



CHANGHONG MEILING CO., LTD.

Semi-Annual Report 2021

August 2021

Section I. Important Notice, Contents and Interpretation

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

Mr. Wu Dinggang, Chairman of the Company, Mr. Pang Haitao, person in charge of accounting work and Mr. Yang Jun, person in charge of accounting organ (accountant in charge) hereby confirm that the Financial Report of 2021Semi- Annual Report is authentic, accurate and complete.

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

All the directors attended the board meeting to deliberating the Report by a combination of on-site and communication.

Modified audit opinions notes

Applicable Not applicable

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

Applicable Not applicable

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

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

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

Securities Times, *China Securities Journal*, *Hong Kong Commercial Daily* and Juchao Website (www.cninfo.com.cn) are the media for information disclosure for year of 2021 that appointed by the Company. All public information under the name of the Company disclosed on the above said media and website shall prevail, and investors are advised to exercise caution.

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

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

Applicable Not applicable

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

Directors, supervisor and senior executives of the Company respectively signed Written Confirmation Opinions for 2021 Semi-Annual Report.

Supervisory Committee of the Company formed Written Examination Opinions for 2021 Semi-Annual Report.

Contents

Section I. Important Notice, Contents and Interpretation.....	1
Section II Company Profile and Main Financial Indexes	5
Section III. Management Discussion and Analysis	9
Section IV. Corporate Governance.....	31
Section V. Environmental and Social Responsibility	33
Section VI. Important Events	38
Section VII. Changes in Shares and Particulars about Shareholders	99
Section VIII. Preferred Stock	105
Section IX. Corporate Bonds	106
Section X. Financial Report	107
Section XI. Documents available for Reference	256

Interpretation

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

Section II Company Profile and Main Financial Indexes

I. Company profile

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

II. Person/Way to contact

	Secretary of the Board
Name	Li Xia
Contact add.	No. 2163, Lianhua Road, Economic and Technology Development Zone, Hefei
Tel.	0551-62219021
Fax.	0551-62219021
e-mail	lixia@meiling.com

III. Others

(1) Way of contact

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

Applicable Not applicable

Registrations address, offices address and codes as well as website and email of the Company has no change in reporting period, found more details in Annual Report 2020.

(2) Information disclosure and preparation place

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

Applicable Not applicable

The newspaper appointed for information disclosure, website for semi-annual report publish appointed by CSRC

and preparation place for semi-annual report have no change in reporting period, found more details in Annual Report 2020.

(3) Other relevant information

Whether other relevant information has changed in reporting period or not

Applicable Not applicable

IV. Main accounting data and financial indexes

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

Yes No

	Current period	Same period last year	Changes in the current reporting period compared with the same period of the previous year (+,-)
Operating income (RMB)	9,602,759,345.29	6,795,860,736.99	41.30%
Net profit attributable to shareholders of the listed company (RMB)	37,157,511.54	-210,130,580.93	117.68%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB)	-63,552,415.01	-257,134,663.36	75.28%
Net cash flow arising from operating activities (RMB)	-588,496,116.82	-388,104,958.41	-51.63%
Basic earnings per share (RMB/Share)	0.0356	-0.2012	117.69%
Diluted earnings per share (RMB/Share)	0.0356	-0.2012	117.69%
Weighted average ROE	0.76%	-4.29%	5.05 percentage points up
	End of current period	End of last year	Changes at the end of the reporting period compared with the end of the previous year (+,-)
Total assets (RMB)	16,883,347,047.17	16,103,355,454.46	4.84%
Net assets attributable to shareholder of listed company (RMB)	4,831,250,533.72	4,854,173,682.43	-0.47%

V. Accounting data difference under domestic and foreign accounting standards

(1) Difference of the net profit and net assets disclosed in financial report, under both IAS (International Accounting Standards) and Chinese GAAP (Generally Accepted Accounting Principles)

Applicable Not applicable

The Company has no difference of the net profit and net assets disclosed in financial report, under both IAS (International Accounting Standards) and Chinese GAAP (Generally Accepted Accounting Principles) in reporting period.

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

Applicable Not applicable

In RMB

	Net profit attributable to shareholders of listed company		Net assets attributable to shareholders of listed company	
	Amount in this period	Amount in last period	Amount at period-end	Amount at period-begin
Chinese GAAP	37,157,511.54	-210,130,580.93	4,831,250,533.72	4,854,173,682.43
Items and amount adjusted by foreign accounting rules				
Foreign accounting rules	37,157,511.54	-210,130,580.93	4,831,250,533.72	4,854,173,682.43

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

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

Applicable Not applicable

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

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

Applicable Not applicable

In RMB

Item	Amount	Note
Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	-736,583.34	Found more in “Income from assets disposal”, “non-operation income & expenditure”
Governmental subsidy reckoned into current gains/losses (not including the subsidy enjoyed in quota or ration according to national standards, which are closely relevant to enterprise’s business)	54,702,099.76	Found more in “Other income”

Losses/gains from changes of fair values occurred in holding trading financial assets, derivative financial assets, trading financial liabilities and derivative financial liabilities, and investment income obtaining from the disposal of trading financial assets, derivative financial assets, trading financial liability, derivative financial liability and other debt investment, excluded effective hedging business relevant with normal operations of the Company	58,849,862.38	Found more in “Income of fair value changes”, “Investment income”
Reversal of the account receivable and contract assets depreciation reserves subject to separate impairment test	1,228,611.25	Found more in “Account receivable”
Other non-operating income and expenditure except for the aforementioned ones	5,629,332.53	”Found more in “Non-operation income & expenditure”
Less: impact on income tax	17,645,671.62	
Impact on minority shareholders’ equity (post-tax)	1,317,724.41	
Total	100,709,926.55	

Concerning the extraordinary profit (gain)/loss defined by *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*, and the items defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*, explain reasons

Applicable Not applicable

The Company has no items defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*, in the period.

Section III. Management Discussion and Analysis

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

The Company is one of China's major electric appliance manufacturers, possesses four major domestic manufacturing bases in Hefei, Mianyang, Jingdezhen and Zhongshan, and two overseas manufacturing bases in Indonesia and Pakistan. Currently, we have completed the industry layout of white electricity basically, covering the full product line including refrigerator, washing machine, air conditioner, kitchen and bath, small household appliances and others, at the same time, the Company enters the new industrial fields as bio-medical and with certain achievements made.

Over the past 30 years, the Company has always been adhering to the "independent innovation, created in China", and always focus on refrigeration industry without stop, elaborately building the core competitiveness of enterprises by technological innovation and product innovation. Relying on the cutting-edge R&D team and advanced technology, Meiling continue to achieve breakthrough results in the variable frequency, intelligence, refreshment, thin-wall, odourless, energy-saving, forced air cooling, deep cooling and other fields.

The company has set up the first RoHS public testing center in Anhui Province, the national enterprise technology center, the national industrial design center, and the 5G industrial internet innovation application laboratory. In recent years, the Company has successively awarded several national honorary titles as the "Smart Refrigerator Intelligent Manufacturing Pilot Demonstration Project", the "National Green Factory", the "National Industrial Design Center" and "2020 Top 10 Light Industry Technology Enterprises in China" etc.

At the same time, many products of Meiling have repeatedly won a number of domestic and international innovation awards, continuously demonstrating the capabilities and strength of Meiling's intelligent manufacturing and Meiling brand intelligent innovation technology. At the 2021 AWE Award Ceremony, "Very Clean" BCD-503WUP9BQ, the company's new high-end refrigerator won the AWE Excellent Product Award for its excellent product design and innovative intelligent technology. In the China Refrigerator Industry Symposium, 2021, Meiling refrigerator stood out, with its leading fresh-keeping technology and excellent quality, "Very clean" BCD-503WUP9BQ won the "Fresh Clean Star", and "Star" refrigerator BCD-532WPUCY won the "Outstanding Channel Performance Product Award". At the same time, with its deep cultivation and innovation in fresh-keeping technology, the company won the only "Annual Pioneer Freshness-Preservation Brand" award of China refrigerator industry.

In recent years, driven by the industry transformation and upgrades and consumption upgrades, the Company always adheres to the strategy of smart and variable frequency products, promoted the Company's products to transform and upgrade to become intelligent and high-end and comprehensively enhanced the competitiveness of products in the industry by grasping the opportunities of refreshment, thin-wall, odourless, air cooling and energy efficiency upgrades and effectively resolving the pain points of customers. Under the guidance of the "intelligent" strategy, in recent year, the Company has released and listed a number of CHiQ series of smart refrigerators and

air-conditioning products, “M-Fresh” refrigerators, “M-Fresh” comprehensive thin series products and “very clean” series of refrigerators, Meiling always leads the trend of the industry by solving the pain points of users effectively. In April 2021, the company joined hands with Jingdong and launched the "Star" series of mother and infant refrigerators equipped with LINF spectral plasma technology, which meets the rigid needs of infants & moms in different stages of getting ready for pregnancy, pregnancy and parenting. In July 2021, the second generation of "M Fresh" series products with "zero shock" and "slight freeze" fresh-keeping technology were launched, breaking through the restricted area of traditional refrigerator refrigeration and freezing technology, and opening a new competitive track of partially frozen storage in the refrigerator industry.

Facing the future, the Company will further improve the home internet layout, accelerate the intelligentization of home appliances, form a dual-growth engine of “hardware + services”, drive the transformation and upgrading of the Company’s profitability model, investigate the new value-added service models for home appliance enterprises, meet new competition pattern in the industry, and achieve its own sustainable and stable development under the guidance of the core values of “professionalism and shared development”. Meanwhile, based on the “Smart Home Eco-system Project” and the existing products, the company will enhance the R&D, manufacturing, sales and cooperative capabilities of integrated white goods so as to provide users with a complete set of smart white goods system solutions.

In reporting period, main income of the Company coming from refrigerator (freezer), air conditioner, washing machine, small home appliances and kitchen & toilet products etc., total amounting to 907,601.96 million Yuan, a 94.51% of the operating income.

II. Core Competitiveness Analysis

(1) Brand capacity

The Company is one of the famous home appliances manufacturers in China, owns several product lines such as refrigerator, freezing box, air conditioner, washing machine, small household appliances and biomedical etc. “Meiling” brand is listed as one of the most valuable brands in China. In recent years, the Company has create the competitiveness of the brand by continuously reshaping its brand image, innovating core technology and developing high-end intelligent products. In terms of reshaping brand image, in order to enhance the brand image and further expand the market influence, the Company repositioning the brand. In October 2015, the Company completely update the LOGO, and launching the new brand proposition of “Meiling, let the good comes”. Along with the release of new LOGO, Meiling will also implement a brand strategy of "Good Trilogy", including the direct sensory experience of “experience the good”, the spirit soul enjoyment of “enjoy the good”, and the lifestyle faith of “believe in the good”.

In terms of continuous innovation of core technologies, on the one hand, the company continuously promoted the innovation of fresh-keeping, intelligent and frequency conversion technologies to maintain the leading position in the industry in order to meet the needs of industry and market development. On the other hand, with the help of consumption upgrades, in order to meet the personalized differentiation and diversified needs of consumers. In terms of refrigerator products, the frozen preservation technology of “zero impact” and “micro-freezing”, the

independent research and development of core technologies such as water molecule activation preservation technology, comprehensive thin GLS integration technology, and MCN+ clean taste preservation technology have led the refrigerator industry to return to the home field of preservation and fully enter the era of thin and long-lasting clean taste. In terms of washing machine products, through the development of the three black technologies of the inner cylinder cone expansion technology, the oblique angle stabilization technology, and the cloud disk condensation technology, the "thin", "large" and "simple" industry business cards for washing machines have been created, and provide a new embedded experience solution for users. Regarding air-conditioning products, we have been adhering to the product concept of "good sleep + good air", focusing on quality, experience, and health for product upgrades. Strictly control quality in terms of comfort and reliability indicators, create a brand experience of "extremely quiet, extremely economical, and extremely intelligent" for air conditioners, and carry out layout around the three core functions of "fresh air, self-cleaning, and dust-free" product portfolio.

In terms of high-end intelligent product development, the company promoted product innovation through continuous technological innovation. In recent years, the company has successively released CHiQ intelligent series products, "M-Fresh" refrigerators, "M-Fresh" full-thin series products, "M-Fresh" second generation series refrigerators, "very-clean" series of refrigerator products, "very-thin" series of washing machine, AC constant temperature fresh air cabinet machine, dust-free separated, intelligent voice tea-bar machine and intelligent electric water heater etc, created three brand business cards, i.e. "Meiling Fresh" and "Meiling Thin", and "Meiling Clean" through the introduction of the aforementioned high-end intelligent products, which not only met market demand in a timely manner, but also enriched and enhanced the brand image.

Promoting the remodeling of brand ability through the continuous upgrading of products, Meiling will realize a young, international and professional brand image. Through gradual construction of the ideas of Wonderful Start Point, Wonderful Life Circle and Wonderful Ecology Circle, Meiling has become a people-oriented artist specializing in white appliances, a smarter scientific expert and a more reliable house keeper.

(2) Product capacity

For more than 30 years, the company has been focusing on the refrigeration industry, and has developed a number of different models of refrigerators, mainly including the "M fresh" first generation series of fresh-keeping refrigerators carrying water molecule activation preservation technology, the "M fresh" second generation series of fresh-keeping refrigerators with "zero shock" and "slight freeze" fresh-keeping technology, "Star" series mother and infant refrigerators, "Very Clean" series fresh-keeping and cleaning refrigerators, comprehensive thin product extension 503 series refrigerators, CHiQ series high-end intelligent refrigerators and air conditioners, 0.1°C double precision refrigerator with inverter, North American air cooling products, vertical display cabinets, DW-HL550 independent double temperature zone double control ultra-low temperature low temperature freezer, etc. In particular, the company's latest "M Fresh" second generation series of fresh-keeping refrigerators accurately realize preservation - 3.5°C through zero shock and slight freeze technologies, bringing users three fresh-keeping experience, i.e. fresh meat preservation for 33 days, zero loss of nutrition, cutting meat without waiting. The "Very Thin" direct drive roller series washing machines developed by the company adopt innovative technology

magnetic suspension ultra-thin DD motor, realizing the product philosophy of "direct drive is cleaner", the main performance indicators such as noise and energy efficiency have reached the advanced level at home and abroad. The CHIQ series of air-conditioned constant temperature fresh air cabinet Q6G products use the industry's initial rear-mounted dual-channel independent fresh air technology, which have 95m³/h oversized fresh air volume, and are easy to achieve air ventilation once an hour, its mute is as low as 23 decibels, so that users can enjoy more comfortable and thermostatic fresh air.

The Company owned advanced development and quality assurance systems, passed management system certification of ISO9001, ISO14001 and ISO45001. Product quality has been quality assurance and product performance is reliable. At the same time, the company has authoritative certifications including "national-level technology center", "national-level industrial design center", "national-level intellectual property demonstration enterprise" as strong guarantees. In terms of technical research, it is committed to applying basic technology research and industrialization transfer, and has established a technical strategic plan with "intelligence, frequency conversion, simulation" as core technologies, and "energy saving, fresh keeping, and new materials" as key technologies. In terms of product development, based on the technological research results and consumption upgrade requirements, updated the annual product planning and development outline, increasingly upgraded the product structure, continued to increase the development of mid-to-high-end products with characteristic of thin-wall, air-cooling, large-volume, frequency conversion, intelligence, simulation, smart cleaning, odour clean, sterilization, dust removal, silent and developed competitive core products. At the strategic level of the company, continued to adhere to the core idea of "intelligent strategy, productism", and promoted the company's product transformation, technological innovation, and industry leadership by advancing the subsequent research and development, promotion and technical update of intelligent and frequency conversion products. In addition, the company shall continue to improve the home appliance product line, lay out multiple product businesses such as air conditioner, washing machines, kitchen and bath products, small home appliances, biomedical, and built a comprehensive home appliance business.

(3) Operation capacity

The Company continues to carry out the whole value chain benchmark work to improve the operation management and competitiveness of the Company. On the basis of the target-oriented performance appraisal, innovation GPI (employee performance growth indicators) management model establishes a sense of competitive cooperation for the external and forms a competitive innovation atmosphere for the internal, effectively activates the team, and improves the employee vitality index. And at the same time, we continue to improve the internal control system and enhance the ability to prevent risks.

(4) Marketing ability

The Company has established a relatively complete sales network and service system, which can provide users with high-quality services covering all categories of white goods. The domestic market is accelerated to realize the marketing transformation from product line-oriented sales management to channel- and user-oriented business services, from single-category marketing to full-category marketing. In overseas markets, the company increased

the investments in overseas marketing agencies, research and development bases, production bases, etc., cooperated with internationally renowned household appliance brands and distributors, continued to optimize the customer structure and enhance the product structure, actively explored overseas markets, and exported products to many countries and regions.

III. Main Business Analysis

(1) Overview

Whether the disclosure is the same as the main businesses of the company engaged in during the Period

Yes No

1. Introduction

In the first half of 2021, as the country's pandemic prevention and control work became normal, the COVID-19 pandemic stabilized and the domestic economy recovered and entered the phase of normal development. Reviewing the first half of the year, the white household appliances market showed a rebound trend and achieved a homogeneous increase in quantity and amount, but the growth rate of the white household appliances market is gradually narrowing, considering the low base caused by the pandemic and other factors in the same period last year, the environment faced by the white household appliances market in the second half of the year may become severe again. At the same time, consumers' consumption mode and concept have changed, and their consumption psychology has become more rational and they are more in pursuit of healthy, intelligent, high-end and personalized products, which also forces enterprises to accelerate the adjustment of product structure, improve product quality and service ability, and innovate channel reform.

In the first half of the year, the Company seized the opportunity of industry recovery and achieved a y-o-y growth in entire product lines, the overall performance has turned into a profit and achieved a healthy growth. During the reporting period, The company operating income increased 41.30% on a year-on-year. Net profit attributable to shareholders of listed companies increased 117.68% year on year. Among them, the income from business of refrigerator and freezer approximately amounted to 40.84 million yuan, a y-o-y growth of 39.82%; AC business achieved an operating income of approximately 39.59 million yuan, a y-o-y growth of 52.50%; washing machine business have an income of approximately 3.23 million yuan, a y-o-y growth of 79.37%; kitchen & bathroom and small home appliance business achieved an income of approximately 5.72 million yuan, a y-o-y growth of 11.54%; refrigeration accessories and other products achieved an operating income of about 1.39 million yuan, a y-o-y growth of 134.98%. In addition, the foreign business achieved an income from main business of 26.84 million yuan, a y-o-y growth of 15.10%.

2. Progress of the company's development strategy and business plan during the reporting period

During the reporting period, in accordance with the development strategy and operating principles of "market driven, product leading, efficiency breakthrough and team activation" in 2021, the company has deployed the annual business plan, arranged the production and management, and carried out the following activities:

(1) Market driven

In the domestic market, we unswervingly carry out the transformation of marketing organization, and realize the scale growth and the benign development of operation under the tone of "raising the average price, adjusting the structure and controlling the profits and losses". By creating the competitive and hot sale products, we implement transformation and upgrading for offline channels and strengthen the attack on online channels. On the operation, we strengthen the market drive, improve product operation, marketing and other capabilities through the vertical management of the organization. In the first half of this year, the revenue of domestic refrigerator and washing machine increased by 40%, and the sales of key products increased by 50%. However, due to the impact of sinking channels and O2O share, the online share did not meet expectations. According to the data of AVC, the online share of refrigerator was 5.01%, a year-on-year decline of 1.02 percentage points. Domestic air conditioning and bio-medical revenue increased significantly; the kitchen, bathroom and small home appliances industry further focused on water ecology, with revenue growth of nearly 12%. In the overseas market, due to the impact of high ocean freight and rising material costs, backlog of overseas orders and extended lead time, despite the growth of revenue, the profit and loss pressure was great.

(2) Product leading

In April 2021, the company joined hands with Jingdong and launched the "Star" series of mother and infant refrigerators, its LINF spectral plasma technology can actively inhibit and eliminate bacteria in the independently sealed exclusive area for mothers and infants, realizing the long-term safe storage of breast milk, complementary food and fresh food ingredients. It can solve the storage needs of mothers and infants for breast milk and complementary food, and meet the diversified needs of mothers and infants in different stages of pregnancy preparation, pregnancy and parenting, bringing new storage solutions to users.

In May 2021, Meiling released new "Very Thin" direct-drive front loading washing machines MG100-14596DLX and MG100-14596DHLX. The above washing machines are equipped with Meiling Sixth Generation Magnetic Suspension Black Technology on the basis of conical bulging technology, inclined barrel stabilization technology and cloud tray condensed technology, which not only make the inner barrel increase to 530 mm in diameter, depth reduce to 487 mm, 10 centimeters thinner than a traditional washing machine, the thinnest product of the same specification in the industry, but also eliminate the friction and vibration brought by the traditional belt drive, the smooth operation brings light tone and noise reduction, the washing sound is only 52dB (A), far below the national standard 16%. Ultra-high standard technology highlights the core strength of the brand in the core technology field of washing machine.

In July 2021, the company launched the second generation of "M Fresh" series of new products, which created the third freshness preservation state - slightly frozen. By looking for the gold temperature of fresh meat preservation (-3.5°C), we developed two core technologies, i.e. zero shock and slight freeze, and combined with the special insulation and sealing zone, the sensor and algorithm of precise temperature control, the special zero wind sense air channel and the new energy storage module, so that the fresh meat is in a slightly frozen state, thereby reducing the damage to cells and tissues, greatly extending the shelf life and keep the food in a fresh state for a long time, so as to provide consumers with better high-end quality experience.

During the reporting period, the company promoted the deepening research and ability improvement of core technology, key technology and hardcore technology through the close combination of technology enabling and product application, and product competitiveness continuously strengthened. In the first half year, we continued to promote "fresh, thin, clean" refrigerator, "thin, large, simple" washing machine, "very quiet, very power-saving, very intelligent" air conditioning, and released a variety of products, such as "M Fresh" second generation fresh-keeping refrigerator, DD direct-drive front-loading washing machine, etc., and spared no effort to make differentiated, high-profit and high-quality products with Meiling characteristics. At the same time, in terms of enhancing product competitiveness, the company has launched a product competitiveness model, which evaluates the product arrays and the appearance, price, quality, experience and others of single product, and constantly improves product competitiveness. During the reporting period, the success rate of new refrigerator and freezer was improved. BCD-331WUP9B refrigerator and BCD-415WQ3S refrigerator were awarded the New Product Certificate of Anhui Province, which not only marked that Meiling's technological innovation strength was widely recognized by the industry and the society, but also demonstrated Meiling's continuous innovation and satisfaction of user needs.

(3) Efficiency breakthrough

Comprehensively carry out benchmarking, and strengthen internal efficiency. Focus on promoting product cost benchmarking, foaming efficiency benchmarking, sales expense benchmarking, gross profit benchmarking and other work, and has achieved phased results, there into, reduced the impact of the price rise of bulk materials on the cost through the cost control of each link, the single refrigerator manufacturing cost decreased by about 4% year on year, the gross profit margin of domestic refrigerator and washing machine increased by more than 2 percentage points year on year, and the sales expense ratio decreased by more than 5 percentage points year on year. In terms of digital transformation, the company has established a digital transformation leadership group and a working group to promote the company's digital transformation in terms of digital support business, digital value creation, digital driven innovation, digital basic capabilities and other dimensions. At the same time, the company's industrial Internet enterprise network security project is the pilot demonstration project for the Ministry of Industry and Information Technology. In terms of management improvement, we carry out the "system improvement mode with excellent performance mode as the framework", and promote the continuous improvement of the company by looking for and improving the weak points.

