

**Hangzhou Robam Appliances Co., Ltd.**

**2025 Annual Report**

**ROBAM老板**  
享受创造

**April 2026**

# 2025 Annual Report

## Section 1 Important Notes, Contents and Interpretations

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

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

All the directors attended the board meeting for reviewing the Report.

The Company's profit distribution plan approved by the Board of Directors is as follows: based on the total of 944,938,916 shares, a cash dividend of RMB 5 (inclusive of tax) will be distributed to all shareholders for every 10 shares held. No bonus shares (inclusive of tax) will be issued, and there will be no capital reserve converted into capital stock.

## Contents

<b>Section 1 Important Notes, Contents and Interpretations</b> .....	2
<b>Section 2 Company Profile and Major Financial Indicators</b> .....	6
<b>Section 3 Management Discussion and Analysis</b> .....	11
<b>Section 4. Corporate Governance, Environment and Society</b> .....	29
<b>Section 5 Significant Matters</b> .....	52
<b>Section 6 Changes in Shares and Shareholders</b> .....	58
<b>Section 7 Bonds</b> .....	65
<b>Section 8 Financial Report</b> .....	66

## **Documents Available for Inspection**

1. Financial statements bearing signatures and seals of the legal representative, the person in charge of accounting affairs and the head of the accounting body.
2. The original audit report affixed with the seal of ShineWing Certified Public Accountants (Special General Partnership) and signed and sealed by the certified public accountants.
3. Original copies of documents and announcements of the Company published in the newspaper designated by China Securities Regulatory Commission during the Reporting Period.
4. The Company's 2025 Annual Report signed by the legal representative.

## Interpretations

Item	refer(s) to	Contents
The Company, Company, Robam Appliances	refer(s) to	Hangzhou Robam Appliances Co., Ltd.
MingQi	refer(s) to	Hangzhou MingQi Electric Co., Ltd.
Kinde Intelligent	refer(s) to	Shengzhou Kinde Intelligent Kitchen Appliances Co., Ltd.
Jinhe Electric Appliance	refer(s) to	Hangzhou Jinhe Electric Appliances Co., Ltd.
Robam Group	refer(s) to	Hangzhou Robam Industrial Group Co., Ltd., controlling shareholder of the Company
The reporting period	refer(s) to	Year 2025
AVC	refer(s) to	Beijing All View Cloud Data Technology Co., Ltd.
Government subsidy	refer(s) to	Home appliance trade-in subsidy policy (“old-for-new” program)

## Section 2 Company Profile and Major Financial Indicators

### I. Company Information

Stock abbreviation	Robam	Stock code	002508
Stocks traded on	Shenzhen Stock Exchange		
Chinese name of the Company	Hangzhou Robam Appliances Co., Ltd.		
Short Chinese name of the Company	Robam		
English name of the Company (if any)	HANGZHOU ROBAM APPLIANCES CO., LTD.		
Short English name of the Company (if any)	ROBAM		
Legal representative of the Company	Ren Jianhua		
Registered address	No. 592, Linping Avenue, Linping Economic and Technological Development Zone, Linping District, Hangzhou City, Zhejiang Province		
Postal code of the registered address	311100		
Historical changes of the Company's registered address	N/A		
Office address	No. 592, Linping Avenue, Linping Economic and Technological Development Zone, Linping District, Hangzhou City, Zhejiang Province		
Postal code of the office address	311100		
Company website	www.robam.com		
E-mail	robam@robam.com		

### II. Contact Person and Contact Information

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

### III. Information Disclosure and Filing Location

Website of the stock exchange designated for disclosure of the Company's annual report	www.szse.cn
Media outlets designated for disclosure of the Company's	Securities Times, China Securities Journal, Securities Daily,

annual report and their websites	Shanghai Securities News, and CNINFO (http://www.cninfo.com.cn)
Location where the Company's annual report is filed for inspection	Office of the Board of Directors of the Company

#### IV. Changes in Registration

Unified Social Credit Code	91330000725252053F
Changes in the Company's main business since listing (if any)	N/A
Changes in controlling shareholders over time (if any)	N/A

#### V. Other Information

Accounting firm engaged by the Company

Name of the accounting firm	ShineWing Certified Public Accountants (Special General Partnership)
Office Address of the accounting firm	9/F, Block A, Fuhua Mansion, No. 8 Chaoyangmen North Street, Dongcheng District, Beijing
Name of signatory accountant(s)	Liu Yu, Tian Chuan

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

Applicable Not applicable

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

Applicable Not applicable

#### VI. Key Accounting Data and Financial Indicators

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

Yes  No

	2025	2024	Increase/decrease in the current year over the previous year	2023
Operating income (RMB)	10,116,069,396.20	11,212,654,220.22	-9.78%	11,201,895,774.27
Net profit attributable to shareholders of the listed company (RMB)	1,255,879,806.22	1,577,400,594.74	-20.38%	1,732,789,332.13
Net profit attributable to shareholders of the listed company after deducting non-recurring gains/losses (RMB)	1,163,695,374.38	1,455,592,192.81	-20.05%	1,583,568,042.64
Net cash flow from operating activities (RMB)	1,597,826,676.68	1,660,251,710.71	-3.76%	2,391,921,812.71
Basic earnings per share (EPS) (RMB/share)	1.33	1.67	-20.36%	1.83

Diluted EPS (RMB/share)	1.33	1.67	-20.36%	1.83
Weighted average return on net assets	10.64%	14.44%	A decrease of 3.80%	16.78%
	End of 2025	End of 2024	Increase/decrease at the end of this year over the end of the previous year	End of 2023
Total assets (RMB)	17,208,063,114.15	17,043,258,282.33	0.97%	16,779,531,315.72
Net assets attributable to shareholders of the listed company (RMB)	11,497,455,691.08	11,178,437,443.19	2.85%	10,522,938,731.68

Whether the lower of the net profit before and after deduction of non-recurring gains and losses for each of the Company's most recent three fiscal years is negative, and whether the most recent audit report indicates uncertainty regarding the Company's ability to continue as a going concern:

Yes  No

Whether the lower of the audited total profit, net profit, and net profit after deduction of non-recurring gains and losses for the reporting period is negative:

Yes  No

## VII. Differences in Accounting Data under Domestic and Foreign Accounting Standards

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

Applicable  Not applicable

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

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

Applicable  Not applicable

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

## VIII. Key Quarterly Financial Indicators

In RMB

	Q1	Q2	Q3	Q4
Operating income	2,076,194,452.05	2,531,330,251.21	2,704,212,014.60	2,804,332,678.34
Net profit attributable to shareholders of the listed company	340,019,016.58	371,621,941.61	445,685,188.26	98,553,659.77
Net profit attributable to shareholders of the listed company after deducting non-	313,555,187.51	328,444,051.40	417,748,166.59	103,947,968.88

recurring gains/losses				
Net cash flow from operating activities	-187,492,962.49	698,699,723.34	217,987,889.37	868,632,026.46

Whether the above financial indicators or their aggregates differ materially from the corresponding financial indicators disclosed in the Company's quarterly and semi-annual reports:

Yes  No

## IX. Items and Amounts of Non-recurring Gains and Losses

Applicable  Not applicable

In RMB

Item	Amount for 2025	Amount for 2024	Amount for 2023	Description
Gains and losses on disposal of non-current assets (including the written-off part of the provision for asset impairment accrued)	-5,877,227.41	-4,462,199.53	-1,212,528.65	
Government subsidies included in current gains and losses (excluding government subsidies closely related to the Company's normal business, in line with national policy, enjoyed according to established standards, and having a sustained impact on the Company's gains and losses).	51,206,395.48	70,457,368.55	82,547,062.16	
Reversal of impairment provision for accounts receivable tested for impairment separately	71,314,775.15	77,862,379.66	98,986,397.46	
Other non-operating revenues and expenses except the above items	-7,470,401.43	-5,902,946.81	-1,838,686.70	
Other gain/loss items conforming to the definition of non-recurring gains/losses		10,545,396.79		
Less: Affected amount of income tax	16,653,215.85	19,348,744.85	27,437,027.69	
Affected amount of minority shareholders' equity (after tax)	335,894.10	7,342,851.88	1,823,927.09	
Total	92,184,431.84	121,808,401.93	149,221,289.49	--

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

Applicable Not applicable

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

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

Applicable Not applicable

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

## Section 3 Management Discussion and Analysis

### I. Main Businesses during the Reporting Period

The Company has continued to deepen its presence in the kitchen appliance sector. Guided by its corporate mission of “fulfilling people’s diverse desires for exceptional kitchen experience,” it adheres to a development philosophy centered on the integration of “technology + humanistic care.” With a strategic positioning as a “provider of integrated, full-chain cooking solutions,” the Company focuses on the core cooking scenario and specializes in the research and development, manufacturing, and sales of kitchen appliances, including range hoods, gas stoves, dishwashers, combi-steam ovens, gas water heaters, and water purifiers, while continuously optimizing its comprehensive service system. Driven by technological innovation, the Company promotes product upgrades and scenario expansion, steadily advancing from traditional kitchen appliances toward digital kitchen appliances, integrated packages, and cooking ecosystem services. While consolidating its foundation in the household kitchen appliances business, it is also gradually expanding into commercial and related businesses, fostering a diversified and synergistic business development model. The Company is committed to delivering more convenient, healthy, and engaging kitchen experiences for households and diverse cooking scenarios worldwide. After 47 years of development, it has grown into one of the leading enterprises in China’s kitchen appliance industry, continuously strengthening its advantages in core product categories, product portfolio, channel coverage, and brand influence.

In terms of its product system, the Company continues to refine a multi-tiered product portfolio centered on full-scenario cooking needs, dividing its core offerings into three major segments: kitchen air environment products, cooking appliances, and cleaning and storage products. The kitchen air environment product line, with range hoods at its core, focuses on optimizing kitchen air quality and providing efficient smoke extraction solutions. The cooking appliance line includes gas stoves, induction stoves, integrated stoves, and combi-steam ovens, covering both open-flame and electric cooking scenarios, while advancing the intelligence and convenience of cooking methods. The cleaning and storage product line encompasses dishwashers, water purifiers, gas water heaters, disinfection cabinets, refrigerators, and integrated sinks, forming a closed-loop kitchen health management system across water treatment, cleaning, and storage. Through coordinated product lines, the Company integrates the entire chain of R&D, production, and sales, leveraging digital kitchen appliance technologies, modular product systems, and scenario-based solutions to continuously enhance the users' cooking experience.

In terms of channel strategy, the Company has established a comprehensive omni-channel network covering offline retail, online e-commerce, fine decoration real estate projects, and overseas markets. The offline retail network is centered on the Company’s national marketing centers and includes specialty stores (such as those under the national marketing system, Red Star Macalline, and Easyhome), KA retail chains (including Suning and JD Five Star), home renovation partners (home renovation companies and gas utilities), customized solution providers (whole-house customization companies), and lower-tier markets (including JD franchise stores, Tmall Youpin, and Suning Retail Cloud). The online e-commerce channel is primarily operated directly by the Company’s e-commerce division, covering major platforms such as JD.com, Tmall, and Douyin, while actively exploring emerging models such as content-driven and livestream e-commerce to efficiently reach consumers. The developer channel focuses on central and state-owned enterprises, nationwide private real estate developers, and regional urban investment and construction entities, steadily advancing cooperation in fine decorated housing, integrated cabinet-appliance solutions, and related application scenarios. The Company has expanded into overseas markets across five continents and 40 countries and regions, continuously advancing its global brand strategy through distributor network expansion, localized operational capabilities, and the establishment of subsidiaries in key regions.

## II. Industry Overview During the Reporting Period

In 2025, the kitchen appliance industry faced a confluence of factors, including the diminishing marginal effects of government trade-in subsidy policies (“old-for-new” program), a gradual recovery in consumer confidence, and ongoing adjustments in the real estate market. As a result, market competition has increasingly shifted toward competition within existing demand. According to AVC (All View Cloud) aggregated data, China’s home appliance market (excluding 3C products) recorded total omnichannel retail sales of RMB 893.1 billion in 2025, representing a year-on-year decline of 4.3%. The kitchen and bathroom appliance market (including integrated stoves) recorded total omnichannel retail sales of RMB 161.3 billion, a year-on-year decrease of 8.5%. By category, retail sales of range hoods and gas stoves reached RMB 34.91 billion and RMB 19.45 billion, respectively, representing year-on-year declines of 3.6% and 4.9%. Categories such as dishwashers, built-in appliances, and water purifiers also experienced varying degrees of decline. Overall, following a phase of policy-driven recovery, the industry is increasingly reverting to fundamentals driven by genuine demand and core business performance.

From an operational perspective, the kitchen appliance market in 2025 exhibited several notable characteristics: demand was stronger at the beginning and weakened at the end; channel structures are undergoing rapid transformation; and product upgrades are refocusing on core user experience. On the one hand, subsidy-driven demand has shifted from concentrated early-stage release to gradual tapering, returning competition to fundamentals such as real demand, product innovation, and operational capabilities. This has placed higher requirements on enterprises in areas such as cash flow management, channel coordination, inventory turnover, and end-user conversion. On the other hand, the boundaries between online and offline channels continue to blur, with shelf-based e-commerce, instant retail, and in-store experiences evolving in tandem. Channel competition is shifting from isolated sales capabilities toward comprehensive competition in full-domain reach, scenario-based operations, and conversion efficiency. At the same time, the logic of product upgrades is evolving away from excessive feature stacking and parameter competition, toward addressing core users' pain points and fundamental needs. Industry competition is increasingly focused on brand strength, product competitiveness, scenario adaptability, and service capabilities. With the release of new national standards such as GB 29539-2025 for range hoods and GB 30720-2025 for gas stoves, industry entry thresholds and standardization levels are expected to rise further. The elimination of outdated production capacity and increased market concentration are likely to accelerate, benefiting leading enterprises with strong brand equity, R&D capabilities, channel management, and service delivery.

From a long-term perspective, ongoing urbanization and the renovation of existing housing stock continue to underpin demand for kitchen appliances. By the end of 2025, China’s urban resident population reached 953.8 million, with an urbanization rate of 67.89%, up 0.89% year-on-year. During the year, 27,100 old urban residential communities were newly renovated, benefiting 4.99 million households. As partial home renovations, replacement demand, and upgrades to higher-quality kitchen environments continue to advance, the kitchen appliance industry retains a solid foundation for replacement-driven demand and is expected to continue evolving toward higher quality, greater intelligence, and more scenario-based solutions.

## III. Analysis of Core Competitiveness

There is no material change in the Company’s core competitiveness during the reporting period. The Company’s core competitiveness is mainly reflected in its high-end brand positioning, sustained R&D innovation capability, comprehensive and efficient operation capability.

### 1. High-end brand positioning

The “ROBAM” brand was established in 1988. In 2025, the Company further advanced its positioning as “your cooking partner,” deepening the integrated development path of “technology + humanistic care” and consistently promoting its brand value proposition of “cooking freedom, enjoyment of creation, and fulfillment of a better life.” The brand is evolving from a “kitchen appliance expert” to a “cooking partner.” “ROBAM” has become one of the most recognized and widely favored premium professional kitchen appliance brands in China. Since 1991, ROBAM range hoods have successively received the “Silver Award

for Quality of the People’s Republic of China” (the only such award in the kitchen appliance industry), “China Top-brand product,” and “National Inspection-Exempt Product” honors. The “ROBAM” trademark has been recognized as a “China Well-Known Trademark,” and the brand has received accolades such as “Most Influential Brand in China’s Kitchen Appliance Industry” and “China’s Top 500 Most Valuable Brands.” In addition, Robam Appliances has been listed among the “BrandZ Top 100 Most Valuable Chinese Brands” for seven consecutive years and the “Asia’s Top 500 Brands” for fifteen consecutive years. ROBAM range hoods and built-in stoves have ranked No. 1 globally in sales for eleven consecutive years, while large cooking appliances have ranked No. 1 globally for five consecutive years. The Company has also been included in the first batch of “China Consumer Premium Brands” designated by the Ministry of Industry and Information Technology, making it the only enterprise from the kitchen appliance industry to be selected.

## **2. Sustained R&D innovation capability**

The Company consistently regards R&D innovation as a strategic core and continues to strengthen its “technology leadership” advantage. Leveraging national-level innovation platforms—including a National Enterprise Technology Center, a National Industrial Design Center, a National Intellectual Property Demonstration Enterprise designation, and a nationally accredited laboratory—the Company has established a coordinated dual-research-institute structure in Hangzhou and Chengdu. Together with innovation platforms such as the Digital Kitchen Appliance Research Institute, it has built a comprehensive innovation system spanning basic research, key technology development, application development, and commercialization. Focusing on three key dimensions—technology, form, and intelligence—the Company continuously enhances its R&D capabilities, targeting frontier areas such as digital kitchen appliances, intelligent cooking, multimodal interaction, and core component technologies. It has strengthened competitiveness in core categories, improved product innovation efficiency, and enhanced its ability to deliver scenario-based solutions. The Company continues to refine its end-to-end R&D process from demand insight and pre-research to product development and commercialization, while strengthening collaboration among industrial design, technology development, and product management. By concentrating innovation resources on core categories and strategic directions, the Company maintains leadership in industry standards development, enhances its technological influence, and steadily strengthens its overall competitiveness.

## **3. Comprehensive and efficient operation capability**

The Company continues to build a comprehensive and efficient operational system, adhering to a user-centric operating philosophy. It steadily advances coordinated development across multiple channels, including retail, e-commerce, developer, and overseas markets. By focusing on the user journey, it continuously optimizes end-point reach, store operations, scenario experience, and service responsiveness, while promoting multi-brand coordination and deep channel penetration to establish a highly efficient and responsive market operation system. The Company continues to deepen intelligent manufacturing and refined operations, improving operational efficiency and delivery capability in complex environments. It has been awarded honors such as “National Top 100 Benchmark Enterprise for Quality Inspection Integrity” and “National Excellent Enterprise for Quality Credit.” It has also been recognized by the Zhejiang Provincial Department of Economy and Information Technology as one of the first “Future Factories,” demonstrating authoritative recognition of its manufacturing and operational management capabilities. The Company is accelerating the integration of digitalization and informatization. Leveraging its Cloud Nine Central Intelligent Platform, industrial internet platform, and direct-to-consumer integrated digital supply chain system, it promotes data connectivity and business coordination across front-, middle-, and back-end operations. This enhances its capabilities in a digital environment and strengthens its sustainable competitiveness in both domestic and international markets. The Company has also been recognized as a provincial-level industrial internet platform and was selected as one of the first “Kunpeng Enterprises” in Hangzhou.

## IV. Analysis of Main Business

In 2025, affected by factors such as the continued adjustment of the real estate market and the diminishing marginal effects of government trade-in subsidy policies (“old-for-new” program), the home appliance market returned to fundamentals after a phase of policy-driven recovery. The market exhibited a “stronger at the beginning and weakened at the end” trend throughout the year, with overall growth under pressure. Due to weakening demand for new housing and intensified industry competition, the kitchen appliance market experienced more pronounced pressure. In the retail channel, according to AVC offline retail market monitoring monthly reports (“AVC Offline Reports”), retail sales of major kitchen appliance categories—range hoods and gas stoves—increased by 1.21% and decreased by 1.05% year-on-year, respectively. In the e-commerce channel, according to AVC online retail market monitoring monthly reports (“AVC Online Reports”), retail sales of range hoods and gas stoves increased by 7.91% and 1.72% year-on-year, respectively. In the developer channel, according to AVC data, there were 1,073 newly launched fine decorated residential projects during the year, with 518,000 units, representing a year-on-year decline of 22.1%. The penetration rate of fine decorated housing was 35.9%, continuing an overall downward trend.

The Company adheres to the integrated development path of technology and humanity and advances its operations and business layout under the annual theme of “Building Dreams and Sailing Further—Leading a New Journey of Digital Transformation in Cooking.” Despite a complex external environment, the Company has maintained its leading position in the industry. According to AVC Offline Reports, the ROBAM brand’s market share in retail sales of range hoods and gas stoves reached 31.42% and 31.56%, respectively, maintaining long-term industry leadership. According to AVC Online Reports, the ROBAM brand’s market share in kitchen appliance package sales reached 17.57%, continuing to rank first in the industry. In 2025, the Company achieved a revenue of RMB 10.116 billion, representing a YoY decrease of 9.78%. The net profit attributable to shareholders of the listed company was RMB 1.256 billion, a YoY decrease of 20.38%.

As of December 31, 2025, according to AVC Offline Report, the market shares and market rankings of the Company’s main product categories in terms of offline retail sales are shown in the following table:

Range hood	Gas stove	Built-in combi-steam oven	Built-in Dishwasher	Built-in electric baking oven	Built-in electric steam oven	Disinfection cabinet
31.42%	31.56%	27.92%	17.35%	12.16%	19.20%	23.52%
1	1	1	3	4	3	2

As of December 31, 2025, according to AVC Online Report, the market shares and market rankings of the Company’s main product categories in terms of online retail sales are shown in the following table:

2-piece package of range hood and stove	Kitchen appliance package	Range hood	Gas stove	Built-in combi-steam oven	Built-in electric steam oven	Built-in dishwasher
18.82%	17.57%	19.57%	17.59%	13.58%	23.29%	6.85%
1	1	1	2	3	3	5

As of December 31, 2025, according to AVC Real Estate Report, the market share of ROBAM range hoods in the fine decoration channel was 27.5%, ranking No.2 in the industry.

In 2025, the technology segment advanced innovation breakthroughs along three key dimensions—technology, form, and intelligence—thereby comprehensively strengthening the foundational capabilities of digital kitchen appliances and intelligent cooking technologies. The Company established the Hangzhou AI Research Institute to further enhance its organizational framework for intelligent R&D. The *Culinary Master (Shishen)* large model continued iterative upgrades and became the first in the kitchen appliance industry to complete the three requisite filings for security, algorithms, and large models. It was also selected as one of the first pilot projects for high-quality dataset development at the national level, accelerating the penetration of intelligent capabilities into product development, user services, and operational management scenarios. Meanwhile, the Company deepened differentiated technology R&D and product form innovation around its core categories, accelerated the commercialization of digital kitchen appliance technologies, and continuously refined its full-scenario cooking product portfolio. As of the end of 2025, the Company had led the formulation of 46 standards, including 2 international standard proposals, 6 national standards, 3 industry standards, and 35 group standards. It had participated in the formulation of 119 standards, including 52 national standards, 17

industry standards, and 50 group standards. The Company held a total of 7,118 valid patents, including 841 invention patents. In 2025 alone, it was granted 1,577 patents, including 363 invention patents. The total number of valid patents and copyrights reached 7,377, including 7,118 patents and 259 copyrights. During the reporting period, the Company was once again awarded the China Gold Award for Design Patents, becoming the only enterprise in the industry to receive this national-level honor twice. Its technology commercialization rate remains industry-leading, and its innovation strength and industry influence continue to grow.

In 2025, the marketing segment firmly implemented a user-centric strategic approach, advancing cross-functional collaboration across the entire business around the user journey, deepening organizational restructuring and capability upgrades, and continuously strengthening its core business foundation amid intensified competition in a mature market. In the retail channel, the Company adhered to the core principle of “rebuilding growth momentum based on user needs,” continuously enhancing store operations and scenario-based experience capabilities through its “heaven-earth-human-network” user engagement system. It actively responded to government trade-in subsidy policies (“old-for-new” program) by optimizing service offerings such as “same-day delivery and installation” and “free cabinet renovation,” thereby deepening penetration in the replacement market and improving user upgrade experiences. In the e-commerce channel, the Company focused on user insight and content innovation and strengthened off-site grass-raising and on-site traffic operation, promoting the synergistic development of multiple categories and upgrading the product structure, and continuously improving the sound volume and operational efficiency of high-end products. In the developer channel, against the backdrop of pressure in the fine decorated housing market, the Company advanced its “project branding” strategy, focusing on high-end projects and optimizing its customer structure. It steadily promoted the integration of cabinet products and the “integrated cabinet-appliance” business model, laying a solid foundation for the long-term development of the project business. In the overseas channel, the Company accelerated its global expansion and brand internationalization, systematically enhancing cross-border operations and localization capabilities. Subsidiaries in Indonesia and Malaysia were successfully established, marking solid progress in the deepening of overseas business operations. Overall, in 2025, coordinated efforts across all marketing channels further enhanced channel penetration and user engagement effectiveness.

In 2025, the manufacturing segment focused on four core priorities—supply-demand integration, cost leadership, user satisfaction, and ecosystem collaboration—steadily advancing deep transformation of the supply chain system and upgrading manufacturing capabilities, thereby continuously improving overall responsiveness and operational quality. In terms of supply-demand integration, the Company advanced order-driven production and precise demand management, strengthened front-end demand capture, production-sales coordination, and flexible manufacturing capabilities, and promoted end-to-end coordination across demand, procurement, production, inventory, and delivery, enhancing visibility, controllability, and responsiveness of the delivery chain. In terms of cost leadership, the Company shifted from point-based cost control to full value chain total cost management, improving a closed-loop cost management system covering procurement, manufacturing, logistics, and delivery, thereby strengthening the sustainable cost competitiveness of its supply chain. In terms of user satisfaction, the Company accelerated its transition from product quality management to user-centric quality management, integrating data flows across products and services to establish a closed-loop management mechanism that continuously improves quality and service. In terms of ecosystem collaboration, the Company actively promoted the transition from supply cooperation to ecosystem co-development, strengthening information sharing, resource integration, and capability collaboration, thereby enhancing the overall competitiveness and risk resilience of the supply chain. At the same time, the Company comprehensively advanced process transformation initiatives such as IPD 3.0, continuously strengthening process-oriented organizational capabilities and cross-functional collaboration to support end-to-end product operations, supply chain transformation, and optimized business decision-making.

In 2025, the brand segment, guided by a belief in cooking, focused on the strategic goal of “evolving from a category brand to a super brand,” deepening the integration of technology and humanistic care, and advancing the brand upgrade from a “kitchen appliance expert” to “your cooking partner.” The Company articulated its brand value proposition of “cooking freedom, enjoyment of creation, and fulfillment of a better life,” comprehensively refreshed its visual identity system, and continued to elevate the brand image toward greater consistency and premium positioning. At the same time, the Company advanced user-centric

operational transformation. Leveraging the One ID user asset system and a Customer Data Platform (CDP) enriched with nearly 300 user tags, it achieved initial capabilities in precise user profiling, automated marketing, and sales enablement, effectively supporting a closed-loop Net Promoter Score (NPS) management system across the entire user journey. This lays the foundation for evolving from transactional relationships to long-term partnerships with users. In terms of content and ecosystem development, the Company created branded IP initiatives such as “Fresh Discovery Journey,” “National Cooking Day,” and the “Food Education Program,” strengthening emotional connections and humanistic value expression between the brand and users. It also established an exclusive official partnership with the Michelin Guide in the kitchen appliance category and collaborated with industry partners to build a “Cooking Ecosystem Alliance,” further enhancing its professional barriers, resource depth, and industry influence in the culinary domain.

In 2025, the Company continued to gain recognition from the capital market in terms of corporate governance, information disclosure and shareholder returns. It was rated A (Excellent) in the Shenzhen Stock Exchange’s 2024 annual information disclosure assessment, marking the twelfth consecutive year of achieving this distinction. In terms of employee incentives, the Company has established a normalized incentive mechanism and launched the “2025 Stock Option Incentive Plan” during the reporting period. Regarding shareholder returns, in accordance with the Company’s *Shareholder Return Plan (2024–2026)*, it continues to implement a dividend policy of “annual dividend in the first half of the year + interim dividend in the second half,” ensuring stable and predictable returns to safeguard investor interests and demonstrating its commitment to long-term, steady development and value investment.

## 1. Overview

### 2. Revenues and costs

#### (1) Composition of operating income

In RMB

	2025		2024		YoY change
	Amount	% of operating income	Amount	% of operating income	
Total operating income	10,116,069,396.20	100%	11,212,654,220.22	100%	-9.78%
By industry					
Kitchen and bathroom appliances	9,814,261,679.32	97.02%	10,927,951,599.01	97.46%	-10.19%
Other operating income	301,807,716.88	2.98%	284,702,621.21	2.54%	6.01%
By product					
Environment product line:					
Range hood	4,984,986,144.96	49.28%	5,455,325,125.48	48.65%	-8.62%
Cooking appliance line:					
Gas stove	2,505,732,908.56	24.77%	2,776,843,077.83	24.77%	-9.76%
Combi-steam oven	641,825,959.47	6.34%	703,918,496.33	6.28%	-8.82%
Integrated stove	138,609,484.13	1.37%	326,563,091.66	2.91%	-57.56%
Steam oven	30,866,532.92	0.31%	59,689,620.27	0.53%	-48.29%
Baking oven	24,766,000.72	0.24%	52,634,495.90	0.47%	-52.95%
Cleaning and					

storage product line:					
Dishwasher	680,157,742.84	6.72%	791,801,869.92	7.06%	-14.10%
Disinfection cabinet	240,619,806.23	2.38%	365,196,404.65	3.26%	-34.11%
Water heater	221,803,633.69	2.19%	245,883,199.81	2.19%	-9.79%
Water purifier	28,905,220.58	0.29%	35,585,094.72	0.32%	-18.77%
Other Categories					
Kitchen cabinet	181,233,742.07	1.79%	40,579,283.08	0.36%	346.62%
Other small appliances	134,754,503.15	1.33%	73,931,839.36	0.66%	82.27%
Other operating income	301,807,716.88	2.99%	284,702,621.21	2.54%	6.01%
By region					
East China	4,654,187,730.95	46.01%	5,201,184,851.21	46.39%	-10.52%
South China	1,137,771,493.64	11.25%	1,286,644,158.16	11.47%	-11.57%
Central China	820,937,087.97	8.12%	1,075,058,712.48	9.59%	-23.64%
North China	1,405,294,625.14	13.89%	1,375,127,412.37	12.26%	2.19%
Northeast China	495,594,120.71	4.90%	552,002,140.23	4.92%	-10.22%
Northwest China	574,421,832.87	5.68%	611,695,806.63	5.46%	-6.09%
Southwest China	941,338,994.58	9.31%	1,043,934,532.62	9.31%	-9.83%
Overseas	86,523,510.34	0.86%	67,006,606.52	0.60%	29.13%
Distribution model					
Sales by proxy	3,828,848,223.89	37.85%	3,543,017,921.52	31.60%	8.07%
Sales by dealers	143,363,819.72	1.42%	193,049,051.34	1.72%	-25.74%
Direct sales	4,941,294,161.02	48.85%	5,677,136,418.52	50.63%	-12.96%
Developer	1,074,797,193.30	10.62%	1,675,133,692.61	14.94%	-35.84%
Others	127,765,998.27	1.26%	124,317,136.23	1.11%	2.77%

**(2) Industries, products, regions and sales model accounting for more than 10% of the Company's operating income or profit**

Applicable Not applicable

In RMB

	Operating income	Operating costs	Gross margin	YoY change in operating income	YoY change in operating costs	YoY change in the gross margin
By industry						
Kitchen and bathroom appliances	9,814,261,679.32	4,917,039,686.79	49.90%	-10.19%	-10.97%	0.44%
By product						
Range hood	4,984,986,144.96	2,395,564,945.09	51.94%	-8.62%	-8.80%	0.09%
Gas stove	2,505,732,908.56	1,146,175,063.55	54.26%	-9.76%	-15.91%	3.35%
By region						
East China	4,654,187,730.95	2,166,432,872.38	53.45%	-10.52%	-14.26%	2.03%
South China	1,137,771,493.64	604,221,903.59	46.89%	-11.57%	-10.69%	-0.53%
North China	1,405,294,625.14	703,038,689.05	49.97%	2.19%	6.14%	-1.86%
Distribution model						
Direct sales	4,941,294,161.02	2,295,091,468.35	53.55%	-12.96%	-11.20%	-0.92%

Sales by proxy	3,828,848,223.89	1,961,764,585.27	48.76%	8.07%	3.83%	2.09%
Developer	1,074,797,193.30	645,179,984.01	39.97%	-35.84%	-35.35%	-0.45%

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

Applicable Not applicable

**(3) Whether the Company's revenue from sales of tangible goods exceeds revenue from the provision of services**

Yes No

Industry	Item	Unit	2025	2024	YoY change
Kitchen and bathroom appliances	Sales volume	Units	6,886,931	7,805,491	-11.77%
	Production volume	Units	7,132,116	7,748,456	-7.95%
	Inventory volume	Units	2,003,408	1,758,223	13.95%

Description of reasons for year-on-year changes of 30% or more in the relevant data

Applicable Not applicable

**(4) Performance status, as of the end of the reporting period, of major sales contracts and major procurement contracts entered into by the Company**

Applicable Not applicable

**(5) Composition of operating cost**

By Industry and Product

In RMB

Industry	Item	2025		2024		YoY change
		Amount	% of operating cost	Amount	% of operating cost	
Kitchen and bathroom appliances	Manufacturing cost	535,322,463.85	10.62%	558,100,446.06	9.89%	-4.08%
Kitchen and bathroom appliances	Raw materials	4,350,644,587.86	86.35%	4,915,272,039.78	87.08%	-11.49%
Kitchen and bathroom appliances	Labor	152,670,537.48	3.03%	171,453,841.88	3.03%	-10.96%

In RMB

Product	Item	2025		2024		YoY change
		Amount	% of operating cost	Amount	% of operating cost	
Range hood	Manufacturing cost	300,541,197.65	5.96%	317,262,127.96	5.62%	-5.27%
Range hood	Raw materials	2,005,056,319.15	39.80%	2,206,021,575.36	39.08%	-9.11%
Range hood	Labor	89,967,428.29	1.79%	103,332,020.32	1.83%	-12.93%

Gas stove	Manufacturing cost	78,158,067.52	1.55%	86,373,643.36	1.53%	-9.51%
Gas stove	Raw materials	1,056,996,021.77	20.98%	1,263,798,885.29	22.39%	-16.36%
Gas stove	Labor	11,020,974.26	0.22%	12,920,470.87	0.23%	-14.70%
Dishwasher	Manufacturing cost	35,754,809.04	0.71%	40,262,702.14	0.71%	-11.20%
Dishwasher	Raw materials	320,927,398.39	6.37%	405,050,503.42	7.18%	-20.77%
Dishwasher	Labor	9,668,663.76	0.19%	10,765,922.57	0.19%	-10.19%
Combi-steam oven	Manufacturing cost	33,217,579.85	0.66%	36,458,514.89	0.65%	-8.89%
Combi-steam oven	Raw materials	280,325,472.20	5.56%	331,581,413.93	5.87%	-15.46%
Combi-steam oven	Labor	12,275,892.52	0.24%	15,270,790.67	0.27%	-19.61%
Others	Manufacturing cost	87,650,809.78	1.74%	77,743,457.71	1.38%	12.74%
Others	Raw materials	687,339,376.35	13.64%	708,819,661.78	12.55%	-3.03%
Others	Labor	29,737,578.65	0.59%	29,164,637.45	0.52%	1.96%

**(6) Whether the scope of consolidation changed during the reporting period**

Yes No

During the year, the scope of consolidation increased by three wholly owned subsidiaries newly established by the Company, and one additional controlled subsidiary was formed through the demerger of a subsidiary. Details are as follows:

On July 11, 2025, Robam Appliances (Hong Kong) Holding Co., Ltd., a subsidiary of the Company, established Robam Appliances International Trading (Malaysia) Co., Ltd., with a registered capital of MYR 1,000 and a 100% equity interest. Its business scope covers the sales and after-sales services of kitchen appliances. As of the end of the reporting period, the registered capital had not yet been paid in and the company had not commenced operations.

