Changhong Air Conditioner have obtained China Green Building Product certification



Certificate of "2024 China Association of Refrigeration Energy-Saving, Carbon Reduction and Environmental Protection Products"

Promoting Green Office Practices

Changhong Meiling actively incorporates environmental protection concepts into daily operations, focusing on energy and resource management in office and residential areas. The Company has established a systematic energy management mechanism, developed annual energy management plans, formed dedicated task forces, appointed part-time energy managers with clearly defined responsibilities. Through precise electricity-saving measures, comprehensive water conservation initiatives, promotion of low-carbon office operations, and resource efficiency practices, the Company advocates waste sorting and aims to create a green and low-carbon office and living environment.



The Company has conducted environmental awareness campaigns themed "Lucid Waters and Lush Mountains are Invaluable Assets"



The Company carries out campaigns promoting the conservation of paper, water, and electricity

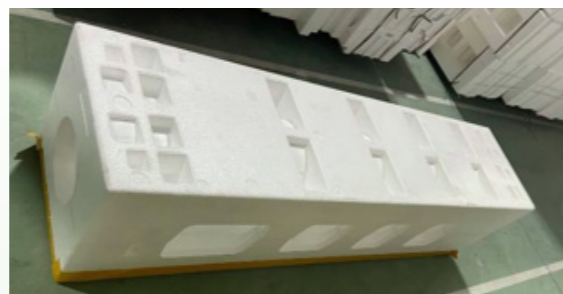


Waste sorting bins have been provided in office and residential areas to facilitate proper disposal

Changhong Air Conditioner implemented integrated structural optimization in the packaging system of its split-type cabinet products. By applying structural simulation analysis and topology optimization technologies, the original packaging cushioning system was systematically redesigned, promoting lightweight, reduced, and recyclable packaging materials.



Original Packaging of Split-type Cabinet Units



Improved Packaging of Split-type Cabinet Units

Protecting Biodiversity

Changhong Meiling and its subsidiaries actively respond to international initiatives, including the United Nations Convention on Biological Diversity and the 2030 Agenda for Sustainable Development. The Company strictly complies with domestic regulations, specifically the China National Biodiversity Conservation Strategy and Action Plan (2023-2030). It conducts in-depth assessments of the potential impacts of its business activities on biodiversity and the ecological environment, and further clarifies environmental protection responsibilities, pollution prevention and control measures, and the identification and remediation of environmental hazards across the full lifecycle—from product design and development, procurement of raw and auxiliary materials, and production processes, to product sales.

美菱 让美好来临



Embracing Responsibility Connecting Better Lives

Changhong Meiling has established a standardized, transparent, and securely controlled sustainable supply chain system, fosters a people-centered workplace environment, and actively fulfills its social responsibilities. Through comprehensive responsible practices, the Company is committed to promoting harmonious coexistence among the enterprise, its partners, employees, and society.

ESG



Building a Responsible Value Chain

Governance Related to Supply Chain Management

The Company has developed a tiered, cross-functional matrix organizational structure and has established a dedicated procurement department responsible for supply chain management, clearly defining the scope of responsibilities for each level and team. This structure covers the entire process of supplier development, procurement execution, contract fulfillment, and ESG management.

Changhong Meiling strictly complies with the Regulations on Ensuring Payment of Funds to Small and Medium Enterprises and the Anti-Unfair Competition Law of the People's Republic of China, among other relevant laws. Core systems, including the Supplier Management Basic System and Supplier Risk Management Standard, are in place. A dual audit mechanism for supplier qualifications and capabilities ensures attention to product quality and delivery capacity. Through systematic supplier onboarding, evaluation, empowerment, and performance assessment, ESG requirements are deeply integrated into supplier management, promoting sustainable collaboration along the industrial chain.

Strategy Related to Supply Chain Management

The Company adheres to the principle of "full-chain collaboration, end-to-end control, and deep ESG integration." Supply chain management is strengthened by optimizing resource allocation, establishing digital platforms to reduce information barriers with suppliers, and leveraging internal advantages to foster harmonious, stable, and healthy supply chain development.

Types of Risk and Opportunity	Risk and Opportunity Description	Impact Severity	Impact Timeframe	Mitigation Measures
Policy and Regulatory Risk	Suppliers failing to meet environmental policy requirements may increase the cost of sourcing new suppliers.	Medium	Medium term	Conduct policy research, pre-identify new suppliers, and sign environmental compliance agreements with core suppliers to ensure raw materials meet relevant standards.
	Raw material price fluctuations and higher costs for low-carbon materials may increase production costs.	Medium	Medium to Long Term	Optimize supply chain management, sign long-term procurement agreements with material suppliers, and explore low-cost alternative materials.
Operational Risks	Supply chain disruptions caused by force majeure events, such as natural disasters (e.g., earthquakes, floods) or geopolitical conflicts, may result in higher production costs.	High	Medium term	Prioritize local suppliers and develop a diversified supplier network, avoiding raw materials from conflict or controversial regions.
	Inefficient information flow across the supply chain may result in inventory accumulation, delivery delays, or quality issues.	High	Medium to Long Term	Promote supply chain digitalization to enable real-time information sharing between the Company and its suppliers.
Technological innovation opportunities	The application of technologies such as IoT, AI, and blockchain can optimize supply chain management, improving transparency and response speed.	Medium	Medium to Long Term	Continuously optimizes and upgrades the SAP and ISRM Smart Supply Chain Collaboration Platforms to enhance supply chain management efficiency.
Green Transition Opportunities	Increasing awareness of environmental protection among consumers and regulators creates opportunities for green transformation.	Medium	Medium to Long Term	Adhere to green procurement policies and prioritize suppliers with environmental certifications.
Brand Value Opportunity	Establishing close collaboration with upstream and downstream partners can enhance supply chain efficiency and strengthen brand competitiveness.	Medium	Long-term	A collaborative supply chain platform is established to share demand forecasts and production plans.