(4) Team activation

Promote the improvement of the company's performance evaluation and incentive system, and realize employees' self-drive, self-promotion and self-transcendence. Built "KPI + GPI + value sharing" three layers of incentive system, formed a sense of competition for the outside, and formed a competitive atmosphere for the inside, distinguished the competition mechanism for different service grades and post categories, established a structured pay adjustment mechanism, implemented the differentiated salary adjustment + talent reserve optimization, greatly activated the team, and the employee vitality index increased by 42% on a year-on-year basis in the first half of the year.

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

In RMB

	Current Period	Same period last year	Y-o-y changes (+,-)	Causes
Operation revenue	9,602,759,345.29	6,795,860,736.99	41.30%	Due to the impact of COVID-19 outbreak in the same period of the previous year
Operation cost	8,177,231,196.17	5,753,849,889.35	42.12%	Same as "Operation revenue"
Sales expense	984,805,928.94	923,983,428.23	6.58%	No major changes
Administrative expense	152,957,426.98	135,469,692.92	12.91%	No major changes
Financial expense	-5,695,990.10	-12,868,114.05	55.74%	Due to the declined of interest income and increase of exchange losses in the Period
Income tax expenses	37,086,971.38	-2,863,011.42	1,395.38%	The increase in income tax expenses resulted from the increase of taxable income for the Period
R&D investment	217,199,272.52	226,678,153.36	-4.18%	-
Net cash flow from operation activity	-588,496,116.82	-388,104,958.41	-51.63%	Due to the current period of the company to increase restricted funds.
Net cash flow from investment activity	-699,480,638.02	-705,571,689.24	0.86%	No major changes
Net cash flow from financing activity	-356,001,274.24	501,761,856.98	-170.95%	Due to the y-o-y decrease in loans and y-o-y increase in debt payments in the Period
Net increased amount of cash and cash equivalent	-1,657,978,314.35	-593,339,307.44	-179.43%	The net cash flow arising from operation and financing activities declined on a y-o-y basis
Investment income	52,533,705.90	7,151,886.26	634.54%	The forward foreign exchange contract delivery proceeds increased from a year earlier.
Credit impairment loss	-15,121,003.89	-22,270,221.19	-32.10%	Credit impairment loss on account receivable decreased from a year earlier
Assets impairment loss	-43,310,366.42	-26,583,248.58	62.92%	Loss on decline in value of inventories increased from a year earlier

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

□ Applicable √ Not applicable

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

(4) Constitute of operation revenue

In RMB

	Current Period		Same period last year		Y-o-y changes (+,-)
	Amount	Ratio in operation revenue	Amount	Ratio in operation revenue	
Total operation revenue	9,602,759,345.29	100%	6,795,860,736.99	100%	41.30%
According to industries					
Manufacture of household appliances	9,076,019,575.56	94.51%	6,268,491,126.30	92.24%	44.79%
Other business	526,739,769.73	5.49%	527,369,610.69	7.76%	-0.12%
According to products					
Refrigerator, freezer	4,083,961,202.33	42.53%	2,920,923,251.77	42.98%	39.82%
Air-conditioning	3,958,753,350.50	41.23%	2,595,885,454.11	38.20%	52.50%
Washing machine	322,671,076.35	3.36%	179,892,246.84	2.65%	79.37%
Small appliance and kitchen & toilet	571,948,185.39	5.96%	512,769,500.40	7.54%	11.54%
Other products	138,685,760.99	1.44%	59,020,673.18	0.87%	134.98%
Other business	526,739,769.73	5.48%	527,369,610.69	7.76%	-0.12%

According to region					
Domestic	6,912,387,260.07	71.98%	4,457,906,168.90	65.60%	55.06%
Foreign	2,690,372,085.22	28.02%	2,337,954,568.09	34.40%	15.07%

(5) About the industries, products, or regions accounting for over 10% of the company's operating income or operating profit

Applicable Not applicable

In RMB

	Operation revenue	Operation cost	Gross profit ratio	Increase/decrease of operation revenue y-o-y	Increase/decrease of operation cost y-o-y	Increase/decrease of gross profit ratio y-o-y
According to industries						
Manufacture of household appliances	9,076,019,575.56	7,709,772,571.05	15.05%	44.79%	46.90%	-1.22%
According to products						
Refrigerator, freezer	4,083,961,202.33	3,333,608,452.02	18.37%	39.82%	40.20%	-0.23%
Air-conditioning	3,958,753,350.50	3,540,481,498.57	10.57%	52.50%	57.54%	-2.86%
Small appliance and kitchen & toilet	571,948,185.39	474,186,822.18	17.09%	11.54%	11.18%	0.26%
According to region						
Domestic	6,392,384,758.43	5,212,930,284.17	18.45%	62.37%	60.35%	1.03%
Foreign	2,683,634,817.13	2,496,842,286.88	6.96%	15.10%	25.00%	-7.37%

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

Applicable Not applicable

(6) Reasons for y-o-y relevant data with over 30% changes

Applicable Not applicable

Refrigerator, freezer, AC products and the operation revenue and costs from China has increased on a y-o-y basis, mainly due to the impact of COVID-19 epidemic at same period last year.

IV. Analysis of the non-main business

Applicable Not applicable

In RMB

	Amount	Ratio in total profit	Note	Whether be sustainable (Y/N)
Investment income	52,533,705.90	56.62%	The delivery earnings from forward foreign exchange contract in the period	N
Gains/losses from change of fair value	-9,731,654.29	-10.49%	Loss from fair value changes of the forward foreign exchange contract	N

Asset impairment	-43,310,366.42	-46.68%	Accrual of the loss on decline in value of inventories	N
Non-operating income	5,862,320.71	6.32%		N
Non-operating expense	760,592.62	0.82%		N
Other income	57,250,100.93	61.70%	Government subsidy received in the period	N
Credit impairment loss	-15,121,003.89	-16.30%	Accrual of the credit impairment loss on account receivable in the period	N

V. Analysis of assets and liability

(1) Major changes of assets composition

In RMB

	End of current period		Year-end of last year		Ratio changes	Notes of major changes
	Amount	Ratio in total assets	Amount	Ratio in total assets		
Monetary fund	5,310,519,267.78	31.45%	6,594,786,789.98	40.95%	-9.50%	The net cash flow from operation, investment and financing activities declined in the period
Account receivable	2,546,059,071.18	15.08%	1,130,275,780.66	7.02%	8.06%	Due to the increase of operation revenue in the period
Inventory	2,285,488,785.06	13.54%	1,715,354,951.43	10.65%	2.89%	Due to the increase in inventory production in the period
Investment real estate	54,108,683.17	0.32%	53,888,462.00	0.33%	-0.01%	No major changes
Long-term equity investment	59,080,517.76	0.35%	76,982,822.38	0.48%	-0.13%	No major changes
Fix assets	2,350,222,653.32	13.92%	2,391,859,440.31	14.85%	-0.93%	No major changes
Construction in progress	70,466,482.26	0.42%	60,775,088.96	0.38%	0.04%	No major changes
Right-of-use assets	20,282,488.32	0.12%				Due to the implementation of new lease standards in the period
Short-term loans	869,283,195.68	5.15%	1,336,209,050.55	8.30%	-3.15%	Due to the repayment of short-term loans in the period
Contractual liability	344,400,472.19	2.04%	522,550,891.28	3.24%	-1.20%	Received in advance from customers declined in the period
Long-term loans	178,000,000.00	1.05%	188,231,439.30	1.17%	-0.12%	No major changes
Lease liability	12,529,575.32	0.07%				Due to the implementation of new lease standards in the period

(2) Main overseas assets

√ Applicable □ Not applicable

Content of assets	Reason for the formation	Asset size	Location	Operation mode	Control measure to ensure the security of assets	Income (RMB)	Foreign assets accounted for net assets of the Company	Whether exist significant impairment risk (Y/N)
60% equity of Changhong Ruba Trading Company	Investment establishment	US\$ 7.803 million	Pakistan	Sales	Details of risks control measures have been disclosed by the Company by way	-1,362,646.63	-0.02%	N

	shment				of announcement on appointed media (No. 2011-028, No. 2011-032, No. 2014-023, No. 2014-026, No. 2016-027, No. 2016-032, No. 2017-053 and No. 2017-059) on 28 May 2011, 19 April 2014, 25 March 2016 and 10 August 2017			
40% equity of Changhong Ruba Electric Company(Private)Ltd.	Investment establishment	US\$ 6.9761 million	Pakistan	Manufacture	Details of risks control measures have been disclosed by the Company by way of announcement on appointed media (No. 2011-028, No. 2011-032, No. 2014-023, No. 2014-026, No. 2017-053 and No. 2017-059) on 28 May 2011, 19 April 2014 and 10 August 2017	236,565.85	-0.06%	N
100% equity of CHANGHONG MEILING ELECTRIC INDONESIA. PT	Investment establishment	US\$ 6 million	KELAPA GADING, JKT, Indonesia	Sales	Details of risks control measures have been disclosed by the Company by way of announcement on appointed media (No. 2016-027 and No. 2016-033) on 25 March 2016	-1,370,349.45	0.44%	N
100% equity of CH-Meiling International (Philippines) Inc.	Investment establishment	US\$ 1 million	Philippines	Sales	Details of risks control measures have been disclosed by the Company by way of announcement on appointed media (No. 2019-083) on 7 December 2019.	-351,217.75	0.11%	N
Other notes	N/A							

(3) Assets and liability measured by fair value

√Applicable □ Not applicable

In RMB

Items	Amount at the beginning period	Changes of fair value gains/losses in this period	Accumulative changes of fair value reckoned into equity	Devaluation of withdrawing in the period	Amount of purchase in the period	Sales in the period	Other changes	Amount at end of the period
Financial assets								
1.Trading financial assets (derivative financial assets excluded)	47,242,339.07	-11,569,560.58			1,420,000,000.00	700,000,000.00		755,672,778.49
Receivable financing	1,632,388,702.83						-499,921,133.85	1,132,467,568.98
Other non-current financial assets	548,148,931.34							548,148,931.34
Subtotal of financial assets	2,227,779,973.24	-11,569,560.58			1,420,000,000.00	700,000,000.00	-499,921,133.85	2,436,289,278.81

Above total	2,227,779,973.24	-11,569,560.58			1,420,000,000.00	700,000,000.00	-499,921,133.85	2,436,289,278.81
Financial liabilities	4,584,076.51	-1,837,906.29						2,746,170.22

Other changes:

Other changes in the receivable financing were that the notes receivables that both aimed at collecting contractual cash flow (collection) and selling (endorsed or discounted) during the current period declined.

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

Yes No

(4) Assets right restricted ended as reporting period

Ended as the reporting period, the Company has no major assets been closed down, detain, freeze or pledge and guarantee. As for other assets have restriction on rights found more in relevant content of “59. Assets with restricted ownership or use rights” in “VI. Note of consolidate financial statement” carried under Section X. Financial Report

VI. Investment analysis

(1) Overall situation

Applicable Not applicable

Investment in the reporting (RMB)	Investment in the same period of last year (RMB)	Changes
45,000,000.00	155,280,049.17	-71.02%

(2) The major equity investment obtained in the reporting period

Applicable Not applicable

In RMB

Name of invested	Principal business	Method of investment	Amount of investment	Shareholding ratio	Capital sources	Partners	Term of investment	Type of products	Status as of the balance sheet date	Expected return	Current investment profit and loss	Whether involved in a lawsuit(Y/N)	Date of disclosure (if applicable)	Index of disclosure (if applicable)
Hefei Changhong Meiling Life Appliances Co., Ltd.	Research and development, and sales of household electrical appliances, non-electrical home appliances, gas cookers, gas water heaters, wall-mounted gas furnace, instantaneous electric water heater (wall-mounted electric heating furnace), regenerative series electric heaters, direct heating series electric heaters, kitchen and bathroom furniture, audio-visual equipment, radio and television equipment, computers, communications and other electronic devices, indoor decoration materials, general equipment, pure water equipment, luggage, personal care, personal hygiene products, health appliances, massage equipment, hardware and general merchandise; Software and information technology services; Enterprise management consulting services; sales of category II & III medical devices; Import and export of goods or technologies (except those prohibited by the state or involving administrative approval).	Newly established	35,000,000	70%	Own fund	Ningbo Hongling Enterprise Management Partnership (Limited Partnership)	Long-term	R&D and sales of household appliances, kitchen appliances and small home appliances	Contributed investment of 35 million yuan in the period	Not applicable	12,159,618.63	N	2020-12-12	Juchao Website: http://www.cninfo.com.cn (Notice No.: 2020-097)

Anhui Ling'an Medical Equipment Co., Ltd. <small>note 1</small>	Production of category I medical devices; sales of category I medical devices; sales of category II medical devices; Software development; (in addition to licensing business, the company can independently operate the projects not prohibited or restricted by laws and regulations) Licensed projects: Production of category III medical devices; Production of category II medical devices; Operation of category III medical devices (for projects subject to approval according to law, business activities can be carried out only after approval by relevant departments)	Newly established	10,000,000	63.2683%	Own fund	N/A	Long-term	R&D, production and sales of medical devices	Contributed investment of 10 million yuan in the period	Not applicable	-1,594.36	N	2021-3-03	Juchao Website: http://www.cninfo.com.cn (Notice No.: 2021-008)
Total	--	--	--	--	--	--	--	--	--	--	12,158,024.27	--	--	--

Note 1: After the deliberation and approval of the 5th meeting of the tenth board of directors of the company, it was agreed that the company's subsidiary company Zhongke Meiling invested 10 million yuan to invest in the establishment of a wholly-owned subsidiary Anhui Ling'an Medical Equipment Co., Ltd. The Company holds 63.2683% equity of Zhongke Meiling, so the Company indirectly holds 63.2683% equity of Anhui Ling'an Medical Equipment Co., Ltd.

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

√Applicable □ Not applicable

In RMB

Project Name	Investment Method	Invested with fixed assets (Y/N)	Industry involved in Investment Projects	Investment Amount in this Reporting Period	Accrued Actual Investment Amount up to the End of Reporting Period	Capital Source	Project Schedule	Anticipated Income	Accrued Realized Income up to the End of Reporting Period	Reasons for not Reaching the Planned Schedule and Anticipated Income	Disclosed Date (if any)	Disclosed Index (if any)
Production base project of annual	Self-built	Y	Manufacture of household	19,418,148.19	94,904,042.29	Fund-raising	Production base project of annual output of	The production capacity of one million sets of	Approximately -49,500,000	During the reporting period, due to the impact of the capacity climbing and	2019-7-9; 2019-7-26	Juchao Website: http://www.cninfo.com.cn (Notice

output of 2 million washing machines(Phase II)			d appliances industry				2 million washing machines(Phase II) " has mass production already. Up to now, the balance is still in the process of payment.	automatic roller washing machine shall be formed after this project being put into operation	yuan	COVID-19 pandemic, the company product sales and the rise in prices of bulk materials, depreciation and amortization, etc., the project incurred a loss in the reporting period.		No.:2019-040, 2019-041, 2019-042, 2019-043 and 2019-047)
Total	--	--	--	19,418,148.19	94,904,042.29	--	--	--	--	--	--	--

Note 1: In order to further improve the efficiency of the company's use of raised funds, after careful study and demonstration, the 24th session of the 9th board of directors, the 13th session of the 9th board of supervisors, and the resolution of the second extraordinary general meeting of shareholders in 2019 approved and agreed that the company shall change the unused raised funds of 120 million yuan from the sub-project Freezer Intelligent Construction Project of the "Intelligent Manufacturing Construction Project" and put into the "Production base project of annual output of 2 million washing machines(Phase II)". Currently, the second phase of the project (roller production line) has been formally put into operation.

(4)Financial assets investment

1. Securities investment

Applicable Not applicable

The Company had no securities investment in the reporting period.

2. Derivative investment

√Applicable □Not applicable

In 10 thousand Yuan

Operator	Related relationship	Whether related trade or not(Y/N)	Type	Initial investment	Start date	End date	Investment amount at period-begin	Amount purchased in the reporting period	Amount sales in the reporting period	Amount of reserve for devaluation of withdrawing (if applicable)	Investment amount at period-end	Ratio of investment amount at period-end in net assets of the Company at period-end	Actual gains/losses in period
Financial institution	N/A	N	Forward foreign exchange contract	334,471.07	2020-4-27	2021-12-31	184,610.32	246,253.80	235,179.18	-	186,993.75	39.11%	6,756.44
Total				334,471.07	--	--	184,610.32	246,253.80	235,179.18	-	186,993.75	39.11%	6,756.44
Capital resource				Own fund									
Lawsuit involved (if applicable)				Not applicable									
Disclosure date for approval from the Board for investment of derivatives (if applicable)				2021-3-31									
Disclosure date for approval from board of shareholders for investment of derivatives (if applicable)				2021-4-29									
Risk analysis and controlling measures for derivatives holdings in the Period (including but not limited to market risk, liquidity risk, credit risks, operation risk and law risks etc.)				Risk analysis: 1. Market risk: domestic and international economic situation changes may lead to exchange rate fluctuations, forward foreign exchange transactions are under certain market risk. Forward foreign exchange business is aiming to reducing impact on corporate profits by foreign exchange settlement and sale prices, exchange rate fluctuations. The Company will follow up the exchange fluctuation, on the basis of target rate determined from the business, relying on the research of the foreign currency exchange rates, combined with prediction of consignments, and burdening ability to price variations due to exchange rate fluctuations, then determine the plan of forward foreign exchange contracts, and make dynamic management to the									

	<p>business, to ensure reasonable profit level.</p> <p>2. Liquidity risk: all foreign exchange transactions are based on a reasonable estimate of the future import and export business, to meet the requirements of the trade authenticity. In addition, forward foreign exchange transactions are processed with bank credit, will not affect liquidity of company funds.</p> <p>3. Bank default risk: if cooperative banks collapse within the contract time, the Company will not be able to transact the original foreign exchange contracts with contract price, which leads the risk of income uncertainty. So the Company chose five state-owned banks, the Chinese-funded banks in shareholding enterprise as Everbright Bank, Industrial Bank and the foreign-funded banks as UOB, OCBC, BEA etc. to conduct the trading of foreign exchange capital. These banks share a solid strength and management whose failure and the risk of loss may bring to the Company is very low.</p> <p>4. Operational risk: improper operation of the person in charge of forward foreign exchange transactions may cause related risk also. The Company has formulated related management system which defines the operation process and responsibility to prevent and control risks.</p> <p>5. The legal risks: unclear terms based in contract signed with banks for related transactions may lead legal risks when forward foreign exchange transactions are processing. The Company will strengthen legal review, and choose good bank to carry out this kind of business as to risk control.</p>
<p>Invested derivative products have changes in market price or fair value in the Period, as for analysis of the fair value of derivatives, disclosed specific applied methods and correlation assumption and parameter setting</p>	<p>The Company determines fair value in accordance with the Chapter VII “Determination of Fair Value” carried in the Accounting Standards for Business Enterprises No.22 - Recognition and Measurement of Financial Instruments. Fair-value is basically obtained according to prices offered by bank and other pricing services. While fair-value of derivatives is mainly obtained according to the balance between prices given by outstanding contracts and forward prices given by contracts signed during the reporting period with bank. The differences are identified as trading financial assets and liabilities. During the reporting period, forward foreign exchange contracts and losses of the Company is 67.5644 million Yuan.</p>
<p>Specific principle of the accounting policy and calculation for derivatives in the Period compared with last period in aspect of major changes</p>	<p>Not applicable</p>
<p>Special opinion on derivative investment and risk control by independent directors</p>	<p>Upon inspection, the Company believes that: during the reporting period, the Company carried out its foreign exchange forward deals in strict compliance with the <i>Standardized Operation Guidelines for Listed Company</i> issued by Shenzhen Stock Exchange, the <i>Articles of Association</i>, <i>Authorization Management of the Company</i>, <i>Management System in relating to Foreign Exchange Forward Deals of Hefei Meiling Co., Ltd.</i>, and these deals were conducted within the authorization scope under general meeting and board meeting. The Company conducts no foreign exchange transactions on the purpose of getting profit only, all of the forward foreign exchange transactions are operates closely related to the routine operation requirement of the Company and based on normal operating and production, which is relying on specific business operations with purpose of avoiding the preventing the risks in exchange rate. The forward foreign exchange transactions of the Company are beneficial to prevent the exchange risks exposed by import and export business and thus met its requirement for operation development. There was no speculative operation, no break of</p>

relevant rules and regulations and relevant business was conducted under corresponding decision-making procedures. Interests of the Company and entire shareholders, especially minority shareholders, were not prejudiced.

VII. Sales of major assets and equity

(1) Sales of major assets

Applicable Not applicable

The Company had no sales of major assets in the reporting period.

(2) Sales of major equity

Applicable Not applicable

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

Applicable Not applicable

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

In RMB

Company name	Type	Main business	Register capital	Total assets	Net assets	Operation revenue	Operation profit	Net profit
Zhongke Meiling Cryogenic Technology Co., Ltd.	Subsidiary	Research and development, manufacturing and sales of ultra-low temperature freezer	72,548,200	562,891,255.98	234,817,848.15	271,384,729.79	62,997,212.48	51,828,122.35
Jiangxi Meiling Electric Appliance Co., Ltd.	Subsidiary	Manufacturing of refrigeration and freezer	50,000,000	289,684,133.15	125,693,195.59	408,914,804.45	6,787,452.84	6,787,852.84
Mianyang Meiling Refrigeration Co., Ltd.	Subsidiary	Manufacturing of refrigeration and	100,000,000	183,176,328.15	116,053,418.10	157,036,940.68	-5,594,294.21	-5,434,748.98

		freezer						
Sichuan Changhong Air-conditioner Co., Ltd.	Subsidiary	R&D, manufacturing and domestic sales of air-conditioning	850,000,000	3,999,238,014.59	1,097,804,096.05	2,825,810,636.77	9,585,636.92	8,601,022.12
Zhongshan Changhong Electric Co., Ltd.	Subsidiary	R&D, manufacturing and foreign sales of air-conditioning	334,000,000	1,525,527,289.36	83,934,524.48	1,418,924,411.44	-35,801,547.60	-36,002,458.45
Hefei Meiling Group Holdings Limited	Subsidiary	Sales of white goods	80,000,000	1,751,871,144.29	-189,481,653.04	2,705,878,293.96	-51,345,734.38	-50,867,994.49
Changhong Meiling Ridian Technology Co., Ltd.	Subsidiary	R&D, manufacturing and sales of kitchen and toilet products, small home appliances and water purifier	83,000,000	346,311,165.19	132,442,908.47	152,108,811.31	-1,864,874.26	-2,059,812.01
Hefei Changhong Meiling Life Appliances Co., Ltd.	Subsidiary	R&D and sales of household appliances, kitchen appliances and small home appliances etc.	50,000,000	317,064,609.76	67,370,883.75	486,144,189.56	23,101,170.19	17,370,883.75

(2) Subsidiary obtained and disposed in the period

√Applicable □ Not applicable

Company name	The method of obtaining and disposing subsidiaries during the report period	The influence to the whole production and performance
Anhui Ling'an Medical Equipment Co., Ltd	Investment establishment	The controlling subsidiary of the Company, it was established by the subsidiary of the Company- Zhongke Meiling with registered capital of 10 million yuan. The company was established to further expand business scope in the biomedical filed for Zhongke Meiling, to further develop its business in the life science segment and to enhance the Zhongke Meiling's core competitiveness.

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

The Company has no important holding company and stock jointly companies that need to disclosed in the period

IX. Structured entity controlled by the Company

□Applicable √ Not applicable

X. Risks and countermeasures**(1) risks and countermeasures**

In the second half of 2021, domestic home appliance market demand is under pressure, while exports are affected by transportation costs and market factors. The company will face operational risks such as severe industry conditions, increased competition, rising costs, global and domestic fluctuations and repetitions of COVID-19 pandemic.