On September 26, 2025, the Company established Hangzhou Robam Commercial Kitchen Technology Co., Ltd., with a registered capital of RMB 50 million and a 100% equity interest. Its business scope includes the R&D, production, and sales of kitchen appliances. The registered capital has been fully paid.

On September 26, 2025, the Company established Hainan Robam Intelligent Technology Co., Ltd., with a registered capital of RMB 200 million and a 100% equity interest. Its business scope includes the R&D, production, and sales of kitchen appliances. As of the end of the reporting period, the registered capital had not yet been paid in and the company had not commenced operations.

**(7) Significant changes or adjustments in the Company's business, products or services during the reporting period**

Applicable Not applicable

**(8) Major customers and major suppliers**

The company's main customers

Total sales to top five customers (RMB)	2,408,103,083.05
Percentage of total annual sales represented by the top five customers	23.80%
Percentage of related-party sales within sales to the top five customers	0.00%

Details of the Company's top 5 customers

No.	Customer name	Sales (RMB)	Percentage of total annual sales
1	Unit 1	1,634,195,695.83	16.15%
2	Unit 2	367,835,039.64	3.64%
3	Unit 3	155,622,859.44	1.54%
4	Unit 4	125,514,234.45	1.24%
5	Unit 5	124,935,253.69	1.24%
Total	--	2,408,103,083.05	23.80%

Other information on major customers

Applicable Not applicable

Major suppliers of the Company

Total procurement from the top five suppliers (RMB)	773,520,499.66
Percentage of total annual procurement represented by the top five suppliers	16.30%
Percentage of related-party procurement within procurement from the top five suppliers	0.00%

Details of the Company's top 5 suppliers

No.	Supplier name	Procurement amount (RMB)	Percentage of total annual procurement
1	Unit 1	163,747,271.77	3.45%
2	Unit 2	161,895,600.53	3.41%
3	Unit 3	156,621,332.26	3.30%
4	Unit 4	151,822,994.97	3.20%
5	Unit 5	139,433,300.15	2.94%
Total	--	773,520,499.66	16.30%

Other information on major suppliers

Applicable Not applicable

Whether revenue from the Company's trading business accounted for more than 10% of operating revenue during the reporting period

Applicable Not applicable

### 3. Expenses

In RMB

	2025	2024	YoY change	Note on significant changes
Sales expenses	2,923,421,261.24	3,078,798,259.84	-5.05%	
Administrative expenses	515,134,293.64	508,849,021.04	1.24%	
Financial expenses	-138,132,869.12	-180,426,320.19	-23.44%	
R&D expenses	367,949,907.26	413,659,448.81	-11.05%	

#### 4. R&D Investment

Applicable Not applicable

Company's R&D personnel

	2025	2024	Percentage of change
Number of R&D personnel (persons)	818	893	-8.40%
Percentage of total R&D personnel	16.41%	17.29%	A decrease of 0.88%
Educational background of R&D personnel			
Bachelor's degree	545	596	-8.58%
Master's degree	139	145	-4.13%
Age structure of R&D personnel			
Under 30	181	197	-8.12%
30-40	422	462	-8.66%

R&D investment

	2025	2024	Percentage of change
R&D expenditure (RMB)	367,949,907.26	413,659,448.81	-11.05%
R&D expenditure as % of revenue	3.64%	3.69%	A decrease of 0.05%
Capitalized R&D expenditure (RMB)	0.00	0.00	
Capitalized R&D expenditure as % of R&D expenditure	0.00%	0.00%	

Reasons for significant changes in the composition of R&D personnel

Applicable Not applicable

Reasons for significant changes in the proportion of R&D investment to operating revenue

Applicable Not applicable

Reasons for significant changes in the capitalization rate of R&D investment and their rationality

Applicable Not applicable

#### 5. Cash flow

In RMB

Item	2025	2024	YoY change
Subtotal of cash inflow from operating activities	11,910,603,049.34	12,041,433,726.50	-1.09%
Subtotal of cash outflow from operating activities	10,312,776,372.66	10,381,182,015.79	-0.66%
Net cash flow from operating activities	1,597,826,676.68	1,660,251,710.71	-3.76%
Subtotal of cash inflow from investment activities	6,133,866,585.62	6,090,791,185.43	0.71%
Subtotal of cash outflow from investment activities	7,143,510,206.46	6,728,018,131.33	6.18%

Net cash flow from investment activities	-1,009,643,620.84	-637,226,945.90	58.44%
Subtotal of cash inflow from financing activities	131,237,963.60	130,280,073.06	0.74%
Subtotal of cash outflow from financing activities	1,067,533,544.23	1,513,303,758.54	-29.46%
Net cash flow from financing activities	-936,295,580.63	-1,383,023,685.48	-32.30%
Net increase in cash and cash equivalents	-349,058,867.72	-359,862,801.20	-3.00%

Explanation of significant year-on-year changes in relevant data

Applicable Not applicable

During the reporting period, net cash flow from investing activities decreased by 58.44% year-on-year, mainly due to an increase in large-denomination certificates of deposit.

During the reporting period, net cash flow from financing activities increased by 32.30% year-on-year, mainly due to differences in the timing of dividend payments.

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

Applicable Not applicable

## V. Analysis of Non-main Business

Applicable Not applicable

## VI. Analysis of Assets and Liabilities

### 1. Major changes in asset composition

In RMB

	End of 2025		Beginning of 2025		Change in percentage	Note on significant changes
	Amount	% of total assets	Amount	% of total assets		
Cash and cash equivalents	1,236,257,860.53	7.18%	1,631,776,094.27	9.57%	-2.39%	
Accounts receivable	1,501,774,623.23	8.73%	1,963,710,151.61	11.52%	-2.79%	
Inventory	1,360,022,769.09	7.90%	1,214,012,761.29	7.12%	0.78%	
Investment properties	81,013,670.91	0.47%	85,850,636.19	0.50%	-0.03%	
Long-term equity investment	4,395,119.95	0.03%	10,561,060.79	0.06%	-0.03%	
Fixed assets	2,173,675,186.21	12.63%	1,611,144,579.04	9.45%	3.18%	
Construction in process	46,511,377.40	0.27%	457,357,111.28	2.68%	-2.41%	

Right-of-use assets	8,102,992.49	0.05%	10,275,253.96	0.06%	-0.01%	
Short-term borrowings	97,738,579.05	0.57%	93,239,299.06	0.55%	0.02%	
Contract liabilities	932,559,161.31	5.42%	867,810,932.52	5.09%	0.33%	
Lease liabilities	7,867,003.07	0.05%	10,197,520.49	0.06%	-0.01%	

Whether overseas assets account for higher percentage

Applicable Not applicable

## 2. Assets and liabilities measured at fair value

Applicable Not applicable

In RMB

Item	Opening balance	Gains and losses from fair value changes for the period	Cumulative fair value changes recognized in equity	Impairment provision for the period	Purchases for the period	Disposals for the period	Other changes	Closing balance
Financial assets								
1. Trading financial assets (excluding derivative financial assets)	2,180,000,000.00							3,230,000,000.00
Subtotal of the above	2,180,000,000.00							3,230,000,000.00
Financial liabilities	0.00							0.00

Other changes

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

Yes No

## 3. Restricted asset rights by the end of the reporting period

Item	Year-end balance			
	Book balance	Carrying value	Type of restriction	Restrictions
Cash and cash equivalents	62,151,811.20	62,151,811.20	L/G margin deposit	—
Cash and cash equivalents	4,848,360.16	4,848,360.16	Bank acceptance bill margin deposit	—
Cash and cash equivalents	14,000.00	14,000.00	ETC deposit	—
Cash and cash	40,252.34	40,252.34	Litigation freeze	—

equivalents				
Fixed assets	159,412,368.74	128,700,135.64	Mortgage loan	—
Intangible assets	58,626,799.92	51,620,046.12	Mortgage loan	—
<b>Total</b>	<b>285,093,592.36</b>	<b>247,374,605.46</b>	—	—

## VII. Analysis of Investment

### 1. Overview

Applicable Not applicable

### 2. Major equity investments obtained during the reporting period

Applicable Not applicable

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

Applicable Not applicable

### 4. Financial asset investment

#### (1) Securities investment

Applicable Not applicable

The Company had no securities investment during the reporting period.

#### (2) Derivative investment

Applicable Not applicable

The Company had no derivatives investment during the reporting period.

## VIII. Sale of Major Assets and Equities

### 1. Sale of major assets

Applicable Not applicable

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

### 2. Sale of major equities

Applicable Not applicable

## IX. Analysis of Main Holding and Joint-stock Companies

Applicable Not applicable

Main subsidiaries and joint-stock companies affecting more than 10% of the Company's net profit

In RMB

Company name	Company type	Main business	Registered capital	Total assets	Net assets	Operating income	Operating profit	Net profit
Shanghai Robam Appliances Sales Co., Ltd.	Subsidiary	Sales of kitchen appliances	5,000,000	68,150,343.57	-29,877,617.48	510,794,401.34	4,363,207.90	6,611,850.46
Beijing Robam Appliances Sales Co., Ltd.	Subsidiary	Sales of kitchen appliances	5,000,000	59,927,404.55	28,135,302.70	230,275,718.92	-9,749,773.43	-10,910,206.05
Hangzhou MingQi Electric Co., Ltd.	Subsidiary	Sales of kitchen appliances	50,000,000	222,434,731.72	50,256,564.94	561,519,762.75	9,133,349.99	9,525,085.40
Shengzhou Kinde Intelligent Kitchen Appliances Co., Ltd.	Subsidiary	Production and sales of kitchen appliances	24,653,061	334,626,604.67	147,840,336.46	66,760,967.62	-28,857,948.82	-31,976,307.21
Hangzhou Jinhe Electric Appliances Co., Ltd.	Subsidiary	Sales of kitchen appliances	10,000,000	217,214,621.96	33,635,947.86	494,945,956.76	5,437,693.45	3,803,872.67
Hangzhou Robam E-commerce Co., Ltd.	Subsidiary	Sales of kitchen appliances	10,000,000	194,722,650.62	18,692,577.49	1,010,221,575.36	4,895,589.61	-912,300.70

Acquisition and disposal of subsidiaries during the reporting period

Applicable Not applicable

Description of main holding and joint-stock companies

N/A

## X. Structured Entities Controlled by the Company

Applicable Not applicable

## XI. Prospect for the Future Development

**Mission:** Fulfilling People's Diverse Desires for Exceptional Kitchen Experience

**Vision:** To become a world-class, century-old enterprise leading the transformation of cooking lifestyle.

**Strategic Direction:** Reshaping, Breakthrough, Openness

**Strategy description: (Development Strategy 2026-2028)**

The Company is entering a phase of rapid growth under a new operating model. Centered on building a “cooking super brand,” it aims to establish core competitiveness under a new environment and achieve high-quality, sustainable development. By promoting a belief in cooking, creating flagship intelligent digital kitchen appliance products, developing terminal scenarios that inspire interest in cooking, and building a *Culinary Master (Shishen)* cooking community, the Company seeks to establish a cooking super brand. The development of this cooking super brand will mutually reinforce and drive growth across multiple dimensions, including absolute leadership in the household business, explosive growth in the commercial business, and accelerated expansion of peripheral businesses. The Company is committed to becoming everyone’s cooking partner, enabling cooking freedom for all, and creating a new paradigm for cooking lifestyles that leads transformation.

**Strategic objective:**

To build a cooking super brand.

**XII. Activities for Receiving Researches, Communications, Interviews During the Reporting Period**

Applicable Not applicable

Date	Location	Ways of reception	Type of participants	Participants	Key topics and materials provided	Reference
May 6, 2025	Panorama Network	Online communication via platform	Individual	Individual	For details, please refer to Panorama investor relations interactive platform	For details, please refer to Panorama investor relations interactive platform
May 19, 2025	Company	On-site visit	Organization	Organization	See “Investor Relations Activity Record (May 19, 2025)”	See “Investor Relations Activity Record (May 19, 2025)”
June 20, 2025	Company	On-site visit	Organization	Organization	See “Investor Relations Activity Record (June 20, 2025)”	See “Investor Relations Activity Record (June 20, 2025)”
December 02, 2025	Company	On-site visit	Organization	Organization	See “Investor Relations Activity Record (Dec 20, 2025)”	See “Investor Relations Activity Record (Dec 20, 2025)”

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

Whether the Company has established a market value management system:

Yes No

Whether the Company has disclosed a valuation enhancement plan:

Yes No

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

#### **XIV. Implementation of the "Dual Improvement in Quality and Returns" Action Plan**

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

Yes No

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

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

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

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

##### **2. Enhancing information disclosure quality and standardizing corporate governance**

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

Company places strong emphasis on communicating diversified intrinsic value to investors, having voluntarily disclosed nine CSR Reports and five ESG Reports to date.

### **3. Safeguarding shareholder interests and demonstrating long-term value**

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

### **4. Strengthening investor relations management and enhancing capital market value**

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

## Section 4 Corporate Governance, Environment and Society

### I. Basic State of Corporate Governance

During the reporting period, the Company strictly complied with the requirements of the *Company Law*, the *Securities Law*, the *Code of Corporate Governance for Listed Companies*, the *Rules Governing the Listing of Stocks on Shenzhen Stock Exchange*, and relevant laws and regulations of the China Securities Regulatory Commission (CSRC). It continuously improved its corporate governance structure, established and refined internal management and control systems, and carried out corporate governance initiatives in depth, with a view to further standardizing operations and enhancing governance standards. As of the end of the reporting period, the Company's corporate governance practices were in compliance with the relevant regulatory requirements issued by the CSRC for listed companies.

During the reporting period, the Company operated in strict accordance with national laws and regulations, the *Rules Governing the Listing of Stocks on Shenzhen Stock Exchange*, and the *Guidelines for Standardized Operation of Companies Listed on the Main Board*, fulfilling its information disclosure obligations in a timely, complete, truthful, accurate, and fair manner. The Company did not receive any regulatory documents imposing administrative supervisory measures during the reporting period.

Whether there are material differences between the Company's actual corporate governance practices and the provisions of laws, administrative regulations, and CSRC rules on corporate governance for listed companies:

Yes  No

The actual state of corporate governance does not differ materially from the laws, administrative regulations and the CSRC rules on corporate governance for listed companies.

### II. Independence of the Company Vis-à-vis Controlling Shareholders and Actual Controllers in Ensuring the Company's Assets, Personnel, Finances, Organization and Business

The Company possesses independent business operations and operational autonomy. It maintains independence from its controlling shareholder in terms of assets, personnel, finance, organization, and business operations. The Board of Directors and internal organizational structures operate independently. The controlling shareholders have strictly regulated their conduct and have not directly or indirectly interfered with the Company's decision-making or operational activities beyond the scope of shareholders' rights.

### III. Horizontal Competition

Applicable  Not applicable

### IV. Directors and Senior Management

#### 1. Basic information

Name	Gender	Age	Position	Status	Term Start	Term End	Number of Shares at the Beginning of	Number of Shares Increased in the	Number of Shares	Other Changes	Number of Shares Held at the End of the Period (shares)	Reason for
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							the Period (share)	Curre nt Period (share s)	are s De cre as ed in the Cu rre nt Pe riod (sh are s)	es (s ha re s)		Sh are C ha ng e
Ren Jianhua	Male	69	Chairman	Incumbent	August 18, 2023	August 17, 2026	5,923,150	0	0	0	5,923,150	N/A
Ren Fujia	Male	42	Vice Chairman, General Manager	Incumbent	August 18, 2023	August 17, 2026	2,100,075	0	0	0	2,100,075	N/A
Xia Zhiming	Male	50	Employee Director, Deputy General Manager	Incumbent	August 18, 2023	August 17, 2026	411,950	0	0	0	411,950	N/A
He Yadong	Male	51	Director, Deputy General Manager	Incumbent	August 18, 2023	August 17, 2026	411,950	0	0	0	411,950	N/A
Zhao Jihong	Male	63	Director	Incumbent	August 18, 2023	August 17, 2026	1,267,565	0	0	0	1,267,565	N/A
Wang Gang	Male	50	Director, Secretary to the Board	Incumbent	August 18, 2023	August 17, 2026	576,750	0	0	0	576,750	N/A
Chen Yuanzhi	Male	48	Independent Director	Incumbent	August 18, 2023	August 17, 2026	0	0	0	0	0	N/A
Yu Lieming	Male	48	Independent Director	Incumbent	August 18, 2023	August 17, 2026	0	0	0	0	0	N/A
Cheng Zhiyong	Male	46	Independent Director	Incumbent	August 18, 2023	August 17, 2026	0	0	0	0	0	N/A
Zhou Haixin	Male	50	Deputy General Manager	Incumbent	August 18, 2023	August 17, 2026	0	0	0	0	0	N/A
Zhang Guofu	Male	56	Chief Financial Officer	Incumbent	August 18, 2023	August 17, 2026	411,950	0	0	0	411,950	N/A
Total	--	--	--	--	--	--	11,103,390	0	0	0	11,103,390	--

Whether any directors or senior management members left office during their term in the reporting period:

Yes  No

Changes in directors or senior management during the reporting period:

Applicable  Not applicable

## 2. Positions and background

Professional background and major work experience of the Company's current directors and senior management and their current major responsibilities in the Company

### (1) Biographies of the current directors

Mr. Ren Jianhua: Han ethnicity, born in August 1956, Chinese nationality, with no permanent right of residence abroad; junior high school education, member of the Communist Party of China, economist. He began his career in 1978 and successively served as Head of the Supply and Marketing Section and Factory Director of Yuhang Hongxing (Red Star) Hardware Factory; Chairman, General Manager, and Party Branch Secretary of Hangzhou Robam Industrial Group Co., Ltd.; Chairman and General Manager of Hangzhou Robam Household Appliances & Kitchen & Bath Co., Ltd. He has received titles of National Model Worker, Outstanding CPC Member of Zhejiang Province, and has served as a deputy to the 8th and 10th People's Congresses of Zhejiang Province, a deputy to the 11th People's Congresses of Hangzhou City, a CPC representative, a deputy to the 12th and 13th People's Congresses of Hangzhou City, and a representative of the 12th Influential Businessman of Zhejiang Province. He currently serves as Chairman of Hangzhou Robam Appliances Co., Ltd., Hangzhou Robam Industrial Group Co., Ltd., Hangzhou Nbond Nonwovens Co., Ltd., Hangzhou Guoguang Touring Commodity Co., Ltd., and Hangzhou Amblem Household Co., Ltd.; Executive Director and General Manager of Hangzhou MingQi Electric Co., Ltd. and Hangzhou Robam Fuchuang Investment Management Co., Ltd.; Vice Chairman of Hangzhou Garden Hotel Co., Ltd.; Executive Director of Zhejiang Hangzhou Yuhang Rural Commercial Bank Co., Ltd., Hangzhou Dongming Mountain Forest Park Co., Ltd., and Hangzhou Bonyee Daily Necessity Technology Co., Ltd.; and Managing Partner (Executive Partner) of Hangzhou Jinnuochuang Investment Management Partnership (Limited Partnership).

Mr. Ren Fujia: Han ethnicity, born in January 1983, Chinese nationality, with no permanent right of residence abroad; bachelor's degree. He previously served as Product Manager in the Marketing Department and Deputy General Manager of the R&D Center of Hangzhou Robam Industrial Group Co., Ltd., and Deputy General Manager of Hangzhou Robam Household Appliances & Kitchen & Bath Co., Ltd. He currently serves as Director of Hangzhou Nbond Nonwovens Co., Ltd.; Vice Chairman and General Manager of Hangzhou Robam Appliances Co., Ltd.; Director of Hangzhou Amblem Household Co., Ltd.; and Vice Chairman of De Dietrich Trade (Shanghai) Co., Ltd.

Mr. Xia Zhiming, Han ethnicity, born in May 1975, Chinese nationality, with no permanent right of residence abroad; college diploma. He began his career in 1996 and successively served as Production Section Chief of JOEMEX Electric Products Factory, Manufacturing Director and Production Director of the Manufacturing Center at Foxconn Technology Group. He currently serves as Director and Deputy General Manager of the Company.

Mr. He Yadong, Han ethnicity, born in August 1974, Chinese nationality, with no permanent right of residence abroad; bachelor's degree, senior economist. He began his career in 2000 and successively served as Section Chief of the Marketing Division of Robam Group, Head of the Marketing Department, Deputy General Manager of the Marketing Center, Assistant to General Manager of Robam Household Appliances, and Director of the Company. He currently serves as Director and Deputy General Manager of the Company.

Mr. Zhao Jihong, Han ethnicity, born in December 1962, Chinese nationality, with no permanent right of residence abroad; master's degree, senior economist. He previously served as Chairman and General Manager of Jinye Group Co., Ltd. in Huangshi city, Hubei province; Deputy General Manager of Robam Group and General Manager of its Marketing Center; Deputy General Manager of Robam Household Appliances and General Manager of its Marketing Center; and Deputy General Manager of the Company. He has successively been awarded titles including *National Outstanding Entrepreneur*, *World-Class Hangzhou Entrepreneurs*, *Top Ten Influential Figures in China's Kitchen and Bathroom Industry*, and *Top Ten Distinctive Figures in*

*China's Home Appliance Industry*. He has also twice received the *Mundell World Executive Achievement Award* and has been included in the *Dictionary of Chinese Experts and Celebrities*. He currently serves as Director of the Company; Director of Shanghai Youyi Information Technology Co., Ltd.; Director and General Manager of Hangzhou Robam Industrial Group Co., Ltd.; Director of Shengzhou Kinde Intelligent Kitchen Appliances Co., Ltd.; and Chairman of Zhejiang Cookingfuture Technology Co., Ltd.

Mr. Wang Gang, born in October 1975, Chinese nationality, with no permanent right of residence abroad; master's degree, member of the Communist Party of China; Certified Public Accountant in China and senior economist. He previously served as Inspector at the Haining Municipal Tax Service, Zhejiang Province; R&D Director at Shanghai Rongzheng Investment Consulting Co., Ltd.; Board Secretary, Head of Human Resources, and Assistant General Manager at Shanghai Hyron Software Co., Ltd.; and Board Secretary of Hangzhou Robam Household Appliances & Kitchen & Bath Co., Ltd. He currently serves as Director of Hangzhou Nbond Nonwovens Co., Ltd.; Director and Board Secretary of Hangzhou Robam Appliances Co., Ltd.; Executive Director and General Manager of Hangzhou Robam Holdings Co., Ltd.; Director of Hangzhou Fortune Gas Cryogenic Group Co., Ltd.; Director of De Dietrich Trade (Shanghai) Co., Ltd.; Director of Hangzhou Guoguang Touring Commodity Co., Ltd.; Supervisor of Hangzhou Robam Fuchuang Investment Management Co., Ltd.; Director of Shengzhou Kinde Intelligent Kitchen Appliances Co., Ltd.; Supervisor of Shanghai MXCHIP Information Technology Co., Ltd.; Director of Hangzhou Versolsolar Technology Co., Ltd.; Independent Director of Hangzhou GreatStar Industrial Co., Ltd.; Independent Director of Hangzhou XZB Tech Co., Ltd.; and Legal Representative and Secretary-General of the Linping District Association for Public Companies of Hangzhou.

Mr. Chen Yuanzhi, Han ethnicity, born in November 1977, Chinese nationality; member of the Communist Party of China; PhD in Management. He currently serves as Independent Director of the Company; Professor at the China Executive Leadership Academy Pudong; Adjunct Professor at East China Normal University; Adjunct Research Fellow at the Research Center for Technological Innovation, Tsinghua University; Executive Director of the China Society for Soft Science; Executive Director of the Chinese Institute of Business Administration; and expert in the Shanghai Science and Technology Expert Database.

Mr. Yu Lieming, Han ethnicity, born in December 1977, Chinese nationality, with no permanent right of residence abroad; master's degree. He began his career in 1994 and previously served as Deputy Director of the Administrative Committee of Hangzhou Yuhang Economic and Technological Development Zone; Vice President of Chunfeng Holdings Group Co., Ltd.; Chairman of the Supervisory Board of Zhejiang CFMOTO Power Co., Ltd.; and Deputy General Manager (Administration) and Board Secretary of Hamaton Automotive Technology Co., Ltd. He currently serves as Independent Director of the Company and Executive Director of Hangzhou Xinlan Energy Engineering Co., Ltd.

Mr. Cheng Zhiyong, Han ethnicity, born in March 1980, Chinese nationality, member of the Communist Party of China, with no overseas residency; bachelor's degree. From July 2004 to September 2010, he served as Senior Manager at Lixin Certified Public Accountants; from October 2010 to March 2017, he served as Deputy General Manager, Board Secretary, and Chief Financial Officer of Zhejiang Kaier New Materials Co., Ltd. He currently serves as Independent Director of the Company; General Manager of Zhejiang Tenghua Asset Management Co., Ltd.; Executive Director and General Manager of Hangzhou Weifengheng Enterprise Management Consulting Co., Ltd.; Independent Director of Zhejiang Debao Communication Technology Co., Ltd.; and Independent Director of Zhejiang Everich Tomic Co., Ltd.

## (2) Main biographies of current senior management

Mr. Ren Fujia, is currently the General Manager of the Company and his profile is set out in the biographies of the current directors.

Mr. Xia Zhiming, is currently the Deputy General Manager of the Company and his profile is set out in the biographies of the current directors.

Mr. He Yadong, is currently the Deputy General Manager of the Company and his profile is set out in the biographies of the current directors.

Mr. Zhou Haixin, Han nationality, born in February 1975, Chinese nationality, with no permanent residence abroad; doctoral degree, senior engineer. He began his career in 2001 and has successively served as Researcher at Agilent Technologies Software Co., Ltd.; Project Manager at Sony Ericsson Mobile Communications Products Co., Ltd.; Project Director at Qingdao Haier Telecom Co., Ltd.; R&D Director at LITEON Mobile Electronic Telecommunication Components Co., Ltd.; and Senior R&D Director of the Company. He is currently the Deputy General Manager of the Company.

Mr. Wang Gang, is currently the secretary to the Board of Directors of the Company and his profile is set out in the biographies of the current directors.

Mr. Zhang Guofu, Han nationality, born in December 1969, with Chinese nationality and no permanent residence abroad; bachelor's degree. He began his career in 1990 and has successively served as Head of the Treasury Section and Director of the Finance Center at Hangzhou Robam Industrial Group Co., Ltd., and as the Person in Charge of Finance at Hangzhou Robam Household Appliances & Kitchen & Bath Co., Ltd. He currently serves as Chief Financial Officer of the Company; Supervisor of Hangzhou Robam Holdings Co., Ltd.; Supervisor of Hangzhou MingQi Electric Co., Ltd.; Director of Shengzhou Kinde Intelligent Kitchen Appliances Co., Ltd.; and Director of De Dietrich Trade (Shanghai) Co., Ltd.

Controlling shareholders and actual controllers serve concurrently as chairman and general manager of a listed company

Applicable Not applicable

Mr. Ren Jianhua, the actual controller of the Company, also serves as the chairman of Hangzhou Nbond Nonwovens Co., Ltd. (603238).

Positions held in shareholder entities

Applicable Not applicable

Name	Shareholder Entity	Positions Held	Term Start	Term End	Whether Remuneration Is Received from Shareholder Entity
Ren Jianhua	Hangzhou Robam Industrial Group Co., Ltd.	Chairman			No
Zhao Jihong	Hangzhou Robam Industrial Group Co., Ltd.	Director, General Manager			No

Positions Held in Other Entities

Applicable Not applicable

Name	Name of Other Entities	Positions Held	Term Start	Term End	Whether Remuneration Is Received from Other Entities
Ren Jianhua	Hangzhou Nbond Nonwovens Co., Ltd.	Chairman			
Ren Jianhua	Hangzhou Amblem Household Co., Ltd.	Chairman			
Ren Jianhua	Hangzhou City Garden Hotel Co., Ltd.	Vice Chairman			
Ren Jianhua	Hangzhou Dongming	Director			

	Mountain Forest Park Co., Ltd.				
Ren Jianhua	Zhejiang Hangzhou Yuhang Rural Commercial Bank Co., Ltd.	Director			
Ren Jianhua	Hangzhou Jinnuochuang Investment Management Partnership (Limited Partnership)	Managing Partner (Executive Partner)			
Ren Jianhua	Hangzhou Guoguang Touring Commodity Co., Ltd.	Chairman			
Ren Jianhua	Hangzhou Bonyee Daily Necessity Technology Co., Ltd.	Executive Director			
Ren Jianhua	Hangzhou Robam Fuchuang Investment Management Co., Ltd.	Executive Director and General Manager			
Ren Jianhua	Hangzhou MingQi Electric Co., Ltd.	Executive Director and General Manager			
Ren Fujia	De Dietrich Trade (Shanghai) Co., Ltd.	Vice Chairman			
Ren Fujia	Hangzhou Nbond Nonwovens Co., Ltd.	Director			
Ren Fujia	Hangzhou Amblem Household Co., Ltd.	Director			
Zhao Jihong	Shengzhou Kinde Intelligent Kitchen Appliances Co., Ltd.	Chairman			
Zhao Jihong	Shanghai Youyi Information Technology Co., Ltd.	Director			
Zhao Jihong	Zhejiang Cookingfuture Technology Co., Ltd.	Chairman			
Wang Gang	Hangzhou Nbond Nonwovens Co., Ltd.	Director			
Wang Gang	Hangzhou Robam Holdings Co., Ltd.	Executive Director and General Manager			

Wang Gang	Hangzhou Fortune Gas Cryogenic Group Co., Ltd.	Director			
Wang Gang	De Dietrich Trade (Shanghai) Co., Ltd.	Director			
Wang Gang	Hangzhou Guoguang Touring Commodity Co., Ltd.	Director			
Wang Gang	Hangzhou Robam Fuchuang Investment Management Co., Ltd.	Supervisor			
Wang Gang	Shanghai MXCHIP Information Technology Co., Ltd.	Supervisor			
Wang Gang	Shengzhou Kinde Intelligent Kitchen Appliances Co., Ltd.	Director			
Wang Gang	Hangzhou Versolsolar Technology Co., Ltd.	Director			
Wang Gang	Linping District Association for Public Companies of Hangzhou	Legal Representative			
Wang Gang	Hangzhou GreatStar Industrial Co., Ltd.	Independent Director			
Wang Gang	Hangzhou XZB Tech Co., Ltd.	Independent Director			
Chen Yuanzhi	China Executive Leadership Academy Pudong	Professor			
Chen Yuanzhi	Research Center for Technological Innovation, Tsinghua University	Research Fellow			
Yu Lieming	Hangzhou Xinlan Energy Engineering Co., Ltd.	Executive Director			
Cheng Zhiyong	Zhejiang Tenghua Asset Management Co., Ltd.	General Manager			
Cheng Zhiyong	Hangzhou Weifengheng Enterprise Management Consulting Co.,	Executive Director and General Manager			

	Ltd.				
Cheng Zhiyong	Zhejiang Debao Communication Technology Co., Ltd.	Independent Director			
Cheng Zhiyong	Zhejiang Everich Tomic Co., Ltd.	Independent Director			
Zhang Guofu	De Dietrich Trade (Shanghai) Co., Ltd.	Director			
Zhang Guofu	Hangzhou Robam Holdings Co., Ltd.	Supervisor			
Zhang Guofu	Hangzhou MingQi Electric Co., Ltd.	Supervisor			
Zhang Guofu	Shengzhou Kinde Intelligent Kitchen Appliances Co., Ltd.	Director			

Penalties imposed by securities regulatory authorities in the past three years on the Company's current directors and senior management or those who left office during the reporting period

Applicable Not applicable

### 3. Remuneration of directors and senior management

Decision-making process, basis for determination, and actual payment of remuneration to directors and senior management

The Company has established a comprehensive performance evaluation system and remuneration framework for directors and senior management. The compensation of directors and senior management is directly linked to their performance. The Remuneration and Assessment Committee of the Board is responsible for conducting annual evaluations of directors and senior management, including their professional competence, performance of duties, and achievement of responsibility targets, and for formulating remuneration proposals to be submitted to the Board for approval. Remuneration for directors and senior management is paid in a timely manner.

Remuneration of directors and senior management of the Company during the reporting period

Unit: RMB 10,000

Name	Gender	Age	Position	Status	Total Pre-tax Remuneration from the Company	Whether Remuneration Is Received from Related Parties
Ren Jianhua	Male	69	Chairman	Incumbent	86.91	No
Ren Fujia	Male	42	Vice Chairman, General Manager	Incumbent	66.96	No
Xia Zhiming	Male	50	Employee Director, Deputy General Manager	Incumbent	118.75	No
He Yadong	Male	51	Director, Deputy General Manager	Incumbent	65.35	No
Zhao Jihong	Male	63	Director	Incumbent	85.54	No

Wang Gang	Male	50	Director, Secretary to the Board	Incumbent	103.24	No
Chen Yuanzhi	Male	48	Independent Director	Incumbent	9.52	No
Yu Lieming	Male	48	Independent Director	Incumbent	9.52	No
Cheng Zhiyong	Male	46	Independent Director	Incumbent	9.52	No
Zhou Haixin	Male	50	Deputy General Manager	Incumbent	248.76	No
Zhang Guofu	Male	56	Chief Financial Officer	Incumbent	99.21	No
Total	--	--	--	--	903.28	--

Basis for performance evaluation of total remuneration actually received by all directors and senior management at period-end	Based on the Company's performance evaluation system and remuneration policies.
Completion status of total remuneration actually received by all directors and senior management at period-end	Completed
Deferred payment arrangements for remuneration actually received by all directors and senior management at period-end	N/A
Clawback or withholding arrangements for remuneration actually received by all directors and senior management at the end of the reporting period	N/A

Other information notes

Applicable Not applicable

## V. Performance of Duties by Directors During the Reporting Period

### 1. Attendance of Directors at Board of Directors' and Shareholders' Meetings

Attendance of Directors at Board and Shareholders' Meetings							
Name of Director	Number of Board Meetings Required to Attend During the Reporting Period	Number of Board Meetings Attended in Person	Number of Board Meetings Attended via Telecommunication	Number of Board Meetings Attended by Proxy	Number of Absences	Whether Failed to Attend Board Meetings in Person for Two Consecutive Times	Number of Shareholders' Meetings Attended
Ren Jianhua	8	8	0	0	0	No	3
Ren Fujia	8	8	0	0	0	No	3
Xia Zhiming	8	8	0	0	0	No	2
He Yadong	8	8	0	0	0	No	3
Zhao Jihong	8	8	0	0	0	No	2
Wang Gang	8	8	0	0	0	No	3
Chen Yuanzhi	8	8	0	0	0	No	1
Yu Lieming	8	8	0	0	0	No	3
Cheng Zhiyong	8	8	0	0	0	No	3

Explanation for failure to attend Board meetings in person for two consecutive times:

N/A

## 2. Objections Raised by Directors Regarding Company Matters

Whether directors raised objections to Company matters:

Yes  No

No director raised objections to Company matters during the reporting period.