Management of Impacts, Risks, and Opportunity Related to Supply Chain Management

The Company has established a systematic mechanism for supply chain risk identification, risk assessment, and risk response. Clear evaluation and assessment standards are defined for supplier selection, auditing, appraisal, and performance evaluation processes. Suppliers in the database are managed through tiered and differentiated approaches, ensuring the continuous stability of the supply chain.

Supplier Onboarding

- Developed the Material and Service Supplier Management Regulations and Production Material Supplier Onboarding Management Measures, establishing quantitative indicators across five dimensions: compliance and qualifications, production capacity, quality and technical capabilities, environmental performance, and social responsibility, forming a multi-dimensional assessment standard.
- New suppliers are, in principle, subject to 100% on-site audits, with third-party verification applied to ensure compliance and to mitigate the risk of "paper qualifications."
- Suppliers are categorized by strategic importance and risk level into strategic, core, and qualified tiers, with differentiated allocation of cooperation resources and audit frequency.

Supplier Assessment

- Developed Production Material Supplier Audit Management Measures and Production Material Supplier Performance Evaluation Management Measures, establishing mechanisms for routine assessment, dynamic spot checks, and event-triggered audits.
- An ESG-based assessment framework is applied, incorporating environmental (E), social (S), and governance (G) indicators, including environmental certifications and labor rights protection.
- Quarterly ESG dynamic assessments are conducted. Suppliers failing the assessment trigger a remediation warning process. Suppliers rated non-compliant for the quarter are required to suspend supply and rectify within a defined period, and those failing annual performance evaluation are removed from the supply base.

Supplier Exit

- Developed the Supplier Incentive and Exit Regulations, specifying trigger conditions such as suppliers inactive for 24 consecutive months, high-risk evaluation, or poor audit ratings.
- A standardized exit process provides a 1-3 month rectification period; if corrective measures fail, the exit process is initiated concurrently with a backup supplier switch plan to ensure uninterrupted supply.
- In 2025, the Company completed the exit of 23 suppliers.



Supplier ESG Management

- Implemented the Material and Service Supplier Management Regulations to establish a three-dimensional ESG quantitative evaluation system, enabling precise grading and differentiated management.
- Developed a tiered and categorized ESG audit process with "annual supervisory spot audits + annual full-cycle audits," helping suppliers improve ESG management practices.
- In 2025, Changhong Meiling conducted on-site supervisory spot audits for 10 suppliers and surveyed 285 active suppliers in writing regarding ESG management. Certifications among suppliers include ISO 14001 (153 suppliers), ISO 45001 (101 suppliers), and SA8000 (5 suppliers).



Supplier Communication and Training

- The Company signs Corporate Social Responsibility Agreements with suppliers and provides onboarding training for supplier employees entering Changhong Meiling facilities, covering the Environmental (E), Social (S), and Governance (G) dimensions, establishing a routine communication mechanism.
- Diverse supplier training is conducted through a combination of "annual supervisory audits + on-site quality and technical guidance." Approximately 10% of suppliers are trained each year. In 2025, 17 suppliers received training.
- The Company has implemented a smart supply chain platform (ISRM system), enabling real-time sharing of order status, production progress, inventory levels, and quality inspection data with suppliers, reducing delivery delays caused by information asymmetry.



Distributor Summit hosted by Zhongke Meiling



2025 Annual Marketing Division Procurement Manager Training Conference conducted by the Company



Indicators and Targets Related to Supply Chain Management

Guided by the Company's carbon peak by 2030 and carbon neutrality by 2060 strategies, Changhong Meiling has established a full-chain sustainable supply chain management system. In accordance with applicable laws and regulations, national standards, the relevant Guidelines, and based on the Company's actual circumstances, specific objectives have been set for supply chain management issues, and the implementation of these objectives is continuously monitored.

During the reporting period, the Company achieved its supply chain management-related performance targets.