1. Macroeconomic risks

The fluctuations and repetitions of COVID-19 pandemic have had a negative impact on the global and domestic economic situation. If there are major fluctuations in the global economy, the growth of domestic and foreign macro economy or consumer demand will slow down, which will have a certain impact on the consumer demand, production and sales of the company's products and businesses.

2. Raw material price fluctuation risks

The raw materials of the company's main products are black and white materials, steel, copper, aluminum and so on, but affected by the pandemic, their prices rose continuously from May last year to the high level in the first half of this year. The company's profit stress is increased by the continuous rise of production costs.

3. Impact of cross-border Internet industry and challenges of new business model

With the arrival of Internet era and artificial intelligence era, the Internet enterprises continue to cross boarder and swarm into intelligent home fields, which intensifies competition in the industry, subversive changes may occur at any time, and traditional household appliance enterprises are facing serious challenges.

4. Risk of price fluctuations in international transport

Affected by the pandemic and the growing international demand for raw materials such as iron ore, container and shipping capacity is strained, resulting in the rise of international transportation costs, which will have an impact on the company's export business.

In view of the above risks, combined with the industry situation in the second half of the year and the shortage in the first half of the year, in the second half of 2021, the company will seize the opportunity, turn the crisis into an opportunity, and implement the business plan from the following aspects (ii).

(2) Operation plan for second half of the year

Under strategic planning, the company will continue to take "one side two points" as the guiding ideology, output the online and offline competition strategy and product strategy matching with the market, implement the management policy of "market driven, product leadership, efficiency breakthrough, team activation", and implement business plan from the following aspects.

1. Refrigerator and freezer industry

In the domestic market, adhere to the "three main line" to promote the work. Take the customer as the center, provide unique value products to consumers, strengthen the good quality and hot sale products, and enhance product competitiveness through new products upgrades, and the appearance, performance experience and quality of M Fresh second generation, fresh, all clean, mother and infant series products, especially the launch of "uniform temperature partial freezing" new product in July will effectively enhance the competitiveness of the company's products. We will continue to promote marketing transformation, on the basis of whole-channel coordination, offline channels are focused on transformation and realizing ten thousand yuan breakthroughs of M Fresh products, focus on the scale of single product with high gross margin, and centre on the quantity of medium-end products; while online channels focus on upgrading structure, and strengthening attack to increase gross margin. Promote the "benchmarking" around the whole value chain, focus on the market, supply chain, manufacturing, foaming process, logistics and other aspects to narrow the gap with the benchmark, and improve the overall operational efficiency.

In the overseas market, continue to focus on products, focus on markets, and focus on customers. Continue to optimize product structure, strengthen the adaptability of product research and development to different regions; sort out the strategies to core markets and core customers, and strengthen the ability to respond to different markets; actively find and open fast transport channels, increase brand teams and product investment, and continuously promote overseas independent brand building.

2. Air-conditioning industry

In the domestic market, focus on "strengthening ability, consolidating foundation, increasing benefits", reach scale to improve structure, improve profit or loss; expand channels and promote special projects, consolidate foundation; promote new products to activate terminal, improve capacity; standardize operation management, reduce costs and improve efficiency. In terms of overseas markets, adhere to the brand priority, stick to the online incline and customer focus, take efficiency improvement as the starting point, reduce costs, stabilize quality, and improve service capacity.

3. Washing machine industry

In the second half of the year, washing machine industry will adhere to the "good quality" + "hot sale" product strategy, and build the "thin", "large", "simple" industry business card. For good quality products, enrich the product lines mainly through the layout in clothes dryer products and the launch of new high-box pulsator unit, and improve product competitiveness from the appearance, cost performance, experience, and quality. For hot sale products, lay out e-commerce 2C products and product integration scan code payment product requirements by reducing costs, and expand the scale of washing machines. At the same time, relying on the self-produced washing machine to lay out overseas business, expand ODM/OEM customers, and achieve rapid breakthroughs in Meiling washing machine scale.

4. Kitchen, bathroom and small household appliances industry

Focus on building water ecological appliances and brand with influential operation services, and expand the industry influence. Be result-oriented, consolidate the foundation, take the initiative to meet the change, lead the product to win with innovative thinking. Build the core product line, promote omni-channel marketing work, strengthen self-management ability, and achieve scale breakthrough by stabilizing transformation results, dislocating competition, playing the brand effect, etc.

5. Bio-pharmaceutical

We will unswervingly implement the development strategy of "related diversification based on bio-medical field", and continue to promote product innovation, research and development, quality improvement, deeply develop channels of domestic life science market, and improve services by centering on the three business strategies of life science, smart cold chain and family health. For overseas market, focus on blank market development, and promote scale growth. Relying on the life science channel system, the company has steadily promoted the extension of smart cold chain business to professional logistics, medicine, chemical industry and other fields. At the same time, it has promoted the launch of new products such as atomizer, a family health product, to promote the company's scale growth.

Section IV. Corporate Governance

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

1. AGM held in the period

Meeting	Type	Participation ratio for investors	Holding date	Disclosure date	Resolution
2020 AGM	Annual general meeting	31.5421%	2021-4-28	2021-4-29	Deliberated and approved the 21 proposes including “Report on the Work of BOD for year of 2020”, found more in the (Notice No.: 2021-034) released on Juchao Website www.cninfo.com.cn
First Extraordinary General Meeting of 2021	Extraordinary General Meeting	4.7757%	2021-6-16	2021-6-17	Deliberated and approved the “proposal on termination of the assets purchase and related transactions”, found more in the (Notice No.: 2021-046) released on Juchao Website www.cninfo.com.cn
Second Extraordinary General Meeting of 2021	Extraordinary General Meeting	31.3097%	2021-7-28	2021-7-29	Deliberated and approved the 2 proposes including “proposal to purchase the liability insurance for directors, supervisors and senior executives”, found more in the (Notice No.: 2021-058) released on Juchao Website www.cninfo.com.cn

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

Applicable Not applicable

II. Changes of directors, supervisors and senior executives

Applicable Not applicable

Name	Title	Type	Date	Reasons
Tang Youdao	Deputy president	Appointment	2021-3-29	Approved by 6 th session of 10 th BOD, Mr. Tang Youdao was appointed as the deputy president of the Company, with service term same as the 10 th BOD
Sun Hongying	Staff supervisor	Be elected	2021-3-30	After democratic election by 6 th session of the 8 th employee representative meeting, Ms. Sun Hongying was elected as the employee supervisor of the 10 th board of supervisors.
Zhu Wenjie	Staff supervisor, securities representative	Outgoing	2021-3-30	Mr. Zhu Wenjie applied for resignation as the staff supervisor of 10 th board of supervisors and securities representative of the Company for personal reasons.

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

Applicable Not applicable

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

IV. Implementation of the company’s stock incentive plan, employee stock ownership plan or other

employee incentives

Applicable Not applicable

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

Section V. Environmental and Social Responsibility

I. Material environmental protection

The listed Company and its subsidiary whether belong to the key sewage units released from environmental protection department:

Yes No

Name of company or subsidiary	Major pollutants and name of typical pollutants	Way of discharge	number of discharge outlets	Distribution of discharge outlets	concentration of discharge	Pollutants discharge standards enacted	Total discharge volume	Total discharge volume certified	Discharge beyond the standards
Sichuan Changhong Air-conditioner Co., Ltd.	VOC (volatile organic compounds)	Organized emissions	3	Two outlets at J05 workshop and one outlet at J07 workshop, No 128, Sanjiang Road, Economic Development Zone, Mianyang City	≤12.3mg/m ³	"Sichuan Province Fixed Pollution Source Air Volatile Organic Compound Emission Standard DB51/2377-2017" Table 3 standard requirements, that is, volatile organic compounds <60mg/m ³ .	2343.65kg	Sichuan Changhong Air-conditioner Co., Ltd. has completed the pollutant discharge registration on the national pollutant discharge permit management information platform and obtained the registration receipt in accordance with the	Not exceeded
	Nitrogen oxides	Organized emissions	2	Two outlets at J05 workshop (it belongs to the same output as J05VOC), No 128, Sanjiang Road, Economic Development Zone, Mianyang City	<3mg/m ³	"Comprehensive Emission Standard of Air Pollutants GB16297-1996" Table 2 secondary standard requirements, that is, the concentration of nitrogen oxides <240 mg/m ³	268.05kg	"Pollution Permit Management Measures (Trial)", the "Fixed Pollution Source	Not exceeded

	Sulfur dioxide	Organized emissions	2	Two outlets at J05 workshop (it belongs to the same output as J05VOC), No 128, Sanjiang Road, Economic Development Zone, Mianyang City	<3mg/m3	"Comprehensive Emission Standard of Air Pollutants GB16297-1996" Table 2 requirements, that is, the SO2<120 mg/m3	268.05kg	Pollution Permit Classification Management Directory (2019 Edition)", etc., there is no requirement for the company's total emissions in the pollution discharge registration	Not exceeded
	Particulate matter	Organized emissions	4	Two outlets at J05 workshop and one outlet at J07 workshop, No 128, Sanjiang Road, Economic Development Zone, Mianyang City	≤1.7mg/m3	"Comprehensive Emission Standard of Air Pollutants GB16297-1996" Table 2 secondary standard requirements, that is, the concentration of particulate matter <120 mg/m3	461.25kg		Not exceeded

Note : In 2021, Bureau of Ecology and Environment of Mianyang issued the "Notice on the List of Key Pollutant Discharge Units in 2021", and included Sichuan Changhong Air-conditioner Co., Ltd. in the list of key soil pollution supervision.

1. Construction and operation of pollution prevention facilities

The Company and its subsidiaries actively respond to the national ecological civilization construction plan, and actively participate in national environmental protection works in line with the purpose of actively fulfilling its corporate social responsibility. In recent years, The Company and its subsidiaries have actively explored the introduction of advanced management concepts and methods, and invested a large amount of money in the purchase of pollution control equipment and facilities. And realized emission reduction by scientific technical methods by the investment in installation of activated carbon adsorption treatment equipment, welding dust purifier facilities etc. At the same time, in order to ensure the effective operation of the management equipment and facilities, the Company and its subsidiaries have adopted such management measures as setting up special personnel to manage and maintain the operation of the equipment and facilities, formulating proper rules for operation and maintenance of the equipment and facilities, emergency disposal regulations, supervision and assessment mechanism, allocating special maintenance funds and so on, so as to ensure the effective operation of the governing facilities in a full round, delivering its best to protect and improve the ecological environment around the enterprise.

2. Environment impact assessment and other required environment protection administrative license for construction projects

The Company and its subsidiaries earnestly implement the Environmental Protection Law, the Environmental Impact Assessment Law and the Regulations on Environmental Protection Management of Construction Projects, consciously abide by environmental protection laws and regulations, industry requirements and government regulations. For new, renovated and expanded projects, the Company and its subsidiaries adhere to the project environmental impact assessment and "three simultaneous" system, fully implement environmental protection measures, act well in environment protection management in respect of project planning, design, construction and operation, make full use of advanced crafts and technological means to reduce environmental pollution. Environmental impact assessment is carried out synchronously while making the feasibility study for a construction project. Third-party professional parties are engaged to analyze the industrial policy, land use planning, environmental impact and the feasibility of environmental protection measures of the project. Construction will be started only after approved by the competent environmental protection authorities. During the construction, environmental protection requirements are earnestly implemented, environmental protection facilities are built synchronously, environmental protection acceptance of the project is arranged in time upon completion of the project to ensure that the project meets the acceptance criteria and could be put into official operation with all the environmental impact assessment requirements met. During the operation period, the Company conducts pollution prevention to ensure the normal operation of environmental protection facilities in strict compliance with the relevant environmental impact assessment documents and the reply requirements of the competent environmental protection authorities.

3. Emergency plan for environmental emergencies

The Company and its subsidiaries have set up related emergency plans for environmental emergencies. The

Company and its subsidiaries have determined classified warning based on the different extent and severity of environmental impacts that may be caused by the material environmental factors, defined the responsibilities for emergency response, regulated emergency handling procedures, established special team to handle emergencies and organized regular rehearsal and appraisal of relevant emergency plans, so as to ensure the effectiveness of these plans, improve their capability of emergency handling and take precautions against contingent emergencies.

4. Independent plan to monitor environment

The Company and its subsidiaries have established regular monitoring plan for environmental pollutants, set up special funds for pollutants monitoring, and engaged third-party authoritative to regularly monitor the operation of major pollution-production links and environmental protection treatment facilities in connection with the major pollutants produced by the Company and its subsidiaries, to make sure that the Company and its subsidiaries could achieve emission standards in a full round.

5. Administrative penalties imposed for environmental issues during the reporting period

The Company and its subsidiaries strictly comply with the relevant national and regional environmental protection laws and regulations, relying on the ISO14001 system to establish and improve the internal environmental management system, timely update the adaptive laws and regulations and related industry requirements, and take the initiative to fulfill corporate social responsibility, laying a solid foundation for the company's compliance operations. During the reporting period, the Company and its subsidiaries did not receive any administrative punishment due to environmental problems.

6. Other environment information that should be disclosed

According to the Measures for Environmental Information Disclosure of Enterprises and Public Institutions, the Company and its subsidiaries have achieved public work for information on environmental impact assessment on construction projects, project acceptance inspection, production pollution discharge, solid waste management, important environmental factors and their environmental objectives and performances.

7. Other environment related information

In order to further realize the scientific and systematic environmental protection work of the Company and its subsidiaries, the Company and its subsidiaries have established an environmental management system in accordance with ISO14001 standards, set up an environmental protection organization, acquired environmental protection resources, regularly identified, updated and appraised environmental factors, compliance obligations, environmental risks and opportunities, and regularly determined environmental objectives and management programs. Through the implementation of management programs and continuous normal improvement, the environmental performance of the Company and its subsidiaries has been continuously improved. Through regular internal audit and management review, as well as the verification and examination of the third parties, the environmental management system of the Company and its subsidiaries has been effectively controlled and fully meets the system management standards and relevant regulations.

II. Social responsibility

During the reporting period, the Company did not carry out poverty alleviation and rural revitalization work for the time being.

Section VI. Important Events

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

Applicable Not applicable

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

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

Applicable Not applicable

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

III. Guarantee outside against the regulation

Applicable Not applicable

No guarantee outside against the regulation in Period.

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

Whether the semi-annual financial report had been audited

Yes No

The semi-annual report was not audited

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

Applicable Not applicable

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

Applicable Not applicable

VII. Bankruptcy reorganization

Applicable Not applicable

No bankruptcy reorganization for the Company in reporting period

VIII. Lawsuit

(1) Significant lawsuits and arbitration

Applicable Not applicable

No significant lawsuits or arbitration occurred in the reporting period.

(2) Other lawsuits

Applicable Not applicable

To maintain the independence and integrity of "Meiling" trademark and trade name, the Company carried out serials of lawsuits, attribution and administration suits with "Meiling" trademark and corporate name concerned. Up to now, in view of the infringement to the Company's "Meiling" trademark and trade name, false propaganda and unfair competition in the market, the Company has carried out many ways including administrative reports, criminal investigation and civil litigation to fight against infringement and counterfeiting behavior in the whole country in order to stopped the infringing behavior.

IX. Penalty and rectification

Applicable Not applicable

Name	Type	Causes	Investigation penalty type	Conclusions (if any)	Disclosure date	Disclosure index
Zhongke Meiling Cryogenic Technology Co., Ltd.	Other	The YC-395EL (1) type equipment produced on 24 Oct. 2019 and sold on 13 Nov. 2019 by Zhongke Meiling did not file changes with the original registration department; the YC-395EL (2) type equipment did not apply for registration changes with the original registration department	Investigated by competent authorities	Zhongke Meiling was ordered to immediately correct the violations and was given a forfeiture of 456,500 yuan in total	2021-7-16	Found more on (Notice No.: 2021-056) released on Juchao Website

Correction description:

Applicable Not applicable

After receiving the on-site inspection by Anhui Drug Administration, Zhongke Meiling has fully recognized the problem that it did not timely record and register changes in accordance with the relevant provisions of the Regulations on Supervision and Administration of Medical Devices, and rectified the corresponding problems in the first time. Zhongke Meiling recalled the involved products in time in accordance with the "Management Measures for Recall of Medical Devices", and immediately sealed samples of the recalled products and sent them to an authoritative third party for performance and safety tests. After inspection, the products met the requirements. Up to now, Zhongke Meiling has completed the registration change of the above products.

At the same time, the company and the subsidiaries will profoundly summarize the lessons of this administrative punishment, strictly abide by relevant laws and regulations, and further enhance the standardization operation level, so as to eliminate such incidents again.

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

Applicable Not applicable

During the reporting period, the Company and the controlling shareholders and the actual controllers have had good reputation, and there is no failure to fulfill the obligations determined by effective legal documents of the court, nor large amount of debt outstanding at maturity etc.

XI. Major related party transaction

(1) Related party transaction with routine operation concerned

Applicable Not applicable

1. Related party transaction with routine operation concerned

Serial	Related party	Relationship	Type of related transaction	Content of related transaction	Pricing principle	Related transaction price (in 10 thousand Yuan)	Related transaction amount (in 10 thousand Yuan)	Proportion in similar transactions (%)	Trading limit approved (in 10 thousand Yuan)	Whether over the approved limited or not (Y/N)	Clearing form for related transaction	Available similar market price	Date of disclosure	Index of disclosure
1	Sichuan Changhong Electric Co., Ltd.	Controlling shareholder and ultimate controller	Commodity purchased	R-three-terminal voltage regulator, integrated circuits, R-insulated gate bipolar transistors, steel plates, plastic parts etc.	Marketing price	31,287.06	31,287.06	3.74%	60,000	N	Spot exchange, Bank acceptance	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
2	Changhong Huayi Compressor Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchased	Compressor, Door seal	Marketing price	25,353.49	25,353.49	3.03%	63,000	N	Bank acceptance	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107

3	Sichuan Changhong Mold Plastic Tech. Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchased	Door liners, drawers, refrigerator components, hinge covers, door trim, electric control box covers, chassis, swing leaf plastic parts, travel cases, spray mops, etc.	Marketing price	47,151.73	47,151.73	5.64%	120,000	N	Spot exchange, Bank acceptance	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
4	Sichuan Changhong Jijia Fine Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchased	Base plate assembly, door trim, support plate, door assembly support, pressure plate, bracket, sheet metal parts, etc.	Marketing price	24,414.33	24,414.33	2.92%	60,000	N	Spot exchange, Bank acceptance	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
5	Sichuan Changhong Package Printing Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchased	Packing boxes, foam, dimensional spare parts, labels, bags and cartons.	Marketing price	6,913.07	6,913.07	0.83%	18,000	N	Bank acceptance	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107

6	Sichuan Changhong Precision Electronics Tech. Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchased	Printed board machine insertion machine paste assembly	Marketing price	1,291.84	1,291.84	0.15%	5,000	N	Bank acceptance	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
7	081 Electronic Group Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchased	Power transformers	Marketing price	4.95	4.95	0.00%	13,000	N	Bank acceptance	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
8	Guangdong Changhong Electronics Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchased	Foam and carton	Marketing price	254.71	254.71	0.03%	13,000	N	Spot exchange, Bank acceptance	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
9	Sichuan Changhong Intelligent	Other enterprise control	Commodity purchased	Circuit boards	Marketing price	1.77	1.77	0.00%	7,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097,

	Manufacturing Technology Co., Ltd.	under the same controlling shareholder and ultimate controller	ed												2020-099, 2020-107
10	Hefei Changhong Industrial Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchased	Control board, inverter integrated board, power cord, temperature and humidity sensor	Marketing price	293.88	293.88	0.04%	13,000	N	Bank acceptance	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107	
11	Sichuan Changhong New Energy Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchased	Coin cell batteries	Marketing price	0.96	0.96	0.00%	8,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107	
12	Sichuan Zhiyijia Network Technology Co., Ltd.	Other enterprise control under the same controlling	Commodity purchased	Displays, AC and freezers	Marketing price	625.8	625.8	0.07%	13,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107	

		shareholder and ultimate controller												
13	Changhong International Holdings (Hong Kong) Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchased	Television	Marketing price	672.2	672.2	0.08%	10,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
14	Sichuan Changhong Electronic Products Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchased	Speech components for R&D	Marketing price	1,797.64	1,797.64	0.21%	6,000	N	Spot exchange, Bank acceptance	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
15	Sichuan Ailian Science & Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchased	WiFi module, temperature and humidity sensor	Marketing price	1,934.07	1,934.07	0.23%	6,000	N	Bank acceptance	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107

16	Sichuan Aichuang Science & Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchased	Inverter integrated board, control board, display board, wifi module and R-IC LNK6664V	Marketing price	5,848.84	5,848.84	0.70%	15,000	N	Bank acceptance	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
17	Hunan Grand-Pro Intelligent Tech. Company	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchased	Floor mopping robot	Marketing price	75.66	75.66	0.01%	1,500	N	Spot exchange, Bank acceptance	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
18	Zhongshan Guanghong Moulding Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchased	Plastic pressed parts and spray mop	Marketing price	77.26	77.26	0.01%	13,000	N	Spot exchange, Bank acceptance	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
19	Sichuan Changhong Electronics	Controlling shareholder and ultimate	Accept labor service	Shuttle transportation fee	Marketing price	41	41	0.06%	8,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097,

	Holding Group Co., Ltd.	controller												2020-099, 2020-107
20	Sichuan Changhong Electric Co., Ltd.	Controlling shareholder and ultimate controller	Accept labor service	Training fees, software usage fees, inspection and certification fees and technical service fees	Marketing price	184.87	184.87	0.25%	5,600	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
21	Sichuan Changhong Minsheng Logistics Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Accept labor service	Storage, transportation and loading & unloading	Marketing price	22,455.74	22,455.74	30.84%	52,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
22	Sichuan Changhong Mold Plastic Tech. Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Accept labor service	Mold changes	Marketing price	6.67	6.67	0.01%	5,600	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
23	Sichuan Service Exp.	Other enterprise control	Accept labor service	Three packages, equipment repair, marketing	Marketing price	9,349.91	9,349.91	12.84%	35,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097,

	Appliance Service Chain Co., Ltd.	under the same controlling shareholder and ultimate controller		support, air conditioning installation, after-sales service, finished goods transportation and miscellaneous fees										2020-099, 2020-107
24	Sichuan Hongxin Software Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Accept labor service	Software usage fee and information service fee	Marketing price	62.78	62.78	0.09%	5,600	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
25	Guangdong Changhong Electronics Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Accept labor service	Service support fee, network service fee, advertising fee, software usage fee, security and fire protection fee and labor insurance fee	Marketing price	38.13	38.13	0.05%	5,600	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
26	Sichuan Jiahong Industrial	Other enterprise control	Accept labor service	Working meals fee and greening fees	Marketing price	221.91	221.91	0.30%	8,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097,

	Co., Ltd.	under the same controlling shareholder and ultimate controller												2020-099, 2020-107
27	Sichuan Changhong International Hotel Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Accept labor service	Travel, meetings fee, working meals and accommodation	Marketing price	1.48	1.48	0.00%	8,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
28	Sichuan Changhong International Travel Service Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Accept labor service	Travel expenses	Marketing price	23.18	23.18	0.03%	8,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
29	Sichuan Changhong Property Services Co., Ltd.	Other enterprise control under the same controlling	Accept labor service	Dormitory facility and equipment service fees, property management fees	Marketing price	125.68	125.68	0.17%	8,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107

		shareholder and ultimate controller												
30	Sichuan Hongwei Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Accept labor service	Inspection & certification fees, technical cooperation fees	Marketing price	163	163	0.22%	5,600	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
31	Sichuan Zhiyijia Network Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Accept labor service	Marketing support fees, advertising fees and operating expenses	Marketing price	3.69	3.69	0.01%	5,600	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
32	Sichuan Changhong Intelligent Manufacturing Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Accept labor service	Information consulting fees and equipment repair fees	Marketing price	63.75	63.75	0.09%	7,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107