## 3. Other Information on Directors' Performance of Duties

Whether directors' recommendations to the Company were adopted:

Yes  No

Explanation regarding whether directors' recommendations were adopted or not:

N/A

## VI. Specialized Committees Under the Board of Directors During the Reporting Period

Name of the Committee	Members	Number of Meetings Held	Meeting Date	Meeting Content	Key Opinions and Recommendations	Other Duties Performed	Details of Dissenting Matters (if any)
Audit Committee	Cheng Zhiyong, Chen Yuanzhi, Yu Lieming	4	January 15, 2025	1. Review of the <i>2024 Annual Audit Work Plan</i>			
			April 28, 2025	1. Review of the <i>2024 Annual Report (Full Text)</i> ; 2. Review of the <i>2025 Q1 Report (Full Text)</i> ; 3. Review of the <i>Proposal on Estimated Related-Party Transactions for 2025</i> ; 4. Review of the <i>2024 Internal Control Evaluation Report</i> ; 5. Review of the <i>Proposal on Investment and Wealth Management Using Idle Self-Owned Funds</i> ; 6. Review of the <i>Proposal on Write-off of Bad Debts</i> .			

			August 27, 2025	1. Review of the <i>2025 Semi-annual Report and Summary</i> ; 2. Review of the <i>Proposal on Re-appointment of the 2025 Audit Institution</i> .			
			October 29, 2025	1. Review of the <i>2025 Q3 Report</i> .			
Remuneration and Assessment Committee	Yu Lieming, Chen Yuanzhi, Ren Fujia	5	April 28, 2025	1. Review of the <i>2025 Stock Option Incentive Plan (Draft)</i> of Hangzhou Robam Appliances Co., Ltd. and its summary; 2. Review of the <i>Implementation and Assessment Measures for the 2025 Stock Option Incentive Plan</i> ; 3. Review of the <i>Proposal on the Cancellation of Part of the Stock Options under the 2022 Stock Option Incentive Plan</i> ; 4. Review of the <i>Proposal on the Cancellation of Part of the Stock Options under the 2024 Stock Option Incentive Plan</i> .			
			May 23, 2025	1. Review of the <i>Proposal on Granting Stock Options to Incentive Recipients</i> .			
			May 23, 2025	1. Review of the <i>Proposal on Adjusting the Exercise Price of the 2023 Stock Option Incentive Plan</i> ; 2. Review of the <i>Proposal on Adjusting the Exercise Price of the 2024 Stock Option Incentive Plan</i> .			
			June 30, 2025	1. Review of the <i>Proposal on Adjusting the Exercise Price of the 2025 Stock Option Incentive Plan</i> ; 2. Review of the <i>Proposal on the Cancellation of Part of the Stock Options under the 2023 Stock Option Incentive Plan</i> .			
			September 18, 2025	1. Review of the <i>Proposal on Adjusting the Exercise Price of the 2023 Stock Option Incentive Plan</i> ; 2. Review of the <i>Proposal on Adjusting the Exercise Price of the 2024 Stock Option Incentive Plan</i> ; 3. Review of the <i>Proposal on Adjusting the Exercise Price of the 2025 Stock Option Incentive Plan</i> .			

## VII. Work of the Audit Committee

Whether the Audit Committee identified any risks in the Company during its supervisory activities in the reporting period:

Yes  No

The Audit Committee had no objections to the matters under its supervision during the reporting period.

## VIII. Employees of the Company

### 1. Number of employees, professional composition and education background

Number of employees of the parent company at period-end (persons)	3,544
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Number of employees of major subsidiaries at period-end (persons)	1,436
Total number of employees at period-end (persons)	4,980
Total number of employees receiving remuneration during the period (persons)	4,985
Number of retirees whose expenses are borne by the parent company and major subsidiaries (persons)	71
<b>Professional composition</b>	
Category	Number of employees (persons)
Production personnel	1,933
Sales personnel	1,691
Technical personnel	714
Finance personnel	160
Administrative personnel	482
Total	4,980
<b>Educational background</b>	
Category of educational background	Number of employees (persons)
PhD	9
Master's degree	273
Bachelor's degree	1,568
College diploma and below	3,130
Total	4,980

## 2. Compensation policy

The Company has formulated the *Compensation Management Policy* and the *Performance Management Policy*. Taking into account regional market conditions and industry compensation levels, the Company has established a compensation management system based on job value, with employee competency and performance evaluation as core components.

## 3. Training programs

In 2025, the Company conducted various training initiatives, including programs such as *Lemon*, *Blue Whale*, *Sunflower*, *Evergreen*, and the *Elite Program*. *Chestnut Academy*, the Company's proprietary mobile online learning platform, has played a significant role in facilitating the transformation of internally developed training courses. Employee participation in learning has increased substantially. For details, please refer to the Company's ESG Report.

## 4. Labor outsourcing

Applicable Not applicable

Total outsourced labor hours (hours)	3,222,278.59
Total remuneration paid for outsourced labor (RMB)	109,086,598.50

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

Formulation, implementation or adjustment of profit distribution policy, especially cash dividend policy, during the reporting

period

Applicable Not applicable

1. The profit distribution plan for 2024, as approved at the Company's 2024 Annual Shareholders' Meeting, was as follows: based on the Company's total share capital of 944,938,916 shares, a cash dividend of RMB 5.00 (tax inclusive) was distributed for every 10 shares to all shareholders, amounting to a total cash dividend of RMB 472,469,458.00.
2. The interim profit distribution plan for 2025, as approved by the 17th meeting of the 6th Board of Directors and the 16th meeting of the 6th Board of Supervisors, was as follows: based on the Company's total share capital of 944,938,916 shares, a cash dividend of RMB 5.00 (tax inclusive) per 10 shares will be distributed to all shareholders, with a total expected cash dividend of RMB 472,469,458.00.

Special statement on cash dividend policy	
Whether it complies with the Articles of Association or shareholders' resolutions:	Yes
Whether the dividend standards and ratios are clear and explicit:	Yes
Whether the relevant decision-making procedures and mechanisms are sound:	Yes
Whether independent directors have duly performed their duties and played their role:	Yes
If no cash dividends were distributed, whether reasons and improvement measures are disclosed:	No
Whether minority shareholders have adequate opportunities to express opinions and their rights are fully protected:	Yes
Whether adjustments or changes to the cash dividend policy are compliant and transparent:	Not Applicable

The Company did not have a situation during the reporting period where it was profitable and had distributable profits at the parent company level but did not propose a cash dividend plan:

Applicable Not applicable

Profit distribution and conversion of capital reserve into capital stock during the reporting period

Applicable Not applicable

Number of bonus shares per 10 shares (shares)	0
Dividend per 10 shares (RMB) (including tax)	5
The share capital base for the distribution plan (shares)	944,938,916
Cash dividend amount (RMB) (including tax)	472,469,458.00
Cash dividend amount by other means (e.g., share repurchase) (RMB)	0.00
Total cash dividend amount (including other methods) (RMB)	472,469,458.00
Distributable profit (RMB)	10,015,809,599.24
Proportion of total cash dividends (including other methods) to total profit distribution	100%

Cash dividend distribution for this time

Where the Company is in a mature development stage and has no significant capital expenditure arrangements, the cash dividend proportion in the current profit distribution should not be less than 80%.

Detailed explanation of profit distribution and capital reserve conversion plan

The Company plans to distribute cash dividends of RMB 5 per 10 shares (including tax) to all shareholders, based on the total

share capital of 944,938,916 shares. The total amount of dividends to be distributed is RMB 472,469,458.00.

If the Company's share capital changes due to reasons such as new shares being listed, stock option exercises, convertible bonds being converted into shares, or share repurchases between the announcement of the distribution plan and the equity registration date for the dividend distribution, the total distribution amount will be adjusted accordingly based on the principle of maintaining a constant per-share cash dividend.

## **X. Implementation of the Equity Incentive Plan, Employee Stock Ownership Plan or other Employee Incentives**

Applicable Not applicable

### **1. Equity incentive**

#### **I. Overview of the Company's 2022 stock option incentive plan**

1. On March 31, 2022, the Company held the 9th Meeting of the 5th Board of Directors, during which the *Proposal on 2022 Stock Option Incentive Plan (Draft) of the Company and Its Summary* and other related proposals were reviewed and approved, and the independent directors expressed their independent opinions on and approved the matters related to the Company's stock option incentive plan. The 9th Meeting of the 5th Board of Supervisors of the Company reviewed and approved the above-mentioned proposal and expressed its concurring opinion. The Company disclosed the above matters on April 1, 2022.

2. From April 1, 2022 to April 10, 2022, the Company internally disclosed the names and titles of the incentive targets of the stock option incentive plan. On April 13, 2022, the Company's Board of Supervisors published the *Review Opinions of the Board of Supervisors on the List of Incentive Recipients of the Stock Option Incentive Plan in 2022 and Explanation on the Publicity*. On the same day, the Company disclosed the *Self-inspection Report on the Purchase and Sale of the Company's Shares by Insiders and Incentive Targets of the Stock Option Incentive Plan in 2022*.

3. On April 21, 2022, the Company held its first extraordinary general meeting of shareholders, where it reviewed and approved the *Proposal on the Company's 2022 Stock Option Incentive Plan (Draft) and Its Summary*, among other related proposals. This plan was approved at the Company's first extraordinary general meeting of shareholders in 2022, and the board of directors was authorized to determine the grant date for stock options. The board is also responsible for granting stock options to eligible incentive recipients and handling all matters necessary for granting these stock options.

4. On May 10, 2022, the 11th meeting of the 5th Board of Directors and the 11th meeting of the 5th Board of Supervisors of the Company reviewed and approved the *Proposal on Granting Stock Options to Incentive Recipients*. The Board of Supervisors verified the list of incentive recipients again and expressed its concurring opinion, and the independent directors of the Company expressed their independent opinion on it.

5. On April 25, 2023, the Company held the 14th meeting of the 5th Board of Directors and the 14th meeting of the 5th Board of Supervisors, which reviewed and approved the *Proposal on the Cancellation of Part of the Stock Options under the 2022 Stock Option Incentive Plan* and the *Proposal on the Cancellation of Stock Options for Failure to Meet the Exercise Conditions during the Second Exercise Period of the 2022 Stock Option Incentive Plan* and other proposals. The Board of Supervisors verified it and expressed its agreement, and the independent directors of the Company expressed their independent opinion on it.

6. On April 24, 2024, the Company held the 5th meeting of the 6th Board of Directors and the 5th meeting of the 6th Board of Supervisors, which reviewed and approved the *Proposal on the Cancellation of Part of the Stock Options under the 2022 Stock Option Incentive Plan* and the *Proposal on the Cancellation of Stock Options for Failure to Meet the Exercise Conditions during the Second Exercise Period of the 2022 Stock Option Incentive Plan* and other proposals. The Board of Supervisors has verified this and expressed its concurring opinion.

7. On April 28, 2025, the Company held the 13th meeting of the 6th Board of Directors and the 12th meeting of the 6th Board of Supervisors, which reviewed and approved the *Proposal on the Cancellation of Part of the Stock Options under the 2022 Stock Option Incentive Plan* and other proposals. The Board of Supervisors has verified this and expressed its concurring opinion.

## **II. Overview of the Company's 2023 stock option incentive plan**

1. On April 25, 2023, the Company held the 14th Meeting of the 5th Board of Directors, during which the *Proposal on 2023 Stock Option Incentive Plan (Draft) of the Company and Its Summary* and other related proposals were reviewed and approved, and the independent directors expressed their independent opinions on and approved the matters related to the Company's stock option incentive plan. The 14th meeting of the 5th Board of Supervisors of the Company reviewed and approved the above-mentioned proposals and expressed its concurring opinion. The Company disclosed the above matters on April 26, 2023.

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

3. On May 18, 2023, the Company held its annual general meeting of shareholders for 2022, where it reviewed and approved the *Proposal on the Company's 2023 Stock Option Incentive Plan (Draft) and Its Summary*, among other related proposals. This plan was approved at the Company's annual general meeting of shareholders in 2022, and the board of directors

was authorized to determine the grant date for stock options. The board is also responsible for granting stock options to eligible incentive recipients and handling all matters necessary for granting these stock options.

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

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

6. On June 20, 2024, the Company held the 8th meeting of the 6th Board of Directors and the 8th meeting of the 6th Board of Supervisors, which reviewed and approved the *Proposal on the Achievement of Exercise Conditions for the First Exercise Period of the 2023 Stock Option Incentive Plan* and the *Proposal on Adjusting the Exercise Price of the 2023 Stock Option Incentive Plan*. The Board of Supervisors has verified this and expressed its concurring opinion.

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

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

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

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

### **III. Overview of the Company's 2024 stock option incentive plan**

1. On April 24, 2024, the Company held the 5th meeting of the 6th Board of Directors, which reviewed and approved the Proposal on 2024 Stock Option Incentive Plan (Draft) of the Company and Its Summary, the Proposal on the Implementation and

Assessment Measures for the Company's 2024 Stock Option Incentive Plan, the Proposal to Request the Shareholders' Meeting to Authorize the Board of Directors to Handle Matters Related to Stock Option Incentives and other proposals.

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

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

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

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

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

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

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

#### **IV. Overview of the Company's 2025 stock option incentive plan**

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

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

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

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

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

Directors of the Company, and the Board of Supervisors and the Remuneration and Assessment Committee of the Board of Directors verified the list of incentive recipients and expressed their concurring opinions.

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

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

Equity incentives granted to directors and senior management of the Company

Applicable Not applicable

Performance evaluation mechanism and incentive arrangements for senior management

## **I. Overview of the Company's Phase II Partner Equity Ownership Plan**

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

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

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

## **2. Implementation of the employee stock ownership plan**

Applicable Not applicable

## **3. Other employee incentive plans**

Applicable Not applicable

## XI. Development and Implementation of The Internal Control System During the Reporting Period

### 1. Development and implementation of internal controls

For details, please refer to the *2025 Internal Control Self-Assessment Report* disclosed by the Company on the designated information disclosure website (CNINFO).

### 2. Significant deficiencies in internal control identified during the reporting period

Yes  No

## XII. Management and Control of Subsidiaries by the Company During the Reporting Period

Company name	Integration program	Integration progress	Problems encountered in integration	Measures taken	Progress of resolution	Follow-up plan
N/A	N/A	N/A	N/A	N/A	N/A	N/A

Abnormalities in the management and control of subsidiaries:

Yes  No

## XIII. Internal Control Evaluation Report or Internal Control Audit Report

### 1. Internal control evaluation report

Date of full disclosure of the internal control evaluation report	April 29, 2026	
Disclosure reference for the full internal control evaluation report	CNINFO: <i>Robam Appliances 2025 Internal Control Self-Assessment Report</i>	
Proportion of total assets of entities included in the evaluation scope to the total assets in the consolidated financial statements	100.00%	
Proportion of operating revenue of entities included in the evaluation scope to the operating revenue in the consolidated financial statements	100.00%	
Criteria for identifying deficiencies		
Category	Financial report	Non-financial report
Qualitative criteria	<p>Indications of material weaknesses in financial report include:</p> <p>(1) Fraudulent acts by directors or senior management of the Company;</p> <p>(2) Material errors in previously disclosed financial reports requiring restatement;</p> <p>(3) Material misstatements in the current financial report that were not detected by</p>	<p>(1) Non-financial report deficiencies are determined primarily based on the impact of the deficiency on the effectiveness of business processes and the likelihood of occurrence;</p> <p>(2) A material weakness is identified where the likelihood of occurrence is high and would severely reduce work efficiency or effectiveness, significantly</p>

	<p>internal controls during operation; (4) Ineffective supervision by the Audit Committee and internal audit department over external financial report and internal controls over financial reporting.</p> <p>Indications of significant deficiencies in financial report include: (1) Failure to select and apply accounting policies in accordance with generally accepted accounting principles; (2) Failure to establish anti-fraud procedures and control measures; (3) Lack of corresponding control mechanisms for accounting treatment of non-routine or special transactions, or failure to implement such controls without compensating controls; (4) One or more deficiencies in controls over the period-end financial reporting process, such that there is no reasonable assurance that the financial statements are prepared truthfully and completely. General deficiencies in financial report refer to control deficiencies other than material weaknesses and significant deficiencies described above.</p>	<p>increase uncertainty of outcomes, or cause serious deviation from expected objectives.</p> <p>(1) Non-financial report deficiencies are determined primarily based on the impact of the deficiency on the effectiveness of business processes and the likelihood of occurrence; (2) A significant deficiency is identified where the likelihood of occurrence is relatively high and would notably reduce work efficiency or effectiveness, significantly increase uncertainty of outcomes, or cause notable deviation from expected objectives.</p> <p>(1) Non-financial report deficiencies are determined primarily based on the impact of the deficiency on the effectiveness of business processes and the likelihood of occurrence; (2) A general deficiency is identified where the likelihood of occurrence is relatively low and would reduce work efficiency or effectiveness, increase uncertainty of outcomes, or cause deviation from expected objectives.</p>
<p>Quantitative criteria</p>	<p>The quantitative criteria are measured by operating income and total assets. (1) Losses that may be caused by or as a result of internal control deficiencies that are relevant to the income statement are measured by the operating income: Material weakness: misstatement amount &gt; 2% of operating income; (2) Losses that may be caused or as a result of internal control deficiencies that are relevant to asset management are measured by the total assets: Material weakness: misstatements amount &gt; 1% of total assets.</p> <p>The quantitative criteria are measured by operating income and total assets. (1) Losses that may be caused by or as a result of internal control deficiencies that are relevant to the income statement are measured by the operating income: Significant Deficiency: 1% of operating income &lt; misstatement amount &lt; 2% of operating income; (2) Losses that may be caused or as a result of internal control deficiencies that are relevant to asset management are measured by the total assets: Significant Deficiency: 0.5% of total assets &lt; misstatement amount &lt; 1% of</p>	<p>Material weakness: Direct property damage &gt; RMB 20 million.</p> <p>Significant deficiency: RMB 5 million &lt; direct property damage &lt; RMB 20 million.</p> <p>General deficiency: direct property damage &lt; RMB 5 million.</p>

	<p>total assets.</p> <p>The quantitative criteria are measured by operating income and total assets.</p> <p>(1) Losses that may be caused by or as a result of internal control deficiencies that are relevant to the income statement are measured by the operating income: General deficiency: misstatement amount &lt;1% of operating income ;</p> <p>(2) Losses that may be caused or as a result of internal control deficiencies that are relevant to asset management are measured by the total assets: General deficiency: misstatement amount &lt; 0.5% of total assets.</p>	
Number of material weaknesses in financial report		0
Number of material weaknesses in non-financial report		0
Number of significant deficiencies in financial report		0
Number of significant deficiencies in non-financial report		0

## 2. Internal control audit report

Applicable Not applicable

Deliberations in the internal control audit report	
In our opinion, Robam Appliances maintained effective internal control over financial reporting in all material respects as of December 31, 2025, in accordance with the <i>Basic Standards for Enterprise Internal Control</i> and relevant regulations.	
Disclosure of the internal control audit report	Disclosed
Date of full disclosure of the internal control audit report	April 29, 2026
Disclosure reference for the full internal control audit report	CNINFO: <i>Robam Appliances 2025 Internal Control Audit Report</i>
Type of opinion on the internal control audit report	Standard unqualified opinion
Whether there are material weaknesses in non-financial report	No

Whether the accounting firm issued a non-standard internal control audit opinion

Yes  No

Whether the internal control audit opinion issued by the accounting firm is consistent with the Board of Directors' self-assessment opinion

Yes  No

Whether a non-standard audit opinion on internal control was issued for the reporting period or the previous year

Yes  No

## XIV. Self-inspection and Rectification of Issues Identified in the Special Action on Governance of Listed Companies

### 1. Identification and rectification of deficiencies in internal control over financial reporting

Based on the above criteria for identifying deficiencies in internal control over financial reporting, the Company did not have material weaknesses and significant deficiencies in internal control over financial reporting during the reporting period. For general deficiencies identified in internal control over financial reporting, the Company has implemented or is in the process of implementing rectification measures, with continuous tracking of progress under a closed-loop management mechanism. The risks arising from general deficiencies in internal control over financial reporting remain within a controllable range and do not have a substantive impact on the achievement of the Company's internal control objectives.

#### 2. Identification and rectification of deficiencies in internal control over non-financial reporting

Based on the above criteria for identifying deficiencies in internal control over non-financial reporting, no material weaknesses and significant deficiencies in the Company's internal control over non-financial reporting were identified during the reporting period. For general deficiencies identified in internal control over non-financial reporting, the Company has implemented or is in the process of implementing rectification measures, with continuous tracking of progress under a closed-loop management mechanism. The risks arising from general deficiencies in internal control over non-financial reporting remain within a controllable range and do not have a substantive impact on the achievement of the Company's internal control objectives.

### **XV. Disclosure of Environmental Information**

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

Yes  No

### **XVI. Social Responsibility**

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

### **XVII. Consolidation and Expansion of Poverty Alleviation Achievements and Rural Revitalization**

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

## Section 5 Significant Matters

### I. Performance in Fulfilling Commitments

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

Applicable Not applicable

Commitment	Committing Party	Commitment Type	Content of Commitment	Time of Commitment	Commitment Duration	Performance
Commitment made during initial public offering or re-financing	Directors, supervisors and senior management directly and indirectly holding shares of the Company	Commitment on restriction for sales of shares	Upon the expiration of the above 36-month restricted sales period, the shares transferred by any of them each year shall not exceed 25% of the total shares of the Company held directly or indirectly by him/her; and shall not transfer the shares of the Company held directly or indirectly by him/her within half year after leaving the Company.	November 23, 2010	Long-term commitment	Strictly performed
Commitment made during initial public offering or re-financing	Hangzhou Robam Industrial Group Co., Ltd.; Ren Jianhua	Commitment on avoiding horizontal competition	1) The Company/individual and enterprises controlled by the Company/individual do not currently and will not in the future, directly or indirectly, engage in any activities that constitute horizontal competition with the existing or future businesses of Robam Appliances and its subsidiaries; 2) If any business opportunity obtained from a third party by the Company/individual or enterprises controlled thereby constitutes or may constitute substantial competition with the business of Robam Appliances, the Company/individual will promptly notify Robam Appliances and transfer such business opportunity to Robam Appliances; 3) The Company/individual and enterprises controlled thereby undertake not to provide any commercial secrets such as	November 23, 2010	Long-term commitment	Strictly performed

			technical information, production processes, or sales channels to any companies, enterprises, organizations or individuals whose businesses compete with those of Robam Appliances.			
Whether commitments have been performed on schedule	Yes					
If any commitments are overdue and not yet fulfilled, detailed explanation of reasons and next-step work plan shall be made	N/A					

**2. Where the Company has profit forecasts for assets or projects and such forecasts remain in effect during the reporting period, explanation has been made, of whether such forecasts have been achieved and the reasons**

Applicable Not applicable

**3. Performance commitments of the Company**

Applicable Not applicable

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

Applicable Not applicable

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

**III. Illegal External Guarantee**

Applicable Not applicable

There is no illegal external guarantee during the reporting period.

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

Applicable Not applicable

## V. Statements of the Board of Directors and the Independent Directors (if any) on the “Non-standard Audit Report” Issued by the Accounting Firm for the Reporting Period

Applicable Not applicable

## VI. Explanation of Changes in Accounting Policies, Accounting Estimates or Corrections of Material Accounting Errors Compared with the Previous Year's Financial Report

Applicable Not applicable

During the reporting period, there were no changes in accounting policies or estimates, nor any correction of material accounting errors.

## VII. Explanation of Changes in the Scope of Consolidated Financial Statements Compared with the Previous Year's Financial Report

Applicable Not applicable

During the year, the scope of consolidation increased by three wholly owned subsidiaries newly established by the Company, and one additional controlled subsidiary was formed through the demerger of a subsidiary. Details are as follows:

On July 11, 2025, Robam Appliances (Hong Kong) Holding Co., Ltd., a subsidiary of the Company, established Robam Appliances International Trading (Malaysia) Co., Ltd., with a registered capital of MYR 1,000 and a 100% equity interest. Its business scope covers the sales and after-sales services of kitchen appliances. As of the end of the reporting period, the registered capital had not yet been paid in and the company had not commenced operations.

On September 26, 2025, the Company established Hangzhou Robam Commercial Kitchen Technology Co., Ltd., with a registered capital of RMB 50 million and a 100% equity interest. Its business scope includes the R&D, production, and sales of kitchen appliances. The registered capital has been fully paid.

On September 26, 2025, the Company established Hainan Robam Intelligent Technology Co., Ltd., with a registered capital of RMB 200 million and a 100% equity interest. Its business scope includes the R&D, production, and sales of kitchen appliances. As of the end of the reporting period, the registered capital had not yet been paid in and the company had not commenced operations.

## VIII. Appointment and Dismissal of Accounting Firm

Accounting firm currently engaged

Name of domestic accounting firm	ShineWing Certified Public Accountants (Special General Partnership)
Compensation of the domestic accounting firm (in RMB 10,000)	155
Number of consecutive years of audit services provided by the domestic accounting firm	7
Name of certified public accountant of the domestic accounting firm	Liu Yu, Tian Chuan
Number of consecutive years of auditing services provided by certified public accountants of the domestic accounting firm	2 years, 1 year

Whether to change the accounting firm during the period

Yes  No

Engagement of internal control audit accounting firms, financial advisors or sponsors

Applicable  Not applicable

ShineWing Certified Public Accountants (Special General Partnership) acted as the Company's internal control auditor for the year 2025 at an audit fee of RMB 1.55 million, of which RMB 1.15 million was for the audit of the financial statements and RMB 0.4 million was for the audit of internal control.

## **IX. Delisting Risk after Disclosure of The Annual Report**

Applicable  Not applicable

## **X. Matters Related to Bankruptcy Reorganization**

Applicable  Not applicable

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

## **XI. Material Litigation and Arbitration**

Applicable  Not applicable

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

## **X. Penalties and Rectification**

Applicable  Not applicable

There was no penalty or rectification during the reporting period.

## **XIII. Integrity Conditions of the Company and Its Controlling Shareholders and Actual Controllers**

Applicable  Not applicable

## **XIV. Major Connected Transactions**

### **1. Connected transactions concerning daily operations**

Applicable  Not applicable

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

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

Applicable  Not applicable

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

### **3. Connected transactions related to joint outward investment**

Applicable Not applicable

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

### **4. Connected transactions on credit and debt**

Applicable Not applicable

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

### **5. Transactions with connected finance companies**

Applicable Not applicable

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

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

Applicable Not applicable

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

### **7. Other major connected transactions**

Applicable Not applicable

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

## **XV. Major Contracts and Their Performance**

### **1. Entrustment, contracting and leasing**

#### **(1) Entrustment**

Applicable Not applicable

The Company had no entrustment during the reporting period.

#### **(2) Contracting**

Applicable Not applicable

There was no contracting during the reporting period.

#### **(3) Leasing**

Applicable Not applicable

There was no leasing during the reporting period.

## 2. Material guarantee

Applicable Not applicable

The Company had no material guarantee during the reporting period.

## 3. Entrusted cash asset management by third parties

### (1) Entrusted financial management

Applicable Not applicable

Overview of entrusted financial management during the reporting period

Unit: RMB 10,000

Product category	Risk profile	Balance of entrusted finance during the reporting period	Overdue amount not recovered
Bank financial products	R1-R3	283,000	0
Trust financial management product	R5	40,000	0

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

Applicable Not applicable

### (2) Entrusted loans

Applicable Not applicable

There were no entrusted loans during the reporting period.

## 4. Other material contracts

Applicable Not applicable

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

## XVI. Use of the Raised Funds

Applicable Not applicable

The Company did not use the raised funds during the reporting period.

## XVII. Explanation of Other Significant Matters

Applicable Not applicable

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

## XVIII. Significant Matters of Subsidiaries of the Company

Applicable Not applicable

## Section 6 Changes in Shares and Shareholders

### I. Changes in Shares

#### 1. Changes in shares

Unit: share

	Before change		Change (+. -)					After change	
	Quantity	Percentage (%)	Issue of new shares	Bonus shares	Shares converted from capital reserve	Others	Subtotal	Quantity	Percentage (%)
I. Shares subject to sales restrictions	11,387,129	1.21%						11,387,129	1.21%
1. Shares held by the state									
2. Shares held by the state-owned legal persons									
3. Shares held by other domestic investors	11,387,129	1.21%						11,387,129	1.21%
Including: shares held by domestic legal persons									
Including: shares held by domestic natural persons	11,387,129	1.21%						11,387,129	1.21%
4. Shares held by overseas investors									
Including: shares held by overseas legal persons									
Shares held by overseas natural persons									
II. Shares without sales restrictions	933,395,037	98.79%				156,750	156,750	933,551,787	98.79%
1. RMB ordinary shares	933,395,037	98.79%				156,750	156,750	933,551,787	98.79%
2.									

Domestically listed foreign shares									
3. Overseas listed foreign shares									
4. Others									
III. Total shares	944,782,166	100.00%				156,750	156,750	944,938,916	100.00%

Reason for share changes

Applicable Not applicable

Approval of changes in shares

Applicable Not applicable

Transfer of ownership of changes in shares

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

## 2. Changes in shares subject to sales restrictions

Applicable Not applicable

## II. Securities Issuance and Listing

### 1. Issuance of securities (excluding preferred shares) during the reporting period

Applicable Not applicable

### 2. Explanation of changes in the total number of shares and shareholder structure of the Company, and changes in the structure of the Company's assets and liabilities

Applicable Not applicable

### 3. Existing internal employee shares

Applicable Not applicable

## III. Shareholders and Actual Controllers

### 1. Number of shareholders of the Company and their shareholdings

Unit: share

Total number of common	48,606	Total number	41,108	Total number of	0	Total number of preference shareholders with voting	0
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shareholders at the end of the reporting period		of common shareholders at the end of the previous month before the disclosure date of the annual report		preference shareholders with voting rights recovered at the end of the reporting period (if any) (see Note 8)		rights recovered at the end of the previous month before the disclosure date of the annual report (if any) (see Note 8)		
Shareholdings of shareholders holding more than 5% of the Company's shares or top 10 shareholders (excluding share lent through refinancing)								
Name of shareholder	Nature of shareholder	Shareholding ratio	Number of shares held at the end of the reporting period	Change during the reporting period	Number of shares subject to sales restrictions	Number of shares not subject to sales restrictions	Pledged, marked or frozen shares	
							Status	Quantity
Hangzhou Robam Industrial Group Co., Ltd.	Domestic non-state-owned corporation	49.90%	471,510,000	0	0	471,510,000	Not Applicable	0
Hong Kong Securities Clearing Company Limited	Overseas corporation	6.65%	62,815,238	-41,382,827	0	62,815,238	Not Applicable	0
China Merchants Bank Co., Ltd. - ICBC Credit Suisse Value Selected Hybrid Securities Investment Fund	Others	1.61%	15,259,526	15,259,526	0	15,259,526	Not Applicable	0
Shen Guoying	Domestic natural person	1.30%	12,240,000	0	0	12,240,000	Not Applicable	0
China Life Insurance (Group) Company - Traditional - Ordinary Insurance Products - Hong Kong Stock Connect (Innovative Strategy)	Others	0.94%	8,906,200	602,500	0	8,906,200	Not Applicable	0
Agricultural Bank of China Co., Ltd.	Others	0.75%	7,079,953	436,153	0	7,079,953	Not Applicable	0

- CSI 500 Exchange Traded Fund								
Hangzhou Jinchuang Investment Co., Ltd.	Domestic non-state-owned corporation	0.70%	6,640,085	0	0	6,640,085	Not Applicable	0
China Pacific Life Insurance Co., Ltd. — Traditional — Ordinary Insurance Products	Others	0.69%	6,534,300	1,300,000	0	6,534,300	Not Applicable	0
Schroder Investment Management (Hong Kong) Limited - Schroder Global Equity Fund China A-Shares (Exchange)	Overseas corporation	0.68%	6,435,300	-7,780,055	0	6,435,300	Not Applicable	0
Hangzhou Yinchuang Investment Co., Ltd.	Domestic non-state-owned corporation	0.67%	6,318,000	0	0	6,318,000	Not Applicable	0
Strategic investor or general legal person who becomes one of the top 10 shareholders due to rights issue (if any) (see Note 3)	N/A							
Description of the associated relationship or consistent actions of the above shareholders	Mr. Ren Jianhua is the actual controller of the controlling shareholder of the Company - Hangzhou Robam Industrial Group Co., Ltd., and the shareholder of the Company - Hangzhou Jinchuang Investment Co., Ltd.; and the natural person shareholder, Shen Guoying, is his wife. Therefore, there is a possibility that these shareholders will act in concert.							
Statements of the above shareholders on proxy/trustee voting rights and abstention from voting rights	N/A							
Special note on the presence of repurchase accounts among the top 10 shareholders (if any) (see Note 10)	N/A							
Shareholdings of the top 10 shareholders not subject to sales restrictions (excluding shares lent through refinancing and executive locked shares)								
Name of shareholder	Number of shares without sales restrictions held at the end of the reporting period	Type of share						
		Type of share	Quantity					
Hangzhou Robam Industrial Group Co., Ltd.	471,510,000	RMB ordinary shares	471,510,000					
Hong Kong Securities Clearing Company Limited	62,815,238	RMB ordinary shares	62,815,238					
China Merchants Bank Co., Ltd. -	15,259,526	RMB	15,259,526					

ICBC Credit Suisse Value Selected Hybrid Securities Investment Fund		ordinary shares	26
Shen Guoying	12,240,000	RMB ordinary shares	12,240,000
China Life Insurance (Group) Company - Traditional - Ordinary Insurance Products - Hong Kong Stock Connect (Innovative Strategy)	8,906,200	RMB ordinary shares	8,906,200
Agricultural Bank of China Co., Ltd. - CSI 500 Exchange Traded Fund	7,079,953	RMB ordinary shares	7,079,953
Hangzhou Jinchuang Investment Co., Ltd.	6,640,085	RMB ordinary shares	6,640,085
China Pacific Life Insurance Co., Ltd. — Traditional — Ordinary Insurance Products	6,534,300	RMB ordinary shares	6,534,300
Schroder Investment Management (Hong Kong) Limited - Schroder Global Equity Fund China A-Shares (Exchange)	6,435,300	RMB ordinary shares	6,435,300
Hangzhou Yinchuang Investment Co., Ltd.	6,318,000	RMB ordinary shares	6,318,000
Description on associated relationship or consistent actions among the top 10 unrestricted circulating shareholders and between the top 10 holders of unrestricted circulating shares and the top 10 common shareholders	Mr. Ren Jianhua is the actual controller of the controlling shareholder of the Company - Hangzhou Robam Industrial Group Co., Ltd., and the shareholder of the Company - Hangzhou Jinchuang Investment Co., Ltd.; and the natural person shareholder, Shen Guoying, is his wife. Therefore, there is a possibility that these shareholders will act in concert.		
Description on the top 10 common shareholders engaging in securities margin trading (if any) (see Note 4)	N/A		

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

Applicable Not applicable

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

Applicable Not applicable

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

Yes No

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

## 2. Controlling shareholder of the Company

Nature of controlling shareholder: controlled by natural person

Type of controlling shareholder: legal entity

Name of controlling shareholder	Legal representative/person in charge	Date of establishment	Unified social credit code	Main business activities
Hangzhou Robam Industrial Group Co., Ltd.	Ren Jianhua	March 22, 1995	913301101438402503	Industrial investment, import and export of goods
Equity interests held by the controlling shareholder in other domestic and overseas listed companies during the reporting period	Serves as the controlling shareholder of Hangzhou Nbond Nonwovens Co., Ltd., and as a shareholder of Zhejiang CFMOTO Power Co., Ltd. and Hangzhou Fortune Gas Cryogenic Group Co., Ltd.			