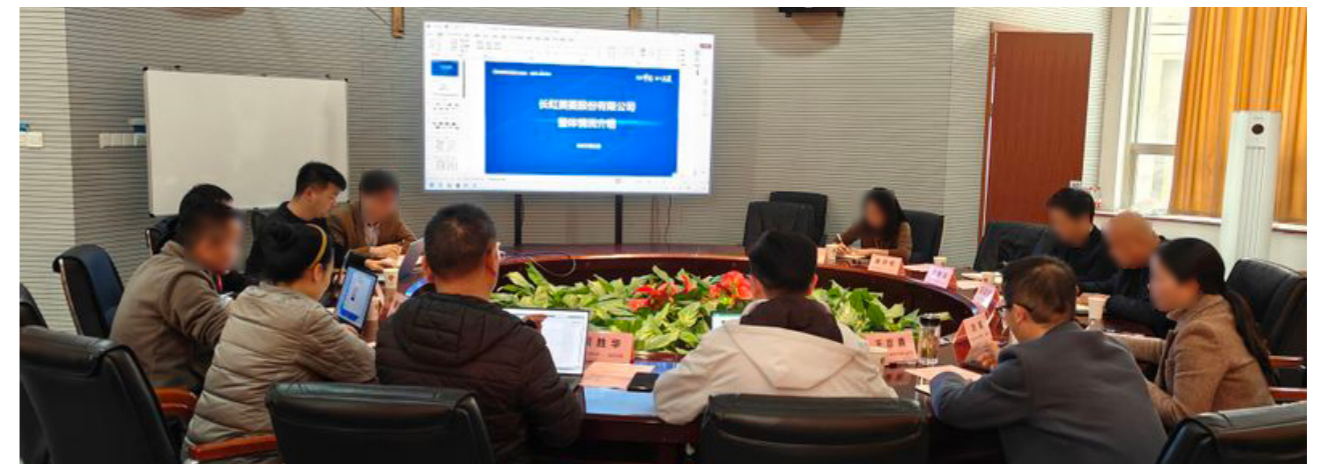
Category	Goal	Reporting Period	Progress During the Reporting Period
Supplier ESG Management	In 2025, 10 suppliers underwent on-site ESG supervisory audits, with 100% completion of document-based reviews.	Short term	Achieved
	In 2030, 50 suppliers underwent on-site ESG supervisory audits, with 100% completion of document-based reviews.	Medium to Long Term	Ongoing follow-up
Localized procurement	The number of locally sourced suppliers increased by over 10% year-on-year.	Short term	Achieved

Leading Industry Development

Changhong Meiling upholds an open, cooperative, and win-win philosophy, viewing industry collaboration as a key driver for both corporate and sectoral development. The Company actively engages in industry-academia-research (IAR) cooperation, participates in industry exchanges and collaborations, treats small and medium-sized enterprises (SMEs) equally, and works together with SMEs to achieve mutual progress.

Industry-university-research Cooperation

Changhong Meiling regards collaborative innovation with universities and research institutions as a core driver of high-quality enterprise development. The Company has established deep partnerships with leading domestic universities, forming joint university-enterprise innovation teams and conducting targeted technological R&D. This approach converts cutting-edge academic research into enterprise productivity, continuously fueling innovation for industry advancement and corporate growth.



Higher education institutions in Anhui Province visited Changhong Meiling to conduct enterprise visits and promote industry-academia-research (IAR) collaboration

Industry Development Collaboration

With a cooperative and win-win approach, Changhong Meiling actively participates in industry exchanges and collaborations, integrating proactively into the broader industrial ecosystem. By attending industry summits and engaging in sector collaborations, the Company strengthens linkages across stakeholders, shares technological achievements, and explores development pathways. These efforts contribute to coordinated upgrading of the home appliance industry, fostering symbiotic growth and mutual benefit.



Showcasing high-precision products at the RCEP Exhibition



Exhibiting products at the IFA Expo in Germany



Co-hosting the "AI Family Day" event with XPeng Motors



Successfully holding the strategic cooperation meeting on home appliances with Wuhan Industry & Trade

Equal Treatment for Small and Medium Enterprises

Changhong Meiling strictly complies with the Regulations on Ensuring Payment of Funds to Small and Medium Enterprises and other relevant rules. The Company requires suppliers to prohibit child labor and forced labor, ensure timely and full wage payments, and avoid arrears to SMEs. Contractual payment terms with SMEs are consistent with those for other enterprises, without discrimination based on company size, and debts are repaid as per contractual agreements. For selected high-quality SMEs, the Company provides support such as optimized payment terms and financing recommendations, helping SMEs enhance their risk resilience and fostering a collaborative supply chain ecosystem involving large, medium, and small enterprises. As of the reporting period, there were no overdue payments to SMEs.

Empowering Employee Growth

The Company prioritizes talent development, places high importance on employee rights protection, and continuously enhances employee engagement and sense of belonging. By providing a safe and supportive workplace environment and upholding safe production principles, the Company ensures the occupational health and safety of all employees.

Protecting the Rights and Interests of Employees

Governance Related to Employee Rights Protection

Changhong Meiling is committed to respecting and caring for every employee. The Company strictly complies with relevant national laws and regulations, including the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, and the Employment Promotion Law of the People's Republic of China. Internal management systems, such as the Recruitment Management System, the Corporate Social Responsibility HR Management System, and the Employment Information Disclosure Implementation Rules, have been established and continuously refined to safeguard employees' fundamental rights.

Strategy Related to Employee Rights Protection

The Company adheres to a recruitment principle of "people-oriented, fair and just, and job-role matching" and upholds a compensation philosophy of "reflecting job value and performance-driven." Changhong Meiling has established a comprehensive, closed-loop system for managing the impacts, risks, and opportunities related to employee rights. Through systematic scanning and identification of internal and external strategic factors, an initial list of employee-related topics is formed. These topics are then assessed and prioritized into high, medium, and low categories, with corresponding response strategies and action plans developed. Leading and lagging indicators are set to monitor progress continuously, and periodic management reports review implementation, forming a "plan-do-check-act" continuous improvement cycle. This ensures that challenges and opportunities related to employees are converted into sustainable competitive advantages for the Company.