33	Sichuan Changhong Electronic Products Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Accept labor service	Labor dispatch fee	Marketing price	12.46	12.46	0.02%	5,600	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
34	Sichuan Aichuang Science & Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Accept labor service	R&D test fees	Marketing price	1.32	1.32	0.00%	15,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
35	Changhong International Holdings (Hong Kong) Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Accept labor service	Marketing supports fees	Marketing price	243.34	243.34	0.33%	5,600	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
36	Sichuan Changhong Electric Co.,	Controlling shareholder and ultimate	Purchase of fuel power	Electricity, steam, water and energy	Marketing price	1,048.48	1,048.48	0.13%	60,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097,

	Ltd.	controller												2020-099, 2020-107
37	Changhong Huayi Compressor Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Purchase of fuel power	Steam fees	Marketing price	20.22	20.22	0.00%	150	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
38	Guangdong Changhong Electronics Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Purchase of fuel power	Energy fees	Marketing price	52.01	52.01	0.01%	13,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
39	Hefei Changhong New Energy Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Purchase of fuel power	Electricity fees	Marketing price	17.22	17.22	0.00%	13,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107

40	Sichuan Changhong Property Services Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Purchase of fuel power	Electricity fees	Marketing price	1.26	1.26	0.00%	8,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
41	Sichuan Changhong Electric Co., Ltd.	Controlling shareholder and ultimate controller	Sales of goods	Air conditioners, waste materials, refrigerators, small appliances and suitcases	Marketing price	318.89	318.89	0.04%	8,000	N	Spot exchange, Bank acceptance	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
42	Sichuan Changhong Jijia Fine Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Lower beams, brackets, base plates, color plates, materials processed on behalf of steel plates, water purifiers, etc.	Marketing price	3,677.37	3,677.37	0.41%	8,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
43	Sichuan Changhong Mold Plastic Tech. Co., Ltd.	Other enterprise control under the same controlling	Sales of goods	Particles, fixed support seat, connecting tube, nut, GPPS plastic, high gloss raw material	Marketing price	13,068.52	13,068.52	1.44%	32,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107

		shareholder and ultimate controller												
44	Lejiayi Chain Management Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Air conditioner, Refrigerator, freezer, small appliances, etc.	Marketing price	18.04	18.04	0.00%	15,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
45	Sichuan Zhiyijia Network Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Washing machine, air conditioner, Refrigerator, freezer, water heater, gas stove, etc.	Marketing price	328,665.84	328,665.84	36.21%	700,000	N	Spot exchange, Bank acceptance	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
46	Sichuan Changhong Device Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Small appliances	Marketing price	0.08	0.08	0.00%	15,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107

47	Sichuan Changhong Minsheng Logistics Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Air conditioner, Refrigerator, freezer, carton, liner, etc.	Marketing price	9.73	9.73	0.00%	15,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
48	Sichuan Service Exp. Appliance Service Chain Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Refrigeration drawer components, seals, temperature sensors, control boards, temperature controllers, air conditioners, maintenance spare parts, etc.	Marketing price	293.76	293.76	0.03%	15,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
49	Hefei Changhong Industrial Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Single chip microcomputer etc.	Marketing price	7.89	7.89	0.00%	15,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107

50	Sichuan Changhong Real Estate Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Small appliances	Marketing price	1.96	1.96	0.00%	15,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
51	Guangdong Changhong Electronics Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Air conditioner, small appliances etc.	Marketing price	10.62	10.62	0.00%	15,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
52	081 Electronic Group Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Air conditioner	Marketing price	0.08	0.08	0.00%	15,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
53	Guangyuan Changhong Electronic	Other enterprise control	Sales of goods	Air conditioner	Marketing price	8.07	8.07	0.00%	15,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097,

	Technology Co., Ltd.	under the same controlling shareholder and ultimate controller												2020-099, 2020-107
54	PT.CHANG HONGELECTRICINDONESIA	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Air conditioner	Marketing price	27.8	27.8	0.00%	15,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
55	CHANGHONG(HK)TRADINGLIMITED	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Air conditioner	Marketing price	13,687.72	13,687.72	1.51%	170,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
56	CHANGHONGELECTRIC(AUSTRALIA)PTY.LTD.	Other enterprise control under the same controlling	Sales of goods	Refrigerator, freezer	Marketing price	5,310.94	5,310.94	0.59%	170,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107

		shareholder and ultimate controller												
57	Orion.PDP. Co.,ltd	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Refrigerator	Marketing price	1,985.69	1,985.69	0.22%	4,500	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
58	Changhong Europe Electric s.r.o	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Refrigerator	Marketing price	5,608.18	5,608.18	0.62%	8,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
59	CHANGHONG ELECTRIC MIDDLE EAST FZCO	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Refrigerator	Marketing price	143.65	143.65	0.02%	15,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107

60	Changhong International Holdings (Hong Kong) Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Refrigerator, freezer, air conditioner	Marketing price	10,567.63	10,567.63	1.16%	35,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
61	Sichuan Aichuang Science & Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Photocouplers, refrigerants, integrated circuits, etc.	Marketing price	16.47	16.47	0.00%	3,100	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
62	Mianyang Leyijia Tradeing Chain Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Small appliances	Marketing price	9.25	9.25	0.00%	15,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
63	Sichuan Changhong Electronics	Controlling shareholder and ultimate	Providing services	Labor cost	Marketing price	-1.08	-1.08	-0.11%	3,100	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097,

	Holding Group Co., Ltd.	controller												2020-099, 2020-107
64	Sichuan Changhong Mold Plastic Tech. Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Providing services	Labor cost	Marketing price	8.78	8.78	0.93%	5,600	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
65	Sichuan Changhong Jijia Fine Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Providing services	Labor cost	Marketing price	9.48	9.48	1.00%	5,600	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
66	Sichuan Aichuang Science & Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Providing services	Technical service fee, labor cost	Marketing price	25.41	25.41	2.69%	3,100	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107

67	Sichuan Zhiyijia Network Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Providing services	Service fee	Marketing price	1.26	1.26	0.13%	5,600	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
68	Sichuan Changhong Electric Co., Ltd.	Controlling shareholder and ultimate controller	Providing services	Labor cost	Marketing price	-9.06	-9.06	-0.96%	5,600	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
69	Sichuan Changhong Network Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Providing services	Labor cost	Marketing price	-3.41	-3.41	-0.36%	5,600	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
70	Sichuan Huafeng Enterprise Group Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate	Providing services	System development service fee	Marketing price	1.32	1.32	0.14%	3,100	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107

		controller												
71	Sichuan Changhong Minsheng Logistics Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Providing services	Forklift service、Labor cost	Marketing price	19.00	19.00	2.01%	5,600	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
72	081 Electronic Group Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Providing services	Maintenance fee	Marketing price	4.72	4.72	0.50%	5,600	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
73	Sichuan Changhong Electronic Products Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Providing services	Labor cost	Marketing price	1.1	1.1	0.12%	5,600	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107

74	Sichuan Hongwei Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Providing services	Service fee	Marketing price	0.14	0.14	0.01%	5,600	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
75	Guangdong Changhong Electronics Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Providing services	Labor cost	Marketing price	11.64	11.64	1.23%	5,600	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
76	Sichuan Changhong Precision Electronics Tech. Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Providing services	Labor cost	Marketing price	0.64	0.64	0.07%	5,600	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
77	Sichuan Changhong Gerun	Other enterprise control	Providing services	Labor cost	Marketing price	0.94	0.94	0.10%	3,100	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097,

	Environmental Protection Tech. Co., Ltd.	under the same controlling shareholder and ultimate controller												2020-099, 2020-107
78	Guangdong Changhong Electronics Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Provide fuel power	Water fee, electricity fees and energy fees	Marketing price	0.54	0.54	0.00%	15,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
79	Sichuan Changhong Minsheng Logistics Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Provide fuel power	Water fee, electricity fees and energy fees	Marketing price	2.8	2.8	0.00%	15,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
80	Sichuan Changhong Jijia Fine Co., Ltd.	Other enterprise control under the same controlling	Provide fuel power	Water fee, electricity fees	Marketing price	7.7	7.7	0.00%	15,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107

		shareholder and ultimate controller												
81	Sichuan Changhong Mold Plastic Tech. Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Provide fuel power	Water fee, electricity fees, steam fee	Marketing price	351.05	351.05	0.04%	15,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
82	Sichuan Zhiyijia Network Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Provide fuel power	Water fee, electricity fees	Marketing price	2.5	2.5	0.00%	15,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
83	Sichuan Changhong Precision Electronics Tech. Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Provide fuel power	Water fee, electricity fees	Marketing price	0.52	0.52	0.00%	15,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107

84	Sichuan Changhong Device Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Provide fuel power	Water fee, electricity fees and energy fees	Marketing price	31.09	31.09	0.00%	15,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
85	Changhong International Holdings (Hong Kong) Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Provide fuel power	Water fee, electricity fees	Marketing price	2.32	2.32	0.00%	15,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
86	Guangdong Changhong Electronics Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Rent to the related party	Office building for rent	Marketing price	2.25	2.25	0.03%	5,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
87	Hefei Changhong Industrial	Other enterprise control	Rent to the related	Apartments , warehouses, forklifts for rent	Marketing price	12.56	12.56	0.15%	5,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097,

	Co., Ltd.	under the same controlling shareholder and ultimate controller	party												2020-099, 2020-107
88	Sichuan Aichuang Science & Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Rent to the related party	Warehouse for rent	Marketing price	1.88	1.88	0.02%	3,100	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107	
89	Sichuan Ailian Science & Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Rent to the related party	Warehouse for rent	Marketing price	0.1	0.1	0.00%	3,100	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107	
90	Sichuan Hongwei Technology Co., Ltd.	Other enterprise control under the same controlling	Rent to the related party	Lease of factory	Marketing price	4.73	4.73	0.06%	5,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107	

		shareholder and ultimate controller												
91	Sichuan Service Exp. Appliance Service Chain Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Rent to the related party	Apartment, forklift for rent	Marketing price	8.16	8.16	0.10%	5,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
92	Sichuan Changhong Electric Co., Ltd.	Controlling shareholder and ultimate controller	Rent to the related party	Lease of factory	Marketing price	48.15	48.15	0.59%	5,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
93	Sichuan Changhong Jijia Fine Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Rent to the related party	Warehouse, apartment, forklift, plant and equipment for rent	Marketing price	261.89	261.89	3.22%	5,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
94	Sichuan Changhong Precision Electronics Tech. Co.,	Other enterprise control under the same	Rent to the related party	Apartment and 2/F living area for rent	Marketing price	4.26	4.26	0.05%	5,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107

	Ltd.	controlling shareholder and ultimate controller												
95	Sichuan Changhong Minsheng Logistics Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Rent to the related party	Rental of apartments, offices, warehouses, office buildings partially rented, factory buildings	Marketing price	91.38	91.38	1.12%	5,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
96	Sichuan Changhong Mold Plastic Tech. Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Rent to the related party	Rental of apartments, warehouses, plants, equipment, second floor living quarters	Marketing price	445.81	445.81	5.49%	5,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
97	Sichuan Changhong Device Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate	Rent to the related party	Rental of 2/F living quarters and plants	Marketing price	109.1	109.1	1.34%	5,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107

		controller												
98	Sichuan Zhiyijia Network Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Rent to the related party	Rental of apartments	Marketing price	9.9	9.9	0.12%	5,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
99	Guangdong Changhong Electronics Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Leasing from related party	Lease of staff dormitory, plant	Marketing price	78.89	78.89	0.97%	5,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
100	Sichuan Changhong Electric Co., Ltd.	Controlling shareholder and ultimate controller	Leasing from related party	Lease of plant	Marketing price	163.07	163.07	2.01%	5,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
101	Sichuan Changhong Electronics Holding Group Co.,	Controlling shareholder and ultimate controller	Leasing from related party	Lease of staff dormitory	Marketing price	10.58	10.58	0.13%	8,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107

	Ltd.													
102	081 Electronic Group Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Purchase and construction of fixed assets	Plant construction	Marketing price	105.84	105.84	0.76%	10,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
103	Sichuan Hongcheng Construction Engineering Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Purchase and construction of fixed assets	Engineering management of the plant construction	Marketing price	195.02	195.02	1.41%	8,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
104	Sichuan Hongxin Software Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Purchase of intangible assets	Software	Marketing price	14.15	14.15	0.10%	10,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107

105	Sichuan Huanyu Industrial Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Purchase and construction of fixed assets	Plant construction	Marketing price	36.7	36.7	0.27%	8,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
106	Sichuan Changhong Electric Co., Ltd.	Controlling shareholder and ultimate controller	Purchase and construction of fixed assets	Fire fighting renovation, low voltage cabinet renovation	Marketing price	0.56	0.56	0.00%	10,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
107	Sichuan Changhong Mold Plastic Tech. Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Purchase of fixed assets	Mould	Marketing price	52.12	52.12	0.38%	10,000	N	Bank acceptance	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107
108	Sichuan Changhong Intelligent Manufacturing Technology	Other enterprise control under the same controlling	Purchasing/Purchase and construction of fixed	Production line, line-N2 line transformation, vacuum line transformation and self-service	Marketing price	576.3	576.3	4.16%	7,000	N	Spot exchange, Bank acceptance	-	12 Dec. 2020; 30 Dec. 2020	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107

	Co., Ltd.	shareholder and ultimate controller	assets	sorting, quality improvement transformation	baler									
109	Yuanxin Financial Lease Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Financing business	Financial statement	Marketing price	34,194.22	34,194.22	--	65,000	N	Cash settlement	-	12 Dec. 2020; 30 Dec. 2020; 13 July. 2021; 29 July. 2021	Juchao Website (www.cninfo.com.cn) No.: 2020-097, 2020-099, 2020-107,2021-050,2021-053,2021-058
Total						--	--	602,472.56	--	--	--	--	--	--
Detail of sales return with major amount involved				Not applicable										
Report the actual implementation of the daily related transactions which were projected about their total amount by types during the reporting period (if applicable)				<p>1. It is estimated that the related transaction amount resulted by purchasing goods (including door shell and plastic products etc.) and accepting fuel and power from Sichuan Changhong and its subsidiary by the Company for year of 2021 was 2920 million yuan at most (tax-excluded), actually 1,159,021,800 yuan occurred in reporting period.</p> <p>2. It is estimated that the related transaction amount resulted by purchasing goods (including compressor purchased, smart vacuum cleaner etc.) from Changhong Huayi and its subsidiary by the Company for year of 2021 was 646.5 million yuan at most (tax-excluded), actually 254,493,700 yuan occurred in reporting period.</p> <p>3. It is estimated that the related transaction amount resulted by purchasing or selling equipment, software, maintenance and spare parts and molds etc. from Sichuan Changhong and its subsidiary by the Company for year of 2021 was 100 million yuan at most (tax-excluded), actually 1,726,700 yuan occurred in reporting period.</p> <p>4. It is estimated that the related transaction amount resulted by selling goods and providing fuel and power to Sichuan Changhong and its subsidiary by the Company for year of 2021 was 9760 million yuan at most (tax-excluded), actually 3,818,345,400 yuan occurred in reporting period.</p> <p>5. It is estimated that the related transaction amount resulted by leasing business to Sichuan Changhong and its subsidiary by the Company for year of 2021 was 50 million yuan at most (tax-excluded), actually 12,401,500 yuan occurred in reporting period.</p> <p>6. It is estimated that the related transaction amount from domestic finished goods logistic business outsourcing to Sichuan Changhong Minsheng Logistics</p>										

	<p>Co., Ltd. by the Company for year of 2021 was 520 million yuan at most (tax-excluded), actually 224,557,400 yuan occurred in reporting period.</p> <p>7. It is estimated that the related transaction amount from after sales service of domestic goods outsourcing to Sichuan Service Exp. Appliance Service Chain Co., Ltd. by the Company for year of 2021 was 350 million yuan at most actually 93,499,100 yuan occurred in reporting period.</p> <p>8. It is estimated that the related transaction amount resulted by accepting other service and labor service etc. or providing other service and labor service etc. to Sichuan Changhong and its subsidiary by the Company for year of 2021 was 56 million yuan at most (tax-excluded), actually 7,592,300 yuan occurred in reporting period.</p> <p>9. It is estimated that the related transaction amount resulted by selling goods and leasing business from Sichuan Changhong Electronics Holding Group Co., Ltd and its subsidiary by the Company for year of 2021 was 76 million yuan at most (tax-excluded), actually 20,041,400 yuan occurred in reporting period.</p> <p>10. It is estimated that the related transaction amount resulted by purchasing goods and receiving labor services, fuel power, leasing and purchasing equipment etc. from Sichuan Changhong Electronics Holding Group Co., Ltd. and its subsidiary by the Company for year of 2021 was 360 million yuan at most (tax-excluded), actually 91,104,100 yuan occurred in reporting period.</p> <p>11. It is estimated that the related transaction amount resulted by received the financing lease, commercial factoring and bill financing from Yuanxin Financial Lease Co., Ltd was 650 million yuan at most, actually 341,942,200 yuan occurred in reporting period.</p>
Reasons for major differences between trading price and market reference price (if applicable)	Not applicable

(2) Related transactions by assets acquisition and sold

Applicable Not applicable

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

(3) Material related transaction of jointly foreign investment

Applicable Not applicable

There are no material related transaction of jointly foreign investment occurred in the period

(4) Connect of related liability and debt

Applicable Not applicable

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

Yes No

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

(5) Connect of related finance companies and finance companies controlled by the company

Applicable Not applicable

Deposit business

Related party	Associated relationships	Maximum daily deposit limit (10 thousand yuan)	Deposit rate range	Opening balance (10 thousand yuan)	Amount occurred (10 thousand yuan)	Ending balance (10 thousand yuan)
Sichuan Changhong Group Finance Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	450,000.00	0.35%-4.805%	279,825.60	8,253.55	288,079.15

Loan business

Related party	Associated relationships	Loan amount (10 thousand yuan)	Loan interest rate range	Opening balance (10 thousand yuan)	Amount occurred (10 thousand yuan)	Ending balance (10 thousand yuan)
Sichuan Changhong Group Finance Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	450,000.00	0	0	0	0

Credit or other financial service

Related party	Associated relationships	Business type	Total amount (10 thousand yuan)	Amount occurred (10 thousand yuan)
Sichuan Changhong Group Finance Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Other financial services - note issuance	300,000.00	200,823.53
Sichuan Changhong Group Finance Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Other financial services - note discounting	300,000.00	66,157.70

Note 1: After deliberated and approved by the 27th session of 9th BOD and 3rd extraordinary shareholders general meeting of 2019 held on 10 September 2019 and 27 September, it is agreed that the company and its related party, Changhong Huayi Compressor Co., Ltd. (hereinafter referred to as "Changhong Huayi"), respectively, will increase the capital to Changhong Finance Company by 500

million yuan with its own funds, the total capital increase will not exceed RMB one billion. After capital increased, registered capital of Changhong Finance Company changed to 2,693,938,365.84 yuan. The Company and Changhong Huayi holds 14.96% equity of Chonghong Finance Company respectively, and controlling shareholder of the Company -Sichuan Changhong Electric Co., Ltd and its controlling shareholder Sichuan Changhong Electronics Holding Group Co., Ltd holds 35.04% equity of Changhong Finance Company respectively.

Note 2: After deliberated and approved by the 41st session of 9th BOD and 4th extraordinary shareholders general meeting of 2020 held on 14 August 2020 and 12 October, it is agreed to continue the financial services cooperation between the Company and Changhong Finance Company and renew the “Financial Service Agreement” for a period of three years. Changhong Finance Company will provides a series of financial services such as deposit and loans within scope of operation according to the requirements of Company and its subsidiaries.

(6) Other important related party transactions

Applicable Not applicable

After deliberated and approved by the 7th session of 10th BOD, the 6th session of 10th BOS and 1st extraordinary shareholders general meeting of 2021 held on 19 April 2021 and 16 June, it is agreed to terminate the use of proceeds to purchase part of the intelligent infrastructure platform construction owned by Sichuan Changhong Electronic Co., Ltd (hereinafter referred to as Sichuan Changhong) and its subsidiary Sichuan Hongwei Technology Co., Ltd. (hereinafter referred to as Hongwei Technology) and Shenzhen Yijiaen Technology Co., Ltd. (hereinafter referred to Yijiaen), software R&D platform and other R&D assets. As of the date of the Report disclosed, the Company and the aforementioned related parties have completed the signing of the termination agreement.

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

Interim report	Disclosure date	Website for disclosure
”Notice on the Termination of Assets Purchases and Related Transactions”	2021-4-20	Juchao Website: http://www.cninfo.com.cn (Notice No.: 2021-031)

XII. Significant contract and implementations

(1) Entrust, contract and leasing

1. Entrust

Applicable Not applicable

No entrust in Period.

2. Contract

Applicable Not applicable

No contract in Period.

3. Leasing

Applicable Not applicable

Explanation of leasing

Operational leasing of the Company please found more details in “investment real estate”, “fixed assets”, “Right-of-use assets”, “Lease of related party” and “Rent of related party” in Note of Financial Statement.

Gains or losses to the Company from projects that reached over 10% in total profit of the Company in reporting period.

Applicable Not applicable

No gains or losses to the Company from projects that reached over 10% in total profit of the Company in reporting period.