Changes in the controlling shareholder during the reporting period

Applicable Not applicable

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

### 3. Actual controller of the Company and persons acting in concert

Nature of actual controller: domestic natural person

Type of actual controller: natural person

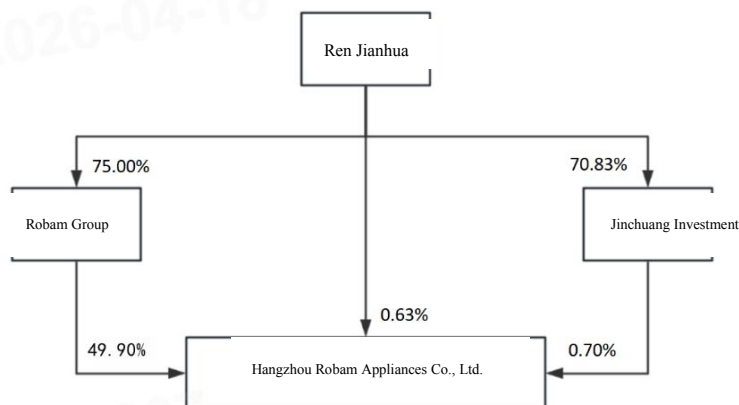
Name of actual controller	Relationship with actual controller	Nationality	Whether permanent residency in other countries/regions is obtained
Ren Jianhua	Self	China	No
Main occupation and position	See the biographies of the Company's directors		
Listed companies controlled in the past 10 years (domestic and overseas)	Actual controller of Hangzhou Robam Appliances Co., Ltd. and Hangzhou Nbond Nonwovens Co., Ltd.		

Changes in the actual controller during the reporting period

Applicable Not applicable

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

Diagram of equity ownership and control relationship between the Company and the actual controller



Whether the actual controller controls the Company through trusts or other asset management arrangements

Applicable Not applicable

**4. Whether the cumulative pledged shares held by the controlling shareholder or the largest shareholder and persons acting in concert account for 80% or more of their shareholding in the Company**

Applicable Not applicable

**5. Other corporate shareholders holding more than 10% of shares**

Applicable Not applicable

**6. Restrictions on share reduction by controlling shareholder, actual controller, restructuring parties, and other commitment parties**

Applicable Not applicable

#### **IV. Specific Implementation of Share Repurchases During the Reporting Period**

Progress in the implementation of shares repurchase

Applicable Not applicable

Progress of transferring repurchased shares by means of centralized bidding transactions

Applicable Not applicable

#### **V. Information on Preferred Shares**

Applicable Not applicable

The Company had no preferred shares during the reporting period.

## Section 7 Bonds

Applicable Not applicable

## Section 8 Financial Report

### I. Audit Report

Type of audit opinion	Standard unqualified opinion
Date of signing of the audit report	April 28, 2026
Name of audit institution	ShineWing Certified Public Accountants (Special General Partnership)
Audit report No.	XYZH/2026BJAA8B0102
Name of certified public accountants	Liu Yu, Tian Chuan

Main body of the audit report

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

- **Audit opinion**

We have audited the financial statements of Hangzhou Robam Appliances Co., Ltd. (hereinafter referred to as “Robam Appliances” or the “Company”), which comprise the consolidated balance sheet and the balance sheet of parent company as of December 31, 2025, consolidated income statement and income statement of parent company, consolidated cash flow statement and cash flow statement of parent company, consolidated statement of change in equity and statement of change in equity of parent company for the year 2025 and notes to relevant financial statements.

In our opinion, the accompanying financial statements have been prepared, in all material respects, in accordance with the requirements of the Accounting Standards for Business Enterprises, and fairly present the consolidated and parent company financial position of Robam Appliances as of December 31, 2025, and its consolidated and parent company operating results and cash flows for the year 2025.

- **Basis for audit opinion**

We conducted our audit in accordance with the Chinese Standards on Auditing for Certified Public Accountants. Our responsibilities under these standards are further described in the "Certified Public Accountants' Responsibilities for the Audit of the Financial Statements" section of the audit report. In accordance with the Independence Standard for Chinese Certified Public Accountants and the independence requirements applicable to audits of financial statements of public interest entities under the Code of Ethics for Chinese Certified Public Accountants, we are independent of Robam Appliances and have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

- **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our audit opinion thereon, and we do not provide a separate opinion on these matters.

<b>1. Revenue recognition - agency sales model and developer channel sales</b>	
<b>Key audit matters</b>	<b>Response in audit</b>
<p>Refer to Note III. 26 and Note V. 39 Operating Income and Operating Costs to the financial statements.</p> <p>For the year 2025, Robam Appliances recorded operating income of RMB 10,116.0694 million, representing a decrease of RMB 1,096.5848 million compared with 2024. Among this, revenue from the agency sales model amounted to RMB 3,174.8849 million, and revenue from developer channel sales amounted to RMB 1,074.7972 million, together accounting for 48.47% of total operating revenue for the period.</p> <p>Given the significant proportion of revenue derived from the agency sales model and developer channel sales, and that revenue is a key performance indicator of the Company, there is an inherent risk that management may recognize revenue inappropriately to achieve specific or expected targets. Therefore, we identified revenue recognition as a key audit matter.</p>	<p>Our audit procedures in relation to revenue recognition under the agency sales model and developer channel sales mainly included:</p> <ol style="list-style-type: none"> <li>1. Understand key internal controls related to revenue recognition and evaluate and test the effectiveness of internal control design and implementation;</li> <li>2. Review the information on the shareholders and key personnel of the distributing entities and assess whether related-party relationships exist;</li> <li>3. Examine major sales contracts to identify clauses relating to the transfer of the principal risks and rewards of ownership of goods, and evaluate whether the timing of revenue recognition complies with the Accounting Standards for Business Enterprises;</li> <li>4. Perform substantive analytical procedures on operating income and gross margins by channel, customer, and product to identify significant or unusual fluctuations and analyze underlying causes;</li> <li>5. Examine supporting documentation for revenue recognition from major customers based on revenue recognition policies and settlement processes, to assess the authenticity and accuracy of revenue recognition;</li> <li>6. Combine accounts receivable confirmations with sampling procedures to confirm sales amounts with major customers;</li> <li>7. Perform cut-off testing by examining supporting documents such as delivery notes and acceptance records for revenue recognized around the balance sheet date, to assess whether revenue was recognized in the appropriate period;</li> </ol>

	<p>8. Review whether information relating to operating income has been properly presented and disclosed in the financial statements.</p>
<p><b>1. Expected credit losses on accounts receivable</b></p>	
<p><b>Key audit matters</b></p>	<p><b>Response in audit</b></p>
<p>Refer to Note III. 11 and Note V. 4 Accounts Receivable to the financial statements.</p> <p>As of December 31, 2025, Robam Appliances reported accounts receivable of RMB 2,074.0128 million, with the bad debt provision of RMB 572.2382 million.</p> <p>Due to the significant balance of accounts receivable at period-end, and the need for management to apply significant accounting estimates and judgment in determining recoverable amounts, we identified expected credit losses on accounts receivable as a key audit matter.</p>	<p>Our audit procedures in relation to expected credit losses on accounts receivable mainly included:</p> <ol style="list-style-type: none"> <li>1. Understand key internal controls over accounts receivable and evaluate and test the effectiveness of internal control design and implementation;</li> <li>2. Review major customer contracts in conjunction with revenue transactions to understand settlement terms and analyze the causes of receivables, and assess customers' repayment capacity based on their operating and financial conditions;</li> <li>3. Evaluate the application of the new financial instruments standards to receivables, including assessing the appropriateness of the expected credit loss model adopted by the Company and the reasonableness of estimates, recalculating expected credit losses at the balance sheet date, and assessing whether provisions are adequate;</li> <li>4. Analyze aging of accounts receivable and, together with confirmation procedures and subsequent collections, corroborating the reasonableness of expected credit loss estimates;</li> <li>5. Review the post-period recovery of accounts receivable from major customers, record the amount of accounts receivable that have been recovered after the period, and check the recovered amounts to the supporting documents, such as bank receipts;</li> <li>6. Review whether information relating to accounts receivable has been properly presented and disclosed in the financial statements.</li> </ol>

- **Other information**

Management of Hangzhou Robam Appliances Co., Ltd. (hereinafter referred to as “management”) is responsible for the other information. The other information comprises the information included in the 2025 annual report of Robam Appliances, but does not include the financial statements and the audit report.

Our audit opinion on the financial statements does not cover other information, and we do not express any form of assurance conclusion thereon.

In conjunction with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with the knowledge we obtained during the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

- **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation of the financial statements in accordance with the Accounting Standards for Business Enterprises so as to achieve fair presentation, and for designing, implementing, and maintaining such internal control as is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing matters related to going concern (where applicable), and using the going concern basis of accounting unless management either intends to liquidate the Company, cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

- **Certified public accountants’ responsibilities for the audit of the financial statements**

Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes an audit opinion. Reasonable assurance is a high level of assurance, but does not provide assurance that an audit performed in accordance with auditing standards will always detect a material misstatement when it exists. Misstatements, which may be due to fraud or error, are generally considered to be material if they could reasonably be expected, individually or in the aggregate, to affect the economic decisions of users of financial statements on the basis of the financial statements.

As part of an audit conducted in accordance with auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. At the same time, we also perform the following tasks:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures to address those risks, and obtain sufficient and appropriate audit evidence to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that

resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Understand internal controls relevant to the audit in order to design appropriate audit procedures.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern assumption. At the same time, based on the audit evidence obtained, determine whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, auditing standards require us to draw the attention of users of the statements to the relevant disclosures in the financial statements in our audit report; if such disclosures are not adequate, we are required to modify our opinion. Our conclusions are based on information available as of the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements and whether the financial statements present fairly the underlying transactions and events.
- Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an audit opinion on the financial statements. We are responsible for directing, supervising and performing the Group's audits, and for the audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the current period and are therefore key audit matters. We describe these matters in our audit report unless laws or regulations preclude public disclosure about the matter or, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## II. Financial Statements

The financial statement notes are represented in RMB.

### 1. Consolidated Balance Sheet

Prepared by: Hangzhou Robam Appliances Co., Ltd.

December 31, 2025

In RMB

Item	Ending balance	Beginning balance
Current assets:		
Cash and cash equivalents	1,236,257,860.53	1,631,776,094.27
Deposit reservation for balance		
Lendings to banks and other financial		

institutions		
Financial assets held for trading	3,230,000,000.00	2,180,000,000.00
Derivative financial assets		
Notes receivable	578,435,043.55	817,563,424.67
Accounts receivable	1,501,774,623.23	1,963,710,151.61
Accounts receivable financing		
Prepayments	186,281,708.91	161,690,670.71
Receivable premium		
Reinsurance accounts receivable		
Reinsurance contract reserves receivable		
Other receivables	73,533,704.37	86,729,886.98
Inc: Interests receivable		
Dividends receivable	400,000.00	
Redemptory monetary capital for sale		
Inventory	1,360,022,769.09	1,214,012,761.29
Including: Data resources		
Contract assets		
Assets held for sale		
Non-current assets due within one year	499,143,689.50	899,560,428.08
Other current assets	88,468,071.99	1,411,059,496.48
Total current assets	8,753,917,471.17	10,366,102,914.09
Non-current assets:		
Loans and advances		
Debt investment		
Other debt investment		
Long-term account receivable		
Long-term equity investment	4,395,119.95	10,561,060.79
Investment in other equity instruments	2,116,023.22	2,116,023.22
Other non-current financial assets	800,451,400.00	300,000,000.00
Investment properties	81,013,670.91	85,850,636.19
Fixed assets	2,173,675,186.21	1,611,144,579.04
Construction in process	46,511,377.40	457,357,111.28
Biological assets for production		
Oil & gas assets		
Right-of-use assets	8,102,992.49	10,275,253.96
Intangible assets	196,406,397.41	205,881,656.70
Including: Data resources		
Development expenditure		
Including: Data resources		
Goodwill		
Long-term prepaid expenses	3,252,717.83	4,756,409.65
Deferred income tax assets:	325,584,003.83	355,443,564.81

Other non-current assets	4,812,636,753.73	3,633,769,072.60
Total non-current assets	8,454,145,642.98	6,677,155,368.24
Total assets	17,208,063,114.15	17,043,258,282.33
Current liabilities:		
Short-term borrowings	97,738,579.05	93,239,299.06
Borrowings from the central bank		
Borrowings from banks and other financial institutions		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payables	1,102,064,932.55	1,061,073,856.74
Accounts payable	2,655,136,329.40	2,830,095,046.91
Advance receipts		
Contract liabilities	932,559,161.31	867,810,932.52
Financial assets sold for repurchase		
Deposits from customers and interbank		
Receivings from vicariously traded securities		
Receivings from vicariously traded securities		
Payroll payable	179,852,713.89	188,410,062.92
Taxes payable	121,036,736.76	189,784,241.67
Other payables	294,434,125.10	285,326,671.78
Inc: Interests payable		
Dividends payable		
Fees and commissions payable		
Dividends payable for reinsurance		
Liabilities held for sale		
Non-current liabilities due within one year	1,967,891.30	2,136,543.64
Other current liabilities	102,759,019.62	95,808,311.01
Total current liabilities	5,487,549,488.98	5,613,684,966.25
Non-current liabilities:		
Reserves for insurance contracts		
Long-term loans		
Bonds payable		
Inc: Preferred shares		
Perpetual bonds		
Lease liabilities	7,867,003.07	10,197,520.49
Long-term accounts payable		
Long-term payroll payable		
Estimated liabilities		
Deferred income	100,318,829.17	114,504,272.72

Deferred income tax liabilities	40,433,744.03	38,784,781.76
Other non-current liabilities		
Total non-current liabilities	148,619,576.27	163,486,574.97
Total liabilities	5,636,169,065.25	5,777,171,541.22
Owner's equity:		
Capital stock	944,938,916.00	944,782,166.00
Other equity instruments		
Inc: Preferred shares		
Perpetual bonds		
Capital reserve	245,855,894.16	237,627,547.19
Less: treasury share		
Other comprehensive income	-99,859,332.25	-99,551,592.95
Special reserve		
Surplus reserve	474,516,412.50	474,516,412.50
General risk reserves		
Undistributed profits	9,932,003,800.67	9,621,062,910.45
Total owners' equity attributable to the parent company	11,497,455,691.08	11,178,437,443.19
Minority interests	74,438,357.82	87,649,297.92
Total owners' equity	11,571,894,048.90	11,266,086,741.11
Total liabilities and owner's equity	17,208,063,114.15	17,043,258,282.33

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

## 2. Balance Sheet of the Parent Company

In RMB

Item	Ending balance	Beginning balance
Current assets:		
Cash and cash equivalents	918,874,104.42	1,277,125,731.09
Financial assets held for trading	3,150,000,000.00	2,180,000,000.00
Derivative financial assets		
Notes receivable	523,249,511.10	725,250,200.92
Accounts receivable	1,602,061,559.51	1,950,848,879.74
Accounts receivable financing		
Prepayments	165,128,922.34	141,838,575.60
Other receivables	46,373,203.37	54,938,787.51
Inc: Interests receivable		
Dividends receivable	400,000.00	
Inventory	1,236,807,100.71	1,101,560,745.84
Including: Data resources		
Contract assets		
Assets held for sale		
Non-current assets due within one year	499,143,689.50	899,560,428.08
Other current assets	85,399,390.87	1,408,135,339.71
Total current assets	8,227,037,481.82	9,739,258,688.49
Non-current assets:		
Debt investment		

Other debt investment		
Long-term account receivable		
Long-term equity investment	359,003,369.68	305,726,881.00
Investment in other equity instruments	2,116,023.22	2,116,023.22
Other non-current financial assets	800,000,000.00	300,000,000.00
Investment properties	5,844,077.68	6,160,828.32
Fixed assets	2,014,588,155.12	1,439,118,833.45
Construction in process	46,511,377.40	457,357,111.28
Biological assets for production		
Oil & gas assets		
Right-of-use assets		
Intangible assets	138,595,427.42	144,362,791.26
Including: Data resources		
Development expenditure		
Including: Data resources		
Goodwill		
Long-term prepaid expenses	1,293,597.65	2,039,913.58
Deferred income tax assets:	303,767,891.68	338,574,461.95
Other non-current assets	4,812,563,358.50	3,633,575,072.60
Total non-current assets	8,484,283,278.35	6,629,031,916.66
Total assets	16,711,320,760.17	16,368,290,605.15
Current liabilities:		
Short-term borrowings		2,078,878.91
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payables	1,039,112,638.02	995,772,872.14
Accounts payable	2,506,156,790.78	2,581,653,678.97
Advance receipts		
Contract liabilities	868,921,179.27	774,230,830.83
Payroll payable	142,644,938.67	152,840,544.42
Taxes payable	104,865,287.45	156,521,588.05
Other payables	269,282,117.78	257,629,203.33
Inc: Interests payable		
Dividends payable		
Liabilities held for sale		
Non-current liabilities due within one year		
Other current liabilities	94,783,314.31	84,060,358.81
Total current liabilities	5,025,766,266.28	5,004,787,955.46
Non-current liabilities:		
Long-term loans		
Bonds payable		
Inc: Preferred shares		

Perpetual bonds		
Lease liabilities		
Long-term accounts payable		
Long-term payroll payable		
Estimated liabilities		
Deferred income	69,101,835.67	81,363,483.02
Deferred income tax liabilities	35,534,453.35	32,893,834.92
Other non-current liabilities		
Total non-current liabilities	104,636,289.02	114,257,317.94
Total liabilities	5,130,402,555.30	5,119,045,273.40
Owner's equity:		
Capital stock	944,938,916.00	944,782,166.00
Other equity instruments		
Inc: Preferred shares		
Perpetual bonds		
Capital reserve	245,810,911.29	237,582,564.32
Less: treasury share		
Other comprehensive income	-100,157,634.16	-100,157,634.16
Special reserve		
Surplus reserve	474,516,412.50	474,516,412.50
Undistributed profits	10,015,809,599.24	9,692,521,823.09
Total owners' equity	11,580,918,204.87	11,249,245,331.75
Total liabilities and owner's equity	16,711,320,760.17	16,368,290,605.15

### 3.Consolidated Income Statement

In RMB

Item	2025	2024
I. Total operating income	10,116,069,396.20	11,212,654,220.22
Inc: Operating income	10,116,069,396.20	11,212,654,220.22
Interest income		
Earned premium		
Fee and commission income		
II. Total operating costs	8,794,040,843.46	9,574,831,422.71
Inc: Operating costs	5,038,637,589.19	5,644,826,327.72
Interest expenses		
Fee and commission expenses		
Surrender value		
Net payments for insurance claims		
Net amount of reserves for insurance contract liabilities appropriated		
Policy dividend expenditures		
Reinsurance expenses		
Taxes and surcharges	87,030,661.25	109,124,685.49
Sales expenses	2,923,421,261.24	3,078,798,259.84

Administrative expenses	515,134,293.64	508,849,021.04
R&D expenses	367,949,907.26	413,659,448.81
Financial expenses	-138,132,869.12	-180,426,320.19
Including: Interest expenses	4,589,922.10	5,244,416.98
Interest income	149,264,427.90	187,364,396.26
Add: other income	114,042,694.11	158,366,990.73
Investment income (“-” for losses)	89,095,796.09	137,345,689.50
Including: Income from investment in joint ventures and affiliated enterprises	-5,765,941.04	-5,054,357.08
Gains on derecognition of financial assets measured at amortized cost		
Exchange gains (“-” for losses)		
Net exposure hedging gains (“-” for losses)		
Gains from changes in fair value (“-” for losses)		
Losses from credit impairment (“-” for losses)	-62,273,336.05	-70,748,315.78
Losses from asset impairment (“-” for losses)	-19,744,464.84	-68,193,162.23
Gains on disposal of assets (“-” for losses)	-5,856,912.16	-4,462,199.53
III. Operating profits (“-” for losses)	1,437,292,329.89	1,790,131,800.20
Add: non-operating income	6,068,255.02	2,236,216.91
Less: non-operating expenditure	13,558,971.70	8,139,163.72
IV. Total profits (“-” for total losses)	1,429,801,613.21	1,784,228,853.39
Less: income tax expenses	190,949,211.14	228,728,811.96
V. Net profits (“-” for losses)	1,238,852,402.07	1,555,500,041.43
(I) By operational sustainability		
1. Net profits from continuing operations (“-” for net losses)	1,238,852,402.07	1,555,500,041.43
2. Net profits from discontinued operations (“-” for net losses)		
(II) By ownership		
1. Net profits attributable to shareholders of the parent company	1,255,879,806.22	1,577,400,594.74
2. Minority shareholders’ gains and losses	-17,027,404.15	-21,900,553.31
VI. After-tax net amount of other comprehensive income	-347,794.86	643,012.67
After-tax net amount of other comprehensive income attributable to the owners of parent company	-307,739.30	606,041.21
(I) Other comprehensive income that cannot be reclassified into gains and losses		
1. Changes in re-measured and		

defined benefit plans		
2. Other comprehensive income which cannot be transferred into gains or losses under the equity method		
3. Changes in fair value of the investment in other equity instruments		
4. Changes in fair value of the credit risk of the Company		
5. Others		
(II) Other comprehensive income which will be reclassified into gains and losses	-307,739.30	606,041.21
1. Other comprehensive income which can be transferred into gains and losses under the equity method		
2. Changes in fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Provision for credit impairment of other debt investments		
5. Cashflow hedge reserve		
6. Converted difference in foreign currency statements	-307,739.30	606,041.21
7. Others		
After-tax net amount of other comprehensive income attributable to minority shareholders	-40,055.56	36,971.46
VII. Total comprehensive income	1,238,504,607.21	1,556,143,054.10
Total comprehensive income attributable to owners of the parent company	1,255,572,066.92	1,578,006,635.95
Total comprehensive income attributable to minority shareholders	-17,067,459.71	-21,863,581.85
VIII. Earnings per share (EPS)		
(I) Basic EPS	1.33	1.67
(II) Diluted EPS	1.33	1.67

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

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

#### 4. Income Statement of the Parent Company

In RMB

Item	2025	2024
I. Operating income	8,862,717,394.70	10,016,048,118.11
Less: Operating costs	4,659,220,206.20	5,259,702,199.84
Taxes and surcharges	73,954,236.52	92,229,308.51
Sales expenses	2,157,303,521.62	2,358,363,267.58
Administrative expenses	418,452,627.54	402,214,913.76
R&D expenses	376,817,574.07	411,738,248.41
Financial expenses	-141,787,693.43	-184,570,426.66

Including: Interest expenses	935,611.02	1,585,823.43
Interest income	147,051,588.79	185,678,157.14
Add: other income	106,692,381.24	147,373,798.12
Investment income (“-” for losses)	94,357,219.79	129,249,299.30
Including: Income from investment in joint ventures and affiliated enterprises	-229,514.39	-2,583,849.09
Gains on derecognition of financial assets measured at amortized cost (“-” for losses)		
Net exposure hedging gains (“-” for losses)		
Gains from changes in fair value (“-” for losses)		
Losses from credit impairment (“-” for losses)	-38,723,512.15	-69,423,712.10
Losses from asset impairment (“-” for losses)	-17,543,240.94	-54,370,276.70
Gains on disposal of assets (“-” for losses)	-5,856,129.74	-4,462,199.53
II. Operating profits (“-” for losses)	1,457,683,640.38	1,824,737,515.76
Add: non-operating income	5,796,463.70	1,854,448.37
Less: non-operating expenditure	10,021,603.16	6,673,097.99
III. Total profits (“-” for total losses)	1,453,458,500.92	1,819,918,866.14
Less: income tax expenses	185,231,808.77	221,970,152.02
IV. Net profits (“-” for net losses)	1,268,226,692.15	1,597,948,714.12
(I) Net profits from going concern (“-” for net losses)	1,268,226,692.15	1,597,948,714.12
(II) Net profits from discontinued operations (“-” for net losses)		
V. After-tax net amount of other comprehensive income		
(I) Other comprehensive income that cannot be reclassified into gains and losses		
1. Changes in re-measured and defined benefit plans		
2. Other comprehensive income which cannot be transferred into gains or losses under the equity method		
3. Changes in fair value of the investment in other equity instruments		
4. Changes in fair value of the credit risk of the Company		
5. Others		
(II) Other comprehensive income which will be reclassified into gains and losses		
1. Other comprehensive income which can be transferred into gains and losses under the equity method		

2. Changes in fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Provision for credit impairment of other debt investments		
5. Cashflow hedge reserve		
6. Converted difference in foreign currency statements		
7. Others		
VI. Total comprehensive income	1,268,226,692.15	1,597,948,714.12
VII. Earnings per share (EPS)		
(I) Basic EPS		
(II) Diluted EPS		

## 5. Consolidated Cash Flow Statement

In RMB

Item	2025	2024
I. Cash flow from operating activities:		
Cash received for the sale of goods and rendering of services	11,780,199,292.76	11,840,292,609.44
Net increase in customers' deposits and deposits from banks and other financial institutions		
Net increase in borrowings from the central bank		
Net increase in borrowings from other financial institutions		
Cash received from receiving insurance premium of the original insurance contract		
Net cash from receiving reinsurance premium		
Net increase in deposits and investment of insured persons		
Cash received from interests, fees and commissions		
Net increase in borrowed funds		
Net increase in repurchase business funds		
Net cash received from vicariously traded securities		
Refunds of taxes	20,203,107.66	45,755,849.75
Cash received relating to other operating activities	110,200,648.92	155,385,267.31
Subtotal of cash inflow from operating activities	11,910,603,049.34	12,041,433,726.50
Cash paid for purchased products and received services	5,570,696,008.90	5,346,752,744.03
Net increase in loans and advances to customers		

Net increase in deposits with the central bank and other financial institutions		
Cash paid for claims of original insurance contract		
Net increase in lending funds		
Cash paid for interests, fees and commissions		
Cash paid for policy dividends		
Cash paid to and on behalf of employees	1,097,967,588.28	1,103,299,547.14
Cash paid for taxes	760,085,559.21	908,921,674.35
Cash paid related to other operating activities	2,884,027,216.27	3,022,208,050.27
Subtotal of cash outflow from operating activities	10,312,776,372.66	10,381,182,015.79
Net cash flow from operating activities	1,597,826,676.68	1,660,251,710.71
II. Cash flow from investment activities:		
Cash received from return of investments	3,708,000,000.00	2,741,285,887.67
Cash received from return on investments	96,574,447.31	131,855,939.84
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	113,342.84	88,151.15
Net cash received from disposal of subsidiaries and other business entities		
Cashes received related to other investment activities	2,329,178,795.47	3,217,561,206.77
Subtotal of cash inflow from investment activities	6,133,866,585.62	6,090,791,185.43
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	250,223,806.46	257,803,831.33
Cash paid to investments	5,258,000,000.00	2,016,290,000.00
Net increase in pledged loans		
Net cash from subsidiaries and other operating entities		
Cash paid related to other investment activities	1,635,286,400.00	4,453,924,300.00
Subtotal of cash outflow from investment activities	7,143,510,206.46	6,728,018,131.33
Net cash flow from investment activities	-1,009,643,620.84	-637,226,945.90
III. Cash flow from financing activities:		
Cash from acquiring investments	7,637,963.60	31,888,670.80
Including: Cash received by subsidiaries from investments of minority shareholders	3,874,378.60	776,142.00
Cash from acquiring debts	123,600,000.00	93,812,523.35
Other cashes received in relation to financing activities		4,578,878.91
Subtotal of cash inflow from financing activities	131,237,963.60	130,280,073.06
Cash paid for repayments of debts	117,026,048.98	81,004,505.94
Cash paid for distribution of	947,998,932.11	1,418,983,928.25

dividends, profits or interest expenses		
Including: Dividends or profits paid by subsidiaries to minority shareholders		
Other cashes paid in relation to financing activities	2,508,563.14	13,315,324.35
Subtotal of cash outflow from financing activities	1,067,533,544.23	1,513,303,758.54
Net cash flow from financing activities	-936,295,580.63	-1,383,023,685.48
IV. Effect of change in exchange rate on cash and cash equivalents	-946,342.93	136,119.47
V. Net increase in cash and cash equivalents	-349,058,867.72	-359,862,801.20
Plus: Opening balance of cash and cash equivalents	1,518,303,556.89	1,878,166,358.09
VI. Closing balance of cash and cash equivalents	1,169,244,689.17	1,518,303,556.89

## 6. Cash Flow Statement of the Parent Company

In RMB

Item	2025	2024
<b>I. Cash flow from operating activities:</b>		
Cash received for the sale of goods and rendering of services	10,479,777,311.14	10,592,006,945.13
Refunds of taxes	20,166,569.81	45,755,849.75
Cash received relating to other operating activities	87,731,503.89	125,596,200.32
Subtotal of cash inflow from operating activities	10,587,675,384.84	10,763,358,995.20
Cash paid for purchased products and received services	5,294,657,027.61	5,084,980,590.49
Cash paid to and on behalf of employees	841,313,315.08	846,957,899.19
Cash paid for taxes	646,148,000.62	804,756,539.19
Cash paid related to other operating activities	2,235,513,706.81	2,458,082,269.22
Subtotal of cash outflow from operating activities	9,017,632,050.12	9,194,777,298.09
Net cash flow from operating activities	1,570,043,334.72	1,568,581,697.11
<b>II. Cash flow from investment activities:</b>		
Cash received from return of investments	3,410,000,000.00	2,730,000,000.00
Cash received from return on investments	96,299,444.36	131,833,148.39
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	112,242.84	195,164.23
Net cash received from disposal of subsidiaries and other business entities		
Cashes received related to other investment activities	2,329,178,795.47	3,217,561,206.77
Subtotal of cash inflow from investment activities	5,835,590,482.67	6,079,589,519.39
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	247,828,014.05	253,848,822.85

Cash paid to investments	4,933,235,095.00	2,052,414,675.00
Net cash from subsidiaries and other operating entities		
Cash paid related to other investment activities	1,635,286,400.00	4,453,924,300.00
Subtotal of cash outflow from investment activities	6,816,349,509.05	6,760,187,797.85
Net cash flow from investment activities	-980,759,026.38	-680,598,278.46
III. Cash flow from financing activities:		
Cash from acquiring investments	3,763,585.00	13,563,055.00
Cash from acquiring debts		
Other cashes received in relation to financing activities		4,578,878.91
Subtotal of cash inflow from financing activities	3,763,585.00	18,141,933.91
Cash paid for repayments of debts		
Cash paid for distribution of dividends, profits or interest expenses	944,938,916.00	1,416,158,574.00
Other cashes paid in relation to financing activities		7,287,429.00
Subtotal of cash outflow from financing activities	944,938,916.00	1,423,446,003.00
Net cash flow from financing activities	-941,175,331.00	-1,405,304,069.09
IV. Effect of change in exchange rate on cash and cash equivalents	-771,970.61	120,107.98
V. Net increase in cash and cash equivalents	-352,662,993.27	-517,200,542.46
Plus: Opening balance of cash and cash equivalents	1,209,816,970.63	1,727,017,513.09
VI. Closing balance of cash and cash equivalents	857,153,977.36	1,209,816,970.63

## 7. Consolidated Statement of Changes in Owners' Equity

Current amount

In RMB

Item	2025														
	Owners' equity attributable to the parent company													Minority interests	Total owners' equity
	Capital stock	Other equity instruments			Capital reserve	Less: treasury share	Other comprehensive income	Special reserve	Surplus reserve	General risk reserves	Undistributed profits	Others	Subtotal		
	Preferred shares	Perpetual bonds	Others												
I. Closing balance of last year	944,782,166.00				237,627,547.19		-99,551,592.95		474,516,412.50		9,621,062,910.45		11,178,437,443.19	87,649,297.92	11,266,086,741.11

P															
lus: Chan ges in acco untin g polic ies															
orre ction of error s of the previ ous perio d															
thers															
II. Ope ning bala nce of this year	944, 782, 166. 00				237, 627, 547. 19		- 99,5 51,5 92.9 5		474, 516, 412. 50		9,62 1,06 2,91 0.45		11,1 78,4 37,4 43.1 9	87,6 49,2 97.9 2	11,2 66,0 86,7 41.1 1
III. Chan ge in curre nt perio d (“- ” for decr ease)	156, 750. 00				8,22 8,34 6.97		- 307, 739. 30				310, 940, 890. 22		319, 018, 247. 89	- 13,2 10,9 40.1 0	305, 807, 307. 79
(I) Total com preh ensiv e inco me							- 307, 739. 30				1,25 5,87 9,80 6.22		1,25 5,57 2,06 6.92	- 17,0 67,4 59.7 0	1,23 8,50 4,60 7.22
(II) Capi tal inves ted and	156, 750. 00				8,22 8,34 6.97								8,38 5,09 6.97	3,85 6,51 9.60	12,2 41,6 16.5 7

decrease d by the own ers															
1. Com mon share s inves ted by the own ers	156, 750. 00				3,48 0,75 2.50							3,63 7,50 2.50	3,85 6,51 9.60	7,49 4,02 2.10	
2. Capi tal inves ted by hold ers of other equit y instr ume nts															
3. Amo unt of share - base d pay ment s reco gniz ed in own ers' equit y					4,74 7,59 4.47							4,74 7,59 4.47		4,74 7,59 4.47	
4. Othe rs															
(III) Profi t										- 944, 938,		- 944, 938,		- 944, 938,	

distribution											916.00		916.00		916.00
1. With drawal of surplus reserve															
2. Appropriation of general risk reserve															
3. Distribution to owners (or shareholders)											- 944,938,916.00		- 944,938,916.00		- 944,938,916.00
4. Others															
(IV) Internal carry-forward of owners' equity															
1. Capital reserve converted into capital (or															

capit al stock )																		
2. Surp lus rese rve con vert ed into capit al (or capit al stock )																		
3. Surp lus rese rves maki ng up for losse s																		
4. Chan ges of defin ed bene fit plans carri ed forw ard to retai ned earn ings																		
5. Othe r com preh ensiv e inco me																		



		share s	bond s				ensiv e inco me			ves	ts				
I. Closi ng bala nce of last year	949, 024, 050. 00				411, 778, 214. 22	199, 995, 742. 59	- 100, 157, 634. 16		474, 516, 412. 50		8,98 7,77 3,43 1.71		10,5 22,9 38,7 31.6 8	107, 657, 316. 25	10,6 30,5 96,0 47.9 3
P lus: Chan ges in acco untin g polic ies															
Corr ectio n of error s of the previ ous perio d															
Othe rs															
II. Ope ning bala nce of this year	949, 024, 050. 00				411, 778, 214. 22	199, 995, 742. 59	- 100, 157, 634. 16		474, 516, 412. 50		8,98 7,77 3,43 1.71		10,5 22,9 38,7 31.6 8	107, 657, 316. 25	10,6 30,5 96,0 47.9 3
III. Chan ge in curre nt perio d (“- ” for decr ease)	- 4,24 1,88 4.00				- 174, 150, 667. 03	- 199, 995, 742. 59	606, 041. 21				633, 289, 478. 74		655, 498, 711. 51	- 20,0 08,0 18.3 3	635, 490, 693. 18
(I) Total com preh ensiv							606, 041. 21				1,57 7,40 0,59 4.74		1,57 8,00 6,63 5.95	- 21,8 63,5 81.8 5	1,55 6,14 3,05 4.10

e inco me															
(II) Capi tal inves ted and decr ease d by the own ers	- 4,24 1,88 4.00				- 174, 150, 667. 03	- 199, 995, 742. 59							21,6 03,1 91.5 6	1,85 5,56 3.52	23,4 58,7 55.0 8
1. Com mon share s inves ted by the own ers	687, 250. 00				14,9 96,7 27.7 3								15,6 83,9 77.7 3	1,85 5,56 3.52	17,5 39,5 41.2 5
2. Capi tal inves ted by hold ers of other equit y instr ume nts															
3. Amo unt of share - base d pay ment s reco gniz ed in own	- 4,92 9,13 4.00				- 189, 147, 394. 76	- 199, 995, 742. 59							5,91 9,21 3.83		5,91 9,21 3.83

ers' equity															
4. Others															
(III) Profit distribution										- 944, 111, 116. 00		- 944, 111, 116. 00		- 944, 111, 116. 00	
1. With drawal of surplus reserve															
2. Appropriation of general risk reserve															
3. Distribution to owners (or shareholders)										- 944, 111, 116. 00		- 944, 111, 116. 00		- 944, 111, 116. 00	
4. Others															
(IV) Internal carry-forward of owners' equity															