Types of Risk and Opportunity	Risk and Opportunity Description	Impact Severity	Impact Timeframe	Mitigation Measures
Other Risks	Employee dissatisfaction with compensation or work environment may trigger labor disputes.	Medium	Short term	Establish a performance-driven flexible compensation system and a regular communication platform to respond promptly to employee concerns.
	Failure to legally execute labor contracts or fully compensate overtime work may result in labor inspection penalties or collective labor disputes, severely damaging compliance credibility and corporate reputation.	High	Short term	Strict compliance with laws and regulations, establishment of a full-process employment compliance management system, and proactive mitigation of labor-related risks to prevent escalation.
Other Opportunities	A fair and attractive compensation and benefits system can stabilize the core workforce and significantly enhance employee engagement and productivity.	High	Medium term	Develop a combination of variable pay and long-term incentive mechanisms, offering personalized and flexible benefit packages linked closely to skills development and career progression.
	A strong employer brand can help attract top talent, building a more capable and value-creating workforce.	High	Long-term	Reduces recruitment costs, improves the quality of hired talent, strengthens team competitiveness, and enhances overall corporate reputation.



Management of Impacts, Risks, and Opportunity Related to Employee Rights Protection

Diverse Recruitment

Changhong Meiling actively conducts both social recruitment and campus recruitment, leveraging online and offline channels to attract high-quality talent. Flexible employment positions are also provided. The Company strictly adheres to the Employment Information Disclosure Implementation Rules, ensuring fairness, impartiality, and transparency across three dimensions: recruitment information, interview process, and hiring outcomes. In 2025, Changhong Meiling recruited a total of 233 new employees through social recruitment, including 177 male and 56 female employees.

Compliant Employment

In accordance with the recruitment management system, the Company provides equal employment opportunities and fair employment conditions, strictly prohibiting employment discrimination. Equal employment and equal pay for equal work are enforced, preventing any discrimination based on nationality, race, religion, ethnicity, gender, age, disability, or marital/childbearing status. A three-tier review mechanism is established to prevent the use of child labor, and any forms of forced labor are strictly prohibited. Changhong Meiling respects employees from diverse cultural, ethnic, and religious backgrounds, fostering an inclusive and diverse workplace environment. During the reporting period, no incidents of child labor, forced labor, harassment, bullying, or intimidation were identified.

Remuneration and Benefits

The Company strictly complies with relevant national laws and regulations, and has formulated internal compensation systems, including the Compensation Management Measures and Performance Assessment Management Measures, to regulate compensation management, distribution, and payment, enhancing both internal fairness and external competitiveness. Compensation is dynamically adjusted based on job value evaluation, merit-based salary adjustments, and technical points systems to ensure alignment with market standards and employee needs. Employee benefits include social insurance and housing fund, regular health check-ups, employee care programs (gym access, holiday benefits, departmental team-building activities), and various allowances (communication allowance, high-temperature allowance, meal allowance, etc.). For dispatched labor, employees are enrolled in social insurance and enjoy the same benefits such as health check-ups and holiday allowances. The Company has formulated the Measures for the Administration of Employee Benefits and the Measures for the Administration of Employee Leave. Employees are entitled to paid annual leave, maternity leave, parental leave, childbirth leave, care leave and other entitlements.

Democratic Management

Changhong Meiling strictly complies with the Trade Union Law of the People's Republic of China and the Labor Law of the People's Republic of China, establishing a democratic management system centered on the Workers' Congress. The Company has established democratic management systems, including the Workers' Congress Work System and the Notice on Standardizing the Hearing and Resolution of Employee Opinions by Management at All Levels, to institutionalize governance through trade unions and workers' congresses. These mechanisms standardize the procedures for convening the Workers' Congress, ensuring procedural fairness in the exercise of employees' democratic management rights within the corporate governance structure. Channels for democratic participation are maintained and made accessible through trade union organizations, open management meetings, and collective bargaining, enabling systematic collection of employees' opinions and requests. Reasonable suggestions are implemented, creating an environment for equitable dialogue, and safeguarding employees' rights to information, participation, expression, and supervision. This ensures that grassroots concerns are fully recognized and transformed into key drivers for optimizing organizational effectiveness. A dedicated labor relations position is established to prevent and mediate labor disputes. An employee complaint platform is maintained, providing multiple channels from suggestion boxes, trade union representatives, functional departments, supervisors, up to the Chairman of the Company. Collaboration among departments ensures timely communication, negotiation, and mediation, promoting harmonious labor relations and sustainable enterprise development.

Employee Satisfaction Surveys

The Company has established policies, including the Employee Handbook and the Implementation Measures for Employee Satisfaction and Engagement Management, to provide channels for surveying employee engagement and satisfaction. Regular surveys on engagement and satisfaction are conducted to understand employees' genuine perceptions and to enhance the efficiency of human resource management.

Performance Feedback and Appeals

The Company publicly discloses performance evaluation rules and results for each department in a timely manner and provides multi-level feedback channels. If employees have objections to their performance evaluations, they may submit written feedback to the Human Resources Department within the prescribed timeframe. Departments are required to address and respond to appeals within the stipulated period, and, if necessary, convene ad hoc review meetings for resolution. Accountability mechanisms are established in accordance with the compensation and performance system rules to audit performance assessments, incentive allocation, and compensation outcomes.

Deepening the Development of the Industrial Workforce

To ensure the development and protection of the rights and interests of its employees, the Company has earnestly advanced workforce construction in accordance with the deployment requirements for industrial reform, focusing on skills development, career progression, protection of labor and economic rights and interests, platforms for employees to contribute and achieve, and workforce expansion. Emphasis is placed on the Company's leading role in establishing an employee development system characterized by sound institutional implementation, improved competence, and guaranteed rights and interests, with the aim of cultivating a knowledge-based, skilled, and innovative workforce to support the high-quality advancement of industrial reform. In accordance with the law, the Company has established mechanisms for labor dispute mediation and labor protection supervision, conducts legal education seminars, and systematically enhances employees' ability to safeguard their rights and the level of occupational health protection. Furthermore, the Company systematically organizes a series of "Diverse and Multi-Skill" competitions, promotes "Five Small" innovations and team building, and fosters the spirit of craftsmanship through employee innovation studios. It strictly implements the workers' congress system, deepens the disclosure of factory affairs, standardizes labor contracts and collective negotiation, and builds harmonious and stable labor relations, laying a solid foundation for both industrial reform and workforce development.