(2) Material guarantee

Applicable Not applicable

During the reporting period, the guarantees provided by the company to the wholly-owned and holding subsidiaries are guarantees for supporting bank credits generated by its production and operation. The guaranty style is the guarantee. The company and its subsidiaries did not provide guarantees to subjects outside the scope of consolidated statements. The company and its holding subsidiaries had no overdue external guarantees, no external guarantees involving litigation, and no losses due to the award of the guarantee. Up to 30 June 2021, the external guarantees of the Company and subsidiaries are as follows:

In 10 thousand Yuan

Particulars about the external guarantee of the Company and subsidiaries (Barring the guarantee for subsidiaries)										
Name of the Company guaranteed	Related Announcement disclosure date	Guarantee limit	Actual date of happening	Actual guarantee limit	Guarantee type	Collateral (if any)	Counter guarantee (if any)	Guarantee term	Complete implementation or not	Guarantee for related party
-	-	-	-	-	-	-	-	-	-	-
Total approving external guarantee in report period (A1)			0	Total actual occurred external guarantee in report period (A2)					0	
Total approved external guarantee at the end of report period (A3)			0	Total actual balance of external guarantee at the end of report period (A4)					0	
Guarantee between the Company and the subsidiaries										
Name of the Company guaranteed	Related Announcement disclosure date	Guarantee limit	Actual date of happening	Actual guarantee limit	Guarantee type	Collateral (if any)	Counter guarantee (if any)	Guarantee term	Complete implementation or not	Guarantee for related party
Zhongshan Changhong Electric Co., Ltd.	Notice No.: 2019-090 and 2020-002 released on 26 December 2019 and 11 January 2020 respectively	150,000.00	5 March 2020	5,000.00	Joint and several liability guarantee	N/A	Y	One year	N	N
			9 March 2020	15,000.00	Joint and several liability guarantee		Y	One year	Y	N
			27 March 2020	5,500.00	Joint and several liability guarantee		Y	One year	Y	N
			20 March 2020	20,000.00	Joint and several liability guarantee		Y	One year	Y	N
			14 April 2020	17,900.00	Joint and several liability guarantee		Y	One year	Y	N
			28 April 2020	12,000.00	Joint and several liability guarantee		Y	One year	Y	N
			10 June 2020	20,000.00	Joint and several liability guarantee		Y	One year	Y	N
			17 August 2020	10,000.00	Joint and several		Y	One year	Y	N

					liability guarantee							
			2 September 2020	15,000.00	Joint and several liability guarantee		Y	One year	N	N		
			Notice No.: 2020-097, 2020-098, 2020-101 and 2020-107 released on 11 December 2020 and 30 December respectively	140,000.00	26 March 2021		13,000.00	Joint and several liability guarantee	Y	One year	N	N
					29 March 2021		18,000.00	Joint and several liability guarantee	Y	One year	N	N
					20 March 2021		20,000.00	Joint and several liability guarantee	Y	One year	N	N
					1 April 2021		20,000.00	Joint and several liability guarantee	Y	11.5 months	N	N
					6 April 2021		9,000.00	Joint and several liability guarantee	Y	One year	N	N
					25 May 2021		10,000.00	Joint and several liability guarantee	Y	One year	N	N
Changhong Meiling Ridian Technology Co., Ltd.	Notice No.: 2019-090 and 2020-002 released on 26 December 2019 and 11 January 2020 respectively	30,000.00	2 April 2020	3,000.00	Joint and several liability guarantee	Y	One year	N	N			
			2 April 2020	4,000.00	Joint and several liability guarantee	Y	One year	Y	N			
			17 August 2020	6,500.00	Joint and several liability guarantee	Y	One year	N	N			
			2 September 2020	5,000.00	Joint and several liability guarantee	Y	One year	N	N			
	Notice No.: 2020-097, 2020-098, 2020-101 and 2020-107 released on 11 December 2020 and 30 December respectively	30,000.00	31 March 2021	4,000.00	Joint and several liability guarantee	Y	One year	N	N			
			9 June 2021	5,000.00	Joint and several liability guarantee	Y	6.8 months	N	N			

Zhongke Meiling Cryogenic Technology Co., Ltd.	Notice No.: 2019-004, 2019-006 and 2019-012 released on 30 January 2019 and 23 February respectively	14,000.00	30 December 2019	2,000.00	Joint and several liability guarantee	Y	11 months	Y	N
	Notice No.: 2019-090, 2020-002, 2020-012, 2020-019 and 2020-036 released on 26 December 2019, 11 January 2020, 28 March 2020 and 30 May respectively	18,000.00	10 March 2020	1,000.00	Joint and several liability guarantee	Y	One year	Y	N
			1 June 2020	1,500.00	Joint and several liability guarantee	Y	9.5 months	Y	N
			18 June 2020	500.00	Joint and several liability guarantee	Y	8.6 months	Y	N
			24 August 2020	2,000.00	Joint and several liability guarantee	Y	One year	Y	N
			25 September 2020	3,000.00	Joint and several liability guarantee	Y	One year	N	N
			19 November 2020	1,000.00	Joint and several liability guarantee	Y	One year	N	N
			25 December 2020	2,000.00	Joint and several liability guarantee	Y	One year	N	N
	Notice No.: 2020-097, 2020-098, 2020-101 and 2020-107 released on 11 December 2020 and 30 December respectively	26,000.00	24 May 2021	5,000.00	Joint and several liability guarantee	Y	One year	N	N

Sichuan Changhong Air-conditioner Co., Ltd.	Notice No.: 2020-097, 2020-098, 2020-101 and 2020-107 released on 11 December 2020 and 30 December respectively	100,000.00	-	-	-	-	-	-	-
Changhong RUBA Trade Company	Notice No.: 2019-083, 2019-084 and 2019-087 released on 7 December 2019 and 18 December respectively	6345 ^{note 1}	23 December 2019	2,103.51	Joint and several liability guarantee	Y	One year	Y	N
			16 December 2020	1,831.50	Joint and several liability guarantee	Y	11.4 months	N	N
	Notice No.: 2020-097, 2020-098, 2020-101 and 2020-107 released on 11 December 2020 and 30 December respectively	5920.38 ^{note 2}	-	-	-	-	-	-	-
Jiangxi Meiling Electric Appliance Co., Ltd.	Notice No.: 2019-090 and 2020-002 released on 26 December 2019 and 11 January 2020 respectively	15,000.00	9 April 2020	10,000.00	Joint and several liability guarantee	Y	One year	Y	N
	Notice No.: 2020-097, 2020-098, 2020-101 and 2020-107 released on 11 December 2020 and 30 December respectively	10,000.00	-	-	-	-	-	-	-

Hefei Meiling Nonferrous Metal Products Co., Ltd.	Notice No.: 2019-090 and 2020-002 released on 26 December 2019 and 11 January 2020 respectively	3,000.00	20 March 2020	1,000.00	Joint and several liability guarantee	Y	One year	Y	N
	Notice No.: 2020-097, 2020-098, 2020-101 and 2020-107 released on 11 December 2020 and 30 December respectively	3,000.00	-	-	-	-	-	-	-
Hefei Meiling Group Holdings Limited	Notice No.: 2019-090 and 2020-002 released on 26 December 2019 and 11 January 2020 respectively	50,000.00	26 March 2020	6,000.00	Joint and several liability guarantee	Y	One year	N	N
	Notice No.: 2020-097, 2020-098, 2020-101 and 2020-107 released on 11 December 2020 and 30 December respectively	50,000.00	30 December 2020	10,000.00	Joint and several liability guarantee	Y	One year	N	N
			5 March 2021	5,000.00	Joint and several liability guarantee	Y	One year	N	N
Hefei Changhong Meiling Life Appliances Co., Ltd.	Notice No.: 2021-008, 2021-009, 2021-011 and 2021-034 released on 3 March 2021 and 29 April respectively	35,000.00	-	-	-	-	-	-	-

Total amount of approving guarantee for subsidiaries in report period (B1)		35,000.00	Total amount of actual occurred guarantee for subsidiaries in report period (B2)		291,835.01					
Total amount of approved guarantee for subsidiaries at the end of reporting period (B3)		654,265.38	Total balance of actual guarantee for subsidiaries at the end of reporting period (B4)		167,331.50					
Guarantee of the subsidiaries for the subsidiaries										
Name of the Company guaranteed	Related Announcement disclosure date	Guarantee limit	Actual date of happening	Actual guarantee limit	Guarantee type	Collateral (if any)	Counter guarantee (if any)	Guarantee term	Complete implementation or not	Guarantee for related party
Anhui Tuoxing Technology Co., Ltd.	Notice No.: 2021-013, 2021-014, 2021-021 and 2021-034 released on 3 March 2021 and 29 April respectively	6,000.00	30 April 2021	500	Joint and several liability	-	-	11 months	N	N
Total amount of approving guarantee for subsidiaries in report period (C1)		6,000.00	Total amount of actual occurred guarantee for subsidiaries in report period (C2)		500					
Total amount of approved guarantee for subsidiaries at the end of reporting period (C3)		6,000.00	Total balance of actual guarantee for subsidiaries at the end of reporting period (C4)		500					
Total amount of guarantee of the Company (total of three abovementioned guarantee)										
Total amount of approving guarantee in report period (A1+B1+C1)		41,000.00	Total amount of actual occurred guarantee in report period (A2+B2+C2)		292,335.01					
Total amount of approved guarantee at the end of report period (A3+B3+C3)		660,265.38	Total balance of actual guarantee at the end of report period (A4+B4+C4)		167,831.50					
Ratio of actual guarantee (A4+B4+C4) in net assets of the Company				34.74%						
Including:										

Amount of guarantee for shareholders, actual controller and its related parties (D)	0
The debts guarantee amount provided for the guaranteed parties whose assets-liability ratio exceed 70% directly or indirectly (E)	117,831.50
Proportion of total amount of guarantee in net assets of the Company exceed 50% (F)	0
Total amount of the aforesaid three guarantees (D+E+F)	117,831.50
Explanations on possibly bearing joint and several liquidating responsibilities for undue guarantees (if applicable)	N/A
Explanations on external guarantee against regulated procedures (if applicable)	N/A

Note 1: In order to unify the currency for totaling, the exchange rate here was converted from the US dollar to the RMB 7.05 on October 31, 2019. For details, please refer to the announcement No. 2019-090 disclosed by the company.

Note 2: In order to unify the currency for totaling, the exchange rate here was converted from the US dollar to the RMB 6.5782 on Nonmember 30, 2020. For details, please refer to the announcement No. 2020-101 disclosed by the company.

The above-mentioned guarantee objects are the wholly-owned and holding subsidiaries of the Company, and these wholly-owned and holding subsidiaries are in normal production and operation, there are no overdue loans, and the guarantee risks are controllable. By the end of this report,, The maximum amount of guarantee provided by the approved company to the subsidiary is 350 million Yuan by the approval, the actual amount of guarantee is 2,918,350,100 Yuan. At the end of the reporting period, the practical guarantee balance amounted to 1,673,315,000 Yuan, accounting for the Company's latest net assets ratio of 34.64%; During the reporting period, the maximum credit guarantee provided by the Company to its subsidiaries approved by the Company was 60 million yuan, the actual amount of guarantee incurred was 5 million yuan. As of 30 June 2021, the actual balance of guarantee provided by the subsidiaries to subsidiaries was 5 million yuan, accounting for 0.10% of the Company's latest net assets.

Explanation on guarantee with composite way: Not applicable

(3) Trust financing√Applicable Not applicable

In 10 thousand Yuan

Type	Capital sources	Amount for entrust	Undue balance	Overdue amount	Impairment amount for overdue financial management
Bank financing products	Own fund	132,400	62,400	0	0
Bank financing products	Idle raised funds	12,000	12,000	0	0
Total		144,400	74,400	0	0

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

√Applicable Not applicable

In 10 thousand Yuan

Trustee institution (or name of trustee)	Trustee type	Product type	Amount	Source of funds	Start date	Expiry date	Capital investment purpose	Criteria for fixing reward	Reference annual rate of return	Anticipated income (if applicable)	Actual gains/losses in period	Actual collected gains/losses in period	Amount of reserve for devaluation of withdrawal (if applicable)	Whether approved by legal procedure (Y/N)	Whether has entrust plan in the future	Summary of the items and related query index (if applicable)
Hefei Branch of Bank of East Asia (China) Co., Ltd.	Bank	Principal-guaranteed with floating income	10,000.00	Idle own funds	15 January 2021	15 July 2021	Deposits embedded in financial derivatives absorbed by banks are linked to exchange rate fluctuations so that depositors can get corresponding returns on the basis of assuming certain risks.	Annualized returns: 3.60%	3.60%	181.00	-	-	N/A	Y	Not applicable	Juchao Website(www.cninfo.com.cn) (Notice No.: 2021-003)
Mianyang Branch of Bank of Communications Co., Ltd	Bank	Principal-guaranteed with floating income	20,000.00	Idle own funds	18 Jan. 2021	19 Apr. 2021	Bank of Communications operates the funds raised by structured deposit products in a unified manner and manages them in accordance with the principle of separating basic deposits from derivative transactions. The raised principal will be included in the internal fund of Bank of Communications for unified operation and management, and will be included in the payment scope of deposit reserve fund and deposit insurance. The embedded	Annualized returns: 3.15%	3.15%	157.07	157.07	157.07	N/A	Y	Not applicable	Juchao Website(www.cninfo.com.cn) (Notice No.: 2021-003)

							derivative part of products will be linked to the exchange rate, interest rate, commodity and index, etc.									
Anhui Province Branch of Bank of Communications Co., Ltd	Bank	Principal-guaranteed with floating income	10,000.00	Idle own funds	19 Jan. 2021	19 Apr. 2021	Bank of Communications operates the funds raised by structured deposit products in a unified manner and manages them in accordance with the principle of separating basic deposits from derivative transactions. The raised principal will be included in the internal fund of Bank of Communications for unified operation and management, and will be included in the payment scope of deposit reserve fund and deposit insurance. The embedded derivative part of products will be linked to the exchange rate, interest rate, commodity and index, etc.	Annualized returns: 3.15%	3.15%	77.67	77.67	77.67	N/A	Y	Not applicable	Juchao Website(www.cninfo.com.cn) (Notice No.: 2021-003)

Hefei Branch of Bank of China Co., Ltd.	Bank	Capital guaranteed minimum return type	10,000.00	Idle own funds	18 Jan. 2021	14 July 2021	The funds raised by this product will be operated uniformly by the Bank of China and managed in accordance with the principle of separating basic deposits from derivative transactions. The raised principal will be included in the internal fund for unified operation and management of the Bank of China, and will be included in the payment scope of deposit reserve fund and deposit insurance. The embedded derivatives part of the product is invested in the exchange rate, interest rate, commodity, index and other derivatives markets, and the final performance of the product is linked to the derivatives.	Annualized returns: 3.63%	3.63%	176.03	-	-	N/A	Y	Not applicable	Juchao Website(www.cninfo.com.cn) (Notice No.: 2021-003)
Hefei Branch of Bohai Bank Co., Ltd.	Bank	Principal-guaranteed with floating income	5,000.00	Idle own funds	20 Jan. 2021	21 July 2021	A structured deposit products, and its derivative products are partially pegged to the mid-rate of the USD-JPY exchange rate.	Annualized returns: 3.50%	3.50%	87.26	-	-	N/A	Y	Not applicable	Juchao Website(www.cninfo.com.cn) (Notice No.: 2021-003)
Chengdu Branch of Bohai Bank Co., Ltd.	Bank	Principal-guaranteed with floating income	10,000.00	Idle own funds	20 Jan. 2021	21 July 2021	A structured deposit products, and its derivative products are partially pegged to the mid-rate of the USD-JPY exchange rate.	Annualized returns: 3.50%	3.50%	174.52	-	-	N/A	Y	Not applicable	巨潮资讯网 (www.cninfo.com.cn) (2021-004号公告)

Mianyang Branch of Bank of China Co., Ltd.	Bank	Capital guaranteed minimum return type	20,000.00	Idle own funds	18 Jan. 2021	20 Apr. 2021	The funds raised by this product will be operated uniformly by the Bank of China and managed in accordance with the principle of separating basic deposits from derivative transactions. The raised principal will be included in the internal fund for unified operation and management of the Bank of China, and will be included in the payment scope of deposit reserve fund and deposit insurance. The embedded derivatives part of the product is invested in the exchange rate, interest rate, commodity, index and other derivatives markets, and the final performance of the product is linked to the derivatives. During the investment period, Bank of China valued the embedded option price of this structured deposit based on the income method	Annualized returns: 3.54%	3.54%	178.45	178.45	178.45	N/A	Y	Not applicable	Juchao Website(www.cninfo.com.cn) (Notice No.: 2021-003)
Hefei Changdong Branch of ICBC	Bank	Principal-guaranteed with floating income	10,000.00	Idle own funds	26 Jan. 2021	28 Apr. 2021	The principal part of this product is incorporated into the internal fund for unified operation and management of Industrial and Commercial Bank of China, and the income part is invested in derivative products linked to the exchange rate of US dollar against Japanese yen, and the product income is linked	Annualized returns: 3.30%	3.30%	83.18	53.82	53.82	N/A	Y	Not applicable	Juchao Website(www.cninfo.com.cn) (Notice No.: 2021-005)

							to the performance of the exchange rate of US dollar against Japanese yen in the international market during the observation period. Investors' returns depend on the performance of the dollar-yen exchange rate during the observation period.									
Hefei Branch of China Everbright Bank	Bank	Principal-guaranteed with floating income	5,000.00	Idle own funds	15 January 2021	15 Apr. 2021	This product is an embedded financial derivatives of RMB structured deposits, the bank invests the raised structured deposits funds in fixed deposit of the bank, at the same time, the bank invests it in financial derivative transactions (including but not limited to options and swaps and other derivatives) in domestic or international financial markets with the upper limit of the income of the time deposit, the sum of the profit and loss of the financial derivative transaction investment and the bank deposit interest constitutes the income of the structured deposit product.	Annualized returns: 3.00%	3.00%	37.50	37.50	37.50	N/A	Y	Not applicable	Juchao Website(www.cninfo.com.cn) (Notice No.: 2021-004)
Hefei Luyang Branch of Bank of Hangzhou Co., Ltd.	Bank	Principal-guaranteed with floating income	5,000.00	Idle own funds	6 May 2021	6 July 2021	This product is a structured deposit product, and its derivative product is linked to the spot exchange rate of the Euro against the US dollar	Annualized returns: 3.20%	3.20%	26.74	-	-	N/A	Y	Not applicable	Juchao Website(www.cninfo.com.cn) (Notice No.: 2021-036)

							published on the Bloomberg page "BFIX" at 14:00 Beijing time on the observation date.									
Mianyang Branch of Bank of Communications Co., Ltd	Bank	Principal-guaranteed with floating income	10,000.00	Idle own funds	10 May 2021	1 July 2021	Bank of Communications operates the funds raised by structured deposit products in a unified manner and manages them in accordance with the principle of separating basic deposits from derivative transactions. The raised principal will be included in the internal fund of Bank of Communications for unified operation and management, and will be included in the payment scope of deposit reserve fund and deposit insurance. The embedded derivative part of products will be linked to the exchange rate, interest rate, commodity and index, etc.	Annualized return s: 3.31%	3.31%	47.16	-	-	N/A	Y	Not applicable	Juchao Website(www.cninfo.com.cn) (Notice No.: 2021-036)
Mianyang Branch of China Everbright Bank	Bank	Principal-guaranteed with floating income	5,000.00	Idle own funds	6 May 2021	9 July 2021	This product is an embedded financial derivatives of RMB structured deposits, the bank invests the raised structured deposits funds in fixed deposit of the bank, at the same time, the bank invests it in financial derivative transactions (including but not limited to options and swaps and other derivatives) in domestic or international financial	Annualized return s: 3.30%	3.30%	28.88	-	-	N/A	Y	Not applicable	Juchao Website(www.cninfo.com.cn) (Notice No.: 2021-036)

							markets with the upper limit of the income of the time deposit, the sum of the profit and loss of the financial derivative transaction investment and the bank deposit interest constitutes the income of the structured deposit product.									
Hefei Branch of Industrial Bank	Bank	Principal-guaranteed with floating income	5,000.00	Idle own funds	8 May 2021	7 July 2021	This product is a structured deposit product, the derivative product of which is linked to the morning benchmark price of Shanghai Gold Exchange on the observation date.	Annualized return s: 3.28%	3.28%	26.96	-	-	N/A	Y	Not applicable	Juchao Website(www.cninfo.com.cn) (Notice No.: 2021-037)
Hefei Branch of Bank of China Co., Ltd.	Bank	Capital guaranteed minimum return type	5,000.00	Idle own funds	10 May 2021	22 June 2021	The funds raised by this product will be operated uniformly by the Bank of China and managed in accordance with the principle of separating basic deposits from derivative transactions. The raised principal will be included in the internal fund for unified operation and management of the Bank of China, and will be included in the payment scope of deposit reserve fund and deposit insurance. The embedded derivatives part of the product is invested in the exchange rate, interest rate, commodity, index and other derivatives markets, and the final performance of the product is linked to the derivatives.	Annualized return s: 3.29%	3.29%	19.38	19.38	19.38	N/A	Y	Not applicable	Juchao Website(www.cninfo.com.cn) (Notice No.: 2021-037)

Mianyang Branch of Ping An Bank	Bank	Principal-guaranteed with floating income	12,000.00	Idle fund raised	27 May 2021	27 Aug. 2021	This product is a structured deposit product, the structured derivatives of which is linked to the CSI 500 index.	Annualized return s: 3.40%	3.40%	102.84	-	-	N/A	Y	Not applicable	Juchao Website(www.cninfo.com.cn) (Notice No.: 2021-041)
Zhongshan Branch of Bank of Communications	Bank	Principal-guaranteed with floating income	2,400.00	Zhongshan ChanghongIdle own funds	1 July 2021	8 Oct. 2021	Bank of Communications operates the funds raised by structured deposit products in a unified manner and manages them in accordance with the principle of separating basic deposits from derivative transactions. The raised principal will be included in the internal fund of Bank of Communications for unified operation and management, and will be included in the payment scope of deposit reserve fund and deposit insurance. The embedded derivative part of products will be linked to the exchange rate, interest rate, commodity and index, etc.	Annualized return s: 3.20%	3.20%	20.83	-	-	N/A	Y	Not applicable	Juchao Website(www.cninfo.com.cn) (Notice No.: 2021-048)
Total			144,400.00	--	--	--	--	--	--	1,425.47	523.89	--	--	--	--	--

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

Applicable Not applicable

(4) Major contracts for daily operations

Applicable Not applicable

(5) Other material contracts

Applicable Not applicable

No other material contracts in the period

XIII. Explanation on other significant events

√Applicable □ Not applicable

1. After deliberated and approved by the 5th session of 10th BOD, 4th session of 10th BOS and Annual General Meeting of 2020, the Company agrees to use the idle fund raised up to 120 million yuan (the amount can be used on a rolling basis) to invest in capital-protected financial products with high security, good liquidity and a maximum term of not more than one year for a single product. Found more on appointed media “Securities Times”, “China Securities Journal”, “Hong Kong Commercial Daily” and www.cninfo.com.cn that the Company disclosed in the form of announcement (Announcement No. 2021-008, 2021-009, 2021-010 and 2021-034) on 3 March 2021 and 29 April 2021.
2. After deliberated and approved by the 5th session of 10th BOD, the Company agrees to invest 24.4276 million yuan in the technical transformation of the refrigerator (cabinet) production line of Hefei Base to achieved cost reduction and efficiency enhancement in order to reduce the manufacturing costs and further enhance the market competitiveness of the Company’s products. Found more on appointed media “Securities Times”, “China Securities Journal”, “Hong Kong Commercial Daily” and www.cninfo.com.cn that the Company disclosed in the form of announcement (Announcement No. 2021-008) on 3 March 2021.
3. After deliberated and approved by the 6th session of 10th BOD and Annual General Meeting of 2020, it agreed that the Company and its subsidiaries shall carry out forward foreign exchange fund trading business during the period from 1 July 2021 to 30 June 2022. Balance of trading not exceeding US\$ 720 million (mainly including USD, AUD, EUR and other foreign exchange converted to USD), and the maximum period of delivery of a single business shall not exceed one year. Found more on appointed media “Securities Times”, “China Securities Journal”, “Hong Kong Commercial Daily” and www.cninfo.com.cn that the Company disclosed in the form of announcement (Announcement No. 2021-013, 2021-019 and 2021-034) on 3 March 2021 and 29 April 2021.
4. After deliberated and approved by the 6th session of 10th BOD and Annual General Meeting of 2020, it agreed the Company’s formulation of “Shareholders Return Plan for the Next Three Years (2021-2023)”. Found more on appointed media “Securities Times”, “China Securities Journal”, “Hong Kong Commercial Daily” and www.cninfo.com.cn that the Company disclosed in the form of announcement (Announcement No. 2021-013 and 2021-034) on 31 March 2021 and 29 April 2021.
5. After deliberated and approved by the 6th session of 10th BOD, it was agreed to appointed Mr. Tang Youdao as the vice president of the Company, office term is same as the 10th BOD. Found more on appointed media “Securities Times”, “China Securities Journal”, “Hong Kong Commercial Daily” and www.cninfo.com.cn that the Company disclosed in the form of announcement (Announcement No. 2021-013) on 31 March 2021.
6. The resolution of the 6th session of the tenth board of directors and the 2020 annual general meeting of shareholders approved and agreed that the company and its subsidiaries apply to Industrial Bank Co., Ltd., Hefei Branch for a special credit line of bill pool of up to 300 million yuan, and agreed that the company and its

subsidiaries apply to Ping An Bank Co., Ltd. Hefei Branch for a special credit line of bill pool of up to 300 million yuan, and agreed that the company and its subsidiaries apply to Huishang Bank Co., Ltd. Hefei Economic Development Zone Branch for a special credit line of bill pool of up to 300 million yuan, and agreed that the company and its subsidiaries apply to China Merchants Bank Co., Ltd., Hefei Branch for a special credit line of bill pool of up to 300 million yuan, and agreed that the company and its subsidiaries apply to China Citic Bank Co., Ltd., Hefei Branch for a special credit line of bill pool of up to 50 million yuan. The credit period is one year, and the types of credit are mainly used for the special business of bill pool, and endorsement for pledge is adopted. Found more on appointed media “Securities Times”, “China Securities Journal”, “Hong Kong Commercial Daily” and www.cninfo.com.cn that the Company disclosed in the form of announcement (Announcement No. 2021-013, 2021-022 and 2021-034) on 31 March 2021 and 29 April 2021.