1. Capital reserve converted into capital (or capital stock)																			
2. Surplus reserve converted into capital (or capital stock)																			
3. Surplus reserves making up for losses																			
4. Changes of defined benefit plans carried forward to retained earnings																			

ngs															
5. Other comprehensive income carried forward to retained earnings															
6. Others															
(V) Special reserve															
1. Withdrawn in current period															
2. Used in current period															
(VI) Others															
IV. Closing balance of current period	944,782,166.00				237,627,547.19		-99,551,592.95		474,516,412.50		9,621,062,910.45		11,178,437,443.19	87,649,297.92	11,266,086,741.11

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

Current amount

In RMB

Item	2025											
	Capital stock	Other equity instruments			Capital reserve	Less: treasury share	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Others	Total owners' equity
		Preferr ed shares	Perpet ual bonds	Others								
I. Closing balance of last year	944,782,166.00				237,582,564.32		-100,157,634.16		474,516,412.50	9,692,521,823.09		11,249,245,331.75
Plus:												
Changes in accounting policies												
Correction of errors of the previous period												
Others												
II. Opening balance of this year	944,782,166.00				237,582,564.32		-100,157,634.16		474,516,412.50	9,692,521,823.09		11,249,245,331.75
III. Change in current period ("-" for decrease)	156,750.00				8,228,346.97					323,287,776.15		331,672,873.12
(I) Total comprehensive income										1,268,226,692.15		1,268,226,692.15
(II) Capital invested and decrease	156,750.00				8,228,346.97							8,385,096.97

ed by the owners												
1. Common shares invested by the owners	156,750.00				3,480,752.50							3,637,502.50
2. Capital invested by holders of other equity instruments												
3. Amount of share-based payments recognized in owners' equity					4,747,594.47							4,747,594.47
4. Others												
(III) Profit distribution									-944,938,916.00			-944,938,916.00
1. Withdrawal of surplus reserve												
2. Distribution to owners (or shareholders)									-944,938,916.00			-944,938,916.00
3. Others												
(IV) Internal carry-forward of												

owners' equity												
1. Capital reserve converted into capital (or capital stock)												
2. Surplus reserve converted into capital (or capital stock)												
3. Surplus reserves making up for losses												
4. Changes of defined benefit plans carried forward to retained earnings												
5. Other comprehensive income carried forward to retained earnings												
6. Others												
(V) Special reserve												
1. Withdra												

wn in current period												
2. Used in current period												
(VI) Others												
IV. Closing balance of current period	944,938,916.00				245,810,911.29		-100,157,634.16		474,516,412.50	10,015,809,599.24		11,580,918,204.87

Amount in the previous period

In RMB

Item	2024											
	Capital stock	Other equity instruments			Capital reserve	Less: treasury share	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Others	Total owners' equity
		Preferr ed shares	Perpet ual bonds	Others								
I. Closing balance of last year	949,024,050.00				411,389,124.26	199,995,742.59	-100,157,634.16		474,516,412.50	9,038,684,224.97		10,573,460,434.98
Plus: Changes in accounting policies												
Correction of errors of the previous period												
Others												
II. Opening balance of this year	949,024,050.00				411,389,124.26	199,995,742.59	-100,157,634.16		474,516,412.50	9,038,684,224.97		10,573,460,434.98

III. Change in current period (“-” for decrease)	- 4,241,884.00				- 173,806,559.94	- 199,995,742.59				653,837,598.12	675,784,896.77
(I) Total comprehensive income										1,597,948,714.12	1,597,948,714.12
(II) Capital invested and decreased by the owners	- 4,241,884.00				- 173,806,559.94	- 199,995,742.59					21,947,298.65
1. Common shares invested by the owners	687,250.00				15,340,834.82						16,028,084.82
2. Capital invested by holders of other equity instruments											
3. Amount of share-based payments recognized in owners' equity	- 4,929,134.00				- 189,147,394.76	- 199,995,742.59					5,919,213.83
4.											

Others												
(III) Profit distrib ution											- 944,11 1,116. 00	- 944,111, 116.00
1. Withdr awal of surplus reserve												
2. Distrib ution to owners (or shareh olders)											- 944,11 1,116. 00	- 944,111, 116.00
3. Ot hers												
(IV) Interna l carry- forwar d of owners , equity												
1. Capital reserve conver ted into capital (or capital stock)												
2. Surplu s reserve conver ted into capital (or capital stock)												
3. Surplu s reserve s												

making up for losses												
4. Changes of defined benefit plans carried forward to retained earnings												
5. Other comprehensive income carried forward to retained earnings												
6. Others												
(V) Special reserve												
1. Withdrawn in current period												
2. Used in current period												
(VI) Others												
IV. Closing balance of	944,782,166.00				237,582,564.32		-100,157,634.16		474,516,412.50	9,692,521,823.09		11,249,245,331.75

current period													
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### III. Basic Information of the Company

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

As of December 31, 2025, the total capital stocks of the Company reached 944,938,916 shares, with a registered capital of RMB 949,024,050. The Company's unified social credit code is 91330000725252053F; the legal representative is Ren Jianhua; and the registered address is No. 592, Linping Avenue, Linping Economic and Technological Development Zone, Linping District, Hangzhou City, Zhejiang Province. The RMB-denominated A-shares issued by the Company have been listed on the Shenzhen Stock Exchange.

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

These financial statements were approved for issuance by the Board of Directors of the Company on 28 April 2026.

### IV. Basis for Preparation of Financial Statements

#### 1. Preparation basis

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

#### 2. Going concern

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

### V. Significant Accounting Policies and Estimates

Notes on specific accounting policies and accounting estimates:

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

### 1. Statement on compliance with Accounting Standards for Business Enterprises

The financial statements comply with the requirements of the Accounting Standards for Business Enterprises, and truthfully and completely reflect the financial status of the Group as of December 31, 2025, as well as its business results, cash flow and other relevant information for 2025.

### 2. Accounting period

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

### 3. Operating cycle

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

### 4. Bookkeeping base currency

The Company adopts RMB as the bookkeeping base currency.

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

### 5. Methods for determining significance standards and selection criteria

Applicable Not applicable

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

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

- **Business combinations under common control**

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

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

- **Business combinations not under common control**

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

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

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

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

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

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

belonging to minority equity are presented under “minority equity, minority interest income, other comprehensive incomes belonging to minority shareholders and total comprehensive incomes belonging to minority shareholders, respectively”.

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

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

## **8. Classification of joint arrangement and accounting treatment for joint operations**

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

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

## **9. Recognition standard of cash and cash equivalents**

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

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

- **Foreign currency transactions**

Foreign currency transactions of the Group are converted into the base currency at the spot exchange rates prevailing on the transaction dates upon initial recognition. At the balance sheet date, foreign currency monetary items are converted at the spot exchange rate on that date. Exchange differences arising therefrom are recognized in gains or losses for the current period, except for those arising from specific foreign currency borrowings for the acquisition or construction of qualifying assets, which are capitalized in accordance with the relevant accounting policy. Foreign currency non-monetary items measured at historical cost continue to be converted at the spot exchange rate on the transaction date, with no change to their base currency amounts. Foreign currency non-monetary items measured at fair value are converted at the spot exchange rate on the date the fair

value is determined; the resulting difference between the converted amount and the original base currency amount is treated as a change in fair value (including exchange differences) and recognized in gains or losses for the current period. Capital contributions received from investors in foreign currencies are converted at the spot exchange rate on the transaction date, and no exchange differences arise between the foreign currency capital contribution and the corresponding monetary items.

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

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

## **11. Financial instruments**

- **(1) Recognition and derecognition of financial instruments**

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

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

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

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

- **(2) Classification and measurement of financial assets**

Upon initial recognition, the Group classifies its financial assets based on the business model for management of financial assets and the contractual cash flow characteristics of financial assets into three types: 1) the financial asset measured at amortized cost; 2) the financial asset measured at fair value through other comprehensive income; and 3) and the financial asset measured at

fair value through profit and loss. Financial assets are reclassified only when, and only if, the Group changes its business model for managing financial assets, and such reclassification is applied to all affected financial assets.

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

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

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

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

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

**1) Financial assets measured at amortized cost**

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

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

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

be transferred out of such other comprehensive incomes and included into the current profit and loss. The Group's financial assets in this classification mainly include: other debt investments, receivables financing.

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

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

### **4) Financial assets measured at fair value through profit and loss**

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

The financial assets formed by the contingent consideration or confirmed by the Group in a business combination not under common control are classified as those measured at fair value through profit and loss.

- **(3) Classification, recognition and measurement of financial liability**

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

The subsequent measurement of financial liabilities depends on their classification:

#### **1) Financial liabilities measured at amortized cost**

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

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

Financial liabilities measured at fair value through profit and loss (including derivatives that are financial liabilities) comprise financial liabilities held for trading and financial liabilities designated to be measured at fair value through profit and loss

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

#### **(4) Impairment of financial instruments**

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

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

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

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

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

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

##### **1) Impairment testing method for notes receivable**

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

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

## 2) Impairment testing method for receivables and contract assets

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

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

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

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

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

Aging	Expected rates of credit loss

Within 1 year	5.00%
1-2 years	10.00%
2-3 years	20.00%
3-4 years	50.00%
4-5 years	80.00%
Over 5 years	100.00%

### 3) Impairment testing method for other receivables

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

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

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

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

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

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

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

- Credit impairment after initial recognition (Stage III).

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

### 4) Impairment testing methods for debt investments and other debt investments

For debt investments and other debt investments, the Company calculates expected credit losses by the nature of the investment, based on the various types of counterparties and risk exposures, through default exposures and expected credit loss rates within the next 12 months or over the entire period of existence.

#### **5) Write-off of provision for impairment**

When the Company no longer reasonably expects to recover all or part of the contractual cash flows from a financial asset, the asset is written off upon approval. The carrying amount of the financial asset is reduced directly by the approved write-off amount. Subsequent recoveries of previously written-off financial assets are recognized as reversals of impairment losses and recorded in profit and loss for the period in which the recovery occurs.

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

For transactions involving the transfer of financial assets, the Group accounts for them as follows: Where substantially all the risks and rewards of ownership of the financial asset have been transferred to the transferee, the financial asset is derecognized; where substantially all the risks and rewards of ownership are retained, the financial asset is not derecognized; where substantially neither the risks nor the rewards of ownership are transferred nor retained: If control over the financial asset has been relinquished, the financial asset is derecognized and any resulting assets and liabilities are recognized; if control is retained, the Group recognizes the financial asset to the extent of its continuing involvement in the transferred asset and recognizes the corresponding liability.

For a transfer of a financial asset in its entirety that meets the criteria for derecognition, the difference between (i) the carrying value of the financial asset at the derecognition date and (ii) the sum of the consideration received and the portion attributable to the derecognized part of the cumulative fair value changes previously recognized in other comprehensive income (applicable where the transferred financial asset meets both of the following conditions: ① the business model is both to collect contractual cash flows and to sell the asset; and ② contractual cash flows consist solely of payments of principal and interest on the outstanding principal) is recognized in profit and loss for the current period.

For a partial transfer of a financial asset that meets the criteria for derecognition, the carrying value of the entire financial asset is allocated between the derecognized portion and the retained portion based on their respective relative fair values. The difference between (i) the sum of the consideration received and the portion attributable to the derecognized part of the cumulative fair value changes previously recognized in other comprehensive income (applicable where the transferred financial asset meets both of the following conditions: ① the business model is both to collect contractual cash flows and to sell the asset; and ② contractual cash flows consist solely of payments of principal and interest on the outstanding principal) and (ii) the allocated carrying value of the derecognized portion is recognized in profit and loss for the current period.

Where the Group continues to be involved in a transferred financial asset by providing a financial guarantee, an asset arising from continuing involvement is recognized at the lower of the carrying value of the financial asset and the amount of the financial guarantee. The amount of the financial guarantee refers to the maximum amount of consideration received that the Group could be required to repay.

- **(6) Distinction and relevant treatment methods of financial liabilities and equity instruments**

The Group distinguishes between financial liabilities and equity instruments according to the following principles: (1) Where the Group cannot unconditionally avoid fulfilling certain contractual obligation by delivering cash or other financial assets, then such contractual obligation is in line with the definition of the financial liability. Although certain financial instruments do not expressly contain terms and conditions for the contractual obligation to deliver cash or other financial instruments, the contractual obligation may be indirectly formed according to other terms and conditions. (2) Where a financial instrument must or is able to be settled by the Group's own equity instrument, the Group shall consider whether the its own equity instrument as the settlement instrument is a substitute of cash or other financial assets, or the residual interest in the assets of an entity after deducting all of its liabilities. If it is the first case, the instrument shall be the financial liability of the issuer. If it is the latter case, the instrument shall be the equity instrument of the issuer. Under some circumstances, the contract of a financial instrument may require that the financial instrument must or is able to be settled by the Group's own equity instrument. The amount of contractual right or contractual obligation equals to the amount of its own equity instrument receivable or payable multiplied by its fair value at the time of settlement. Whether the amount of such contractual right or obligation is fixed, or varies, wholly or partially, based on variables other than the market value of the Group's own equity instrument (such as interest rates, the price of a commodity or the price of a financial instrument), such contract is classified as financial liability.

In classifying financial instruments (or components) in the consolidated statements, the Group shall take into account all the terms and conditions agreed between members of the Group and holders of the financial instruments. If the Group, as a whole, undertakes the obligation to deliver cash, other financial assets or settle in other ways that cause the financial instrument to become a financial liability, the instrument shall be classified as a financial liability.

The Group classifies these financial instruments or their components as financial assets, financial liabilities or equity instruments at initial recognition, based on the contractual terms of the preferred shares and perpetual bonds issued and the economic substance reflected therein, combined with the definitions of financial assets, financial liabilities and equity instruments.

If a financial instrument or any of its components is a financial liability, the relevant interests, dividends, gains or losses, and gains or losses from redemption or re-financing and so on are included in the current profits & losses of the Group.

If a financial instrument or its component belongs to an equity instrument, for its issue (including re-financing), repurchase, sale or cancellation, the Group will treat it as a change in equity and will not recognize the change in fair value of equity instruments.

- **(7) Derivative financial instruments**

The Group uses derivative financial instruments such as foreign exchange forward contracts, commodity forward contracts and interest rate swaps to hedge exchange rate risk, commodity price risk and interest rate risk, respectively. Derivative financial instruments are initially measured at fair value at the date the derivative transaction contract is entered into and subsequently measured at their fair value. Derivative financial instruments with positive fair values are recognized as assets while those with negative fair values are recognized as liabilities.

Except for those related to hedge accounting, gains or losses arising from changes in the fair value of derivatives are recognized directly in profit and loss for the current period.

- **(8) Offsetting financial assets and financial liabilities**

Financial assets and liabilities of the Group are presented separately in the balance sheet without offsetting. However, the net amount resulting from the offsetting between financial assets and financial liabilities shall be presented in the balance sheet only if all of the following criteria are met: (1) The Group has the statutory right to set off recognized amounts which is currently enforceable. (2) The Group intends either to settle on a net basis, or to realize the financial assets and pay off the financial liabilities simultaneously.

## 12. Notes receivable

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

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

## 13. Account receivable

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

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

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

For receivables classified as an aging-based portfolio, the Company calculates expected credit losses by referring to historical credit loss experience and preparing a table comparing the age of the receivables with the expected credit loss rate over the entire duration of the receivables, taking into account current conditions and forecasts of future economic conditions. The

comparison table is based on historical default rates observed over the expected repayment period of the accounts receivable, adjusted for forward-looking estimates. Observed historical default rates are updated at each reporting date and analyzed for changes in forward-looking estimates.

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

Aging	Expected rates of credit loss
Within 1 year	5.00%
1-2 years	10.00%
2-3 years	20.00%
3-4 years	50.00%
4-5 years	80.00%
Over 5 years	100.00%

#### 14. Other receivables

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

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

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

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

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

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

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

- Credit impairment after initial recognition (Stage III).

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

## 15. Contract assets

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

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

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

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

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

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

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

### 1) Impairment testing method for notes receivable

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

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

### 2) Impairment testing method for receivables and contract assets

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

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

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

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

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

<b>Aging</b>	<b>Expected rates of credit loss</b>
Within 1 year	5.00%
1-2 years	10.00%
2-3 years	20.00%
3-4 years	50.00%
4-5 years	80.00%
Over 5 years	100.00%

### 3) Impairment testing method for other receivables

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

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

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

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

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

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

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

- Credit impairment after initial recognition (Stage III).

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

### 4) Impairment testing methods for debt investments and other debt investments

For debt investments and other debt investments, the Company calculates expected credit losses by the nature of the investment, based on the various types of counterparties and risk exposures, through default exposures and expected credit loss rates within the next 12 months or over the entire period of existence.

### **1) Write-off of provision for impairment**

When the Company no longer reasonably expects to recover all or part of the contractual cash flows from a financial asset, the asset is written off upon approval. The carrying amount of the financial asset is reduced directly by the approved write-off amount. Subsequent recoveries of previously written-off financial assets are recognized as reversals of impairment losses and recorded in profit and loss for the period in which the recovery occurs.

## **16. Inventory**

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

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

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

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

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

## **17. Assets held for sale**

The Group classifies non-current assets or disposal groups as held for sale when the primary means of recovering their carrying value is through sale (including non-monetary exchanges with commercial substance) rather than through continued use.

The Group classifies non-current assets or disposal groups as held for sale when they meet the following conditions: ① the asset or disposal group can be immediately sold in its current condition, based on customary practices for similar transactions; ② the sale is highly probable, with a definitive commitment from a buyer and an expectation that the sale will be completed within

one year. The sale of items that require approval from relevant authorities or regulatory departments must obtain the necessary approval. If the carrying value of non-current assets or disposal groups held by the Group (except for financial assets, deferred tax assets, investment properties measured at fair value, and assets resulting from employee compensation...) is higher than the fair value less costs to sell, the carrying value is written down to the fair value less costs to sell. The amount of the write-down is recognized as an asset impairment loss, which is recognized in profit and loss for the current period, and a provision for impairment of assets held for sale is also recognized.

If the Group loses control over a subsidiary due to reasons such as selling the investment in the subsidiary, regardless of whether the Group retains part of the equity investment after the sale, if the investment in the subsidiary meets the classification criteria for held-for-sale, the entire investment in the subsidiary is classified as held-for-sale in the parent company's individual financial statements. In the consolidated financial statements, all assets and liabilities of the subsidiary are classified as held-for-sale.

Non-current assets or non-current assets within a disposal group classified as held-for-sale are not subject to depreciation or amortization. However, the interest and other expenses related to liabilities within a disposal group held-for-sale continue to be recognized.

Upon the derecognition of non-current assets or disposal groups classified as held-for-sale, any unrecognized gains or losses are included in the current profit and loss.

## **18. Long-term equity investment**

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

- **Determination of significant influence and joint control**

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

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

- **Accounting treatment**

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

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

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

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

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

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

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

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

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

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

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

(In the case of partial disposal of long-term equity investments accounted for under the equity method and then converted to financial instruments) If the loss of joint control or significant influence over the investee is caused by the disposal of a portion of the equity interest, the remaining equity interest after disposal is accounted for by applying the *Accounting Standard for Business Enterprises (ASBE) No. 22 - Recognition and Measurement of Financial Instruments (Cai Kuai [2017] No. 7)*. The difference between the fair value and the carrying amount of the remaining equity interest at the date of loss of joint control or significant influence is recognized in profit and loss for the current period.

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

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

## 19. Investment real estate

Measurement model of investment real estate

Measurement by cost method

Depreciation or amortization methods

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

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

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

## 20. Fixed assets

### (1) Recognition conditions

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

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

### (2) Depreciation method

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

## 21. Construction in progress

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

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

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

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

## 22. Borrowing costs

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

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

## 23. Intangible assets

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

The Group's intangible assets, including land use rights, software, trademarks and domain names, and patented technologies, are measured at actual cost at the time of acquisition, of which the actual cost is based on the price actually paid for the intangible assets acquired and other related expenses; the actual cost of the intangible assets invested by investors is based on the value agreed in the investment contract or agreement, but if the value agreed in the contract or agreement is not fair, then the actual cost shall be determined based on fair value. However, for intangible assets acquired in a business combination not under common control that were owned by the acquiree but not recognized in its financial statements, such intangible assets are initially recognized and measured at fair value.

- **Service life and its determination basis, estimation situation, amortization method or review procedure**

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

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

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

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

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

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

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

has the ability to use or sell the intangible asset; and the expenditures attributable to the development stage of the intangible asset can be measured reliably. Expenditures incurred during the development stage that fail to meet the above conditions shall be included in the current profit and loss as incurred.

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

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

#### **24. Impairment of long-term assets**

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

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

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

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

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

- **(2) Goodwill impairment**

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

The methodology, parameters and assumptions used in the goodwill impairment testing are described in Note V. Notes to Major Items of the Consolidated Financial Statements—25. Goodwill

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

## **25. Long-term deferred expenses**

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

## **26. Contract liabilities**

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

## **27. Employee compensation**

### **(1) Accounting treatment method of short-term compensation**

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

## **(2) Accounting treatment method of post-employment benefits**

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

## **(3) Accounting treatment method of termination benefits**

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

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

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

## **28. Provisions**

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

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

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

## **29. Share-based payment**

Equity-settled share-based payments made in exchange for the service of employees are measured at the fair value on the date at which the equity instrument is granted to employees. If excisable immediately after the grant, the fair value of the equity

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

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

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

### **30. Income**

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

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

#### **(1) General recognition principle**

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

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

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

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

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

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

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

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

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

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

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

5) The customer has accepted the goods;

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

#### (2) Measurement principles

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

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

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

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

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

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

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

#### 1) Revenue from sales of goods

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

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

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

#### 2) Revenue from granting rights to use assets

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

### 31. Contract cost

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

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

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

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

- **(2) Amortization of assets related to contract cost**

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

- **(3) Impairment of assets related to contract cost**

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

## **32. Government subsidies**

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

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

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

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

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

### **33、Deferred income tax assets / deferred income tax liabilities**

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

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

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

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

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

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

#### **34. Lease**

##### **(1) Accounting treatment of the lease as lessee**

- **The Group as the lessee**

###### **1) Lease recognition**

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

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

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

The Company shall initially measure the lease liabilities according to the present value of the lease payment unpaid on the

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

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

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

## **2) Lease change**

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

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

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

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

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

systematic and reasonable basis over the lease term, and included into the cost of the related assets or the current profit and loss.

#### **4) Sale and leaseback transaction**

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

### **(2) Accounting treatment of the lease as lessor**

#### **(1) The Company as the lessor**

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

##### **1) Finance lease**

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

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

##### **2) Operating lease**

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

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

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

##### **3) Sale and leaseback transaction**

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

### **35. Other significant accounting policies and accounting estimates**

When preparing financial statements, the Company's management shall make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates. The Company's management continuously evaluates the key assumptions and uncertainties involved in these estimates. The impact of changes in accounting estimates is recognized in the current period and future periods.

The following accounting estimates and key assumptions present significant risks that could lead to substantial adjustments to the carrying amounts of assets and liabilities in future periods:

#### **(1) Impairment of financial assets**

The impairment of financial assets is assessed using the expected credit loss (ECL) model, which requires to make significant judgment and estimation. The ECL model takes into account all reasonable and supportable information, including forward-looking information. When making these judgments and estimations, the Company considers historical data with factors such as economic policies, macroeconomic indicators, industry risks, external market environment, technological environment, and changes in customer circumstances to infer expected changes in the credit risk of debtors.

#### **(2) Inventory impairment provision**

The determination basis of the net realizable value of inventory: for inventories directly available for sale, such as finished goods and materials intended for sale, the net realizable value is determined based on the estimated selling price of the inventory minus the estimated selling expenses and related taxes. For inventories held to fulfill sales contracts or service contracts, the net realizable value is calculated based on the contract price. If the quantity of inventory held exceeds the quantity ordered under the sales contract, the net realizable value of the excess inventory is determined based on the general selling price.

Method of provision for inventory impairment: Inventories are valued at the lower of cost or net realizable value at the end of the period. Based on a comprehensive physical count of inventory at period-end, a provision for inventory write-down is made for the portion of inventory that is damaged, partially or completely obsolete, or whose selling price is lower than its cost, making the cost unrecoverable.

If the factors that caused the inventory value to be written down in previous years no longer exist, the amount written down should be reversed. The reversal amount is limited to the amount originally written down and is recognized in the current profit and loss.

#### **(3) Accounting estimates for goodwill impairment provision**

The Company conducts an annual impairment testing for goodwill. The recoverable amount of the asset group or combination of asset groups that include goodwill is determined based on the present value of the expected future cash flows, which requires the use of accounting estimates.

If management revises the gross margin used in calculating the future cash flows of the asset group or group of asset groups and the revised gross margin is lower than the current one, the Company will need to increase the impairment provision for goodwill.

If the management revises the pre-tax discount rate applied to discounted cash flows, and the revised pre-tax discount rate is higher than the current discount rate, the Company needs to make provision for impairment of goodwill.

If the actual gross profit margin or pre-tax discount rate is higher or lower than the management's estimate, the Company cannot reverse the previously recognized impairment loss of goodwill.

#### (4) Accounting estimates for impairment provisions of fixed assets

The Company conducts impairment testing on fixed assets such as buildings and machinery that show signs of impairment on the balance sheet date. The recoverable amount of fixed assets is the higher of the present value of their estimated future cash flows or the net amount of the asset's fair value minus disposal costs, which requires the use of accounting estimates.

If management revises the gross margin used in calculating the future cash flows of the asset group or group of asset groups and the revised gross margin is lower than the current one, the Company will need to increase the impairment provision for fixed assets.

If the management revises the pre-tax discount rate applied to discounted cash flows, and the revised pre-tax discount rate is higher than the current discount rate, the Company needs to make provision for impairment of fixed assets.

If the actual gross profit margin or pre-tax discount rate is higher or lower than the management's estimate, the Company cannot reverse the previously recognized impairment loss of fixed assets.

#### (5) Accounting estimate for recognition of deferred income tax assets

The estimation of deferred income tax assets requires an estimation of the taxable income for each future year and the applicable tax rate. The realization of deferred income tax assets depends on whether the group is likely to obtain sufficient taxable income in the future. Changes in future tax rates and the timing of the reversal of temporary differences can also affect income tax expenses (benefits) and the balance of deferred taxes. Changes in these estimates may lead to significant adjustments to deferred income tax assets.

#### (6) The service life of fixed assets and intangible assets

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

### 36. Significant accounting policy and accounting estimate changes

#### (1) Significant accounting policy changes

Applicable Not applicable

#### (2) Significant accounting estimate changes

Applicable Not applicable

#### (3) Relevant financial statement items at the beginning of 2025 when the adjustments stipulated in the new accounting standards apply for the first time

Applicable Not applicable

## VI. Taxation

### 1. Main tax categories and tax rates

Category	Tax base	Tax rate
VAT	Revenue from sales of goods, installation work, technical services, house lease	13.00%, 9.00%, 6.00%, 5.00%
City maintenance and construction tax	Turnover tax payable	7.00%
Business income tax	Taxable income	15%, 25%, 20%
Education surcharge	Turnover tax payable	3.00%
Local education surcharge	Turnover tax payable	2.00%
Property tax	70% of the original value of the property, rental income	1.20%, 12.00%
Land use tax	Total land area	RMB 1.5-20/m <sup>2</sup>

Disclosure of taxpayers with different corporate income tax rates

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

Ningbo Jinhe E-commerce Co., Ltd.	20%
Hangzhou Yuhang Jinhe E-commerce Co., Ltd.	20%
Chengdu Robam E-commerce Co., Ltd.	25%
Qingdao MingQi E-commerce Co., Ltd.	20%
Wuhan Jinhe E-commerce Co., Ltd.	20%
Hangzhou Robam Commercial Kitchen Technology Co., Ltd.	20%
Hainan Robam Intelligent Technology Co., Ltd.	20%

## 2. Preferential tax policy

- Preferential income tax policy

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

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

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

- Preferential VAT policy

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

According to the Announcement No. 43 of 2023 issued by the Ministry of Finance and the State Administration of Taxation, *Announcement on the Additional Value-Added Tax Credit Policy for Advanced Manufacturing Enterprises*, the Company will

enjoy the policy of incremental deduction of 5% of the payable value-added tax amount by advanced manufacturing enterprises based on the deductible input tax amount for the period from January 1, 2023 to December 31, 2027.

### 3. Others

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

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

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

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

Total annual gross revenue (USD)	Fixed tax amount (USD)	Variable tax amount (USD)
<250,000	800	
250,000-499,999	800	900
500,000-999,999	800	2,500
1,000,000-4,999,999	800	6,000
≥5,000,000	800	11,790

## VII. Notes to items in the consolidated financial statements

### 1. Cash and cash equivalents

In RMB

Item	Ending balance	Beginning balance
Cash in hand	90,657.72	191,720.15
Deposit in bank	1,167,338,722.58	1,515,116,946.44

Other cash and cash equivalents	68,828,480.23	116,467,427.68
Total	1,236,257,860.53	1,631,776,094.27
Including: total amount of funds deposited overseas	10,894,779.09	4,557,550.26

Other description:

Note: The other cash and cash equivalents are RMB 68,828,480.23, including the L/G margin deposit of RMB 62,151,811.20, the bill acceptance margin of RMB 4,848,360.16 and the ETC margin of RMB 13,000.00, the uses of which are limited; and the Alipay and WeChat wallet balance is RMB 1,814,308.87, which can be withdrawn without any limit at any time.