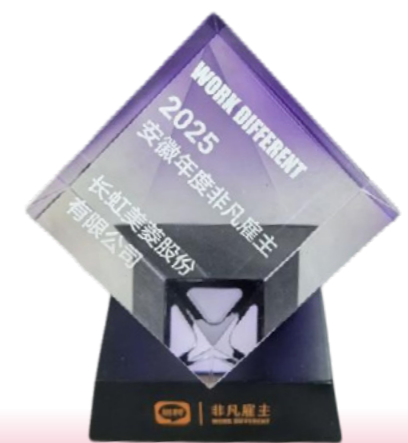


The Company conducted university roadshow recruitment activities

On-site Presentation of the Company's Westward Expansion Plan



In 2025, Changhong Meiling was awarded the Yupao Direct Hiring Star Employer Award



In 2025, the Company was awarded the Liepin Extraordinary Employer Award

Indicators and Targets Related to Employee Rights Protection

The Company is committed to establishing an employee rights management system characterized by "compliance assurance, fair development, health and safety, and humanistic care," aiming to achieve full coverage of employee rights protection, steadily improve employee satisfaction, and foster a caring and responsible employment environment. This supports talent retention and team stability.

Category	2025 Targets	Reporting Period	Progress During the Reporting Period
Turnover rate of employees	Maintain an employee turnover rate below 5%	Short term	Achieved (actual: 3.17%)

The Company actively conducts employee satisfaction surveys using questionnaires, focus groups, and other methods to gain an in-depth understanding of employees' genuine thoughts and demands. The results are analyzed and discussed, and any objectively existing issues are promptly addressed to comprehensively improve employee satisfaction, optimize management strategies, and promote mutual growth between the Company and its employees. In 2025, employee satisfaction scored 72.74, and engagement scored 74.85, both showing year-on-year improvement.

Employee Training and Development

Governance Related to Employee Training and Development

The Company adheres to the principle of "enhancing all employees, focusing on key talents," aiming to establish a learning organization and systematically build a comprehensive talent development system covering all employees throughout their career lifecycle. By establishing and improving the employee training system, implementing tiered and categorized training, cooperating with external institutions, and encouraging employees to pursue academic degrees, the Company supports employees in enhancing their professional competence and skills. Around employee growth, a dual career pathway for management and professional expertise has been established, ensuring that employees can access clear promotion ladders and broad development opportunities, whether they aspire to be outstanding managers or senior specialists.

Strategy Related to Employee Training and Development

The Company has developed a robust training management and career development system to meet employees' professional development needs and align with the Company's strategic objectives, through systematic training plans, process and policy guarantees, and enriched resource allocation.

Types of Risk and Opportunity	Risk and Opportunity Description	Impact Severity	Impact Timeframe	Mitigation Measures
Other Risks	Intensified industry competition may lead to the loss of core technical personnel.	High	Medium term	Refine the promotion and incentive mechanisms. For key employees, implement equity incentives and employee stock ownership plans to strengthen alignment and deep engagement between employees and the Company.
	Existing employee skills may not match the demands of business transformation and technological iteration, limiting strategy implementation and innovation.	Medium	Medium term	Develop micro-learning modules mapped to critical positions, establishing a three-tier learning system comprising micro-learning, project-based learning, and in-depth development; implement internal certification and qualification assessments, and introduce "Skill Allowances" to incentivize priority skill acquisition.
Other Opportunities	Transition to green manufacturing provides career development opportunities for professionals skilled in low-carbon technologies.	Medium	Medium to Long Term	Cultivate employees through the internal training system, reducing the need for external recruitment.
	Investing in lifelong learning, build future-ready organizational capabilities and strengthen human capital barriers.	Medium	Medium to Long Term	Develop career development roadmaps aligned with business strategy, collaborate with universities and training institutions to provide course-based training, establish internal knowledge-sharing platforms, and implement incentive mechanisms for academic advancement.

Management of Impacts, Risks, and Opportunity Related to Employee Training and Development

The Company has established employee training and development management systems, including the Talent Development Plan, Job Grade Management Measures, and Implementation Measures for Professional Skill Level Assessment. It has built six vertical career development tracks covering management, R&D, technical, functional, marketing, and production roles. In addition, horizontal career development tracks have been established to implement a dual-track management model for professional and managerial roles. Each track features multiple promotion tiers to guide employees' career progression and remove barriers to talent development.

Employee Career Development Channels

Vertical Development Channels

- Employees in management and professional tracks can choose career paths aligned with their personal development plans for vertical advancement.
- Management-track employees undergo dynamic adjustments through evaluations that combine current incumbents and candidates' presentations, competitive selection, democratic assessments, competency evaluations, performance scores, and performance grades.
- Professional-track employees are evaluated annually through performance assessments, technical evaluations, and expert appraisals. Results are combined with annual performance reviews and technical point rankings to determine job grade promotions, ensuring a structured vertical growth path.