7. The 6th session of the tenth board of directors and the 2020 annual general meeting of shareholders of the company approved the renewal of Shine Wing Accounting Firm (special general partnership) as the company's 2021 annual financial report and internal control audit firm for one year. At the same time, the shareholders' general meeting authorized the management of the company to determine the annual audit remuneration in accordance with the industry standards and the actual audit work of the company. Found more on appointed media “Securities Times”, “China Securities Journal”, “Hong Kong Commercial Daily” and www.cninfo.com.cn that the Company disclosed in the form of announcement (Announcement No. 2021-013, 2021-017 and 2021-034) on 31 March 2021 and 29 April 2021.

8. Mr. Zhu Wenjie, the former securities affairs representative and staff supervisor of the company, applied to resign his position as staff supervisor and securities affairs representative of the tenth board of the company due to personal reasons. In order to ensure that the structure of the board of supervisors in accordance with relevant legal requirements, the company's congress of staff and workers held a meeting on March 30, 2021, it's agreed to elect Ms. Sun Hongying as the staff representative supervisor of the tenth board of the company by voting of staff representatives, and the term of office is from the date of approval to the deliberation of the company's congress of staff and workers to the date of expiration of the tenth board of supervisors. Found more on appointed media “Securities Times”, “China Securities Journal”, “Hong Kong Commercial Daily” and www.cninfo.com.cn that the Company disclosed in the form of announcement (Announcement No. 2021-023) on 31 March 2021.

9. After deliberated and approved by the 7th session of 10th BOD and 6th session of 10th BOS, it was agreed that the Company should implement the new leasing standard and change the related accounting policy according to the relevant regulations and requirements of the Ministry of Finance. Found more on appointed media “Securities Times”, “China Securities Journal”, “Hong Kong Commercial Daily” and www.cninfo.com.cn that the Company disclosed in the form of announcement (Announcement No. 2021-028, 2021-029 and 2021-030) on 20 April 2021.

10. The 7th session of the tenth board of directors, the 6th session of the tenth board of supervisors and the first extraordinary general meeting of shareholders in 2021 approved and agreed that the company terminates the use of the raised funds to purchase underlying assets of the sub-project "intelligent research and development management platform construction" of the "intelligent research and development ability building and intelligent home appliance technology development project" from Sichuan Changhong Electric Co., Ltd. and its subsidiaries

and the related transactions. Found more on appointed media “Securities Times”, “China Securities Journal”, “Hong Kong Commercial Daily” and www.cninfo.com.cn that the Company disclosed in the form of announcement (Announcement No. 2021-028, 2021-029, 2021-031 and 2021-046) on 20 April 2021 and 17 June 2021.

11. The resolution of the 8th session of the tenth board of directors approved and agreed that the company and its subsidiaries apply to Bank of Jiujiang , Hefei Branch for a special credit line of up to 400 million yuan of bill pool, the credit period is one year, the types of credit are mainly used for the special business of bill pool, and endorsement for pledge is adopted. Found more on appointed media “Securities Times”, “China Securities Journal”, “Hong Kong Commercial Daily” and www.cninfo.com.cn that the Company disclosed in the form of announcement (Announcement No. 2021-038 and 2021-039) on 27 May 2021.

XIV. Major event of the subsidiary

√Applicable □ Not applicable

1. After deliberated and approved by the 5th session of 10th BOD, it was agreed the subordinate controlling subsidiary - Zhongke Meiling to invested 10 million yuan to establish a wholly-owned subsidiary -- Anhui Lingan Medical Equipment Co., Ltd. Found more on appointed media “Securities Times”, “China Securities Journal”, “Hong Kong Commercial Daily” and www.cninfo.com.cn that the Company disclosed in the form of announcement (Announcement No. 2021-008) on 3 March 2021.

2. After deliberated and approved by the 5th session of 10th BOD, 4th session of 10th BOS and Annual General Meeting of 2020, it was agreed to provide a credit guarantee of up to 350 million yuan to subordinate controlling subsidiary - Changmei Life Electric, with a guarantee period of one year. Found more on appointed media “Securities Times”, “China Securities Journal”, “Hong Kong Commercial Daily” and www.cninfo.com.cn that the Company disclosed in the form of announcement (Announcement No. 2021-008, 2021-009, 2021-011 and 2021-034) on 3 March 2021 and 29 April 2021.

3. After deliberated and approved by the 6th session of 10th BOD, 5th session of 10th BOS and Annual General Meeting of 2020, it was agreed that Zhongshan Changhong (subsidiary of the Company) to write off the bad debts of 1,657,332.46 yuan in total that have become uncollectible. Found more on appointed media “Securities Times”, “China Securities Journal”, “Hong Kong Commercial Daily” and www.cninfo.com.cn that the Company disclosed in the form of announcement (Announcement No. 2021-008, 2021-013, 2021-014, 2021-020 and 2021-034) on 31 March 2021 and 29 April 2021.

4. After deliberated and approved by the 6th session of 10th BOD, 5th session of 10th BOS and Annual General Meeting of 2020, it was agreed that Zhongke Meiling Cryogenic Technology Co., Ltd. (controlling subsidiary of the Company) to provide a credit guarantee of 60 million yuan to its wholly-owned subsidiary - Anhui Tuoxing Technology Co., Ltd, with guarantee of one year. Found more on appointed media “Securities Times”, “China Securities Journal”, “Hong Kong Commercial Daily” and www.cninfo.com.cn that the Company disclosed in the form of announcement (Announcement No. 2021-013, 2021-014, 2021-021 and 2021-034) on 31 March 2021 and 29 April 2021.

5. The resolution of the 8th session of the tenth board of directors agreed that the company's wholly-owned subsidiary Hefei Meiling Wulian Technology Co., Ltd invests 37.69 million yuan in building industrial internet service capacity to further expand informatization and digital business and service capacity, and build a comprehensive capability of new business type integrating "manufacturing + service" businesses. Found more on appointed media "Securities Times", "China Securities Journal", "Hong Kong Commercial Daily" and www.cninfo.com.cn that the Company disclosed in the form of announcement (Announcement No. 2021-038) on 27 May 2021.

Section VII. Changes in Shares and Particulars about Shareholders

I. Changes in Share Capital

(i) Changes in Share Capital

In Share

	Before the Change		Increase/Decrease in the Change (+, -)					After the Change	
	Amount	Proportion	New shares issued	Bonus shares	Public reserve transfer into share capital	Others	Subtotal	Amount	Proportion
I. Restricted shares	10,472,676	1.00%	0	0	0	-2,029,754	-2,029,754	8,442,922	0.81%
1. State-owned shares	0	0.00%	0	0	0	0	0	0	0.00%
2. State-owned legal person's shares	1,653,735	0.16%	0	0	0	0	0	1,653,735	0.16%
3. Other domestic shares	7,551,521	0.72%	0	0	0	-2,029,754	-2,029,754	5,521,767	0.53%
Including: Domestic legal person's shares	3,978,329	0.38%	0	0	0	0	0	3,978,329	0.38%
Domestic natural person's shares	3,573,192	0.34%	0	0	0	-2,029,754	-2,029,754	1,543,438	0.15%
4. Foreign shares	1,267,420	0.12%	0	0	0	0	0	1,267,420	0.12%
Including: Foreign legal person's shares	0	0.00%	0	0	0	0	0	0	0.00%
Foreign natural person's shares	1,267,420	0.12%	0	0	0	0	0	1,267,420	0.12%
II. Unrestricted shares	1,034,125,205	99.00%	0	0	0	+2,029,754	+2,029,754	1,036,154,959	99.19%
1. RMB ordinary shares	872,528,625	83.53%	0	0	0	+2,029,754	+2,029,754	874,558,379	83.72%
2. Domestically listed foreign shares	161,596,580	15.47%	0	0	0	0	0	161,596,580	15.47%
3. Overseas listed foreign shares	0	0.00%	0	0	0	0	0	0	0.00%
4. Others	0	0.00%	0	0	0	0	0	0	0.00%
III. Total shares	1,044,597,881	100.00%	0	0	0	0	0	1,044,597,881	100.00%

1. Reasons for share changed

Applicable Not applicable

In accordance with the relevant provisions of the Implementation Rules for Share Reduction of Shareholders, Directors, Supervisors and Senior Managers of Listed Companies at Shenzhen Stock Exchange, if the a director, supervisor or senior manager quits before the expiration of the term of office, he/she shall continue to abide by the relevant provisions on the release of restricted share sales within the term determined when he took office and within six months after the expiration of his/her term of office. During the reporting period, the term of office of some of the directors, supervisors and senior managers of the ninth board of directors of the company expired for six months, and the restrictions on sales of total 2,029,754 shares held by them were lifted.

2. Approval of share changed

Applicable Not applicable

3. Ownership transfer of share changed

Applicable Not applicable

4. Progress of shares buy-back

Applicable Not applicable

The company's 40th meeting of the ninth board of directors, the 21st meeting of the ninth board of supervisors, and the 3rd extraordinary general meeting of shareholders in 2020 held on July 27, 2020 and August 18, 2020 deliberated and approved the Proposal on the Repurchase of Part of Domestically Listed Foreign Shares (B Shares) of the Company. Found more on announcement (Notice No.:2020-047, 2020-048, 2020-049, 2020-063, 2020-064, 2020-066, 2020-081, 2020-092, 2020-093, 2020-094, 2020-095, 2021-001, 2021-007, 2021-012, 2021-025, 2021-035, 2021-042, 2021-045, 2021-049 and 2021-059) released on appointed media China Securities Journal, Securities Times, Hong Kong Commercial Daily and Juchao Website.

The company repurchased its shares for the first time from November 4, 2020 to June 30, 2021, and repurchased 9,377,869 shares of the company by centralized bidding through a dedicated securities account for repurchase, accounting for 0.8977% of the company's total share capital, the highest transaction price was HK\$2.21/share, the lowest transaction price was HK\$1.87/share, and the total amount of self-owned funds paid was HK\$20,112,237.81 (excluding transaction fees such as stamp duty and commission).

As of the disclosure date of this report, 9,582,882 shares of the company have been repurchased by centralized bidding through the special securities account for repurchase, accounting for 0.9174% of the company's total share capital. The highest transaction price was HK\$2.21/share, and the lowest transaction price was HK\$1.87/share, the total amount of self-owned funds paid was HK\$20,552,943.96 (excluding transaction fees such as stamp duty and commission).

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

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

(ii) Changes of lock-up stocks

Applicable Not applicable

In Share

Shareholders	Opening shares	Shares released in	Restricted shares	Ending shares restricted	Restricted	Date for released
--------------	----------------	--------------------	-------------------	--------------------------	------------	-------------------

	restricted	Period	increase d in Period	d	reasons	
Zhang Xiaolong	363,525	363,525	0	0	Share lockup in senior executives	On October 24, 2017, due to job transfer, Zhang Xiaolong no longer served as vice president of the Company. According to the relevant provisions of the Implementation Rules for Share Reduction of Shareholders, Directors, Supervisors and Senior Managers of Listed Companies at Shenzhen Stock Exchange, the original term of office should expire on September 12, 2020. During the reporting period, his/her term of office has expired for six months, and all restrictions on sales of the company's shares have been lifted.
Liao Tao	528,724	528,724	0	0	Share lockup in senior executives	On November 21, 2017, due to job transfer, Liao Tao no longer served as vice president of the Company. According to the relevant provisions of the Implementation Rules for Share Reduction of Shareholders, Directors, Supervisors and Senior Managers of Listed Companies at Shenzhen Stock Exchange, the original term of office should expire on September 12, 2020. During the reporting period, his/her term of office has expired for six months, and all restrictions on sales of the company's shares have been lifted.
Teng Guangsheng	66,150	66,150	0	0	Share lockup in senior executives	On June 2, 2018, due to job transfer, Teng Guangsheng no longer served as director of the Company. According to the relevant provisions of the Implementation Rules for Share Reduction of Shareholders, Directors, Supervisors and Senior Managers of Listed Companies at Shenzhen Stock Exchange, the original term of office should expire on September 12, 2020. During the reporting period, his/her term of office has expired for six months, and all restrictions on sales of the company's shares have been lifted.
Li Wei	1,071,355	1,071,355	0	0	Share lockup in senior executives	On April 25, 2019, due to job transfer, Li Wei no longer served as chairman of the Company. According to the relevant provisions of the Implementation Rules for Share Reduction of Shareholders, Directors, Supervisors and Senior Managers of Listed Companies at Shenzhen Stock Exchange, the original term of office should expire on September 12, 2020. During the reporting period, his/her term of office has expired for six months, and all restrictions on sales of the company's shares have been lifted.
Total	2,029,754	2,029,754	0	0	--	--

II. Securities issuance and listing

Applicable Not applicable

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

In Share

Total common stock shareholders in reporting period-end	76,311		Total preference shareholders with voting rights recovered at end of reporting period (if applicable)	0				
Particulars about common shares held above 5% by shareholders or top ten common shareholders								
Full name of Shareholders	Nature of shareholder	Proportion of shares held	Amount of common shares held at the end of reporting period	Changes in report period	Amount of restricted common shares held	Amount of common shares held without restriction	Information of shares pledged, tagged or frozen	
							State of share	Amount
Sichuan Changhong Electric Co., Ltd.	State-owned legal person	23.79%	248,457,724	0	0	248,457,724	-	-
Hefei Industry Investment Holding (Group) Co., Ltd.	State-owned legal person	4.58%	47,823,401	0	0	47,823,401	-	-
CHANGHONG (HK) TRADING LIMITED	Foreign legal person	2.59%	27,077,797	0	0	27,077,797	-	-
Ma Guobin	Domestic nature person	1.95%	20,324,900	+7,093,846	0	20,324,900	-	-
CAO SHENGCHUN	Foreign nature person	1.41%	14,766,086	0	0	14,766,086	-	-
Caitong Fund- Ningbo Bank-Haitong Xingtai (Anhui) Emerging Industry Investment Fund (Limited Partnership)	Domestic non-state-owned legal person	1.03%	10,733,452	0	0	10,733,452	-	-
Philip Securities (H.K.) Co., Ltd.	Foreign legal person	0.60%	6,296,913	0	0	6,296,913	-	-
Wang Yumei	Domestic nature person	0.56%	5,818,600	+5,818,600	0	5,818,600	-	-
Gu Jie	Domestic nature person	0.41%	4,285,700	0	0	4,285,700	-	-
Long Qinfang	Domestic nature person	0.34%	3,558,116	0	0	3,558,116	-	-
Strategy investor or general legal person becoming the top 10 common shareholders by placing new shares (if applicable)	Not applicable							
Explanation on associated relationship among the aforesaid shareholders	Among the above shareholders, CHANGHONG (HK) TRADING LIMITED (hereinafter referred to as Hong Kong Changhong) is the wholly-owned subsidiary of Sichuan Changhong Electric Co., Ltd.; except the B shares of the Company directly held by Hong Kong Changhong, 6,296,913 shares of B-stock are also held through Phillip Securities							

	(Hong Kong) Co., Ltd., the foregoing shareholders constitute persons of uniform action. There existed no associated relationship or belong to the concerted actors as specified in the Measures for the Administration of Information Disclosure of Shareholder Equity Changes of Listed Companies among Sichuan Changhong, Hong Kong Changhong and other top 7 shareholders (Excluding Phillip Securities (Hong Kong) Co., Ltd.); "Caitong Fund- Ningbo Bank-Haitong Xingtai (Anhui) Emerging Industry Investment Fund (Limited Partnership)" refers to the products of Caitong Fund Management Company subscribe for privately placement of 2016; The company neither knows whether there is any association among other shareholders, nor knows whether other shareholders belong to the persons acting in concert that is stipulated in the "Administrative Measures on Information Disclosure of Changes in Shareholding of Listed Companies".		
Description of the above shareholders in relation to delegate/entrusted voting rights and abstention from voting rights.	Not applicable		
Special note on the repurchase account among the top 10 shareholders (if applicable)	As of the disclosure date of the Report, the Company has repurchased a total of 9,582,882 shares of the Company through repurchase specific account for repurchase by means of centralized competitive bidding, representing 0.9174% of the total shares capital of the Company.		
Particular about top ten shareholders with un-lock up common stocks held			
Shareholders' name	Amount of common shares held without restriction at Period-end	Type of shares	
		Type	Amount
Sichuan Changhong Electric Co., Ltd.	248,457,724	RMB ordinary shares	248,457,724
Hefei Industry Investment Holding (Group) Co., Ltd.	47,823,401	RMB ordinary shares	47,823,401
CHANGHONG (HK) TRADING LIMITED	27,077,797	Domestically listed foreign shares	27,077,797
Ma Guobin	20,324,900	RMB ordinary shares	20,324,900
CAO SHENGCHUN	14,766,086	Domestically listed foreign shares	14,766,086
Caitong Fund- Ningbo Bank-Haitong Xingtai (Anhui) Emerging Industry Investment Fund (Limited Partnership)	10,733,452	RMB ordinary shares	10,733,452
Philip Securities (H.K.) Co., Ltd.	6,296,913	Domestically listed foreign shares	6,296,913
Wang Yumei	5,818,600	RMB ordinary shares	5,818,600
Gu Jie	4,285,700	RMB ordinary shares	4,285,700
Long Qinfang	3,558,116	Domestically listed foreign shares	3,558,116
Expiation on associated relationship or consistent actors within the top 10 un-lock up common shareholders and between top 10 un-lock up common shareholders and top 10 common shareholders	Found more in "Particulars about shares held above 5% by common shareholders or top 10 common shares holding"		
Explanation on top 10 common shareholders involving margin business (if applicable)	As of June 30, 2021, among the top 10 common shareholders, Ma Guobin holds 20,324,300 shares of the Company through customer credit trading secured account of Founder Securities Co., Ltd., and 600 shares hold through common securities account, thus		

	20,324,900 shares of the Company are held in total. The shareholder-Gu Jie holds 4,285,700 shares of the Company through customer credit trading secured account of China Merchants Securities Co., Ltd.
--	--

Note 1: At end of the reporting period, the person acting in concert with controlling shareholder Sichuan Changhong--CHANGHONG (HK) TRADING LIMITED, holds B-stock of the Company as 33,374,710 shares, among which, 6,296,913 shares are held through Philip Securities (H.K.) Co., Ltd. by CHANGHONG (HK) TRADING LIMITED

Note 2: In the above table, "Particulars about shares held above 5% by shareholders or top 10 shares holding" is subject to the data on stock transfer books provided by China Securities Depository and Clearing Corporation Limited Shenzhen Branch

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

Yes No

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

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

Applicable Not applicable

Shares held by directors, supervisors and senior executives have no changes in reporting period, found more details in Annual Report 2020.

V. Changes in controlling shareholders or actual controllers

(i) Change of controlling shareholder during the reporting period

Applicable Not applicable

The Company had no change of controlling shareholder during the reporting period

(ii) Change of actual controller during the reporting period

Applicable Not applicable

The Company had no change of actual controller during the reporting period

Section VIII. Preferred Stock

Applicable Not applicable

The Company had no preferred stock in the Period

Section IX. Corporate Bonds

Applicable Not applicable

Section X. Financial Report

I. Audit report

Whether the semi annual report is audited

Yes No

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

II. Financial Statement

Statement in Financial Notes are carried in RMB/CNY

1. Consolidated Balance Sheet

Prepared by CHANGHONG MEILING CO., LTD.