## 2. Financial assets held for trading

In RMB

Item	Ending balance	Beginning balance
Financial assets measured at fair value through profit and loss	3,230,000,000.00	2,180,000,000.00
Including:		
Structured deposits	1,800,000,000.00	1,300,000,000.00
Financial products	1,430,000,000.00	880,000,000.00
Including:		
Total	3,230,000,000.00	2,180,000,000.00

## 3. Notes receivable

### (1) Classified presentation of notes receivable

In RMB

Item	Ending balance	Beginning balance
Banker's acceptance	577,431,523.95	812,310,089.60
Trade acceptance	1,056,336.42	5,529,826.40
Less: provision for bad debts	-52,816.82	-276,491.33
Total	578,435,043.55	817,563,424.67

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

In RMB

Category	Ending balance					Beginning balance				
	Book balance		Bad debt reserve		Carrying value	Book balance		Bad debt reserve		Carrying value
	Amount	Percentage (%)	Amount	Percentage of provision		Amount	Percentage (%)	Amount	Percentage of provision	
Including:										
Notes receivable with	578,487,860.37	100.00%	52,816.82	0.01%	578,435,043.55	817,839,916.00	100.00%	276,491.33	0.03%	817,563,424.67

provision for bad debts on a collective basis										
Including:										
Banker's acceptance	577,431,523.95	99.82%			577,431,523.95	812,310,089.60	99.32%			812,310,089.60
Commercial acceptance bill	1,056,336.42	0.18%	52,816.82	5.00%	1,003,519.60	5,529,826.40	0.68%	276,491.33	5.00%	5,253,335.07
Total	578,487,860.37	100.00%	52,816.82	0.01%	578,435,043.55	817,839,916.00	100.00%	276,491.33	0.03%	817,563,424.67

Notes receivable with provision for bad debts on a collective basis

In RMB

Name	Ending balance		
	Book balance	Bad debt reserve	Percentage of provision
Banker's acceptance	577,431,523.95		
Commercial acceptance bill	1,056,336.42	52,816.82	5.00%

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

Applicable Not applicable

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

Bad debt provision in the current period:

In RMB

Category	Beginning balance	Amount of change in the current period				Ending balance
		Provision	Recovery or reversal	Write-off	Others	
Bad debt provision for notes receivable	276,491.33		223,674.51			52,816.82
Total	276,491.33		223,674.51			52,816.82

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

Applicable Not applicable

## 4. Accounts receivable

### (1) Disclosure by aging of accounts

In RMB

Aging	Book balance at the end of the period	Book balance at the beginning of the period
Within 1 year (including 1 year)	1,229,707,366.34	1,485,619,671.85

1-2 years	198,352,510.27	485,988,311.40
2-3 years	316,491,000.44	447,335,875.22
Over 3 years	329,461,925.46	600,756,000.34
3-4 years	203,098,560.52	576,108,235.57
4-5 years	106,648,765.68	16,831,122.21
Over 5 years	19,714,599.26	7,816,642.56
Total	2,074,012,802.51	3,019,699,858.81

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

In RMB

Category	Ending balance					Beginning balance				
	Book balance		Bad debt reserve		Carrying value	Book balance		Bad debt reserve		Carrying value
	Amount	Percentage (%)	Amount	Percentage of provision		Amount	Percentage (%)	Amount	Percentage of provision	
Accounts receivable with provision for bad debts on an individual basis	772,629,500.18	37.25%	466,600,596.37	60.39%	306,028,903.81	1,469,631,507.36	48.67%	948,705,525.01	64.55%	520,925,982.35
Including:										
Accounts receivable with provision for bad debts on a collective basis	1,301,383,302.33	62.75%	105,637,582.91	8.12%	1,195,745,719.42	1,550,068,351.45	51.33%	107,284,182.19	6.92%	1,442,784,169.26
Including:										
Aging-based portfolio	1,301,383,302.33	62.75%	105,637,582.91	8.12%	1,195,745,719.42	1,550,068,351.45	51.33%	107,284,182.19	6.92%	1,442,784,169.26
Total	2,074,012,802.51	100.00%	572,238,179.28	27.59%	1,501,774,623.23	3,019,699,858.81	100.00%	1,055,989,707.20	34.97%	1,963,710,151.61

Provision for bad debts on an individual basis: Provision for bad debts on an individual basis

In RMB

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

					e of provision	provision
Unit 1	210,521,513.99	84,754,236.00	182,374,947.60	87,850,013.32	48.17%	Expected to be difficult to fully recover
Unit 2	96,569,954.48	61,994,216.22	94,692,708.65	65,299,506.65	68.96%	Expected to be difficult to fully recover
Unit 3	268,924,199.48	80,677,259.84	89,342,910.96	26,845,843.67	30.05%	Expected to be difficult to fully recover
Unit 4	78,360,541.23	78,360,541.23	71,896,103.57	71,896,103.57	100.00%	Expected to be difficult to recover
Unit 5	29,119,062.94	10,394,103.97	30,605,439.56	13,917,042.04	45.47%	Expected to be difficult to fully recover
Unit 6	41,443,548.30	19,757,309.66	22,235,928.00	14,842,515.85	66.75%	Expected to be difficult to fully recover
Unit 7	22,113,876.84	14,170,945.84	22,008,442.37	14,471,075.41	65.75%	Expected to be difficult to fully recover
Unit 8	29,777,855.31	9,697,560.92	18,944,330.41	7,918,549.92	41.80%	Expected to be difficult to fully recover
Unit 9	13,604,360.56	7,556,003.93	14,153,466.07	8,329,895.14	58.85%	Expected to be difficult to fully recover
Unit 10	14,496,568.66	4,037,272.96	13,606,994.12	4,578,551.52	33.65%	Expected to be difficult to fully recover
Unit 11	13,352,120.83	7,829,472.76	11,666,204.38	7,101,201.84	60.87%	Expected to be difficult to fully recover
Unit 12	10,697,891.45	7,488,524.02	9,785,174.12	6,849,621.88	70.00%	Expected to be difficult to fully recover
Unit 13	25,778,392.36	11,241,222.53	8,074,303.95	3,771,733.81	46.71%	Expected to be difficult to fully recover
Unit 14	5,654,408.59	2,326,917.02	6,149,051.83	4,304,336.28	70.00%	Expected to be difficult to fully recover
Unit 15	6,429,558.45	4,044,430.92	5,729,564.29	3,684,795.00	64.31%	Expected to be difficult to fully recover
Unit 16	5,559,103.37	5,559,103.37	5,614,577.37	5,614,577.37	100.00%	Expected to be difficult to recover
Unit 17	10,980,639.05	4,616,469.03	5,286,419.66	2,378,888.85	45.00%	Expected to be difficult to fully recover
Unit 18			5,182,323.08	5,182,323.08	100.00%	Expected to be difficult to recover
Summary	586,247,911.47	534,199,934.79	155,280,610.19	111,764,021.16	71.98%	Expected to be

of other companies						difficult to fully recover
Total	1,469,631,507.36	948,705,525.01	772,629,500.18	466,600,596.36		

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

In RMB

Name	Ending balance		
	Book balance	Bad debt reserve	Percentage of provision
Within 1 year	1,088,716,421.29	54,435,821.05	5.00%
1-2 years	111,398,358.70	11,139,835.88	10.00%
2-3 years	55,695,428.55	11,139,085.71	20.00%
3-4 years	29,438,907.32	14,719,453.67	50.00%
4-5 years	9,653,999.35	7,723,199.48	80.00%
Over 5 years	6,480,187.12	6,480,187.12	100.00%
Total	1,301,383,302.33	105,637,582.91	

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

Applicable Not applicable

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

Bad debt provision in the current period:

In RMB

Category	Beginning balance	Amount of change in the current period				Ending balance
		Provision	Recovery or reversal	Write-off	Others	
Bad debt reserves for accounts receivable	1,055,991,741.84	124,229,240.54	71,314,775.15	504,420,762.38	32,247,265.57	572,238,179.28
Total	1,055,991,741.84	124,229,240.54	71,314,775.15	504,420,762.38	32,247,265.57	572,238,179.28

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

In RMB

Unit	Recovery or reversal	Reason for reversal	Recovery method	Basis and reasonableness of determining the original provision ratio for bad debts
<b>Unit</b>	<b>Amount of accounts receivable</b>	<b>Amount of provision for bad debts</b>	<b>Reasons for reversal or recovery\Methods</b>	
Unit 1	180,770,635.53	54,231,190.66	Bank transfer, offset	
Unit 2	26,167,361.70	4,330,861.69	Bank transfer	
<b>Total</b>	<b>206,937,997.23</b>	<b>58,562,052.35</b>		—

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

In RMB

Item	Amounts written off
Accounts receivable actually written off	504,420,762.38

In RMB

Unit	Nature of accounts receivable	Amounts written off	Reason for write-offs	Write-off procedures performed	Whether the amount arises from a connected transaction
Unit 1	Payment for goods	452,376,997.98	Expected to be irrecoverable	Board resolution	No
Unit 2	Payment for goods	24,368,544.00	Expected to be irrecoverable	Board resolution	No
Total		476,745,541.98			

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

In RMB

Unit	Ending balance of accounts receivable	Ending balance of contract assets	Closing balance of accounts receivable and contract assets	Proportion in the total ending balance of accounts receivable and contract assets	Closing balance of provision for bad debts on accounts receivable and impairment of contract assets
Unit 1	380,265,783.56		380,265,783.56	18.33%	
Unit 2	120,778,504.58		120,778,504.58	5.82%	
Unit 3	98,252,660.25		98,252,660.25	4.74%	
Unit 4	55,987,747.71		55,987,747.71	2.70%	
Unit 5	41,869,335.19		41,869,335.19	2.02%	
Total	697,154,031.29		697,154,031.29	33.61%	

## 5. Other receivables

In RMB

Item	Ending balance	Beginning balance
Dividends receivable	400,000.00	
Other receivables	73,133,704.37	86,729,886.98
Total	73,533,704.37	86,729,886.98

### (1) Dividends receivable

#### 1) Classification of dividends receivable

In RMB

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

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

Applicable Not applicable

### (2) Other accounts receivable

#### 1) Classification of other accounts receivable by nature

In RMB

Nature of receivable	Book balance at the end of the period	Book balance at the beginning of the period
Collections by a third party	40,881,838.97	59,038,372.30
Margin deposits/deposits	29,981,876.29	29,725,519.68
Proxy holding of project mortgage properties	14,537,654.00	5,258,444.00
Withholdings	4,047,262.25	4,351,612.44
Cash reserve	4,720,272.88	2,868,628.69
Others	3,803,557.29	2,879,205.71
<b>Total</b>	<b>97,972,461.68</b>	<b>104,121,782.82</b>

#### 2) Disclosure by aging of accounts

In RMB

Aging	Book balance at the end of the period	Book balance at the beginning of the period
Within 1 year (including 1 year)	68,817,484.17	80,644,607.15
1-2 years	7,075,900.68	5,353,188.38
2-3 years	5,744,411.97	5,118,621.21
Over 3 years	16,334,664.86	13,005,366.08
3-4 years	4,665,541.03	4,666,677.35
4-5 years	4,282,350.83	2,502,813.79
Over 5 years	7,386,773.00	5,835,874.94
<b>Total</b>	<b>97,972,461.68</b>	<b>104,121,782.82</b>

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

Applicable Not applicable

In RMB

Category	Ending balance					Beginning balance				
	Book balance		Bad debt reserve		Carrying value	Book balance		Bad debt reserve		Carrying value
	Amount	Percentage (%)	Amount	Percentage of provision		Amount	Percentage (%)	Amount	Percentage of provision	
Provision for bad debts on an individual	14,759,354.00	15.06%	6,763,644.30	45.83%	7,995,709.70	5,583,682.24	5.36%	2,109,686.64	37.78%	3,473,995.60

al basis										
Including:										
Provision for bad debts on a collective basis	83,213,107.68	84.94%	18,075,113.01	21.72%	65,137,994.67	98,538,100.58	94.64%	15,282,209.20	15.51%	83,255,891.38
Including:										
Aging-based portfolio	83,213,107.68	84.94%	18,075,113.01	21.72%	65,137,994.67	98,538,100.58	94.64%	15,282,209.20	15.51%	83,255,891.38
Total	97,972,461.68	100.00%	24,838,757.31	25.35%	73,133,704.37	104,121,782.82	100.00%	17,391,895.84	16.70%	86,729,886.98

Provision for bad debts on an individual basis: Other receivables with provision for bad debts on an individual basis

In RMB

Name	Beginning balance		Ending balance			
	Book balance	Bad debt reserve	Book balance	Bad debt reserve	Percentage of provision	Reasons for provision
Unit 1			9,976,291.00	4,489,330.95	45.00%	Expected impairment
Unit 2	800,000.00	280,000.00	1,892,194.00	851,487.30	45.00%	Expected impairment
Unit 3			1,205,059.00	542,276.55	45.00%	Expected impairment
Unit 4	657,783.00	230,224.05	657,783.00	296,002.35	45.00%	Expected impairment
Unit 5	636,327.00	222,714.45	636,327.00	286,347.15	45.00%	Expected impairment
Unit 6	3,164,334.00	1,107,516.90	170,000.00	76,500.00	45.00%	Expected impairment
Unit 7	103,000.00	103,000.00	103,000.00	103,000.00	100.00%	Expected to be difficult to recover
Unit 8	45,200.00	45,200.00	45,200.00	45,200.00	100.00%	Expected to be difficult to recover
Unit 9	20,000.00	20,000.00	20,000.00	20,000.00	100.00%	Expected to be difficult to recover
Unit 10	20,000.00	20,000.00	20,000.00	20,000.00	100.00%	Expected to be difficult to recover
Unit 11	10,000.00	10,000.00	10,000.00	10,000.00	100.00%	Expected to be difficult to recover
Unit 12	10,000.00	10,000.00	10,000.00	10,000.00	100.00%	Expected to be difficult to recover
Unit 13	20,000.00	20,000.00	10,000.00	10,000.00	100.00%	Expected to be difficult to recover
Unit 14	3,500.00	3,500.00	3,500.00	3,500.00	100.00%	Expected to be

						difficult to recover
Unit 15	50,010.00	15,003.00				
Unit 16	30,000.00	9,000.00				
Unit 17	13,528.24	13,528.24				
<b>Total</b>	<b>5,583,682.24</b>	<b>2,109,686.64</b>	<b>14,759,354.00</b>	<b>6,763,644.30</b>		

Provision for bad debts on a collective basis: other receivables with provision for bad debts on a collective basis

In RMB

Name	Ending balance		
	Book balance	Bad debt reserve	Percentage of provision
Within 1 year	55,628,105.99	2,779,154.19	5.00%
1-2 years	6,905,900.68	690,590.07	10.00%
2-3 years	3,640,301.97	728,060.39	20.00%
3-4 years	4,622,041.03	2,311,020.52	50.00%
4-5 years	4,252,350.83	3,401,880.66	80.00%
Over 5 years	8,164,407.18	8,164,407.18	100.00%
<b>Total</b>	<b>83,213,107.68</b>	<b>18,075,113.01</b>	

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

In RMB

Bad debt reserve	Phase I	Phase II	Phase III	Total
	Expected credit loss over the next 12 months	Expected credit loss over the entire period of existence (without credit impairment)	Expected credit loss over the entire period of existence (with credit impairment)	
Balance as of January 01, 2025	15,282,209.20	1,864,458.40	245,228.24	17,391,895.84
Balance on January 01, 2025 in the current period				
Provision in the current period	2,123,418.74	10,140,088.15		12,263,506.89
Reversal in the current period	2,633,430.48	24,003.00	23,528.24	2,680,961.72
Write-offs in the current period	6.97			6.97
Derecognition/write-offs in the current period	1,631,342.73	504,334.00		2,135,676.73
Balance as of December 31, 2025	13,140,847.76	11,476,209.55	221,700.00	24,838,757.31

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

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

Applicable Not applicable

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

Bad debt provision in the current period:

In RMB

Category	Beginning	Amount of change in the current period	Ending balance
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	balance	Provision	Recovery or reversal	Write-offs	Others	
Bad debt provision for other receivables	17,391,895.84	12,263,506.89	2,680,961.72	2,135,683.70		24,838,757.31
Total	17,391,895.84	12,263,506.89	2,680,961.72	2,135,683.70		24,838,757.31

### 5) Other receivables actually written off in the current period

In RMB

Item	Amounts written off
The actual write-off of other receivables	2,135,676.73

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

In RMB

Unit	Nature of receivable	Ending balance	Aging	Proportion in the total ending balance of other accounts receivable	Ending balance of bad debt reserves
Zhejiang Tmall Technology Co., Ltd.	Collections by a third party	18,622,657.70	Within 1 year	19.01%	964,842.83
Liuxu	Proxy holding of project mortgage properties	9,976,291.00	Within 1 year	10.18%	4,489,330.95
Beijing Jingdong Century Trading Co., Ltd.	Collections by a third party/deposits	8,395,684.97	0-5 years	8.57%	737,032.59
Beijing Jingdong 360 Degree E-Commerce Co., Ltd. (platform store)	Collections by a third party	3,696,710.67	Within 1 year	3.77%	184,835.53
Other receivables - withholding from housing provident fund	Withholdings	3,671,259.99	Within 1 year	3.75%	183,563.00
Total		44,362,604.33		45.28%	6,559,604.90

## 6. Advance payments

### (1) Advance payments presented by age

In RMB

Aging	Ending balance		Beginning balance	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	171,506,990.75	92.07%	159,754,888.14	98.80%
1-2 years	13,750,625.98	7.38%	1,800,975.78	1.11%

2-3 years	907,477.59	0.49%	125,138.78	0.08%
Over 3 years	116,614.59	0.06%	9,668.01	0.01%
Total	186,281,708.91		161,690,670.71	

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

The ending balances of advance payments of the top five payers by the end of the year totaled RMB 99,935,997.52, accounting for 53.65% of the total.

## 7. Inventory

Whether the company is subject to disclosure requirements for the real estate industry

No

### (1) Classification of inventories

In RMB

Item	Ending balance			Beginning balance		
	Book balance	Provision for obsolete inventory or for impairment of the cost of contract performance	Carrying value	Book balance	Provision for obsolete inventory or for impairment of the cost of contract performance	Carrying value
Raw materials	58,592,833.63	6,863,404.45	51,729,429.18	78,336,712.50	0.00	78,336,712.50
Products in process	82,472,309.49	0.00	82,472,309.49	82,459,003.26	0.00	82,459,003.26
Finished goods	462,122,415.82	17,827,890.31	444,294,525.51	384,094,042.84	33,877,028.02	350,217,014.82
Contract performance costs	94,994,339.86	0.00	94,994,339.86	29,442,537.83	0.00	29,442,537.83
Goods on consignment	704,650,720.50	46,786,601.01	657,864,119.49	707,907,872.94	44,513,788.45	663,394,084.49
Low-value consumables	28,668,045.56	0.00	28,668,045.56	10,163,408.39	0.00	10,163,408.39
Total	1,431,500,664.86	71,477,895.77	1,360,022,769.09	1,292,403,577.76	78,390,816.47	1,214,012,761.29

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

In RMB

Item	Beginning balance	Increased amount in the current period		Decreased amount in the current period		Ending balance
		Provision	Others	Reversals or write-off	Others	
Raw materials	0.00	7,298,549.03		435,144.58		6,863,404.45
Products in process	0.00					0.00
Finished goods	33,877,028.02	537,575.82		16,586,713.53		17,827,890.31
Contract performance costs	0.00					0.00
Goods on consignment	44,513,788.45	2,272,812.56				46,786,601.01
<b>Total</b>	<b>78,390,816.47</b>	<b>10,108,937.41</b>		<b>17,021,858.11</b>		<b>71,477,895.77</b>

### 8. Non-current assets due within one year

In RMB

Item	Ending balance	Beginning balance
Fixed time deposits maturing within one year	470,000,000.00	850,000,000.00
Accrued interest on fixed time deposits maturing within one year	29,143,689.50	49,560,428.08
<b>Total</b>	<b>499,143,689.50</b>	<b>899,560,428.08</b>

### 9. Other current assets

In RMB

Item	Ending balance	Beginning balance
Prepaid taxes	3,068,681.12	2,924,156.77
Fixed-term deposit within one year	84,345,600.00	1,344,695,600.00
Accrued interest on fixed time deposits within one year	1,053,790.87	63,439,739.71
<b>Total</b>	<b>88,468,071.99</b>	<b>1,411,059,496.48</b>

### 10. Other debt investments

### 11. Other equity instrument investments

In RMB

Name of item	Ending balance	Beginning balance	Gains recognized in other comprehensive income for the current period	Loss recognized in other comprehensive income for the current period	Gains recognized in other comprehensive income at the end of the period	Loss recognized in other comprehensive income at the end of the period	Recognized dividends income in the period	Reason for being designated to be measured at fair value through other comprehensive



Operat ion Manag ement Co., Ltd.												
Shaoxi ng Shuaig e Kitche n and Bathro om Techn ology Co., Ltd.	3,017, 365.02				- 370,55 3.62						2,646, 811.40	
Subtot al	4,209, 859.68				585,26 0.27			400,00 0.00			4,395, 119.95	
Total	10,561 ,060.7 9				- 5,765, 940.84			400,00 0.00			4,395, 119.95	

Recoverable amount is determined as fair value less costs of disposal

Applicable Not applicable

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

Applicable Not applicable

#### 14. Other non-current financial assets

In RMB

Item	Ending balance	Beginning balance
Classification of financial assets measured at fair value through profit and loss	800,451,400.00	300,000,000.00
Total	800,451,400.00	300,000,000.00

#### 15. Investment real estates

##### (1) Investment real estate under the cost measurement mode

Applicable Not applicable

In RMB

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

(1) Outsourcing				
(2) Transfer from inventories/fixed assets/construction in progress				
(3) Increased amount in business combination				
3. Decreased amount in the current period				
(1) Disposal				
(2) Other transfer-out				
4. Ending balance	102,868,253.38	1,062,744.00		103,930,997.38
II. Accumulated depreciation and amortization				
1. Beginning balance	16,166,679.72	373,731.64		16,540,411.36
2. Increased amount in the current period	4,815,710.41	21,254.87		4,836,965.28
(1) Accrual or amortization	4,815,710.41	21,254.87		4,836,965.28
3. Decreased amount in the current period				
(1) Disposal				
(2) Other transfer-out				
4. Ending balance	20,982,390.13	394,986.51		21,377,376.64
III. Impairment provision				
1. Beginning balance	1,539,949.83			1,539,949.83
2. Increased amount in the current period				
(1) Provision				
3. Decreased amount in the current period				
(1) Disposal				
(2) Other transfer-out				
4. Ending balance	1,539,949.83			1,539,949.83
IV. Carrying value				
1. Ending carrying	80,345,913.42	667,757.49		81,013,670.91

value				
2. Beginning carrying value	85,161,623.83	689,012.36		85,850,636.19

Recoverable amount is determined as fair value less costs of disposal

Applicable Not applicable

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

Applicable Not applicable

## 16. Fixed assets

In RMB

Item	Ending balance	Beginning balance
Fixed assets	2,173,620,976.82	1,611,144,579.04
Disposal of fixed assets	54,209.39	
Total	2,173,675,186.21	1,611,144,579.04

### (1) Fixed assets

In RMB

Item	Buildings and structures	Machinery and equipment	Transportation equipment	Other equipment	Total
I. Original carrying value:					
1. Beginning balance	1,678,952,904.10	865,518,140.97	23,310,152.21	140,327,174.10	2,708,108,371.38
2. Increased amount in the current period	704,138,679.66	9,074,711.86	6,421,084.49	4,377,057.59	724,011,533.60
(1) Purchase	2,424,378.11	8,723,472.94	30,586.29	2,279,828.39	13,458,265.73
(2) Transfer from construction in progress	701,714,301.55	351,238.92	6,390,498.20	2,097,229.20	710,553,267.87
(3) Increased amount in business combination					
3. Decreased amount in the current period	975,092.60	344,948.71	4,923.89	2,137,449.88	3,462,415.08
(1) Disposal or retirement	975,092.60	344,948.71	4,923.89	2,137,449.88	3,462,415.08
4. Ending balance	2,382,116,491.16	874,247,904.12	29,726,312.81	142,566,781.81	3,428,657,489.90
II. Accumulated					

depreciation					
1. Beginning balance	471,655,199.40	518,306,900.38	17,142,864.88	89,858,827.68	1,096,963,792.34
2. Increased amount in the current period	78,649,042.84	65,040,245.80	2,002,634.90	15,734,369.61	161,426,293.15
(1) Provision	78,649,042.84	65,040,245.80	2,002,634.90	15,734,369.61	161,426,293.15
3. Decreased amount in the current period	316,750.64	736,776.59	327,701.27	1,972,343.91	3,353,572.41
(1) Disposal or retirement	316,750.64	736,776.59	327,701.27	1,972,343.91	3,353,572.41
4. Ending balance	549,987,491.60	582,610,369.59	18,817,798.51	103,620,853.38	1,255,036,513.08
III. Impairment provision					
1. Beginning balance					
2. Increased amount in the current period					
(1) Provision					
3. Decreased amount in the current period					
(1) Disposal or retirement					
4. Ending balance					
IV. Carrying value					
1. Ending carrying value	1,832,128,999.56	291,637,534.53	10,908,514.30	38,945,928.43	2,173,620,976.82
2. Beginning carrying value	1,207,297,704.70	347,211,240.59	6,167,287.33	50,468,346.42	1,611,144,579.04

**(2) Fixed asset without certificate of title**

In RMB

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

### (3) Disposal of fixed assets

In RMB

Item	Ending balance	Beginning balance
Machinery and equipment	54,209.39	
<b>Total</b>	<b>54,209.39</b>	

### 17. Construction in progress

In RMB

Item	Ending balance	Beginning balance
Construction in process	46,511,377.40	457,357,111.28
<b>Total</b>	<b>46,511,377.40</b>	<b>457,357,111.28</b>

#### (1) Construction in progress

In RMB

Item	Ending balance			Beginning balance		
	Book balance	Impairment provision	Carrying value	Book balance	Impairment provision	Carrying value
Robam Building project	41,762,075.08		41,762,075.08	428,449,911.96		428,449,911.96
Project of the First Production Department	619,469.04		619,469.04	12,450,442.42		12,450,442.42
Project of the Third Production Department	478,331.62		478,331.62	6,439,115.03		6,439,115.03
Project of the Second Production Department	856,637.17		856,637.17	3,581,815.75		3,581,815.75
Project of the Fourth Production Department	754,031.67		754,031.67	2,966,251.28		2,966,251.28
Customized management software	1,444,624.32		1,444,624.32	1,189,282.86		1,189,282.86
Other miscellaneous projects	596,208.50		596,208.50	2,280,291.98		2,280,291.98
<b>Total</b>	<b>46,511,377.40</b>		<b>46,511,377.40</b>	<b>457,357,111.28</b>		<b>457,357,111.28</b>

#### (2) Current changes in major projects under construction

In RMB

Name of item	Budget	Beginning balance	Increased amount in the current period	Amount transferred into fixed assets in the current period	Other decreases in the current period	Ending balance	Proportion of accumulative construction investment in the budget	Project progress (%)	Accumulated amount of capitalized interest	Including: capitalized interests in the current period	Interest capitalization rate in the current period	Funding source
Robam Building project	823,750,800.00	428,449,911.96	292,076,500.86	678,750,713.08	13,624.64	41,762,075.10	87.47%	95.00%				Others
Total	823,750,800.00	428,449,911.96	292,076,500.86	678,750,713.08	13,624.64	41,762,075.10						

### (3) Impairment testing of construction in progress

Applicable Not applicable

## 18. Right-of-use assets

### (1) Right-of-use assets

In RMB

Item	Buildings and structures	Total
I. Original carrying value		
1. Beginning balance	16,779,791.90	16,779,791.90
2. Increased amount in the current period		
3. Decreased amount in the current period		
4. Ending balance	16,779,791.90	16,779,791.90
II. Accumulated depreciation		
1. Beginning balance	6,504,537.94	6,504,537.94
2. Increased amount in the current period	2,172,261.47	2,172,261.47
(1) Provision	2,172,261.47	2,172,261.47
3. Decreased amount in the current period		

(1) Disposal		
4. Ending balance	8,676,799.41	8,676,799.41
III. Impairment provision		
1. Beginning balance		
2. Increased amount in the current period		
(1) Provision		
3. Decreased amount in the current period		
(1) Disposal		
4. Ending balance		
IV. Carrying value		
1. Ending carrying value	8,102,992.49	8,102,992.49
2. Beginning carrying value	10,275,253.96	10,275,253.96

## 19. Intangible assets

### (1) Intangible assets

In RMB

Item	Land use right	Patent right	Non-patented technology	Software	Trademark right	Total
I. Original carrying value						
1. Beginning balance	224,593,935.95	7,300,000.00		71,870,928.35	24,624,622.64	328,389,486.94
2. Increased amount in the current period				3,822,057.13		3,822,057.13
(1) Purchase				2,687,019.55		2,687,019.55
(2) Internal research and development						
(3) Increased amount in business combination						
Transfer				1,135,037.58		1,135,037.58

from construction in progress						
3. Decreased amount in the current period				8,689,061.63		8,689,061.63
(1) Disposal				8,689,061.63		8,689,061.63
4. Ending balance	224,593,935.95	7,300,000.00		67,003,923.85	24,624,622.64	323,522,482.44
II. Accumulated amortization						
1. Beginning balance	43,351,284.62	7,300,000.00		55,866,118.86	15,990,426.76	122,507,830.24
2. Increased amount in the current period	4,497,812.08			6,337,042.10	2,462,462.24	13,297,316.42
(1) Provision	4,497,812.08			6,337,042.10	2,462,462.24	13,297,316.42
3. Decreased amount in the current period				8,689,061.63		8,689,061.63
(1) Disposal				8,689,061.63		8,689,061.63
4. Ending balance	47,849,096.70	7,300,000.00		53,514,099.33	18,452,889.00	127,116,085.03
III. Impairment provision						
1. Beginning balance						
2. Increased amount in the current period						
(1) Provision						

3. Decreased amount in the current period						
(1) Disposal						
4. Ending balance						
IV. Carrying value						
1. Ending carrying value	176,744,839.25			13,489,824.52	6,171,733.64	196,406,397.41
2. Beginning carrying value	181,242,651.33			16,004,809.49	8,634,195.88	205,881,656.70

Intangible assets formed through in-house research and development at the end of the period as a percentage of the balance of intangible assets.

## (2) Data resources recognized as intangible assets

Applicable Not applicable

## (3) Impairment testing of construction in progress

Applicable Not applicable

## 20. Goodwill

### (1) Original carrying value of goodwill

In RMB

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

### (2) Goodwill impairment provision

In RMB

Name of investee or item that generates	Beginning balance	Increase in the current period		Decrease in current period		Ending balance
		Provision		Disposal		

goodwill					
Kinde Intelligent	80,589,565.84				80,589,565.84
Total	80,589,565.84				80,589,565.84

## 21. Long-term deferred expenses

In RMB

Item	Beginning balance	Increased amount in the current period	Amount of amortization in the current period	Other decreases	Ending balance
Service fee	4,136,093.63	524,949.00	2,187,139.13		2,473,903.50
Advertisement expenses	458,505.70	0.00	458,505.70		0.00
Tooling cost	0.00	486,725.67	45,424.24		441,301.43
Others	161,810.32	278,981.93	103,279.35		337,512.90
Total	4,756,409.65	1,290,656.60	2,794,348.42		3,252,717.83

## 22. Deferred income tax asset/deferred income tax liability

### (1) Deferred income tax assets before offset

In RMB

Item	Ending balance		Beginning balance	
	Deductible temporary differences	Deferred income tax assets:	Deductible temporary differences	Deferred income tax assets:
Unrealized profits of internal transactions	8,966,724.68	1,345,008.70	6,288,257.39	943,238.61
Credit impairment provision	590,389,219.26	97,807,785.52	1,057,902,367.16	166,211,415.14
Loss from assets impairment	186,403,231.29	27,966,489.76	146,302,020.01	21,945,303.00
Income that should be recognized according to tax laws but have not been confirmed by the accountant yet	227,843,758.87	34,176,563.83	153,733,838.73	23,060,075.81
Those recognized based on the provisional estimated expenses	884,447,451.20	132,667,117.68	736,834,444.33	110,525,166.65
Deferred income	69,101,835.67	10,365,275.35	81,363,483.00	12,204,522.45
Changes in the fair value of other equity instrument investments	117,832,510.80	17,674,876.62	117,832,510.80	17,674,876.62
Equity incentive	20,209,550.94	3,120,512.36	15,553,988.49	2,407,757.80
Lease liabilities	1,841,496.02	460,374.01	3,171,164.59	535,525.21
Total	2,107,035,778.73	325,584,003.83	2,318,982,074.50	355,507,881.29

### (2) Deferred income tax liabilities before offset

In RMB

Item	Ending balance		Beginning balance	
	Taxable temporary difference	Deferred income tax liabilities	Taxable temporary difference	Deferred income tax liabilities
Appreciation arising from asset valuation in a business combination not under common control	10,661,295.26	1,599,194.29	13,531,056.26	2,029,658.44
Temporary taxable difference incurred from pre-tax deduction of fixed assets	86,784,538.79	13,017,680.83	100,189,168.44	15,028,375.27
Interest accrued on deposits not yet matured	172,075,927.98	25,811,389.20	144,816,770.53	21,722,515.58
Right-of-use assets	109,594.14	5,479.71	1,370,978.98	68,548.95
<b>Total</b>	<b>269,631,356.17</b>	<b>40,433,744.03</b>	<b>259,907,974.21</b>	<b>38,849,098.24</b>

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

In RMB

Item	Amount of deferred income tax assets offset against deferred income tax liabilities at the end of the period	Ending balance of deferred income tax assets or liabilities after offset	Initial amount of deferred income tax assets offset against deferred income tax liabilities	Beginning balance of deferred income tax assets or liabilities after offset
Deferred income tax assets:		325,584,003.83	-64,316.48	355,443,564.81
Deferred income tax liabilities		40,433,744.03	-64,316.48	38,784,781.76

### (4) Presentation of unrecognized deferred income tax assets

In RMB

Item	Ending balance	Beginning balance
Deductible temporary differences	35,378,023.90	20,751,821.76
Deductible tax losses	90,925,810.39	86,142,898.16
<b>Total</b>	<b>126,303,834.29</b>	<b>106,894,719.92</b>

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

In RMB

Year	Ending amount	Beginning amount	Remarks
2025	0.00	5,420,582.14	
2026	0.00	0.00	
2027	6,776,597.45	14,250,223.40	
2028	31,603,994.30	46,110,149.45	
2029	18,575,484.11	20,361,943.17	
2030	33,969,734.53	0.00	
<b>Total</b>	<b>90,925,810.39</b>	<b>86,142,898.16</b>	

### 23. Other non-current assets

In RMB

Item	Ending balance			Beginning balance		
	Book balance	Impairment provision	Carrying value	Book balance	Impairment provision	Carrying value
Fixed time deposits over one year	4,510,000,000.00	0.00	4,510,000,000.00	3,430,000,000.00	0.00	3,430,000,000.00
Interest on fixed time deposits over one year	147,180,404.97	0.00	147,180,404.97	65,062,003.04	0.00	65,062,003.04
Prepayments for equipment purchase	13,628,039.50	0.00	13,628,039.50	11,845,297.88	0.00	11,845,297.88
Prepayment for house purchase	44,212,716.45	19,895,722.40	24,316,994.05	144,608,644.26	50,613,025.49	93,995,618.77
Commercial properties held for sale	213,656,936.74	96,145,621.53	117,511,315.21	50,563,312.17	17,697,159.26	32,866,152.91
<b>Total</b>	<b>4,928,678,097.66</b>	<b>116,041,343.93</b>	<b>4,812,636,753.73</b>	<b>3,702,079,257.35</b>	<b>68,310,184.75</b>	<b>3,633,769,072.60</b>

### 24. Assets with limited ownership and right to use

In RMB

Item	Ending of the period				Beginning of the period			
	Book balance	Carrying value	Type of restriction	Restrictions	Book balance	Carrying value	Type of restriction	Restrictions
Cash and cash equivalents	62,151,811.20	62,151,811.20	L/G margin deposit		67,828,552.62	67,828,552.62	L/G margin deposit	
Fixed assets	159,412,368.74	128,700,135.64	Mortgage loan		152,993,151.92	132,330,396.56	Mortgage loan	
Intangible assets	58,626,799.92	51,620,046.12	Mortgage loan					
Cash and cash equivalents	4,848,360.16	4,848,360.16	Bank acceptance bill margin deposit		45,630,984.76	45,630,984.76	Bank acceptance bill margin deposit	
Cash and cash equivalents	14,000.00	14,000.00	ETC deposit		13,000.00	13,000.00	ETC deposit	
Cash and cash equivalents	40,252.34	40,252.34	Litigation freeze		57,605,500.00	51,947,796.50		
<b>Total</b>	<b>285,093,592.36</b>	<b>247,374,605.46</b>			<b>324,071,189.30</b>	<b>297,750,730.44</b>		

## 25. Short-term borrowings

### (1) Short-term borrowing classification

In RMB

Item	Ending balance	Beginning balance
Mortgage loan	97,600,000.00	91,000,000.00
Credit borrowings	138,579.05	160,420.15
Accounts receivable factoring		2,078,878.91
<b>Total</b>	<b>97,738,579.05</b>	<b>93,239,299.06</b>

## 26. Notes payable

In RMB

Type	Ending balance	Beginning balance
Banker's acceptance	1,102,064,932.55	1,061,073,856.74
<b>Total</b>	<b>1,102,064,932.55</b>	<b>1,061,073,856.74</b>

## 27. Accounts payable

### (1) Presentation of accounts payable

In RMB

Item	Ending balance	Beginning balance
Payment for materials	1,138,496,064.99	1,268,548,184.88
Payment for expenses	1,314,267,726.79	1,461,869,344.61
Payment for construction	198,859,801.32	90,406,506.85
Payment for equipment	3,512,736.30	9,271,010.57
<b>Total</b>	<b>2,655,136,329.40</b>	<b>2,830,095,046.91</b>

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

In RMB

Item	Ending balance	Reasons for outstanding or carried-forward balances
Outstanding payables for materials, service fees and construction costs not yet settled	303,698,297.20	Not yet settled
<b>Total</b>	<b>303,698,297.20</b>	

### (3) Whether there are overdue unpaid amounts due to SMEs

Whether the entity qualifies as a large enterprise

Yes  No

## 28. Other payables

In RMB

Item	Ending balance	Beginning balance
Other payables	294,434,125.10	285,326,671.78
Total	294,434,125.10	285,326,671.78

## (1) Other payables

### 1) Other payables presented by nature

In RMB

Item	Ending balance	Beginning balance
Security deposits payable	274,086,791.21	268,864,301.66
Collections by a third party	7,020,719.71	5,427,566.47
Guarantee deposits payable	5,953,773.95	5,560,537.97
Others	7,372,840.23	5,474,265.68
Total	294,434,125.10	285,326,671.78

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

In RMB

Item	Ending balance	Reasons for outstanding or carried-forward balances
Sales deposit	62,300,000.00	
Total	62,300,000.00	

## 29. Contract liabilities

In RMB

Item	Ending balance	Beginning balance
Advances on sales	932,559,161.31	867,810,932.52
Total	932,559,161.31	867,810,932.52