Horizontal Development Channels

- Horizontal development is divided into cross-track horizontal development and dual-directional development between management and professional tracks.
- For cross-track development, the Company encourages employees from various professional tracks to participate in horizontal positions in line with their career plans, expertise, and capabilities.
- We have established a dual-career development system that enables lateral mobility between professional and managerial tracks. This allows professional-track employees to compete for management positions, while management-track employees can participate in professional-track evaluations.



The Company organized new employees to participate in the Xinghuo Training Camp



The Company conducted core team leader training programs

Indicators and Targets Related to Employee Training and Development

Category	Goal	Reporting Period	Progress During the Reporting Period
Average training hours per employee	In 2025, the total training hours amounted to 33 hours	Short term	Achieved
	In 2026, the total training hours amounted to 40 hours	Short term	Planned for completion in 2026

To ensure the achievement of employee training and development targets in 2026, the Company plans to implement a diversified training system, deliver tiered and categorized training programs, adopt a blended online-and-offline learning approach, and apply training effectiveness evaluation and incentive measures.

Prioritizing Employee Well-being

Changhong Meiling has established a comprehensive caring and support mechanism, conducting regular employee assistance activities. These include summer heat relief initiatives, protection of female employees' rights, support for employees facing difficulties, and commemorative gifts for employees' children entering school, demonstrating attentiveness to employees' well-being. The Company organizes diverse cultural and recreational activities, strengthens sports and cultural development, and enriches employees' extracurricular life, fostering a respectful, supportive, and harmonious work environment. These efforts enhance team cohesion and engagement, building a virtuous and sustainable ecosystem of "caring for employees, improving efficiency, promoting development, and giving back to employees." In 2025, the Company labor union continued to strengthen support for employees in difficulty, successfully applying for and securing a total of RMB 488,000 in hardship assistance funds from the higher-level labor union, distributed to the accounts of 488 employees, providing support to households under financial stress.



Summer Heat Relief Campaigns



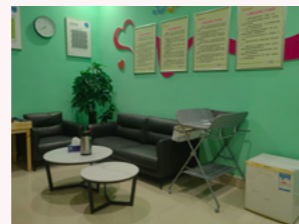
Activities for Protecting Female Employees' Rights



Support Initiatives for Employees in Difficult Circumstances



Visits and Assistance for Hospitalized Employees



Maternal and Infant Care Rooms



Employee Reading Rooms



Sports and Cultural Festival Events



Changhong Meiling "Open Day" Events

Occupational Health and Safety

Changhong Meiling consistently places occupational health and production safety at the forefront of its corporate development. The Company comprehensively implements safety production initiatives, continuously strengthens the occupational health and safety management system, and ensures employees' occupational health and workplace safety. These efforts foster a safe and harmonious working environment, laying a solid foundation for stable operations and high-quality development. In 2025, the Company's safety production control targets were set as follows: zero production safety liability incidents of Category II or above, zero production safety liability incidents with direct economic losses of RMB 300,000 or more, and zero fire incidents with direct economic losses exceeding RMB 200,000. The Company regularly monitors progress against occupational health and safety targets, and all annual safety production control targets were fully achieved.

Safety Production Management System

The Company strictly complies with the Work Safety Law of the People's Republic of China, the Special Equipment Safety Law of the People's Republic of China, the Regulations on Safety Production Management of Construction Projects, and other relevant laws and regulations. Internal management systems have been formulated and implemented, including the Safety Training Management System, the Hazard Identification and Safety Risk Classification and Control System, and the Stakeholder Safety Management System. A comprehensive safety production framework has been established. The Safety Production Committee, led by the President, serves as the top safety leadership body, supported by the independent Safety and Environmental Protection Department. Subsidiaries and relevant departments have set up safety leadership teams. Each unit/department has dedicated (or part-time) safety officers, building an enterprise model emphasizing intrinsic safety and scientific development.

Preventing Safety Risks

A systematic mechanism for hazard identification, closed-loop remediation, and information tracking has been established. Each unit implements closed-loop hazard management in accordance with the Company's procedures for hazard registration, tracking, and closure. Regular inspections and remediation are conducted across all operational areas. Focusing on hazard inspection and remediation, a graded hazard tracking risks have been eliminated. Significant safety hazards (A/B level) are subject to company-supervised corrective actions, monitored until resolved, and formally closed. In 2025, Changhong Meiling identified a total of 172 hazards, including 106 hazardous chemical issues, 45 dust explosion issues, and 21 basic management issues. By the end of 2025, 170 hazards had been rectified, achieving a remediation rate of 98.84%.

Safety Emergency Management

A comprehensive system of emergency response plans has been established. Units regularly conduct fire drills, hazardous chemical handling exercises, and other on-site incident simulations to assess preparedness, enhance employee safety awareness, and strengthen emergency response skills. The latest Production Safety Accident Emergency Response Plan was filed with the Hefei Economic Development Zone Emergency Management Bureau in December 2024. In 2025, the Company conducted 9 comprehensive drills, 52 specialized drills, and 82 on-site response exercises, with a total participation of 13,987 person-times.

Safety Culture Development

The Company adheres to the principle of "safety first, prevention-oriented, comprehensive management," implementing diversified safety culture promotion and education activities. Safety knowledge dissemination, training on safety laws, regulations and safety certification, and campaigns such as the Ankang Cup, Safety Production Month, and Fire Safety Month guide employees to adopt correct safety concepts, behavioral habits, and working methods to achieve long-term safety production goals. In 2025, the Company organized 16 thematic training sessions for full-time and part-time safety management personnel, with approximately 500 participants, and 20 fire and security-themed trainings with about 8,000 participants.