In RMB

Item	June 30, 2021	December 31, 2020
Current assets:		
Monetary funds	5,310,519,267.78	6,594,786,789.98
Settlement provisions		
Capital lent		
Trading financial assets	755,672,778.49	47,242,339.07
Derivative financial assets		
Note receivable	225,980,582.49	340,421,386.71
Account receivable	2,546,059,071.18	1,130,275,780.66
Receivable financing	1,132,467,568.98	1,632,388,702.83
Accounts paid in advance	54,246,200.90	30,105,373.40
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Other account receivable	119,579,871.70	145,705,978.26
Including: Interest receivable		
Dividend receivable		
Buying back the sale of financial assets		
Inventories	2,285,488,785.06	1,715,354,951.43
Contractual assets		
Assets held for sale		
Non-current asset due within one year		
Other current assets	219,339,591.32	198,353,464.98
Total current assets	12,649,353,717.90	11,834,634,767.32
Non-current assets:		
Loans and payments on behalf		
Debt investment		
Other debt investment		
Long-term account receivable		
Long-term equity investment	59,080,517.76	76,982,822.38
Investment in other equity instrument		

Other non-current financial assets	548,148,931.34	548,148,931.34
Investment real estate	54,108,683.17	53,888,462.00
Fixed assets	2,350,222,653.32	2,391,859,440.31
Construction in progress	70,466,482.26	60,775,088.96
Productive biological asset		
Oil and gas asset		
Right-of-use assets	20,282,488.32	
Intangible assets	927,615,291.27	936,851,520.65
Expense on Research and Development	96,330,033.73	73,028,441.56
Goodwill		
Long-term expenses to be apportioned		
Deferred income tax asset	107,738,248.10	127,185,979.94
Other non-current asset		
Total non-current asset	4,233,993,329.27	4,268,720,687.14
Total assets	16,883,347,047.17	16,103,355,454.46
Current liabilities:		
Short-term loans	869,283,195.68	1,336,209,050.55
Loan from central bank		
Capital borrowed		
Trading financial liability	2,746,170.22	4,584,076.51
Derivative financial liability		
Note payable	4,988,353,889.72	4,439,607,982.34
Account payable	3,669,199,259.64	2,851,999,684.30
Accounts received in advance		
Contractual liability	344,400,472.19	522,550,891.28
Selling financial asset of repurchase		
Absorbing deposit and interbank deposit		
Security trading of agency		
Security sales of agency		
Wage payable	196,823,503.48	290,321,776.05
Taxes payable	119,719,710.97	89,682,433.90
Other account payable	878,414,887.45	724,701,686.72
Including: Interest payable		
Dividend payable	19,567,820.81	4,466,628.25
Commission charge and commission payable		
Reinsurance payable		
Liability held for sale		
Non-current liabilities due within one year	421,663,697.44	407,825,150.74
Other current liabilities	23,101,717.53	22,923,698.73
Total current liabilities	11,513,706,504.32	10,690,406,431.12
Non-current liabilities:		
Insurance contract reserve		
Long-term loans	178,000,000.00	188,231,439.30
Bonds payable		
Including: Preferred stock		
Perpetual capital securities		
Lease liability	12,529,575.32	
Long-term account payable	1,433,821.62	1,705,323.91
Long-term wages payable	9,175,955.85	10,571,526.69

Accrual liability	23,102,517.39	62,392,735.07
Deferred income	167,352,922.29	177,377,450.12
Deferred income tax liabilities	6,920,365.79	10,575,582.33
Other non-current liabilities		
Total non-current liabilities	398,515,158.26	450,854,057.42
Total liabilities	11,912,221,662.58	11,141,260,488.54
Owner's equity:		
Share capital	1,044,597,881.00	1,044,597,881.00
Other equity instrument		
Including: Preferred stock		
Perpetual capital securities		
Capital public reserve	2,683,833,493.92	2,683,837,229.12
Less: Inventory shares	16,958,477.28	9,929,336.18
Other comprehensive income	-22,722,447.52	-21,451,084.17
Reasonable reserve		
Surplus public reserve	416,364,790.43	416,364,790.43
Provision of general risk		
Retained profit	726,135,293.17	740,754,202.23
Total owner's equity attributable to parent company	4,831,250,533.72	4,854,173,682.43
Minority interests	139,874,850.87	107,921,283.49
Total owner's equity	4,971,125,384.59	4,962,094,965.92
Total liabilities and owner's equity	16,883,347,047.17	16,103,355,454.46

Legal Representative: Wu Dinggang

Person in charge of accounting works: Pang Haitao

Person in charge of accounting institute: Yang Jun

2. Balance Sheet of Parent Company

In RMB

Item	June 30, 2021	December 31, 2020
Current assets:		
Monetary funds	3,072,458,869.77	4,605,962,184.11
Trading financial assets	734,738,131.52	37,589,391.07
Derivative financial assets		
Note receivable	77,418,060.60	286,990,200.00
Account receivable	1,868,146,673.14	1,019,299,017.40
Receivable financing	1,020,374,809.16	1,561,429,139.80
Accounts paid in advance	62,698,224.34	39,571,728.09
Other account receivable	46,277,319.42	49,093,918.57
Including: Interest receivable		
Dividend receivable		
Inventories	631,726,937.31	578,905,855.30
Contractual assets		
Assets held for sale		
Non-current assets maturing within one year		

Other current assets	126,732,141.71	142,573,164.77
Total current assets	7,640,571,166.97	8,321,414,599.11
Non-current assets:		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term equity investments	1,854,070,770.46	1,834,115,835.95
Investment in other equity instrument		
Other non-current financial assets	548,148,931.34	548,148,931.34
Investment real estate	3,857,164.06	3,961,590.38
Fixed assets	1,203,325,322.41	1,229,803,474.56
Construction in progress	57,766,896.80	47,570,309.13
Productive biological assets		
Oil and natural gas assets		
Right-of-use assets		
Intangible assets	460,793,473.27	479,923,618.32
Research and development costs	65,641,364.07	42,913,363.51
Goodwill		
Long-term deferred expenses		
Deferred income tax assets	84,639,482.94	103,462,284.33
Other non-current assets		
Total non-current assets	4,278,243,405.35	4,289,899,407.52
Total assets	11,918,814,572.32	12,611,314,006.63
Current liabilities:		
Short-term borrowings	841,084,474.45	1,234,926,592.05
Trading financial liability	1,293,006.11	2,512,269.00
Derivative financial liability		
Notes payable	2,531,614,143.77	2,510,288,511.69
Account payable	1,771,323,826.18	1,918,960,127.71
Accounts received in advance		
Contractual liability	154,407,810.42	281,974,752.24
Wage payable	58,931,758.91	130,314,834.51
Taxes payable	15,899,092.72	19,582,700.30
Other accounts payable	692,819,441.99	624,090,798.72
Including: Interest payable		
Dividend payable	18,967,820.81	3,866,628.25
Liability held for sale		
Non-current liabilities due within one year	413,561,652.50	407,141,888.08
Other current liabilities	5,879,984.75	6,432,113.43
Total current liabilities	6,486,815,191.80	7,136,224,587.73
Non-current liabilities:		
Long-term loans	178,000,000.00	188,231,439.30
Bonds payable		
Including: Preferred stock		
Perpetual capital securities		
Lease liability		
Long-term account payable		
Long term employee compensation payable	9,175,955.85	10,571,526.69
Accrued liabilities	23,102,517.39	55,035,910.31

Deferred income	66,134,567.35	67,315,337.57
Deferred income tax liabilities	2,858,108.51	6,102,908.01
Other non-current liabilities		
Total non-current liabilities	279,271,149.10	327,257,121.88
Total liabilities	6,766,086,340.90	7,463,481,709.61
Owners' equity:		
Share capital	1,044,597,881.00	1,044,597,881.00
Other equity instrument		
Including: Preferred stock		
Perpetual capital securities		
Capital public reserve	2,753,134,052.79	2,753,137,787.99
Less: Inventory shares	16,958,477.28	9,929,336.18
Other comprehensive income		-
Special reserve		
Surplus reserve	416,146,624.75	416,146,624.75
Retained profit	955,808,150.16	943,879,339.46
Total owner's equity	5,152,728,231.42	5,147,832,297.02
Total liabilities and owner's equity	11,918,814,572.32	12,611,314,006.63

Legal Representative: Wu Dinggang

Person in charge of accounting works: Pang Haitao

Person in charge of accounting institute: Yang Jun

3. Consolidated Profit Statement

Item	In RMB	
	semi-annual of 2021	semi-annual of 2020
I. Total operating income	9,602,759,345.29	6,795,860,736.99
Including: Operating income	9,602,759,345.29	6,795,860,736.99
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	9,556,489,547.17	7,023,628,758.57
Including: Operating cost	8,177,231,196.17	5,753,849,889.35
Interest expense		
Commission charge and commission expense		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expense		
Tax and extras	61,077,730.97	55,304,713.23
Sales expense	984,805,928.94	923,983,428.23
Administrative expense	152,957,426.98	135,469,692.92
R&D expense	186,113,254.21	167,889,148.89
Financial expense	-5,695,990.10	-12,868,114.05
Including: Interest expenses	37,292,383.25	45,498,046.65
Interest income	62,433,816.96	74,784,016.69

Add: Other income	57,250,100.93	54,852,125.20
Investment income (Loss is listed with “-”)	52,533,705.90	7,151,886.26
Including: Investment income on affiliated company and joint venture	-16,047,810.77	209,880.54
The termination of income recognition for financial assets measured by amortized cost		
Exchange income (Loss is listed with “-”)		
Net exposure hedging income (Loss is listed with “-”)		
Income from change of fair value (Loss is listed with “-”)	-9,731,654.29	-9,724,752.12
Loss of credit impairment (Loss is listed with “-”)	-15,121,003.89	-22,270,221.19
Losses of devaluation of asset (Loss is listed with “-”)	-43,310,366.42	-26,583,248.58
Income from assets disposal (Loss is listed with “-”)	-208,978.90	-178,704.98
III. Operating profit (Loss is listed with “-”)	87,681,601.45	-224,520,936.99
Add: Non-operating income	5,862,320.71	3,445,609.21
Less: Non-operating expense	760,592.62	959,554.13
IV. Total profit (Loss is listed with “-”)	92,783,329.54	-222,034,881.91
Less: Income tax expense	37,086,971.38	-2,863,011.42
V. Net profit (Net loss is listed with “-”)	55,696,358.16	-219,171,870.49
(i) Classify by business continuity		
1.continuous operating net profit (net loss listed with “-”)	55,696,358.16	-219,171,870.49
2.termination of net profit (net loss listed with “-”)		
(ii) Classify by ownership		
1.Net profit attributable to owner’s of parent company	37,157,511.54	-210,130,580.93
2.Minority shareholders’ gains and losses	18,538,846.62	-9,041,289.56
VI. Net after-tax of other comprehensive income	-1,257,750.59	-1,009,706.23
Net after-tax of other comprehensive income attributable to owners of parent company	-1,271,363.35	-630,002.84
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1.Changes of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise’s credit risk		
5. Other		
(ii) Other comprehensive income items which will be reclassified subsequently to profit or loss	-1,271,363.35	-630,002.84
1.Other comprehensive income under equity method that can transfer to gain/loss	-177,046.32	
2.Change of fair value of other debt investment		
3.Amount of financial assets re-classify to other comprehensive income		
4.Credit impairment provision for other debt investment		
5.Cash flow hedging reserve		
6.Translation differences arising on translation of foreign currency financial statements	-1,094,317.03	-630,002.84
7.Other		
Net after-tax of other comprehensive income attributable to minority shareholders	13,612.76	-379,703.39
VII. Total comprehensive income	54,438,607.57	-220,181,576.72
Total comprehensive income attributable to owners of parent Company	35,886,148.19	-210,760,583.77

Total comprehensive income attributable to minority shareholders	18,552,459.38	-9,420,992.95
VIII. Earnings per share:		
(i) Basic earnings per share	0.0356	-0.2012
(ii) Diluted earnings per share	0.0356	-0.2012

As for the enterprise combined under the same control, net profit of 0 Yuan achieved by the merged party before combination while 0 Yuan achieved last period

Legal Representative: Wu Dinggang

Person in charge of accounting works: Pang Haitao

Person in charge of accounting institute: Yang Jun

4. Profit Statement of Parent Company

Item	In RMB	
	Semi-annual of 2021	Semi-annual of 2020
I. Operating income	3,975,751,904.29	3,213,963,833.18
Less: Operating cost	3,701,614,201.55	3,022,119,390.15
Taxes and surcharge	21,839,365.11	30,342,788.85
Sales expenses	99,271,533.62	110,175,334.78
Administration expenses	56,254,420.78	56,166,016.62
R&D expenses	72,054,454.73	70,182,219.29
Financial expenses	-4,429,587.19	-15,767,670.19
Including: Interest expenses	29,845,405.90	37,724,956.37
Interest income	39,962,405.83	62,490,589.12
Add: Other income	36,911,268.50	37,653,498.87
Investment income (Loss is listed with "-")	37,411,973.74	77,837,668.60
Including: Investment income on affiliated Company and joint venture	-15,045,065.49	2,738,300.44
The termination of income recognition for financial assets measured by amortized cost (Loss is listed with "-")		
Net exposure hedging income (Loss is listed with "-")		
Changing income of fair value (Loss is listed with "-")	-21,631,996.66	-7,780,805.90
Loss of credit impairment (Loss is listed with "-")	-528,447.83	-5,196,835.46
Losses of devaluation of asset (Loss is listed with "-")	-3,955,719.18	-5,212,993.91
Income on disposal of assets (Loss is listed with "-")	-82,639.64	-319,589.42
II. Operating profit (Loss is listed with "-")	77,271,954.62	37,726,696.46
Add: Non-operating income	2,299,511.52	1,382,900.11
Less: Non-operating expense	288,232.95	-
III. Total Profit (Loss is listed with "-")	79,283,233.19	39,109,596.57
Less: Income tax	15,578,001.89	-8,461,043.79
IV. Net profit (Net loss is listed with "-")	63,705,231.30	47,570,640.36
(i) continuous operating net profit (net loss listed with "-")	63,705,231.30	47,570,640.36
(ii) termination of net profit (net loss listed with "-")		
V. Net after-tax of other comprehensive income		
(i) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1.Changes of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		

3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5. Other		
(ii) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of other debt investment		
3.Amount of financial assets re-classify to other comprehensive income		
4.Credit impairment provision for other debt investment		
5.Cash flow hedging reserve		
6.Translation differences arising on translation of foreign currency financial statements		
7.Other		
VI. Total comprehensive income	63,705,231.30	47,570,640.36
VII. Earnings per share:		
(i) Basic earnings per share	0.0610	0.0455
(ii) Diluted earnings per share	0.0610	0.0455

Legal Representative: Wu Dinggang

Person in charge of accounting works: Pang Haitao

Person in charge of accounting institute: Yang Jun

5. Consolidated Cash Flow Statement

In RMB

Item	Semi-annual of 2021	Semi-annual of 2020
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	8,512,320,086.90	6,157,786,632.53
Net increase of customer deposit and interbank deposit		
Net increase of loan from central bank		
Net increase of capital borrowed from other financial institution		
Cash received from original insurance contract fee		
Net cash received from reinsurance business		
Net increase of insured savings and investment		
Cash received from interest, commission charge and commission		
Net increase of capital borrowed		
Net increase of returned business capital		
Net cash received by agents in sale and purchase of securities		
Write-back of tax received	316,502,790.54	251,421,150.31
Other cash received concerning operating activities	79,642,427.61	74,202,707.99
Subtotal of cash inflow arising from operating activities	8,908,465,305.05	6,483,410,490.83
Cash paid for purchasing commodities and receiving labor service	7,728,511,418.75	5,671,705,593.94
Net increase of customer loans and advances		
Net increase of deposits in central bank and interbank		
Cash paid for original insurance contract compensation		
Net increase of capital lent		

Cash paid for interest, commission charge and commission		
Cash paid for bonus of guarantee slip		
Cash paid to/for staff and workers	860,117,506.67	671,140,486.91
Taxes paid	145,836,080.82	122,903,758.87
Other cash paid concerning operating activities	762,496,415.63	405,765,609.52
Subtotal of cash outflow arising from operating activities	9,496,961,421.87	6,871,515,449.24
Net cash flows arising from operating activities	-588,496,116.82	-388,104,958.41
II. Cash flows arising from investing activities:		
Cash received from recovering investment	700,000,000.00	185,000,000.00
Cash received from investment income	6,856,855.12	10,469,068.45
Net cash received from disposal of fixed, intangible and other long-term assets	1,095,433.16	210,271.10
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities	138,387,471.00	68,390,962.53
Subtotal of cash inflow from investing activities	846,339,759.28	264,070,302.08
Cash paid for purchasing fixed, intangible and other long-term assets	125,772,890.37	234,361,940.15
Cash paid for investment	1,420,000,000.00	735,280,051.17
Net increase of mortgaged loans		
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities	47,506.93	-
Subtotal of cash outflow from investing activities	1,545,820,397.30	969,641,991.32
Net cash flows arising from investing activities	-699,480,638.02	-705,571,689.24
III. Cash flows arising from financing activities:		
Cash received from absorbing investment	15,000,000.00	-
Including: Cash received from absorbing minority shareholders' investment by subsidiaries	15,000,000.00	-
Cash received from loans	934,661,487.16	1,460,006,749.33
Other cash received concerning financing activities	4,675,857.30	-
Subtotal of cash inflow from financing activities	954,337,344.46	1,460,006,749.33
Cash paid for settling debts	1,232,876,410.00	863,778,688.78
Cash paid for dividend and profit distributing or interest paying	66,120,511.52	93,535,991.73
Including: Dividend and profit of minority shareholder paid by subsidiaries	1,598,892.00	4,796,676.00
Other cash paid concerning financing activities	11,341,697.18	930,211.84
Subtotal of cash outflow from financing activities	1,310,338,618.70	958,244,892.35
Net cash flows arising from financing activities	-356,001,274.24	501,761,856.98
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	-14,000,285.27	-1,424,516.77
V. Net increase of cash and cash equivalents	-1,657,978,314.35	-593,339,307.44
Add: Balance of cash and cash equivalents at the period -begin	6,425,529,815.10	5,385,807,475.51
VI. Balance of cash and cash equivalents at the period -end	4,767,551,500.75	4,792,468,168.07

Legal Representative: Wu Dinggang

Person in charge of accounting works: Pang Haitao

Person in charge of accounting institute: Yang Jun

6. Cash Flow Statement of Parent Company

In RMB

Item	Semi-annual of 2021	Semi-annual of 2020
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	3,289,172,496.97	3,141,710,817.95
Write-back of tax received	161,887,225.42	107,087,533.56
Other cash received concerning operating activities	52,318,868.30	47,856,925.29
Subtotal of cash inflow arising from operating activities	3,503,378,590.69	3,296,655,276.80
Cash paid for purchasing commodities and receiving labor service	3,656,146,099.06	2,941,987,065.27
Cash paid to/for staff and workers	234,676,912.75	161,430,366.15
Taxes paid	26,688,550.76	33,476,947.97
Other cash paid concerning operating activities	313,451,006.32	141,140,278.49
Subtotal of cash outflow arising from operating activities	4,230,962,568.89	3,278,034,657.88
Net cash flows arising from operating activities	-727,583,978.20	18,620,618.92
II. Cash flows arising from investing activities:		
Cash received from recovering investment	700,000,000.00	150,000,000.00
Cash received from investment income	7,992,927.12	78,655,551.41
Net cash received from disposal of fixed, intangible and other long-term assets	867,706.09	193,300.00
Net cash received from disposal of subsidiaries and other units		-
Other cash received concerning investing activities	94,536,857.03	54,966,416.09
Subtotal of cash inflow from investing activities	803,397,490.24	283,815,267.50
Cash paid for purchasing fixed, intangible and other long-term assets	71,849,222.83	75,044,489.91
Cash paid for investment	1,455,000,000.00	835,280,049.17
Net cash received from subsidiaries and other units obtained		-
Other cash paid concerning investing activities	102,662.47	-
Subtotal of cash outflow from investing activities	1,526,951,885.30	910,324,539.08
Net cash flows arising from investing activities	-723,554,395.06	-626,509,271.58
III. Cash flows arising from financing activities:		
Cash received from absorbing investment		
Cash received from loans	924,661,487.16	1,058,647,533.33
Other cash received concerning financing activities	170,670,545.80	9,652,301.36
Subtotal of cash inflow from financing activities	1,095,332,032.96	1,068,299,834.69
Cash paid for settling debts	1,149,699,750.00	614,397,944.82
Cash paid for dividend and profit distributing or interest paying	63,099,086.76	83,234,428.66
Other cash paid concerning financing activities	146,209,276.30	166,648,785.81
Subtotal of cash outflow from financing activities	1,359,008,113.06	864,281,159.29
Net cash flows arising from financing activities	-263,676,080.10	204,018,675.40
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	-5,782,949.41	182,509.41
V. Net increase of cash and cash equivalents	-1,720,597,402.77	-403,687,467.85
Add: Balance of cash and cash equivalents at the period -begin	4,597,503,833.78	4,017,400,437.18
VI. Balance of cash and cash equivalents at the period -end	2,876,906,431.01	3,613,712,969.33

Legal Representative: Wu Dinggang

Person in charge of accounting works: Pang Haitao

Person in charge of accounting institute: Yang Jun

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

Current Amount

In RMB

Item	Semi-annual of 2021												Minority interests	Total owners' equity	
	Owners' equity attributable to the parent Company														
	Share capital	Other equity instrument			Capital reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surplus reserve	Provision of general risk	Retained profit	Other			Subtotal
	Preferred stock	Perpetual capital securities	Other												
I. The ending balance of the previous year	1,044,597,881.00				2,683,837,229.12	9,929,336.18	-21,451,084.17		416,364,790.43		740,754,202.23		4,854,173,682.43	107,921,283.49	4,962,094,965.92
Add: Changes of accounting policy															
Error correction of the last period															
Enterprise combine under the same control															
Other															
II. The beginning balance of the current year	1,044,597,881.00				2,683,837,229.12	9,929,336.18	-21,451,084.17		416,364,790.43		740,754,202.23		4,854,173,682.43	107,921,283.49	4,962,094,965.92
III. Increase/ Decrease in the period (Decrease is listed with "-")					-3,735.20	7,029,141.10	-1,271,363.35				-14,618,909.06		-22,923,148.71	31,953,567.38	9,030,418.67
(i) Total comprehensive income							-1,271,363.35				37,157,511.54		35,886,148.19	18,552,459.38	54,438,607.57
(ii) Owners' devoted and decreased capital					-3,735.20	7,029,141.10							-7,032,876.30	15,000,000.00	7,967,123.70
1.Common shares					-3,735.20	7,029,141.10							-7,032,876.30	15,000,000.00	7,967,123.70

2. Usage in the report period															
(vi) Others															
IV. Balance at the end of the period	1,044,597,881.00				2,683,833,493.92	16,958,477.28	-22,722,447.52		416,364,790.43		726,135,293.17		4,831,250,533.72	139,874,850.87	4,971,125,384.59

Amount of the previous period

In RMB

Item	Semi-annual of 2020													Minority interests	Total owners' equity
	Owners' equity attributable to the parent Company											Subtotal			
	Share capital	Other equity instrument			Capital reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surplus reserve	Provision of general risk	Retained profit		Other		
	Preferred stock	Perpetual capital securities	Other												
I. The ending balance of the previous year	1,044,597,881.00				2,684,366,619.10		-18,931,430.36		410,786,860.20		884,127,743.42		5,004,947,673.36	107,027,038.74	5,111,974,712.10
Add: Changes of accounting policy															
Error correction of the last period															
Enterprise combine under the same control															
Other															
II. The beginning balance of the current year	1,044,597,881.00				2,684,366,619.10		-18,931,430.36		410,786,860.20		884,127,743.42		5,004,947,673.36	107,027,038.74	5,111,974,712.10
III. Increase/ Decrease in the period (Decrease is listed with "-")					-559,888.62		-630,002.84				-262,360,474.98		-263,550,366.44	-14,537,831.49	-278,088,197.93
(i) Total comprehensive income							-630,002.84				-210,130,580.93		-210,760,583.77	-9,420,992.95	-220,181,576.72
(ii) Owners' devoted and decreased capital					-559,888.62								-559,888.62	279,839.46	-280,049.16

1. Withdrawal in the report period														
2. Usage in the report period														
(vi) Others														
IV. Balance at the end of the period	1,044,597,881.00				2,683,806,730.48		-19,561,433.20	410,786,860.20		621,767,268.44		4,741,397,306.92	92,489,207.25	4,833,886,514.17

Legal Representative: Wu Dinggang

Person in charge of accounting works: Pang Haitao

Person in charge of accounting institute: Yang Jun

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

Current Amount

In RMB

Item	Semi-annual of 2021											
	Share capital	Other equity instrument			Capital reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surplus reserve	Retained profit	Other	Total owners' equity
		Preferred stock	Perpetual capital securities	Other								
I. The ending balance of the previous year	1,044,597,881.00				2,753,137,787.99	9,929,336.18			416,146,624.75	943,879,339.46		5,147,832,297.02
Add: Changes of accounting policy												
Error correction of the last period												
Other												
II. The beginning balance of the current year	1,044,597,881.00				2,753,137,787.99	9,929,336.18			416,146,624.75	943,879,339.46		5,147,832,297.02
III. Increase/ Decrease in the period (Decrease is listed with "-")					-3,735.20	7,029,141.10				11,928,810.70		4,895,934.40

”)													
(i) Total comprehensive income											63,705,231.30		63,705,231.30
(ii) Owners' devoted and decreased capital					-3,735.20	7,029,141.10							-7,032,876.30
1. Common shares invested by shareholders					-3,735.20	7,029,141.10							-7,032,876.30
2. Capital invested by holders of other equity instruments													
3. Amount reckoned into owners equity with share-based payment													
4. Other													
(iii) Profit distribution											-51,776,420.60		-51,776,420.60
1. Withdrawal of surplus reserves													
2. Distribution for owners (or shareholders)											-51,776,420.60		-51,776,420.60
3. Other													
(iv) Carrying forward internal owners' equity													
1. Capital reserves converted to capital (share capital)													
2. Surplus reserves converted to capital (share capital)													
3. Remedying loss with surplus reserve													
4. Carry-over retained earnings from the defined benefit plans													
5. Carry-over retained earnings from other comprehensive income													
6. Other													
(v) Reasonable reserve													
1. Withdrawal in the report period													
2. Usage in the report period													
(vi) Others													

IV. Balance at the end of the period	1,044,597,881.00				2,753,134,052.79	16,958,477.28			416,146,624.75	955,808,150.16		5,152,728,231.42
--------------------------------------	------------------	--	--	--	------------------	---------------	--	--	----------------	----------------	--	------------------

Amount of the previous period

In RMB

Item	Semi-annual of 2020											
	Share capital	Other equity instrument			Capital reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surplus reserve	Retained profit	Other	Total owners' equity
		Preferr ed stock	Perpetual capital securities	Other								
I. The ending balance of the previous year	1,044,597,881.00				2,753,017,007.10				410,568,694.52	945,907,861.41		5,154,091,444.03
Add: Changes of accounting policy												
Error correction of the last period												
Other												
II. The beginning balance of the current year	1,044,597,881.00				2,753,017,007.10				410,568,694.52	945,907,861.41		5,154,091,444.03
III. Increase/ Decrease in the period (Decrease is listed with "-")										-4,659,253.69		-4,659,253.69
(i) Total comprehensive income										47,570,640.36		47,570,640.36
(ii) Owners' devoted and decreased capital												
1.Common shares invested by shareholders												
2. Capital invested by holders of other equity instruments												
3. Amount reckoned into owners equity with share-based payment												
4. Other												
(iii) Profit distribution										-52,229,894.05		-52,229,894.05
1. Withdrawal of surplus reserves												
2. Distribution for owners (or shareholders)										-52,229,894.05		-52,229,894.05
3. Other												
(iv) Carrying forward internal owners' equity												
1. Capital reserves conversed to capital (share capital)												

2. Surplus reserves converted to capital (share capital)												
3. Remedying loss with surplus reserve												
4. Carry-over retained earnings from the defined benefit plans												
5. Carry-over retained earnings from other comprehensive income												
6. Other												
(v) Reasonable reserve												
1. Withdrawal in the report period												
2. Usage in the report period												
(vi) Others												
IV. Balance at the end of the period	1,044,597,881.00				2,753,017,007.10				410,568,694.52	941,248,607.72		5,149,432,190.34

Legal Representative: Wu Dinggang

Person in charge of accounting works: Pang Haitao

Person in charge of accounting institute: Yang Jun

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

I. Company profile

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

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

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

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

On October 29, 2008, Changhong Group signed Agreement on Equity Transfer of Hefei Meiling Co., Ltd with Sichuan Changhong, in which 32,078,846 tradable A-shares with conditional subscription of the Company (accounting for 7.76% in total shares) held by Changhong Group. On 23 December 2008, “Reply of Transfer Freely of Part of the Shares of Hefei Meiling Co., Ltd. held by State-owned shareholders” [GZCQ (2008) No. 1413] issued by SASAC agrees the above said share transferring.