Significant contract liabilities with an aging over one year

In RMB

Item	Ending balance	Reasons for outstanding or carried-forward balances
Payments for goods not yet accepted	27,864,375.12	Not yet accepted
Total	27,864,375.12	

## 30. Employee compensation payable

### (1) Presentation of employee compensation payable

In RMB

Item	Beginning balance	Increase in the current period	Decrease in current Period	Ending balance
I. Short-term compensation	181,928,609.65	1,016,315,596.77	1,025,347,333.16	172,896,873.26
II. Post-employment benefits - defined	6,481,453.27	82,227,311.48	81,970,005.42	6,738,759.33

contribution plan				
III. Termination benefits	0.00	3,139,031.36	2,921,950.06	217,081.30
IV. Other benefits due within one year	0.00	0.00	0.00	0.00
Total	188,410,062.92	1,101,681,939.61	1,110,239,288.64	179,852,713.89

## (2) Presentation of short-term compensation

In RMB

Item	Beginning balance	Increase in the current period	Decrease in current Period	Ending balance
1. Salaries, bonuses, subsidies and allowances	176,745,384.52	874,664,125.35	883,544,904.09	167,864,605.78
2. Employee welfare	0.00	30,025,158.85	30,025,158.85	0.00
3. Social insurance	4,137,415.54	50,006,493.72	50,042,919.74	4,100,989.52
Including: medical insurance	3,883,106.21	46,940,637.72	46,967,850.86	3,855,893.07
Work-related injury insurance	254,309.33	3,023,001.60	3,032,214.48	245,096.45
Maternity insurance	0.00	42,854.40	42,854.40	0.00
4. Housing provident funds	399,950.00	48,491,405.90	48,626,439.90	264,916.00
5. Labor union and staff education expenses	645,859.59	13,128,412.95	13,107,910.58	666,361.96
Total	181,928,609.65	1,016,315,596.77	1,025,347,333.16	172,896,873.26

## (3) Presentation of the defined contribution plans

In RMB

Item	Beginning balance	Increase in the current period	Decrease in current Period	Ending balance
1. Basic pensions	6,275,020.34	79,728,924.85	79,469,383.74	6,534,561.45
2. Unemployment insurance	206,432.93	2,498,386.63	2,500,621.68	204,197.88
Total	6,481,453.27	82,227,311.48	81,970,005.42	6,738,759.33

## 31. Taxes payable

In RMB

Item	Ending balance	Beginning balance
VAT	67,418,099.86	115,704,829.54
Business income tax	16,554,366.22	32,050,600.18
Individual income tax	6,098,883.58	4,714,843.49

City maintenance and construction tax	4,749,489.91	8,171,225.67
Property tax	15,322,296.22	15,388,122.46
Land use tax	5,674,367.50	5,695,675.50
Stamp tax	1,815,714.01	2,222,469.65
Education surcharge	2,035,495.68	3,501,885.02
Local education surcharge	1,356,997.22	2,334,590.16
Other taxes	11,026.56	0.00
<b>Total</b>	<b>121,036,736.76</b>	<b>189,784,241.67</b>

### 32. Non-current liabilities due within one year

In RMB

Item	Ending balance	Beginning balance
Lease liabilities due within one year	1,967,891.30	2,136,543.64
<b>Total</b>	<b>1,967,891.30</b>	<b>2,136,543.64</b>

### 33. Other current liabilities

In RMB

Item	Ending balance	Beginning balance
Output VAT to be carried forward	102,759,019.62	95,808,311.01
<b>Total</b>	<b>102,759,019.62</b>	<b>95,808,311.01</b>

### 34. Lease liabilities

In RMB

Item	Ending balance	Beginning balance
Lease payment amount	10,966,863.79	14,028,368.86
Unrecognized financial expenses	-1,131,969.42	-1,694,304.73
Non-current liabilities due within one year after reclassification	-1,967,891.30	-2,136,543.64
<b>Total</b>	<b>7,867,003.07</b>	<b>10,197,520.49</b>

### 35. Deferred income

In RMB

Item	Beginning balance	Increase in the current period	Decrease in current Period	Ending balance	Cause of formation
Government subsidies	114,504,272.72	6,820,000.00	21,005,443.55	100,318,829.17	
<b>Total</b>	<b>114,504,272.72</b>	<b>6,820,000.00</b>	<b>21,005,443.55</b>	<b>100,318,829.17</b>	<b>--</b>

### 36. Capital stock

In RMB

Item	Beginning balance	Increase and decrease of this change (+, -)					Ending balance
		Issue of new shares	Bonus shares	Shares converted	Others	Subtotal	

				from capital reserve			
Total number of shares	944,782,166.00	156,750.00				156,750.00	944,938,916.00

Other description:

### 37. Capital reserve

In RMB

Item	Beginning balance	Increase in the current period	Decrease in current Period	Ending balance
Capital (stock) premium	222,073,558.90	3,480,752.50		225,554,311.40
Other capital reserves	15,553,988.29	28,352,841.80	23,605,247.33	20,301,582.76
Total	237,627,547.19	31,833,594.30	23,605,247.33	245,855,894.16

### 38. Other comprehensive incomes

In RMB

Item	Beginning balance	Amount of the current period						Ending balance
		Amount incurred before income tax in the current period	Less: amount included in other comprehensive incomes previously and then transferred into the current profit and loss	Less: amount included in other comprehensive incomes previously and then transferred into current retained earnings	Less: income tax expenses	Net income after tax attributable to the parent company	Net income after tax attributable to minority shareholders	
I. Other comprehensive incomes that cannot be reclassified into profit and loss	- 100,157,634.16							- 100,157,634.16
Changes in the fair value of other equity instrument investments	- 100,157,634.16							- 100,157,634.16
(II) Other	606,041.21	-				-	-40,055.56	298,301.91

comprehensive income which will be reclassified into gains and losses		347,794.86				307,739.30		
Converted difference in foreign currency statements	606,041.21	- 347,794.86				- 307,739.30	-40,055.56	298,301.91
Total of other comprehensive incomes	- 99,551,592.95	- 347,794.86				- 307,739.30	-40,055.56	- 99,859,332.25

### 39. Surplus reserve

In RMB

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

### 40. Undistributed profit

In RMB

Item	Current period	Previous period
Undistributed profit at the end of previous period before adjustment	9,621,062,910.45	8,987,773,431.71
Undistributed profit at the beginning of the period after adjustment	9,621,062,910.45	8,987,773,431.71
Add: Net profits attributable to owners of the parent company in the current period	1,255,879,806.22	1,577,400,594.74
Dividends payable for ordinary shares	944,938,916.00	944,111,116.00
Undistributed profit at the end of the period	9,932,003,800.67	9,621,062,910.45

### 41. Operating income and operating cost

In RMB

Item	Amount of the current period		Amount of the previous period	
	Income	Cost	Income	Cost
Main business	9,814,261,679.32	4,917,039,686.79	10,927,951,599.01	5,522,747,460.78

Other businesses	301,807,716.88	121,597,902.40	284,702,621.21	122,078,866.94
Total	10,116,069,396.20	5,038,637,589.19	11,212,654,220.22	5,644,826,327.72

Whether the lower of the audited total profit, net profit, and net profit after deduction of non-recurring gains and losses for the reporting period is negative:

Yes  No

## 42. Taxes and surcharges

In RMB

Item	Amount of the current period	Amount of the previous period
City maintenance and construction tax	34,171,937.05	46,957,043.90
Education surcharge	24,408,518.00	33,359,052.32
Property tax	16,367,484.41	16,814,207.65
Land use tax	5,541,991.68	5,754,971.28
Vehicle and vessel usage tax	21,596.32	28,848.40
Stamp tax	6,189,735.64	6,171,477.63
Environmental protection tax	15,555.93	
Increment tax on land value	131,650.05	
Others	182,192.17	39,084.31
Total	87,030,661.25	109,124,685.49

## 43. Administrative expenses

In RMB

Item	Amount of the current period	Amount of the previous period
Employees compensation	276,826,553.28	278,245,759.43
Depreciation and amortization	71,117,442.79	86,429,259.80
Consulting service fees	57,297,757.13	48,599,874.12
Material consumption	22,308,829.56	8,523,801.36
Office expenses	21,241,119.37	19,596,564.83
Rental and property fees	17,629,231.04	13,981,077.29
Business hospitality cost	10,114,931.46	7,572,414.60
Maintenance expenses	6,420,086.51	9,081,688.99
Communication expense	5,631,390.50	4,534,797.01
Costs of equity incentive	5,170,154.44	7,835,601.21
Travel expenses	3,121,043.54	2,419,269.87
Travel expenses	2,633,535.91	3,827,695.14
Others	15,622,218.11	18,201,217.39
Total	515,134,293.64	508,849,021.04

## 44. Sales expense

In RMB

Item	Amount of the current period	Amount of the previous period
Marketing service expenses	1,229,244,685.89	1,280,694,269.71
Advertisement expenses	700,263,031.09	712,058,633.70
Employees compensation	454,352,071.09	423,506,220.54
Booth decoration expenses	265,490,058.23	338,980,228.54

Promotional activity expenses	92,174,052.58	114,996,381.69
Material consumption	62,879,079.43	79,219,870.23
Intermediary service fees	26,911,257.79	26,966,711.07
Travel expenses	25,733,469.73	37,086,648.69
Business hospitality cost	18,015,399.99	14,083,702.14
Office expenses	17,840,265.37	17,330,997.20
Rental fees	14,656,748.28	17,074,675.58
Others	15,861,141.77	16,799,920.75
<b>Total</b>	<b>2,923,421,261.24</b>	<b>3,078,798,259.84</b>

#### 45. R&D expenses

In RMB

Item	Amount of the current period	Amount of the previous period
Employees compensation	212,300,051.65	245,232,960.20
Direct input	116,688,932.99	132,233,420.53
Other expenses	19,491,804.38	18,376,133.26
Depreciation and amortization	14,762,875.65	13,594,644.14
Design fees	4,706,242.59	4,222,290.68
<b>Total</b>	<b>367,949,907.26</b>	<b>413,659,448.81</b>

#### 46. Financial expenses

In RMB

Item	Amount of the current period	Amount of the previous period
Interest expenses	4,589,922.10	5,244,416.98
Less: Interest income	-149,264,427.90	-187,364,396.26
Add: foreign exchange gain/loss	3,289,204.21	-1,244,109.79
Add: other expenses	3,252,432.47	2,937,768.88
<b>Total</b>	<b>-138,132,869.12</b>	<b>-180,426,320.19</b>

#### 47. Other incomes

In RMB

Sources generating other incomes	Amount of the current period	Amount of the previous period
VAT and additional tax deduction	42,316,445.73	42,201,493.02
Amortization of deferred income	21,005,443.55	20,565,225.00
Embedded software tax refund	19,276,254.27	45,127,299.75
Financial support fund to boost the corporate development	11,390,033.02	22,033,982.02
Special fiscal funds	6,481,885.00	15,535,100.00
Post allowance and social insurance allowance	3,175,320.46	3,150,328.82
Special funds for industrial development	3,082,175.00	2,156,400.00
Performance Award by Finance Bureau of Hongkou District, Shanghai	2,789,000.00	3,800,465.00
R&D subsidies	1,440,975.00	640,754.71
Handling fee refund	1,243,598.63	580,829.41
Training subsidies	888,759.10	629,400.00
Patent awards	200,000.00	200,870.00
Other subsidies	752,804.35	1,744,843.00
<b>Total</b>	<b>114,042,694.11</b>	<b>158,366,990.73</b>

#### 48. Investment income

In RMB

Item	Amount of the current period	Amount of the previous period
Income from long-term equity investments accounted for using the equity method	-5,765,941.04	-5,054,357.08
Investment income from disposal of financial assets held for trading	94,861,737.13	131,854,649.79
Gains on remeasurement of remaining equity at fair value after loss of control		10,545,396.79
Total	89,095,796.09	137,345,689.50

#### 49. Loss from credit impairment

In RMB

Item	Amount of the current period	Amount of the previous period
Bad debt losses on notes receivable	223,674.51	44,602.23
Bad debt losses from accounts receivable	-52,914,465.39	-71,087,018.27
Bad debt losses of other receivables	-9,582,545.17	294,100.26
Total	-62,273,336.05	-70,748,315.78

#### 50. Loss from asset impairment

In RMB

Item	Amount of the current period	Amount of the previous period
I. Loss from obsolete inventory and from impairment of the cost of contract performance	5,488,774.64	-28,123,066.09
X. Impairment loss on goodwill		-12,223,271.67
XII. Other	-25,233,239.48	-27,846,824.47
Total	-19,744,464.84	-68,193,162.23

#### 51. Asset disposal income

In RMB

Sources of asset disposal income	Amount of the current period	Amount of the previous period
Non-current asset disposal income	-5,856,912.16	-4,462,199.53
Including: Gains on disposal of non-current assets classified as held for sale	-5,795,617.06	-4,225,267.72
Gains on disposal of non-current assets not classified as held for sale	-61,295.10	-236,931.81
Including: income from disposal of fixed assets	-61,295.10	-236,931.81
Total	-5,856,912.16	-4,462,199.53

## 52. Non-operating revenue

In RMB

Item	Amount of the current period	Amount of the previous period	Amount included in the current non-recurring profit and loss
Gains from non-current asset damage or retirement	1,769.91	9,567.88	1,769.91
Liquidated damages and fines	5,609,120.95	644,568.55	5,609,120.95
Others	457,364.16	1,582,080.48	457,364.16
<b>Total</b>	<b>6,068,255.02</b>	<b>2,236,216.91</b>	<b>6,068,255.02</b>

## 53. Non-operating expenditures

In RMB

Item	Amount of the current period	Amount of the previous period	Amount included in the current non-recurring profit and loss
Donations to external entities	7,976,000.00	5,070,065.06	7,976,000.00
Losses from non-current asset damage or retirement	22,085.16	47,795.87	22,085.16
Overdue fine	2,436,107.10	115,574.04	2,436,107.10
Abnormal loss	1,203,561.42	1,468,106.78	1,203,561.42
Amercement outlay	1,053,352.57	17,286.30	1,053,352.57
Liquidated damages and compensation	228,968.81	613,545.76	228,968.81
Others	638,896.64	806,789.91	638,896.64
<b>Total</b>	<b>13,558,971.70</b>	<b>8,139,163.72</b>	<b>13,558,971.70</b>

## 54. Income tax expenses

### (1) Presentation of income tax expenses

In RMB

Item	Amount of the current period	Amount of the previous period
Current income tax expenses	159,489,989.60	210,908,318.13
Deferred income tax expenses	31,459,221.54	17,820,493.83
<b>Total</b>	<b>190,949,211.14</b>	<b>228,728,811.96</b>

### (2) Adjustment of accounting profit and income tax expense

In RMB

Item	Amount of the current period
Total profit	1,429,801,613.21
Income tax expense calculated based on statutory/applicable tax rate	214,538,665.37
Effects of the subsidiaries' application of different tax rates	2,997,651.37
Effects of the adjustment of income tax in previous period	6,499,688.95
Effects of the non-taxable income	864,891.16

Effects of the non-deductible costs, expenses and losses	16,685,021.29
Effects of using deductible losses of unrecognized deferred income taxes in the previous period	-7,733,882.20
Effects of the deductible temporary differences or deductible losses of unrecognized deferred income tax assets in the current period	5,548,771.94
Change in the opening balance of deferred tax asset/liability due to tax rate adjustments	104,622.80
Impact of additional tax deduction for R&D expenses	-47,971,449.19
Impact of additional tax deduction for wages paid to disabled employees	-207,887.51
Unrealized profits and losses of internal transactions	-401,770.09
Others	24,887.25
Income tax expense	190,949,211.14

## 55. Other comprehensive incomes

See Note VII. 36 Other Comprehensive Incomes for details.

## 56. Cash flow statement items

### (1) Cash related to operating activities

Other cash received relating to operating activities

In RMB

Item	Amount of the current period	Amount of the previous period
Government subsidies	38,290,955.85	94,156,489.83
Deposits and margin deposits	29,384,958.49	25,374,892.98
Cash reserve	1,370,450.50	10,852,221.46
Revenue collected and payment made on behalf of other agencies	4,633,835.24	3,879,675.13
Interest revenue on deposits	15,430,542.29	3,512,221.54
Other payments	21,089,906.55	17,609,766.37
Total	110,200,648.92	155,385,267.31

Description of other cash received relating to operating activities:

Other cash paid relating to operating activities

In RMB

Item	Amount of the current period	Amount of the previous period
Related-party transactions	0.00	
Expenses during the period	2,785,785,189.48	2,955,890,525.62
Revenue collected and payment made on behalf of other agencies	9,073,069.88	32,683,926.70
Letter of credit and acceptance bill margin	33,828,034.25	15,760,662.53
Deposits and margin deposits	20,111,243.97	5,542,077.61
Cash reserve	12,007,765.60	1,562,054.94
Others	23,221,913.09	10,768,802.87
Total	2,884,027,216.27	3,022,208,050.27

## (2) Cash related to investment activities

Other cash received in relation to investment activities

In RMB

Item	Amount of the current period	Amount of the previous period
Fixed time deposit and interest	2,329,178,795.47	3,217,561,206.77
<b>Total</b>	<b>2,329,178,795.47</b>	<b>3,217,561,206.77</b>

Other cash paid relating to investment activities

In RMB

Item	Amount of the current period	Amount of the previous period
Fixed time deposit	1,635,286,400.00	4,453,924,300.00
<b>Total</b>	<b>1,635,286,400.00</b>	<b>4,453,924,300.00</b>

## (3) Cash related to financing activities

Other cash received in relation to financing activities

In RMB

Item	Amount of the current period	Amount of the previous period
Income from accounts receivable factoring		4,578,878.91
<b>Total</b>		<b>4,578,878.91</b>

Other cash paid in relation to financing activities

In RMB

Item	Amount of the current period	Amount of the previous period
Attached refund of recourse factoring		7,287,429.00
Rental	2,508,563.14	6,027,895.35
<b>Total</b>	<b>2,508,563.14</b>	<b>13,315,324.35</b>

Changes in liabilities arising from financing activities

Applicable Not applicable

## 57. Supplementary information of Cash Flow Statement

### (1) Supplementary information of Cash Flow Statement

In RMB

Supplementary information	Current amount	Amount in the previous period
1. Reconciliation of net profit to cash flow from operating activities		
Net profit	1,238,852,402.07	1,555,500,041.43
Add: Asset impairment provision	19,744,464.84	68,193,162.23
Depreciation of fixed assets, depreciation of oil and gas assets, and depreciation of productive biological assets	166,345,759.99	166,193,839.50
Depreciation of right-of-use assets	2,172,261.47	5,079,288.54

Amortization of intangible assets	15,773,559.68	14,242,173.16
Amortization of long-term deferred expenses	2,753,389.47	7,985,097.57
Losses arising from disposal of fixed assets, intangible assets and other long-term assets (gains expressed with "-")	5,856,129.74	4,462,199.53
Losses on disposal of fixed assets (gains indicated with "-")	12,897.62	47,795.87
Losses from fair value change (gains expressed with "-")		
Financial expenses (profit shall be indicated with "-")	3,756,188.24	-48,081,926.07
Investment losses (gains expressed with "-")	-89,095,796.09	-137,345,689.50
Decrease in deferred income tax assets (increase shall be indicated with "-")	29,859,560.98	7,454,277.08
Increase in deferred income tax liabilities (decrease shall be indicated with "-")	1,648,962.27	10,366,216.75
Decrease in inventories (increase shall be indicated with "-")	-139,097,087.10	308,984,442.06
Decrease in operating receivables (increase shall be indicated with "-")	491,939,139.95	-264,605,878.21
Increase in operating payables (decrease expressed with "-")	-204,859,735.38	-108,971,645.01
Others	52,164,578.93	70,748,315.78
Net cash flow from operating activities	1,597,826,676.68	1,660,251,710.71
2. Non-cash flow-involved major investing and financing activities		
Conversion of debt into capital		
Convertible bonds due within one year		
Fixed assets acquired under financing leases		
3. Net increase/decrease in cash and cash equivalents:		
Ending balance of cash	1,169,244,689.17	1,518,303,556.89
Less: cash beginning balance	1,518,303,556.89	1,878,166,358.09
Add: ending balance of cash equivalents		
Less: cash equivalents at the beginning of the period		
Net increase in cash and cash equivalents	-349,058,867.72	-359,862,801.20

## (2) Composition of cash and cash equivalents

In RMB

Item	Ending balance	Beginning balance
I. Cash	1,169,244,689.17	1,518,303,556.89
Including: cash on hand	90,657.72	191,720.15
deposits available for payment at any time	1,167,338,722.58	1,515,116,946.44
other cash and cash equivalents available for payment at any time	1,815,308.87	2,994,890.30
III. Closing balance of cash and cash equivalents	1,169,244,689.17	1,518,303,556.89

## 58. Foreign currency monetary item

### (1) Foreign currency monetary item

In RMB

Item	Ending balance in foreign currency	Exchange rate for conversion	Ending balance in RMB
Cash and cash equivalents			
Including: USD	5,643,518.77	7.0288	39,667,164.73
EUR	1,448.54	8.2355	11,929.45
HKD	21.90	0.90322	19.78
AUD	3.86	4.6892	18.10
MYR (Malaysian ringgit)	64,800.00	1.73193	112,229.06
IDR (Indonesian rupiah)	255,440,539.00	0.000418	106,774.15
Accounts receivable			
Including: USD	3,489,860.94	7.0288	24,529,534.58
EUR			
HKD	8,204,700.58	0.90322	7,410,649.66
IDR (Indonesian rupiah)			
Long-term loans			
Including: USD			
EUR			
HKD			

## VIII. R&D expenditure

In RMB

Item	Amount of the current period	Amount of the previous period
R&D expenditure	367,949,907.26	413,659,448.81
Total	367,949,907.26	413,659,448.81
Including: expensed R&D expenditure	367,949,907.26	413,659,448.81

## IX. Changes in the Scope of Consolidated Financial Statements

### 1. Business combination not under common control

#### (1) Business combination not under common control occurring in the current period

During the year, the scope of consolidation increased by three wholly owned subsidiaries newly established by the Company, and one additional controlled subsidiary was formed through the demerger of a subsidiary. Details are as follows:

On July 11, 2025, Robam Appliances (Hong Kong) Holding Co., Ltd., a subsidiary of the Company, established Robam Appliances International Trading (Malaysia) Co., Ltd., with a registered capital of MYR 10 million and a 100% equity interest. Its business scope covers the sales and after-sales services of kitchen appliances. As of the end of the reporting period, the registered capital had not yet been paid in and the company had not commenced operations.

On September 26, 2025, the Company established Hangzhou Robam Commercial Kitchen Technology Co., Ltd., with a registered capital of RMB 50 million and a 100% equity interest. Its business scope includes the R&D, production, and sales of kitchen appliances. The registered capital has been fully paid.

On September 26, 2025, the Company established Hainan Robam Intelligent Technology Co., Ltd., with a registered capital of RMB 200 million and a 100% equity interest. Its business scope includes the R&D, production, and sales of kitchen appliances. As of the end of the reporting period, the registered capital had not yet been paid in and the company had not commenced operations.

## X. Interests in Other Entities

### 1. Equity in subsidiaries

#### (1) Composition of the Robam Group

In RMB

Subsidiary	Registered capital	Principal place of business	Registration place	Nature of business	Shareholding ratio		Acquisition method
					Direct	Indirect	
Beijing Robam Appliances Sales Co., Ltd.	5,000,000.00	Beijing	Beijing	Sales of kitchen appliances	100.00%		Businesses combination under common control
Shanghai Robam Appliances Sales Co., Ltd.	5,000,000.00	Shanghai	Shanghai	Sales of kitchen appliances	100.00%		Businesses combination under common control
Hangzhou MingQi Electric Co., Ltd.	50,000,000.00	Hangzhou	Hangzhou	Sales of kitchen appliances	100.00%		Acquisition upon its establishment
De Dietrich Household	80,000,000.00	Shanghai	Shanghai	Sales of kitchen	51.00%		Acquisition upon its

Appliances Trading (Shanghai) Co., Ltd.				appliances			establishment
Shengzhou Kinde Intelligent Kitchen Appliances Co., Ltd.	32,653,061.00	Shaoxing	Shaoxing	Production and sales of kitchen appliances	51.00%		Business combination not under common control
Hangzhou Robam Fuchuang Investment Management Co., Ltd.	10,000,000.00	Hangzhou	Hangzhou	Asset, investment management, etc.	100.00%		Acquisition upon its establishment
Hangzhou Jinhe Electric Appliances Co., Ltd.	10,000,000.00	Hangzhou	Hangzhou	Sales of kitchen appliances	100.00%		Acquisition upon its establishment
Robam Appliances Holding (HK) Co., Ltd.	2,250,000.00	Hong Kong	Hong Kong	Asset, investment management, etc.	100.00%		Acquisition upon its establishment
Robam International (HK) Trading Co., Ltd.	500,000.00	Hong Kong	Hong Kong	Sales of kitchen appliances		100.00%	Acquisition upon its establishment
Robam Appliances U.S. Holding Co., Ltd.	1,750,000.00	Los Angeles	Los Angeles	Asset, investment management, etc.		100.00%	Acquisition upon its establishment
Robam Appliances Los Angeles Trade LLC	2,500,000.00	Los Angeles	Los Angeles	Sales of kitchen appliances		70.00%	Acquisition upon its establishment
Chengdu Robam Innovation Technology Co., Ltd.	5,000,000.00	Chengdu	Chengdu	Software development services	100.00%		Acquisition upon its establishment
Hangzhou Robam E-commerce Co., Ltd.	10,000,000.00	Hangzhou	Hangzhou	Sales of kitchen appliances	100.00%		Acquisition upon its establishment
Ningbo Jinhe E-commerce Co., Ltd.	5,000,000.00	Ningbo	Ningbo	Sales of kitchen appliances	100.00%		Acquisition upon its establishment
Hangzhou Yuhang Jinhe E-commerce Co., Ltd.	5,000,000.00	Hangzhou	Hangzhou	Sales of kitchen appliances	100.00%		Acquisition upon its establishment
Chengdu	5,000,000.00	Chengdu	Chengdu	Sales of	100.00%		Acquisition

Robam E-commerce Co., Ltd.				kitchen appliances			upon its establishment
Qingdao MingQi E-commerce Co., Ltd.	5,000,000.00	Qingdao	Qingdao	Sales of kitchen appliances	100.00%		Acquisition upon its establishment
Wuhan Jinhe E-commerce Co., Ltd.	5,000,000.00	Wuhan	Wuhan	Sales of kitchen appliances	100.00%		Acquisition upon its establishment
Robam Appliances (HK) Excellence Co., Ltd.	50,000.00	Hong Kong	Hong Kong	Sales of kitchen appliances		100.00%	Acquisition upon its establishment
Indonesia Robam Appliances LLC	1,200,000.00	Jakarta	Jakarta	Sales of kitchen appliances		100.00%	Acquisition upon its establishment

**(2) Major non-wholly owned subsidiaries**

In RMB

Subsidiary	Proportion of shares held by minority shareholders	Gains/losses attributable to minority shareholders in the current period	Dividend declared and distributed to minority shareholders in the current period	Shengzhou Kinde Intelligent Kitchen
Shengzhou Kinde Intelligent Kitchen Appliances Co., Ltd.	49.00%	-15,668,390.53		72,441,764.87
Robam Appliances Los Angeles Trade LLC	30.00%	-1,499,000.53		1,286,769.55

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

In RMB

Subsidiary	Ending balance						Beginning balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Shengzhou Kinde Intelligent Kitchen Appliances Co., Ltd.	49,942,501.08	284,684,103.59	334,626,604.67	150,675,463.74	36,110,804.47	186,786,268.21	69,571,473.48	317,042,813.22	386,614,286.70	159,770,138.96	39,027,504.07	198,797,643.03
Robam Appliances	30,190,452.9	3,186,560.16	33,377,013.0	25,516,101.1		25,516,101.1	18,965,345.4	2,966,780.56	21,932,126.0	14,269,017.1		14,269,017.1

nces	2		8	7		7	9		5	3		3
Los Angeles Trade LLC												

In RMB

Subsidiary	Amount of the current period				Amount of the previous period			
	Operating income	Net profit	Total consolidated income	Operating cash flow	Operating income	Net profit	Total consolidated income	Operating cash flow
Shengzhou Kinde Intelligent Kitchen Appliances Co., Ltd.	66,760,967.62	-31,976,307.21	-31,976,307.21	-10,261,852.35	98,696,182.28	-33,186,068.46	-33,186,068.46	-29,014,045.18
Robam Appliances Los Angeles Trade LLC	41,617,700.90	-4,996,668.43	-5,130,187.50	-618,804.88	16,062,205.14	-5,650,421.27	-5,527,183.08	-12,075,926.02

## 2. Equity in joint ventures or associates

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

In RMB

	Ending balance/amount incurred in current period	Beginning balance/amount incurred in previous period
Joint ventures:		
Total carrying value of investment		6,351,201.11
Totals of the following items calculated as per respective shareholding proportion		
- Net profit	-6,351,201.11	-5,158,495.91
- Total comprehensive income	-6,351,201.11	-5,158,495.91
Associates:		
Total carrying value of investment	4,395,119.95	4,209,859.68
Totals of the following items calculated as per respective shareholding proportion		
- Net profit	585,260.27	104,138.83
- Total comprehensive income	585,260.27	104,138.83

## XI. Government subsidies

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

Applicable Not applicable

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

Applicable Not applicable

## 2. Liabilities involving government subsidies

Applicable Not applicable

In RMB

Account	Beginning balance	Added subsidy amount in the current period	Amount included in non-operating income in the current period	Amount transferred to other income in the current period	Other changes this period	Ending balance	Related to assets/income
Deferred income	114,504,272.72	6,820,000.00		21,005,443.55		100,318,829.17	Related to assets

## 3. Government subsidies included in the current profit and loss

Applicable Not applicable

In RMB

Account	Amount of the current period	Amount of the previous period
Other income	114,042,694.11	158,366,990.73

## XII. Risks Relating to Financial Instruments

### 1. Various risks arising from financial instruments

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

#### 1. Objectives and policies of risk management

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

#### (1) Market risk

##### 1) Exchange rate risk

The Group's exposure to exchange rate risk is mainly related to U.S. dollars and Hong Kong dollars. Except for a few subsidiaries of the Group which make purchases and sales in U.S. dollars, the Group's other major business activities are denominated and settled in Renminbi. As at December 31, 2025, except for the U.S. dollar-denominated balances of assets and liabilities and the insignificant balances denominated in Euro and Hong Kong dollar as disclosed in Note V.56 Items to the

Consolidated Financial Statements-Foreign Currency Monetary Item, the Group's assets and liabilities were denominated in Renminbi. Exchange rate risk arising from such U.S. dollar-denominated assets and liabilities may affect the Group's performance.

## 2) Price risk

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

### (2) Credit risk

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

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

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

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

### (3) Liquidity risk

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

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

Item	Amount at the end of the year				
	Within 1 year	1-2 years	2-5 years	Over 5 years	Total
Financial assets					
Cash and cash equivalents	1,236,257,860.53	0.00	0.00	0.00	1,236,257,860.53
Financial assets held for trading	3,230,000,000.00	0.00	0.00	0.00	3,230,000,000.00
Notes receivable	578,435,043.55	0.00	0.00	0.00	578,435,043.55
Accounts receivable	1,501,774,623.23	0.00	0.00	0.00	1,501,774,623.23
Other receivables	73,533,704.37	0.00	0.00	0.00	73,533,704.37
Non-current assets due within one year	499,143,689.50	0.00	0.00	0.00	499,143,689.50

Other current assets	88,468,071.99	0.00	0.00	0.00	88,468,071.99
Other non-current financial assets	0.00	800,451,400.00	0.00	0.00	800,451,400.00
Other non-current assets	0.00	140,051,984.80	16,441,461.31	0.00	156,493,446.11
Financial liabilities					
Short-term borrowings	97,738,579.05	0.00	0.00	0.00	97,738,579.05
Notes payables	1,102,064,932.55	0.00	0.00	0.00	1,102,064,932.55
Accounts payable	2,655,136,329.40	0.00	0.00	0.00	2,655,136,329.40
Other payables	294,434,125.10	0.00	0.00	0.00	294,434,125.10
Payroll payable	179,852,713.89	0.00	0.00	0.00	179,852,713.89
Non-current liabilities due within one year	1,967,891.30	0.00	0.00	0.00	1,967,891.30
Lease liabilities	0.00	6,129,458.89	1,737,544.18	0.00	7,867,003.07

(continued)

Item	Amount at the beginning of the year				
	Within 1 year	1-2 years	2-5 years	Over 5 years	Total
Financial assets					
Cash and cash equivalents	1,631,776,094.27	0.00	0.00	0.00	1,631,776,094.27
Financial assets held for trading	2,180,000,000.00	0.00	0.00	0.00	2,180,000,000.00
Notes receivable	817,563,424.67	0.00	0.00	0.00	817,563,424.67
Accounts receivable	1,963,710,151.61	0.00	0.00	0.00	1,963,710,151.61
Other receivables	86,729,886.98	0.00	0.00	0.00	86,729,886.98
Non-current assets due within one year	899,560,428.08	0.00	0.00	0.00	899,560,428.08
Other current assets	1,411,059,496.48	0.00	0.00	0.00	1,411,059,496.48
Other non-current financial assets	0.00	300,000,000.00	0.00	0.00	300,000,000.00
Other non-current assets	0.00	485,413,689.48	3,009,648,313.55	0.00	3,495,062,003.03
Financial liabilities					
Short-term borrowings	93,239,299.06	0.00	0.00	0.00	93,239,299.06
Notes payables	1,061,073,856.74	0.00	0.00	0.00	1,061,073,856.74
Accounts payable	2,830,095,046.91	0.00	0.00	0.00	2,830,095,046.91
Other payables	285,326,671.78	0.00	0.00	0.00	285,326,671.78
Payroll payable	188,410,062.92	0.00	0.00	0.00	188,410,062.92
Other current liabilities	95,808,311.01	0.00	0.00	0.00	95,808,311.01
Non-current liabilities due	2,136,543.64	0.00	0.00	0.00	2,136,543.64

within one year					
Lease liabilities	0.00	2,330,517.42	6,129,458.89	1,737,544.18	10,197,520.49

## 2. Sensitivity analysis

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

### (1) Sensitivity analysis of foreign exchange risk

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

Based on the above assumptions, the after-tax effect on current profit and loss and equity of a reasonable possible change in exchange rates, with all other variables held constant, would be as follows: The Company's exposure to exchange rate risk relates primarily to currencies such as the U.S. dollar, Euro and Australian dollar. The foreign exchange risk borne by the Company is mainly associated with USD. As of June 30, 2023, except for the foreign currency balances of assets and liabilities disclosed in Note V.56 Items to the Consolidated Financial Statements-Foreign Currency Monetary Item, the Company's assets and liabilities were denominated in Renminbi. Exchange risk resulting from the assets and liabilities whose balances are in foreign currency may affect the Company's performance.