Occupational Health Protection

The Company revised the Regulations on Occupational Health and Labor Protection Supervision and Management, strengthening hierarchical control over occupational safety risks. Accredited third-party institutions were engaged to conduct comprehensive testing of occupational hazard factors, including noise and chemical concentrations in production areas, covering 228 testing points to ensure full coverage. In 2025, Changhong Meiling completed 1,311 occupational health examinations, accurately identifying 44 employees with occupational contraindications, who were immediately reassigned according to established procedures to prevent occupational health risks at the source. No occupational disease cases were reported throughout the year.

The scope of statistics for completed occupational health examinations covers Changhong Meiling headquarters, Changhong Air Conditioner, and Zhongshan Changhong.

2025 Occupational Health Quantitative Targets and Achievement Status

Target Category	Specific Target	Target Value	Actual Achievement	Achievement Status	Key Notes
Occupational Health Examinations	Coverage rate of occupational health examinations	100%	100%	Achieved	Full-cycle coverage including pre-job, on-job, and post-job periods
Occupational Disease Hazard Testing	Coverage rate of occupational disease hazard factor testing	100%	100%	Achieved	Completed third-party testing at 228 monitoring points, providing data support for risk prevention
Emergency drill	Number of emergency drills conducted	Not less than 4	4 times	Achieved	Covered core emergency scenarios for high-risk positions; significantly improved employees' emergency response capability
Special Inspections	Number of occupational health special inspections	Not less than 12	12 times	Achieved	Achieved 100% hazard rectification rate, ensuring closed-loop hazard management
Incident Prevention	Incidence rate of occupational diseases and occupational health accidents	Double Zero	Zero occupational diseases, zero occupational health accidents	Achieved	Established a full-chain occupational health protection network
Training Coverage	Coverage rate of occupational health training	All employees	Fully covered	Achieved	Significantly improved employees' awareness of occupational health

The scope of statistics for the 2025 occupational health quantitative targets and achievements covers Changhong Meiling headquarters.



Certified under the Occupational Health and Safety Management System



Occupational Disease Hazard Testing



Occupational Health Examinations



Emergency drill for hazardous chemical spill



Safety knowledge training



Safety knowledge competition

Dedicated to Giving Back to Society

Changhong Meiling upholds a strong sense of corporate citizenship, integrating social responsibility deeply into its development strategy. The Company actively advances its social impact across multiple dimensions, including rural revitalization, community co-building, and public welfare initiatives, demonstrating corporate social value and fulfilling its social responsibilities. In 2025, Mianyang Meiling conducted supportive procurement of agricultural and sideline products from regions including Seda and Pingwu in Sichuan Province, totaling RMB 106,000; Zhongke Meiling established university scholarships with donations of RMB 450,000.



Promoting rural revitalization

Responding proactively to national strategies for comprehensive rural revitalization, the Company leverages industrial assistance and consumer-driven support through the "Charity-Based Agricultural Assistance Initiative," promoting local economic prosperity and social progress while injecting corporate resources into rural development.



Building Harmonious Communities

The Company engages deeply with local community development, utilizing its resources through financial support and other channels to actively participate in community cultural events such as the "2025 Lighthouse Music Night." Employees are encouraged to participate in volunteer services, help maintain public order, and demonstrate exemplary civic spirit, fully reflecting the Company's responsibility as a community co-builder.



Supporting Public Welfare and Philanthropy

The Company commits to social welfare, organizing and participating in activities such as voluntary blood drives, book donations, and community care visits. These programs extend support to vulnerable groups, including left-behind children and outdoor laborers, shaping a positive public image of Changhong Meiling as a socially responsible and mission-driven enterprise.



Changhong Meiling "Charity-Based Agricultural Assistance Initiative"



"2025 Lighthouse Music Night" Community Event



"Road Safety Guidance" Volunteer Activity



"Co-building the Union Happiness Station" Book Donation Charity Initiative

Future Prospects

In 2026, Changhong Meiling will remain firmly anchored to the goal of high-quality development, accelerating digital transformation and intelligent upgrades, deepening green technology innovation and end-to-end low-carbon practices. Leveraging technological capabilities to drive industrial advancement toward greener solutions, the Company will strengthen talent pipelines and stakeholder collaboration, building a modern enterprise model that is resilient, people-oriented, and value-creating. Changhong Meiling is committed to fulfilling its ESG promises and striving to write a new chapter in the Company's sustainable development journey.



Appendix

Key Performance Table

Dimension	Indicator	Unit	2025
Environmental Investment	Total environmental protection investment	RMB 10,000	1,032.09
Greenhouse Gas Emissions	Direct greenhouse gas emissions (Scope 1)	tCO ₂ e	905.21
	Indirect greenhouse gas emissions (Scope 2)	tCO ₂ e	53,966.44
	Total greenhouse gas emissions	tCO ₂ e	54,871.65
	Total Carbon emissions per RMB million of output value	tCO ₂ e/RMB million output value	5.11
Wastewater Discharge	Industrial wastewater discharge	Ton	544,648.59
	Domestic wastewater discharge	Ton	202,599.10
	Total wastewater discharge	Ton	747,247.69
	Chemical Oxygen Demand (COD) emissions	Ton	43.01
	Biochemical Oxygen Demand (BOD) emissions	Ton	17.18
	Ammonia nitrogen (NH ₃ -N) emissions	Ton	6.07
	Total phosphorus emissions	Ton	0.63
Waste Gas Emissions	Exhaust Gas Emissions	Ton	13.68
	Exhaust gas emission intensity	t / RMB 10,000 revenue	0.0000045
	Particulate matter (PM) emissions	Ton	0.53
	Nitrogen oxides emissions	Ton	0.36
	Volatile organic compounds (VOCs) emissions	Ton	12.01
Waste Disposal	Harmful waste generation	Ton	653.87
	Harmless waste generation	Ton	32,569.58
Energy Consumption	Total energy consumption per RMB million revenue	tce / RMB million revenue	0.96
	Total electricity consumption	Ten thousand kWh	19,955.33
	—Green electricity purchased	Ten thousand kWh	4,797.02

Dimension	Indicator	Unit	2025	
	—Self-generated electricity (PV, residual heat, wind)	Ten thousand kWh	570.29	
	Total gasoline consumption	Ton	10.09	
	Diesel consumption	Ton	106.68	
	Natural gas consumption (total)	10,000 m ³	271.32	
	Heat consumption	million kJ	29,937.26	
	Total comprehensive energy consumption	tce	30,185.01	
	Proportion of renewable energy in total energy consumption	%	18.24	
	Water Resources Usage	Total water consumption	m ³	1,335,122.04
		Water saved	m ³	-34,899.17
Recycled/reused water		m ³	493,251.63	
Water consumption per RMB million revenue		m ³ / RMB million revenue	43.91	
Proportion of recycled water in total water usage		%	36.94	
Circular Economy	Renewable materials consumption	Ton	800,417.56	
	Total materials used in production and packaging	Ton	959,981.98	
Product Quality Management	Product ex-factory qualification rate	%	100.00	
	Customer Service and Rights	Number of product and service complaints	Item	1,690.00
Customer complaint resolution rate		%	100.00	
Complaint response rate		%	100.00	
Average complaint response time		Hour	0.5	
Average complaint resolution time		Hour	24	
Domestic customer satisfaction		%	98.92	
International customer satisfaction	%	98.80		
Data Security	Number of data security / customer privacy training sessions	Times	44.00	
	Training coverage of data security / customer privacy training sessions	%	93	
	Average training duration per person of data security / customer privacy training sessions	Hour	1.5	

Dimension	Indicator	Unit	2025
Supplier Management	Total number of suppliers at the end of the reporting period	/	1,602.00
	Localization rate of suppliers	%	44.53
	Number of suppliers with sustainability certifications	/	698.00
	Proportion of suppliers with sustainability certifications	%	52.28
	Amount of responsible (green) procurement	RMB 10,000	1,162,972.81
Technology Innovation Management	RD investment amount	RMB 10,000	96,753.67
	Number of RD personnel	Person	1,633.00
	Proportion of R&D personnel	%	11.64
Intellectual Property Protection	Number of patent applications filed	Item	1,073.00
	Number of invention patents granted	Item	219.00
	Number of utility model patents granted	Item	520.00
	Number of design patents granted	Item	94.00
	Total valid patents during reporting period	Item	3,776.00
	Number of invention patents applied to main business	Item	1,705.00
	Software copyrights	Item	224.00
Employment and Composition	Total employees	Person	14,028.00
	Number of female employees	Person	4,113.00
	Number of production personnel	Person	7,094.00
	Number of sales personnel	Person	4,031.00
	Number of technical personnel	Person	1,985.00
	Number of finance personnel	Person	322.00
	Number of administrative personnel	Person	596.00
	Labor contract execution rate	%	100.00
	Turnover rate of employees during reporting period	%	3.17
	Number of employees with college education	Person	10,261.00
	Number of employees with bachelor's degree	Person	3,460.00
	Number of employees with master's degrees or higher	Person	307.00
	Proportion of female executives among total executives	%	28.57
	Number of Female Senior Management Personnel	Person	2.00
	Social insurance coverage rate	%	100.00

Dimension	Indicator	Unit	2025
Development and Training	Total investment in employee training	RMB 10,000	194.12
	Total employee training hours	Hour	50,754.00
	Employee training coverage rate	%	100.00
Occupational Health	Employee work injury insurance investment	RMB 10,000	647.78
	Employee work injury insurance coverage rate	%	100.00
Rural Revitalization	Investment in rural revitalization	RMB 10,000	253.28
Social Welfare Initiative	Charitable donation amount	RMB 10,000	48.50
	Number of volunteer activities	Session	20.00
	Employee participation in volunteer activities	Person-time	1,229.00
	Total hours of voluntary activities	Hour	2,685.50
Company Overview	Number of Company Directors	Person	9.00
	Number of Independent Directors	Person	3.00
	Percentage of Independent Directors on the Board	%	33.33
	Number of Shareholders' General Meetings	Times	4.00
	Number of items discussed and reviewed at Shareholders' General Meetings	Nos.	26.00
	Number of Board Meetings	Times	15.00
	Number of items discussed and reviewed at Board Meetings	Nos.	106.00
Integrity Building	Total Number of employees participating in anti-commercial bribery and anti-corruption Training	Person	3,367.00
	Percentage of employees participating in anti-commercial bribery and anti-corruption Training	%	74.00
Standardized Governance	Total Number of Standardized Governance & Compliance Training Sessions	Times	11.00
	Total Duration of Standardized Governance & Compliance Training	Hour	15.00
	Total Number of Participants in Standardized Governance & Compliance Training	Person	2,024.00

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