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

## XIII. Disclosure of Fair Value

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

In RMB

Item	Ending fair value			
	Fair value measurement (Level 1)	Fair value measurement (Level 2)	Fair value measurement (Level 3)	Total
Continuous fair value measurement	--	--	--	--
(1) Financial assets held for trading			3,230,000,000.00	3,230,000,000.00
1. Financial assets measured at fair value through profit and loss			3,230,000,000.00	3,230,000,000.00
(2) Investment in equity instruments			2,116,023.22	2,116,023.22
Financial products			3,230,000,000.00	3,230,000,000.00
Other non-current financial assets			800,451,400.00	800,451,400.00

Total assets measured continuously at fair value			4,032,567,423.22	4,032,567,423.22
II. Non-continuous fair value measurement	--	--	--	--

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

Item	Ending fair value	Valuation techniques	Significant unobservable value	Relationship between unobservable value and fair value
Financial products	4,030,451,400.00	Optimal fair value estimation	Investment cost	—
Investment in other equity instruments	2,116,023.22	Optimal fair value estimation	Investment cost	—

## XIV. Related Party and Related Party Transactions

### 1. The Company's parent company

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

Description of the parent company

The ultimate controlling party of the Company is Ren Jianhua.

### 2. The Company's subsidiaries

Details of the Company's subsidiaries can be found in Note X.1. Equity in subsidiaries.

### 3. Other related parties

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

#### 4. Related transactions

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

Table of the purchasing of goods and receiving of labor services

In RMB

Related parties	Description of the related transactions	Amount of the current period	Trading limit approved	Whether exceeds the approved limited or not (Y/N)	Amount of the previous period
Hangzhou Runqun Hardware Co., Ltd.	Purchase of goods	83,502.69		No	11,529,974.36
Hangzhou Amblem Household Co., Ltd.	Purchase of goods	73,561,340.59	110,000,000.00	No	9,213,993.79
Hangzhou Seasons Health Care Product Co., Ltd.	Purchase of goods	6,635,592.89		No	2,818,849.68
Hangzhou Robam Fuel Station Co., Ltd.	Purchase of goods	790,448.58		No	940,500.64
Hangzhou City Garden Hotel Co., Ltd.	Receiving of labor services	197,873.88		No	900,293.26
De Dietrich Trade (Shanghai) Co., Ltd.	Purchase of goods	0.00		No	136,741.59
Zhejiang Tingshuo Brand Operation Management Co., Ltd.	Purchase of goods	0.00		No	131,132.08
Hangzhou Nbond Nonwovens Co., Ltd.	Purchase of goods	23,892.94		No	70,297.35
Hangzhou Guoguang Touring Commodity Co., Ltd.	Purchase of goods	-3,211.47		No	34,469.05
Hangzhou Bonyee Daily Necessity Technology Co., Ltd.	Purchase of goods	75,240.12		No	1,097.35
Zhejiang Cookingfuture Technology Co., Ltd.	Purchase of goods	4,864,569.46		No	0.00
Zhejiang Cookingfuture Technology Co., Ltd.	Receiving of labor services	15,000.00		No	0.00
Shaoxing Shuaige Kitchen and	Purchase of goods	72,319.47		No	0.00

Bathroom Technology Co., Ltd.					
Total		86,316,569.15		No	25,777,349.15

Goods sales/labor service provision

In RMB

Related parties	Description of the related transactions	Amount of the current period	Amount of the previous period
Hangzhou Linping ROBAM Charity Foundation	Sale of goods	4,595,451.38	3,685,439.93
Hangzhou Amblem Household Co., Ltd.	Sale of goods	319,958.25	1,644,853.40
Zhejiang Cookingfuture Technology Co., Ltd.	Provision of services	152,756.08	354,092.93
Hangzhou Runqun Hardware Co., Ltd.	Sale of goods	0.00	24,601.77
Hangzhou Nbond Nonwovens Co., Ltd.	Sale of goods	30,318.59	18,989.63
Shaoxing Shuaige Kitchen and Bathroom Technology Co., Ltd.	Provision of services	101,966.00	0.00
Total		5,200,450.30	5,727,977.66

Description of related transactions regarding purchasing and selling goods and providing and accepting labor services

## (2) Related lease

The Company acts as the lessor:

In RMB

Lessee	Type of leased asset	Rental income recognized in the current period	Lease income recognized in the prior period
Hangzhou Robam Industrial Group Co., Ltd.	Housing	28,800.00	28,800.00
Zhejiang Cookingfuture Technology Co., Ltd.	Housing	1,176,152.30	1,414,458.71
Shaoxing Shuaige Kitchen and Bathroom Technology Co., Ltd.	Housing	536,345.88	585,104.59

The Company acts as the lessee:

In RMB

Lessor	Type of leased asset	Rental expenses for simplified short-term leases and leases of low-value assets (if applicable)		Variable lease payments not included in the measurement of lease liabilities (if applicable)		Rental paid		Interest expense incurred on lease liabilities		Increased right-of-use assets	
		Amount of the current period	Amount of the previous period	Amount of the current period	Amount of the previous period	Amount of the current period	Amount of the previous period	Amount of the current period	Amount of the previous period	Amount of the current period	Amount of the previous period
Robam Industrial	Housing					550,024.59	550,024.57				

al Group Co., Ltd.											
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### (3) Borrowings from related parties

In RMB

Related parties	Amount of borrowing	Commencement date	Maturity date	Description
Borrowings obtained				
Borrowings granted				
De Dietrich Trade (Shanghai) Co., Ltd.	2,440,000.00	July 01, 2025	December 31, 2025	

### (4) Compensation of key management personnel

In RMB

Item	Amount of the current period	Amount of the previous period
Total compensation	12,309,453.17	15,603,082.50

## 6. Receivables and payables of related parties

### (1) Accounts receivable

In RMB

Name of item	Related parties	Ending balance		Beginning balance	
		Book balance	Bad debt reserve	Book balance	Bad debt reserve
Accounts receivable	De Dietrich Trade (Shanghai) Co., Ltd.	1,051,825.87		1,051,825.87	
Accounts receivable	Zhejiang Cookingfuture Technology Co., Ltd.	1,139,428.57		399,625.00	
Accounts receivable	Hangzhou Amblem Household Co., Ltd.	227,824.00		0.00	
Accounts receivable	Shaoxing Shuaige Kitchen and Bathroom Technology Co., Ltd.	276,326.16		0.00	
Prepayments	Hangzhou Amblem Household Co., Ltd.	0.00		5,974,284.34	
Prepayments	Zhejiang Cookingfuture Technology Co., Ltd.	648,688.86		0.00	
Prepayments	Hangzhou	6,549.45		0.00	

	Guoguang Touring Commodity Co., Ltd.				
Total		3,350,642.91		7,425,735.21	

## (2) Accounts payable

In RMB

Name of item	Related parties	Book balance at the end of the period	Book balance at the beginning of the period
Accounts payable	Hangzhou Runqun Hardware Co., Ltd.	0.00	3,630,103.44
Accounts payable	Hangzhou Robam Fuel Station Co., Ltd.	5,692,970.67	4,799,763.69
Accounts payable	Hangzhou Amblem Household Co., Ltd.	11,871,917.49	
Accounts payable	Hangzhou Seasons Health Care Product Co., Ltd.	1,596,387.50	443,534.71
Accounts payable	Hangzhou Guoguang Touring Commodity Co., Ltd.	0.00	7,900.00
Accounts payable	Hangzhou Bonyee Daily Necessity Technology Co., Ltd.	21,935.83	9.38
Accounts payable	Shaoxing Shuaige Kitchen and Bathroom Technology Co., Ltd.	178,517.43	
Other payables	Hangzhou Runqun Hardware Co., Ltd.	0.00	200,000.00
Other payables	Hangzhou Seasons Health Care Product Co., Ltd.	2,000.00	
Other payables	Hangzhou Amblem Household Co., Ltd.	5,000.00	5,000.00
Other payables	Hangzhou Guoguang Touring Commodity Co., Ltd.	2,000.00	2,000.00
Total		19,370,728.92	9,088,311.22

## XV. Share-based Payment

### 1. Overview of share-based payment

Applicable Not applicable

In RMB

Category of grant recipients	Awarded during the period		Exercise during the period		Unlocking in the current period		Expired in the current period	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Management personnel	606.00	2,719.73	15.68	42.26			357.12	2,701.55
Total	606.00	2,719.73	15.68	42.26			357.12	2,701.55

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

Applicable Not applicable

Other description:

## 2. Equity-settled share-based payment

Applicable Not applicable

In RMB

Method for determining the fair value of equity instruments on the grant date	The Company evaluates the fair value of stock options using the internationally recognized Black-Scholes option pricing model.
Important parameters for determining the fair value of equity instruments on the grant date	Best estimate of the number of vested equity instruments
basis for determining the number of vested equity instruments	N/A
Reasons for material differences between the current estimate and the previous estimate	N/A
Cumulative amount of equity-settled share-based payments included in the capital reserve	20,301,582.76
Total expense recognized for equity-settled share-based payments in the current period	5,170,154.44

## 3. Cash-settled share-based payment

Applicable Not applicable

## 4. Share-based payment for the current period

Applicable Not applicable

In RMB

Category of grant recipients	Equity-settled share-based payment expense	Cash-settled share-based payment expense
Management personnel	5,170,154.44	5,919,213.83
Total	5,170,154.44	5,919,213.83

Other description:

## XVI. Commitments and Contingencies

### 1. Major commitments

(1) Major commitments on the balance sheet date

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

## XVII. Events after the Balance Sheet Date

### 1. Important non-adjustment matters

In RMB

Item	Content	Impact on financial position and results of operations	Reasons why the impact cannot be estimated
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Significant debt restructuring	As at the reporting date, the Company newly entered into accounts receivable settlement agreements through debt-for-asset arrangements amounting to RMB 12.2007 million, of which RMB 6.3576 million had completed online filing and property delivery procedures; for debt settlement agreements entered into in 2025 and prior years, the amount for which online filing and property delivery procedures were completed during the period from the balance sheet date to the reporting date amounted to RMB 83.4462 million.		
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## 2. Profit distribution

The proposed dividend per 10 shares (RMB)	5
The proposed number of bonus shares per 10 shares (shares)	0
The proposed number of additional shares per 10 shares (shares)	0
The dividend per 10 shares declared and approved for distribution (RMB)	5
The number of bonus shares per 10 shares declared and approved for distribution (shares)	0
The number of additional shares per 10 shares declared and approved for distribution (shares)	0
Profit distribution	On April 28, 2026, pursuant to the <i>Proposal on the 2025 Profit Distribution Plan</i> approved at the 21st meeting of the 6th Board of Directors of the Company, the Company proposed to distribute a cash dividend of RMB 5 (tax inclusive) for every 10 shares to all shareholders based on a total share capital of 944,938,916 shares, amounting to a total proposed cash dividend of RMB 472,469,458.00. The proposal is subject to approval at the Company's 2025 Annual General Meeting of Shareholders.

## 3. Subsequent events after the balance sheet date

- Cancellation of certain stock options under the 2023, 2024 and 2025 Stock Option Incentive Plans

On April 28, 2026, the 21st meeting of the 6th Board of Directors of the Company reviewed and approved the *Proposal on the Cancellation of Certain Stock Options under the 2023 Stock Option Incentive Plan*, the *Proposal on the Cancellation of Certain Stock Options under the 2024 Stock Option Incentive Plan*, and the *Proposal on the Cancellation of Certain Stock Options under the 2025 Stock Option Incentive Plan*, among other related proposals:

Under the 2023 Stock Option Incentive Plan, 10 incentive recipients no longer satisfied the eligibility requirements due to resignation. Accordingly, the Company will cancel a total of 68,000 stock options that had been granted to but not yet exercised by the aforesaid 10 recipients. In addition, as the exercise conditions for the third exercise period under the 2023 Stock Option Incentive Plan were not satisfied, the Company will cancel 1,968,000 stock options granted to 286 incentive recipients for the third exercise period that did not meet the exercise conditions. A total of 2,036,000 stock options will therefore be cancelled.

Under the 2024 Stock Option Incentive Plan, 13 incentive recipients no longer satisfied the eligibility requirements due to resignation. Accordingly, the Company will cancel a total of 182,000 stock options that had been granted to but not yet exercised by the aforesaid 13 recipients. In addition, as the exercise conditions for the second exercise period under the 2024 Stock Option Incentive Plan were not satisfied, the Company will cancel 1,572,000 stock options granted to 311 incentive recipients for the second exercise period that did not meet the exercise conditions. A total of 1,754,000 stock options will therefore be cancelled.

Under the 2025 Stock Option Incentive Plan, 17 incentive recipients no longer satisfied the eligibility requirements due to resignation. Accordingly, the Company will cancel a total of 250,000 stock options that had been granted to but not yet exercised by the aforesaid 17 recipients. In addition, as the exercise conditions for the second exercise period under the 2024 Stock Option Incentive Plan were not satisfied, the Company will cancel 1,572,000 stock options granted to 311 incentive recipients for the second exercise period that did not meet the exercise conditions. A total of 1,754,000 stock options will therefore be cancelled.

Apart from the above-mentioned matters, the Company has no other significant subsequent events.

## **XVIII. Other Significant Events**

### **1. Debt restructuring**

As of December 31, 2025, the Company's situation regarding the signing of the project mortgage property agreement and the completion of procedures for purchasing houses through online signing is as follows:

<b>Item</b>	<b>Amount of debt repayment agreement signed</b>	<b>Including: Completion of procedures for online signing and delivery of houses Amount required for the procedures</b>	<b>Amount required in case of unfinished procedures for online signing or delivery of houses</b>
Real estate customers	659,728,412.30	363,855,208.46	295,873,203.84
<b>Total</b>	<b>659,728,412.30</b>	<b>363,855,208.46</b>	<b>295,873,203.84</b>

The Company signed an agreement on project mortgage properties with the aforementioned real estate customers, involving a total accounts receivable balance of RMB 659,728,400. The procedures for online signing and delivery of the portion of RMB 363,855,200 has been completed, and the recognition of creditor's rights on accounts receivable has been terminated. The fair value of the real estate used for debt repayment at the time point of debt restructuring is presented in the item of other non-current assets, with a fair value of the portion of RMB 375,683,200 confirmed through public market inquiry. The Company paid a price difference of RMB 11,828,000 in cash. At the time point of debt restructuring, there was no profit and loss from the restructuring. The procedures for online signing and filing of the houses have not yet been completed for the remaining portion of RMB 295,873,200. The Company has not terminated the recognition of the creditor's rights on accounts receivable and has made a bad debt provision at an expected credit loss rate of 45%.

## XIX. Notes to Main Items of the Financial Statements of the Parent Company

### 1. Accounts receivable

#### (1) Disclosure by aging of accounts

In RMB

Aging	Book balance at the end of the period	Book balance at the beginning of the period
Within 1 year (including 1 year)	1,315,707,930.22	1,471,330,296.27
1-2 years	199,515,465.52	474,291,949.18
2-3 years	310,448,004.11	379,588,925.41
Over 3 years	259,820,318.39	596,065,429.50
3-4 years	137,969,463.95	575,268,875.83
4-5 years	105,890,527.98	16,171,207.47
Over 5 years	15,960,326.46	4,625,346.20
Total	2,085,491,718.24	2,921,276,600.36

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

In RMB

Category	Ending balance					Beginning balance				
	Book balance		Bad debt reserve		Carrying value	Book balance		Bad debt reserve		Carrying value
	Amount	Percentage (%)	Amount	Percentage of provision		Amount	Percentage (%)	Amount	Percentage of provision	
Accounts receivable with provision for bad debts on an individual basis	701,551,989.42	33.64%	395,523,085.61	56.38%	306,028,903.81	1,395,518,815.38	47.77%	874,622,840.75	62.67%	520,895,974.63
Including:										
Accounts receivable with provision for bad debts on a collective basis	1,383,939,728.82	66.36%	87,907,073.12	6.35%	1,296,032,655.70	1,525,757,784.98	52.23%	95,804,879.87	6.28%	1,429,952,905.11
Includ										

ing:										
Aging-based portfolio	1,002,976,016.02	48.09%	87,907,073.12	8.76%	915,068,942.90	1,362,528,029.12	46.64%	95,804,879.87	7.03%	1,266,723,149.25
Related-party portfolio within consolidation scope	380,963,712.80	18.27%			380,963,712.80	163,229,755.86	5.59%			163,229,755.86
Total	2,085,491,718.24	100.00%	483,430,158.73	23.18%	1,602,061,559.51	2,921,276,600.36	100.00%	970,427,720.62	33.22%	1,950,848,879.74

Provision for bad debts on an individual basis: 1) Accounts receivable are provided for bad debts on an individual basis

In RMB

Name	Beginning balance		Ending balance			
	Book balance	Bad debt reserve	Book balance	Bad debt reserve	Percentage of provision	Reasons for provision
Unit 1	452,376,997.98	452,376,997.98				
Unit 2	268,881,331.31	80,664,399.39	89,281,524.70	26,784,457.41	30.00%	Expected to be difficult to fully recover
Unit 3	210,503,483.99	84,736,206.00	182,356,917.60	87,831,983.32	48.16%	Expected to be difficult to fully recover
Unit 4	96,569,954.48	61,994,216.22	94,692,708.65	65,299,506.65	68.96%	Expected to be difficult to fully recover
Unit 5	41,443,548.30	19,757,309.66	22,235,928.00	14,842,515.85	66.75%	Expected to be difficult to fully recover
Unit 6	29,777,855.31	9,697,560.92	18,944,330.41	7,918,549.92	41.80%	Expected to be difficult to fully recover
Unit 7	29,119,062.94	10,394,103.97	30,605,439.56	13,917,042.04	45.47%	Expected to be difficult to fully recover
Unit 8	25,778,392.36	11,241,222.53	8,074,303.95	3,771,733.81	46.71%	Expected to be difficult to fully recover
Unit 9	24,368,544.00	24,368,544.00				

Unit 10	22,113,876.84	14,170,945.84	22,008,442.37	14,471,075.41	65.75%	Expected to be difficult to fully recover
Unit 11	14,496,568.66	4,037,272.96	13,606,994.12	4,578,551.52	33.65%	Expected to be difficult to fully recover
Unit 12	13,604,360.56	7,556,003.93	14,153,466.07	8,329,895.14	58.85%	Expected to be difficult to fully recover
Unit 13	13,352,120.83	7,829,472.76	11,666,204.38	7,101,201.84	60.87%	Expected to be difficult to fully recover
Unit 14	11,825,693.10	3,114,642.31				
Unit 15	10,980,639.05	4,616,469.03	5,286,419.66	2,378,888.85	45.00%	Expected to be difficult to fully recover
Unit 16	10,697,891.45	7,488,524.02	9,785,174.12	6,849,621.88	70.00%	Expected to be difficult to fully recover
Unit 17	9,180,961.06	9,180,961.06	9,166,561.06	9,166,561.06	100.00%	Expected to be difficult to recover
Unit 18	6,429,558.45	4,044,430.92	5,729,564.29	3,684,795.00	64.31%	Expected to be difficult to fully recover
Unit 19	5,949,923.37	2,307,625.27				
Unit 20	5,654,408.59	2,326,917.02	6,149,051.83	4,304,336.28	70.00%	Expected to be difficult to fully recover
Unit 21	5,559,103.37	5,559,103.37	5,614,577.37	5,614,577.37	100.00%	Expected to be difficult to recover
Unit 22	4,058,752.31	2,543,173.40				
Unit 23	3,882,861.84	481,268.79				
Unit 24	3,616,362.19	1,265,726.77				
Unit 25	3,549,789.02	2,556,618.19				
Unit 26	3,475,565.50	880,955.19				
Unit 27	3,208,841.65	1,269,459.26				
Unit 28	2,954,453.20	192,989.36				

Unit 29	2,859,354.95	1,608,715.47				
Unit 30	2,700,142.96	907,181.08				
Unit 31	2,536,093.04	1,775,265.13				
Unit 32			5,182,323.08	5,182,323.08	100.00%	Expected to be difficult to recover
Summary of other companies	54,012,322.72	33,678,558.95	147,012,058.20	103,495,469.17	70.40%	Expected to be difficult to fully recover
<b>Total</b>	<b>1,395,518,815.38</b>	<b>874,622,840.75</b>	<b>701,551,989.42</b>	<b>395,523,085.61</b>		

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

In RMB

Name	Ending balance		
	Book balance	Bad debt reserve	Percentage of provision
Within 1 year	800,707,411.61	40,035,370.58	5.00%
1-2 years	106,461,532.16	10,646,153.22	10.00%
2-3 years	53,105,355.92	10,621,071.18	20.00%
3-4 years	28,627,464.48	14,313,732.24	50.00%
4-5 years	8,917,529.65	7,134,023.72	80.00%
Over 5 years	5,156,722.19	5,156,722.19	100.00%
<b>Total</b>	<b>1,002,976,016.01</b>	<b>87,907,073.13</b>	

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

Applicable Not applicable

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

Bad debt provision in the current period:

In RMB

Category	Beginning balance	Amount of change in the current period				Ending balance
		Provision	Recovery or reversal	Write-off	Others	
Bad debt reserves for accounts receivable	970,427,720.62	106,658,560.63	70,963,372.45	490,466,543.42	32,226,206.65	483,430,158.73
<b>Total</b>	<b>970,427,720.62</b>	<b>106,658,560.63</b>	<b>70,963,372.45</b>	<b>490,466,543.42</b>	<b>32,226,206.65</b>	<b>483,430,158.73</b>

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

In RMB

Unit	Recovery or reversal	Reason for reversal	Recovery method	Basis and reasonableness of determining the original provision ratio for bad debts
Unit 1	54,231,190.66		Bank transfer, offset	
Unit 2	11,324,007.44		Bank transfer	
<b>Total</b>	<b>65,555,198.10</b>			

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

In RMB

Item	Amounts written off
Accounts receivable actually written off	490,466,543.42

Important accounts receivable write-offs:

In RMB

Unit	Nature of accounts receivable	Amounts written off	Reason for write-offs	Write-off procedures performed	Whether the amount arises from a connected transaction
Unit 1	Payment for goods	452,376,997.98	Expected to be irrecoverable	Board resolution	No
Unit 2	Payment for goods	24,368,544.00	Expected to be irrecoverable	Board resolution	No
Total		476,745,541.98			

Description of accounts receivable write-off:

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

In RMB

Unit	Ending balance of accounts receivable	Ending balance of contract assets	Closing balance of accounts receivable and contract assets	Proportion in the total ending balance of accounts receivable and contract assets	Closing balance of provision for bad debts on accounts receivable and impairment of contract assets
Unit 1	254,093,558.85		254,093,558.85	12.18%	12,704,677.94
Unit 2	120,760,474.58		120,760,474.58	5.79%	55,232,063.11
Unit 3	89,281,524.70		89,281,524.70	4.28%	26,784,457.41
Unit 4	55,987,747.71		55,987,747.71	2.68%	39,191,423.40
Unit 5	41,279,964.46		41,279,964.46	1.98%	18,717,106.37
Total	561,403,270.30		561,403,270.30	26.91%	152,629,728.23

## 2. Other receivables

In RMB

Item	Ending balance	Beginning balance
Dividends receivable	400,000.00	
Other receivables	45,973,203.37	54,938,787.51
Total	46,373,203.37	54,938,787.51

### (1) Dividends receivable

#### 1) Classification of dividends receivable

In RMB

Item (or investee)	Ending balance	Beginning balance
Zhejiang Tingshuo Brand Operation	400,000.00	

Management Co., Ltd.		
Total	400,000.00	

## (2) Other accounts receivable

### 1) Classification of other accounts receivable by nature

In RMB

Nature of receivable	Book balance at the end of the period	Book balance at the beginning of the period
Related-party balances within the consolidation scope	4,114,000.00	4,064,000.00
Collections by a third party	15,728,131.10	33,664,722.89
Margin deposits/deposits	17,754,456.88	19,611,571.10
Proxy holding of project mortgage properties	14,537,654.00	5,258,444.00
Withholdings	3,389,076.99	3,412,167.55
Cash reserve	4,358,656.39	2,542,121.45
Others	2,967,667.63	1,868,056.02
Total	62,849,642.99	70,421,083.01

### 2) Disclosure by aging of accounts

In RMB

Aging	Book balance at the end of the period	Book balance at the beginning of the period
Within 1 year (including 1 year)	43,318,441.78	50,737,600.09
1-2 years	4,893,036.89	3,812,255.38
2-3 years	4,422,478.97	4,176,987.81
Over 3 years	10,215,685.35	11,694,239.73
3-4 years	3,736,187.87	2,534,747.27
4-5 years	2,179,561.48	1,378,034.52
Over 5 years	4,299,936.00	7,781,457.94
Total	62,849,642.99	70,421,083.01

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

In RMB

Category	Ending balance					Beginning balance				
	Book balance		Bad debt reserve		Carrying value	Book balance		Bad debt reserve		Carrying value
	Amount	Percentage (%)	Amount	Percentage of provision		Amount	Percentage (%)	Amount	Percentage of provision	
Provision for bad debts on an individual	14,537,654.00	23.13%	6,541,944.30	45.00%	7,995,709.70	5,258,444.00	7.47%	1,840,455.40	35.00%	3,417,988.60

al basis										
Including:										
Provision for bad debts on a collective basis	48,311,988.99	76.87%	10,334,495.32	21.39%	37,977,493.67	65,162,639.01	92.53%	13,641,840.10	20.94%	51,520,798.91
Including:										
Aging-based portfolio	48,311,988.99	76.87%	10,334,495.32	21.39%	37,977,493.67	65,162,639.01	92.53%	13,641,840.10	20.94%	51,520,798.91
Total	62,849,642.99	100.00%	16,876,439.62	26.85%	45,973,203.37	70,421,083.01	100.00%	15,482,295.50	21.99%	54,938,787.51

Provision for bad debts on an individual basis: Other receivables with provision for bad debts on an individual basis

In RMB

Name	Beginning balance		Ending balance			
	Book balance	Bad debt reserve	Book balance	Bad debt reserve	Percentage of provision	Reasons for provision
Unit 1			9,976,291.00	4,489,330.95	45.00%	Expected impairment
Unit 2	800,000.00	280,000.00	1,892,194.00	851,487.30	45.00%	Expected impairment
Unit 3			1,205,059.00	542,276.55	45.00%	Expected impairment
Unit 4	657,783.00	230,224.05	657,783.00	296,002.35	45.00%	Expected impairment
Unit 5	636,327.00	222,714.45	636,327.00	286,347.15	45.00%	Expected impairment
Unit 6	3,164,334.00	1,107,516.90	170,000.00	76,500.00	45.00%	Expected impairment
Total	5,258,444.00	1,840,455.40	14,537,654.00	6,541,944.30		

Provision for bad debts on a collective basis: other receivables with provision for bad debts on a collective basis

In RMB

Name	Ending balance		
	Book balance	Bad debt reserve	Percentage of provision
Within 1 year	31,094,897.78	1,489,838.72	5.00%
1-2 years	4,673,036.89	467,303.69	10.00%
2-3 years	2,328,368.97	465,673.79	20.00%
3-4 years	3,736,187.87	1,868,093.94	50.00%
4-5 years	2,179,561.48	1,743,649.18	80.00%
Over 5 years	4,299,936.00	4,299,936.00	100.00%
Total	48,311,988.99	10,334,495.32	

Description on basis for determining portfolio;

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

In RMB

Bad debt reserve	Phase I	Phase II	Phase III	Total
	Expected credit loss over the next 12	Expected credit loss over the entire period	Expected credit loss over the entire period	

	months	of existence (without credit impairment)	of existence (with credit impairment)	
Balance as of January 01, 2025	13,641,840.10	1,840,455.40		15,482,295.50
Balance on January 01, 2025 in the current period				
Provision in the current period		5,205,822.90		5,205,822.90
Reversal in the current period	2,157,988.12			2,157,988.12
Derecognition/write-offs in the current period	1,149,356.66	504,334.00		1,653,690.66
Balance as of December 31, 2025	10,334,495.32	6,541,944.30		16,876,439.62

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

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

Applicable Not applicable

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

Bad debt provision in the current period:

In RMB

Category	Beginning balance	Amount of change in the current period				Ending balance
		Provision	Recovery or reversal	Write-offs	Others	
Bad debt provision for other receivables	15,482,295.50	5,205,822.90	2,157,988.12	1,653,690.66		16,876,439.62
Total	15,482,295.50	5,205,822.90	2,157,988.12	1,653,690.66		16,876,439.62

#### 5) Other receivables actually written off in the current period

In RMB

Item	Amounts written off
The actual write-off of other receivables	1,653,690.66

### 3.Long-term equity investment

In RMB

Item	Ending balance			Beginning balance		
	Book balance	Impairment provision	Carrying value	Book balance	Impairment provision	Carrying value
Investments in	377,655,061.13	20,400,000.00	357,255,061.13	323,749,058.06	20,400,000.00	303,349,058.06

subsidiaries						
Investments in joint ventures and associated companies	1,748,308.55		1,748,308.55	2,377,822.94		2,377,822.94
Total	379,403,369.68	20,400,000.00	359,003,369.68	326,126,881.00	20,400,000.00	305,726,881.00

**(1) Investment in subsidiaries**

In RMB

Investee	Beginning balance (carrying value)	Opening balance of impairment provision	Increase/decrease in the current period				Ending balance (carrying value)	Ending balance of impairment provision
			Additional investment	Negative investment	Impairment provision	Others		
Beijing Robam Appliances Sales Co., Ltd.	5,814,980.82	0.00	0.00	0.00	0.00	0.00	5,814,980.82	0.00
Shanghai Robam Appliances Sales Co., Ltd.	5,838,272.10	0.00	0.00	0.00	0.00	0.00	5,838,272.10	0.00
Hangzhou MingQi Electric Co., Ltd.	52,617,391.29	0.00	1,285,409.39	973,452.12	0.00	0.00	52,929,348.56	0.00
Shengzhou Kinde Intelligent Kitchen Appliances Co., Ltd.	162,320.00	0.00	0.00	0.00	0.00	0.00	162,320.00	0.00
De Dietrich Household Appliances Trading (Shanghai) Co., Ltd.	630,900.00	20,400,000.00	0.00	0.00	0.00	0.00	630,900.00	20,400,000.00
Hangzhou Robam Fuchuang Investment Management Co., Ltd.	10,000,000.00	0.00	0.00	0.00	0.00	0.00	10,000,000.00	0.00
Hangzhou Jinhe Electric Appliances Co., Ltd.	10,077,461.79	0.00	175,955.42	106,281.25	0.00	0.00	10,147,135.96	0.00
Robam Appliances Holding (HK) Co.,	16,003,575.00	0.00	3,235,095.00	0.00	0.00	0.00	19,238,670.00	0.00

Ltd.									
Chengdu Robam Innovation Technology Co., Ltd.	5,046,477.06	0.00	237,942.06	63,768.75	0.00	0.00	5,220,650.37	0.00	
Hangzhou Robam E-commerce Co., Ltd.	10,000,000.00	0.00	71,939.57	0.00	0.00	0.00	10,071,939.57	0.00	
Ningbo Jinhe E-commerce Co., Ltd.	5,000,000.00	0.00	0.00	0.00	0.00	0.00	5,000,000.00	0.00	
Hangzhou Yuhang Jinhe E-commerce Co., Ltd.	5,000,000.00	0.00	43,163.75	0.00	0.00	0.00	5,043,163.75	0.00	
Chengdu Robam E-commerce Co., Ltd.	5,000,000.00	0.00	0.00	0.00	0.00	0.00	5,000,000.00	0.00	
Qingdao MingQi E-commerce Co., Ltd.	5,000,000.00	0.00	0.00	0.00	0.00	0.00	5,000,000.00	0.00	
Wuhan Jinhe E-commerce Co., Ltd.	5,000,000.00	0.00	0.00	0.00	0.00	0.00	5,000,000.00	0.00	
Hangzhou Robam Commercial Kitchen Technology Co., Ltd.	0.00	0.00	50,000,000.00	0.00	0.00	0.00	50,000,000.00	0.00	
Shengzhou Dijia Technology Co., Ltd.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Hainan Robam Intelligent Technology Co., Ltd.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
<b>Total</b>	<b>303,349,058.06</b>	<b>20,400,000.00</b>	<b>55,049,505.19</b>	<b>1,143,502.12</b>	<b>0.00</b>	<b>0.00</b>	<b>357,255,061.13</b>	<b>20,400,000.00</b>	

## (2) Investment in joint ventures and associated companies

In RMB

Investee	Beginning balance	Opening balance of	Increase/decrease in the current period								Ending balance (carried forward)	Ending balance of impairment
			Additional investment	Negative investment	Investment profit	Adjustment of	Other changes in	Cash dividends or	Impairment provisions	Others		

	(carrying value)	impairment provision	ment	ment	and loss recognized using the equity method	other comprehensive incomes	equity	profits declared and distributed	on		ying value)	ment provision
I. Joint venture												
De Dietrich Trade (Shanghai) Co., Ltd.	1,185,328.28				- 1,185,328.28							
Subtotal	1,185,328.28				- 1,185,328.28							
II. Associated enterprises												
Zhejiang Tingshuo Brand Operation Management Co., Ltd.	1,192,494.66				955,813.89			400,000.00			1,748,308.55	
Subtotal	1,192,494.66				955,813.89			400,000.00			1,748,308.55	
Total	2,377,822.94				- 229,514.39			400,000.00			1,748,308.55	

Recoverable amount is determined as fair value less costs of disposal

Applicable Not applicable

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

Applicable Not applicable

Reasons for significant inconsistencies between the information or external information used in the aforementioned impairment testing and that used in prior years

Reasons for significant inconsistencies between the information used in the Company's impairment testing in prior years and the actual circumstances of the current year

#### 4. Operating income and operating cost

In RMB

Item	Amount of the current period		Amount of the previous period	
	Income	Cost	Income	Cost

Main business	8,589,890,825.66	4,539,600,275.64	9,754,843,467.85	5,135,867,665.21
Other businesses	272,826,569.04	119,619,930.56	261,204,650.26	123,834,534.63
Total	8,862,717,394.70	4,659,220,206.20	10,016,048,118.11	5,259,702,199.84

## 5. Investment income

In RMB

Item	Amount of the current period	Amount of the previous period
Income from long-term equity investments accounted for using the equity method	-229,514.39	-2,583,849.09
Investment income from disposal of financial assets held for trading	94,586,734.18	131,833,148.39
Total	94,357,219.79	129,249,299.30

## XX. Supplementary Information

### Breakdown of non-recurring profits and losses in the current period

Applicable Not applicable

In RMB

Item	Amount	Description
Gains and losses on disposal of non-current assets	-5,877,227.41	
Government subsidies included in current gains and losses (excluding government subsidies closely related to the Company's normal business, in line with national policy, enjoyed according to established standards, and having a sustained impact on the Company's gains and losses).	51,206,395.48	
Reversal of impairment provision for accounts receivable tested for impairment separately	71,314,775.15	
Other non-operating revenues and expenses except the above items	-7,470,401.43	
Less: Affected amount of income tax	16,653,215.85	
Affected amount of minority shareholders' equity (after tax)	335,894.10	
Total	92,184,431.84	--

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

Applicable Not applicable

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

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

Applicable Not applicable

## 2.Return on equity and earnings per share (EPS)

Profit within the Reporting Period	Weighted average return on net assets	EPS	
		Basic earnings per share (EPS) (RMB/share)	Diluted EPS (RMB/share)
Net profit attributable to common stockholders of the Company	10.64%	1.33	1.33
Net profit attributable to common shareholders of the Company after deducting non-recurring profits and losses	9.86%	1.23	1.23