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

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

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

On 26 June 2012, the general meeting of the Company considered and approved the 2011 profit distribution and capitalization of capital reserve plan, namely to distribute cash dividends of RMB 0.5 (tax included) plus two shares for every ten shares to all shareholders capitalized from capital reserve, based on the total share capital of 636,449,338 shares as of 31 December 2011. The total share capital of the Company upon implementation of capitalization of capital reserve increased to 763,739,205 shares from 636,449,338 shares, and was verified by Anhui Anlian Xinda Accounting Firm with the verification report WALXDYZ (2012) No.093.

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

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Ended as 30 June 2021, total share capital of the Company amounting to 1,044,597,881 shares with ordinary shares in full. Among which, 881,733,881 shares of A-share accounting 84.41% in total shares while B-share with 162,864,000 shares accounting 15.59% in total shares. Detail share capital as:

Type of stock	Quantity	Proportion
(I)Restricted shares	8,442,922	0.81%
1. State-owned shares		
2. State-owned legal person's shares	1,653,735	0.16%
3. Other domestic shares	5,521,767	0.53%
Including: Domestic legal person's shares	3,978,329	0.38%
Domestic natural person's shares	1,543,438	0.15%
4. Foreign shares	1,267,420	0.12%
Including: Overseas legal person's shares		
Overseas natural person's shares	1,267,420	0.12%
(II)Unrestricted shares	1,036,154,959	99.19%
1. RMB Ordinary shares	874,558,379	83.72%
2. Domestically listed foreign shares	161,596,580	15.47%
3. Overseas listed foreign shares		
4. Others		
Total shares	1,044,597,881	100.00%

The Company belongs to the manufacture of light industry, and engaged in the production and sale of refrigerator, freezer and air-conditioner. Unified social credit code of the Company: 9134000014918555XK; Address: No.2163, Lianhua Road, Economy and Technology Development Zone, Hefei City; Legal Representative: Wu Dinggang; register capital (paid-in capital): 1,044,597,881 Yuan; type of company: limited liability company(joint venture and listed of Taiwan, Hong Kong and Macao) Business Scope: R&D, manufacture and sales of cooling apparatus, air-conditioner, washing machine, water heater, kitchenware, home decoration, bathroom, lamps & lanterns, household & similar appliance, injection plastic machine of computer controlling, plastic products, metalwork, packaging products and decorations as well as the installation and technical consultant services. Business of self-produced products, technology export and import-export of the raw& auxiliary materials, machinery equipment, instrument and technology; department sales and transportation (Excluding dangerous chemicals), computer network system integration, intelligent product system integration, software development and technical information services, development, production, sales and service of automation equipment and electronic products, sales services of cold chain transport vehicles and refrigerator and freezer van, development, production, sales and service of cold chain insulation boxes, research and development, production, sales and service of cold storage, commercial freezer chain display cabinets, commercial cold chain products. (Projects that require approval in accordance with the law can only be operated after approval by relevant departments)

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

II. Scope of consolidated financial statement

In the reporting period, the consolidated financial statements of the Company cover 30 subsidiaries, including Sichuan Changhong Air-conditioner Co., Ltd, Zhongshan Changhong Electric Co., Ltd. and Zhongke Meiling Cryogenic Technology Co., Ltd. etc. Compared with the previous year, one new subsidiary includes in the consolidated financial statement- Anhui Ling'an Medical Equipment Co., Ltd.

More details can be seen in the report “VII. Changes in the scope of the merger” and “XIII. Equity in other entities” carry in the Note

III. Basis for preparation of financial statement

1. Basis for preparation

The financial statements of the Company were prepared in accordance with the actual transactions and proceedings, and relevant regulation of Accounting Standards for Business Enterprise released by the Ministry of Finance, and was on the basis of sustainable operation, and the accounting policy and estimation stated in the “IV. Significant Accounting Policy and Accounting Estimation”

2. Continuous operation

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

IV. Significant Accounting Policy and accounting Estimation

1. Statement on observation of accounting standards for enterprise

The financial statement prepared by the Company applies with the requirements of Accounting Standard for Business Enterprise, and reflects the financial condition, operational achievements and cash flow of the Company effectively and completely.

2. Accounting period

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

3. Operation cycle

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

4. Standard currency for accounting

The Company takes RMB as the standard currency for accounting.

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

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

control

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

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

6. Measures on Preparation of Consolidated Financial Statements

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

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

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

As for subsidiary acquired through business combination under common control, its operating results and cash flow will be included in consolidated financial statement since the beginning of the period when

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

combination occurs. When preparing comparative consolidated financial statement, the relevant items in previous years financial statement shall be adjusted as if the reporting entity formed upon combination has been existing since the ultimate controller commenced relevant control.

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

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

As for equity interests of the investee not under common control acquired through various transactions which eventually formed business combination, the Company shall supplement disclosure of the accounting treatment in consolidated financial statement in the reporting period when controlling power is obtained. For example, as for equity interests of the investee not under common control acquired through various transactions which eventually formed business combination, when preparing consolidated financial statement, the Company would re-measure the equity interests held in the acquiree before acquisition date at their fair value as of the acquisition date, and any difference between the fair value and carrying value is included in current investment income. In case that the equity interests in acquiree held by the Company before the relevant acquisition date involves other comprehensive income at equity method and change of other owners' equity (other than net gains and losses, other comprehensive income and profit distribution), then the equity interests would transfer to investment gains and losses for the period which the acquisition

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

date falls upon. The other comprehensive income arising from change of the net liabilities or net assets under established benefit scheme as acquiree's re-measured such scheme is excluded.

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

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

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

7. Accounting treatment for joint venture arrangement and joint controlled entity

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

8. Cash and cash equivalents

Cash in the cash flow statement comprises the Group's cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are short-term, highly liquid investments held by the Group, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, including but not limited to the followings which meet the aforesaid conditions: debt investment matured within three months upon the acquisition date, bank time deposit which can be early withdrew by

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

serving a notice and transferrable deposit receipt, etc. for time deposit which can not be used for payment at any time, it would be note recognized as cash; while if can be used for such purpose, it would be recognized as cash. Guarantee deposit over three months in other monetary capital shall not be recognized as cash equivalents, and those less than three months are recognized as cash equivalents.

9. Foreign currency business and foreign currency financial statement conversion

(1) Foreign currency business

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

(2) Conversion of foreign currency financial statement

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

10. Financial assets and liabilities

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

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

Fair value refers to the price that a market participant can get by selling an asset or has to pay for transferring a liability in an orderly transaction that occurs on the measurement date. For a financial instrument having an active market, the Company uses the quoted prices in the active market to determine its fair value.

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Quotations in an active market refer to prices that are readily available from exchanges, brokers, industry associations, pricing services, etc., and represent the prices of market transactions that actually occur in an arm's length transaction. If there is no active market for a financial instrument, the Company uses valuation techniques to determine its fair value. Valuation techniques include reference to prices used in recent market transactions by parties familiar with the situation and through voluntary trade, and reference to current fair values of other financial instruments that are substantially identical, discounted cash flow methods, and option pricing models.

(2) Category and measurement on financial assets

The group divided the financial assets as the follow while initially recognized: the financial assets measured at amortized cost; the financial assets measured at fair value and whose changes are included in other comprehensive income; and the financial assets measured by fair value and with variation reckoned into current gains/losses. The classification of financial assets depends on the business model that the Group's enterprises manage the financial assets and the cash flow characteristics of the financial assets.

1) The financial assets measured at amortized cost

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

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

Financial assets are classified as financial assets measured at fair value and whose changes are included in other comprehensive income when they also meet the following conditions: The Group's business model for managing the financial assets is targeted at both the collection of contractual cash flows and the sale of financial assets; the contractual terms of the financial asset stipulate that the cash flow generated on a specific date is only the payment of the principal and the interest based on the outstanding principal amount. For such financial assets, fair value is used for subsequent measurement. The discount or premium is amortized by using the effective interest method and is recognized as interest income or expenses. Except the impairment losses and the exchange differences of foreign currency monetary financial assets are recognized as the current profits and losses, the changes in the fair value of such financial assets are recognized as other comprehensive income until the financial assets are derecognized, the accumulated gains or losses are

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

transferred to the current profits and losses. Interest income related to such financial assets is included in the current profit and loss. Such financial assets are listed as other debt investments, other debt investments due within one year (including one year) from the balance sheet date are listed as non-current assets due within one year; and other debt investments with time limit within one year (including one year) when acquired are listed as other current assets.

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

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

(3) Devaluation of financial instrument

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

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

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

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

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

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

(i.e. long-term receivables);

Evaluate expected credit losses based on customer credit characteristics and ageing combinations: in addition to evaluating expected credit losses based on individual items, the Group evaluates the expected credit losses of notes receivable and accounts receivable and other receivables financial instruments based on customer credit characteristics and ageing combinations.

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

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

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

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

If the enterprise has neither transferred or kept almost all risks and remunerations of financial assets ownership, nor given up controlling the financial assets, then confirm the relevant financial assets according to how it continues to involve into the transferred financial assets and confirm the relevant liabilities accordingly. The extent of continuing involvement in the transferred financial assets refers to the level of risk arising from the changes in financial assets value faced by the enterprise.

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

If part transfer of financial assets satisfies the demand for derecognition, apportion the integral book value of the transferred financial assets between the derecognized parts and the parts not yet derecognized according to each relative fair value, and reckon the balance between the sum of consideration received from transfer

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

and fluctuation accumulated amount of fair value formerly reckoned in other consolidated income that should be apportioned to the derecognized parts and the apportioned aforementioned carrying amounts in the current profits and losses.

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

(5) Category and measurement of financial liability

Financial liability is classified into financial liability measured by fair value and with variation reckoned into current gains/losses and other financial liability at initially measurement. Financial liability shall be initially recognized and measured at fair value. As for the financial liability measured by fair value and with variation reckoned into current gains/losses, relevant trading costs are directly reckoned into current gains/losses while other financial liability shall be reckoned into the initial amount recognized.

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

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

② Other financial liability

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

③ Financial guarantee contract

The financial guarantee contract of a financial liability which is not designated to be measured at fair value

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

through profit or loss is initially recognized at fair value, and its subsequent measurement is carried out by the higher one between the amount confirmed in accordance with the Accounting Standards for Business Enterprises No. 13 — Contingencies after initial recognition and the balance after deducting the accumulated amortization amount determined in accordance with the principle of Accounting Standards for Business Enterprises No. 14—Revenue from the initial recognition amount.

(6) Termination of recognition of financial liability

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

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

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

(8) Derivatives and embedded derivatives

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

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

is designated as a financial asset or financial liability measured at fair value and whose changes are included in current profits and losses.

(9) Equity instrument

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

11. Inventory

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

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

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

12. Contract assets

(1) Confirmation methods and standards of contract assets

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

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

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

For the determination method for expected credit loss of contract assets, please refer to the above-mentioned 10. (3) Accounting treatment methods for financial instrument impairment. The Company calculates the expected credit loss of contract assets on the balance sheet date, if the expected credit loss is greater than the book value of provision for impairment of contract assets, the Company shall recognize the difference as an impairment loss, debiting the "asset impairment loss" and crediting the "contract asset impairment provision". On the contrary, the Company shall recognize the difference as an impairment gain and keep the opposite accounting records.

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

13. Contract cost

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

The Company's assets related to contract costs include contract performance cost and contract acquisition cost.

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

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

(2) Amortization of assets related to contract costs

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

(3) Impairment of assets related to contract costs

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

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

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

14. Long-term equity investment

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

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

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

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

When calculated by cost method, long-term equity investment is priced according to its investment cost, and cost of the investment is adjusted when making additional investment or writing off investment; When calculated by equity method, current investment gains and losses represent the proportion of the net gains and losses realized by the invested unit in current year attributable to or undertaken by the investor. When the Company is believed to enjoy proportion of net gains and losses of invested unit, gains and losses attributable to the Company according to its shareholding ratio is to computer out according to the accounting policy and accounting period of the Company, on the basis of the fair value of various

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

recognizable assets of the invested unit as at the date of obtaining of the investment, after offset of gains and losses arising from internal transactions with associates and joint-ventures, and finally to make confirmation after adjustment of net profit of the invested unit. Confirmation on gains and losses from the long-term equity investment in associates and joint-ventures held by the Company prior to the first execution day, could only stand up with the precedent condition that debit balance of equity investment straightly amortized according to its original remaining term has already been deducted, if the aforementioned balance relating to the investment do exist.

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

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

15. Investment real estate

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

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

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

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

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

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

16.Fixed assets

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

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

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

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

amount of income from disposal, transfer, discarding as scrap or damage of fixed asset after deducting the asset's carrying value and relevant taxation shall be written into current gains and losses.

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

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

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

17. Construction in progress

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

18. Borrowing expense

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

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

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

borrowing. Capitalization rate is determined according to weighted average interest rate of common borrowing.

19. Right-of-use assets and lease liabilities

When the Company becomes the lessee of the lease contract and is entitled to receive almost all the economic benefits arising from the use of the identified assets during the use period and is entitled to lead the use of the identified assets during the use period, the leased assets shall be recognized as lease liabilities according to the present value of the unpaid lease payments after deducting lease incentives (except for short-term leases and low-value asset leases with simplified treatment), and the right-of-use assets shall be recognized based on the sum of the present value of lease liabilities, the prepaid rents and the initial direct expenses, and depreciation and interest expenses shall be recognized respectively. For short-term leases with no purchase option within one year and lease contracts with a value of less than 40,000 yuan (excluding the sublease or expected sublease of assets), we choose to follow the simplified treatment and record into the related asset cost of or current profit and loss in accordance with the straight-line method during the lease period.

Where both leasing and non-leasing businesses exist in the contract and can be split, financial accounting of the leasing business shall be carried out according to the leasing standards. Where both leasing and non-leasing businesses exist in the contract and cannot be split, integrate into the leasing business for financial accounting according to the leasing standards.

It is necessary to judge whether the lease change can be confirmed as a single lease business, and those meeting the conditions for confirmation of a single lease shall be confirmed separately. The present value of lease liabilities shall be reassessed and measured if the single lease business does not meeting the conditions for confirmation of a single lease or major events or changes within the control of the lessee occur, and adjust the book value of the right-of-use assets accordingly. If the book value of the right-of-use assets has been reduced to zero, but the lease liabilities still need to be further reduced, the lessee shall include the remaining amount into the corresponding expenses of the current period.

When the Company becomes the lessor of a lease contract, the lease shall be divided into operating lease and financial lease on the commencement date of the lease. Financial lease refers to a lease that substantially transfers all the risks and rewards associated with the ownership of an asset. Operating lease refers to other lease except finance lease. The rent of the operating lease is recognized as income during the lease term by the straight-line method. The net investment of the lease shall be taken as the book value of the finance lease receivables, and the net investment of the lease is the sum of the unsecured residual value and the present value of the lease payments not received on the commencement date of the lease period.

20. Intangible assets

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

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

The land use rights are amortized equally over the period from the commencement date of the grant; the remaining intangible assets are amortized equally over the shortest of the estimated useful life, the contractual beneficial life and the effective life as prescribed by law. Amortization is charged to the cost of the relevant asset and to current profit or loss in accordance with the object of its benefit. The estimated useful life and amortization method for intangible assets with finite useful lives are reviewed at the end of each year and any changes are treated as changes in accounting estimates.

21. Research and development(R&D)

As for expenditure for research and development, the Company classifies it into expenditure on research phase and development phase, based on nature of the expenditure and that whether the final intangible assets formed by research & development is of great uncertainty. Expenditure arising during research should be recorded in current gains and losses upon occurrence; expenditure arising during development is confirmed as intangible assets when satisfying the following conditions:

- Completions of the intangible assets make it available for application or sell in technology;
- Equipped with plan to complete the intangible asset and apply or sell it;
- There is market for products produced with this intangible asset or the intangible asset itself;
- Have sufficient technology, financial resource and other resources to support development of the intangible assets, and have ability to apply or sell the assets;
- Expenditure attributable to development of the intangible assets could be reliable measured.

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

22. Impairment of long-term assets

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

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

assets group or assets group portfolio where such asset belongs to.

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

Indications for impairment are as follows:

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

23. Contract liability

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

24. Goodwill

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

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

25. Staff remuneration

Employee benefits mainly include all kinds of remuneration incurred in exchange for services rendered by

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

employees or compensation to the termination of employment relationship such as short-term wages, post-employment benefits, compensation for the termination of employment relationship and other long-term employee welfare.

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

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

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

26. Accrual liability

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

27. Principle of recognition of revenue and measurement method

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

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

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

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

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

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

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

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

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

- 1) The Company has the current right to collect payment for the goods or services;
- 2) The Company has transferred the goods in kind to the customer;

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

- 3) The Company has physically transferred the goods to the customer;
- 4) The Company has transferred the principal risks and rewards of ownership of the goods to the customer;
- 5) The customer has accepted the goods or services, etc.

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

28. Government subsidy

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

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

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

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

29. Deferred Income Tax Assets and Deferred Income Tax Liabilities

A deferred tax asset and deferred tax liability shall be determined by a difference (temporary difference) between the carrying amount of an asset or liability and its tax base. The deferred tax asset shall be recognized for the carry forward of unused deductible losses that it is probable that future taxable profits will be available against which the deductible losses can be utilized. For temporary difference arising from initial recognition of goodwill, no corresponding deferred income tax liabilities will be recognized. For temporary

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

difference arising from initial recognition of assets and liabilities occurred in the transaction related to non-business combination which neither affect accounting profit nor taxable income (or deductible losses), no corresponding deferred income tax assets and deferred income tax liabilities will be recognized. As of the balance sheet date, deferred income tax assets and deferred income tax liabilities are measured at the effective tax rate applicable to the period when recovery of assets or settlement of liabilities occur.

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

30. Held-for-sale

(1)The Company classifies non-current assets or disposal groups that meet all of the following conditions as held-for-sale: 1) according to the practice of selling this type of assets or disposal groups in a similar transaction, the non-current assets or disposal group can be sold immediately at its current condition; 2) The sale is likely to occur, that is, the Company has made resolution on the selling plan and obtained definite purchase commitment, the selling is estimated to be completed within one year. Those assets whose disposal is subject to approval from relevant authority or supervisory department under relevant requirements are subject to that approval. Prior to the preliminary classification of non-current assets or disposal group as the category of held-for-sale, the Company measures the carrying value of the respective assets and liabilities within the non-current assets or disposal group under relevant accounting standards. For non-current asset or disposal group held for sale, for which it is found that the carrying value is higher than its fair value less disposal expense during the initial measurement or re-measurement on the balance sheet date, the carrying value shall be deducted to the net amount of fair value less disposal expense, and the reduced amount shall be recognized as impairment loss in profit or loss for the period, and provision of impairment of assets held for sale shall be provided for accordingly.

(2)The non-current assets or disposal group that the Company has acquired specially for resale are classified as held for sale on the acquisition date when they meet the condition that “the selling is estimated to be completed within one year” on the acquisition date, and are likely to satisfy other conditions of being classified as the type of held for sale in a short-term (usually being 3 months). Non-current assets or disposal group classified as held for sale are measured at the lower of their initial measurement amount and the net amount after their fair value less the selling expenses based on the assumption that such non-current assets or disposal group are not classified as held for sale at the time of initial measurement. Except for the non-current assets or disposal group acquired in a business combination, the difference arising from considering the net amount of such non-current assets or disposal group after their fair value less the selling expenses as the initial measurement amount is recorded in the current profit or loss.

(3)In case of loss of control over the subsidiaries due to the sales of investment in subsidiaries, no matter whether the Company retains part of the equity investment after selling investment in subsidiaries, the investment in subsidiaries shall be classified as held for sale on an aggregate basis in the separate financial statements of the parent company when the investment in subsidiaries proposed to be sold satisfies the

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

conditions for being classified as held for sale; and all the assets and liabilities of the subsidiary shall be classified as held for sale in the consolidated financial statements.

(4) If the net amount of fair value of non-current assets held for sale less sales expense on subsequent balance sheet date increases, the amount previously reduced for accounting shall be recovered and reverted from the impairment loss recognized after the asset is classified under the category of held for sale, with the amount reverted recorded in profit or loss for the period. Impairment loss recognized before the asset is classified under the category of held for sale shall not be reverted.

(5) For the amount of impairment loss on assets, the carrying value of disposal group's goodwill shall be offset against first, and then offset against the book value of non-current assets according to the proportion of book value of non-current assets.

If the net amount of fair value of the disposal group held for sale on the subsequent balance sheet date less sales expenses increases, the amount reduced for accounting in previous periods shall be restored, and shall be reverted in the impairment loss recognized in respect of the non-current assets which are applicable to relevant measurement provisions after classification into the category of held for sale, with the reverted amount charged in profit or loss for the current period. The written-off carrying value of goodwill and impairment loss of non-current assets which is recognized prior to classification into the category of held for sale shall not be reverted.

The subsequent reversed amount in respect of the impairment loss on assets recognized in the disposal group held for sale will increase the book value in proportion of the book value of each non-current asset (other than goodwill) in the disposal group.

(6) The non-current assets in the non-current assets or disposal group held for sale is not depreciated or amortized, and the debt interests and other fees in the disposal group held for sale continue to be recognized.

(7) If the non-current assets or disposal group are no longer classified as held for sale since they no longer meet the condition of being classified as held for sale or the non-current assets are removed from the disposal group held for sale, they will be measured at the lower of the following: 1) the amount after their book value before they are classified as held for sale is adjusted based on the depreciation, amortization or impairment that should have been recognized given they are not classified as held for sale; 2) the recoverable amount.

(8) The unrecognized profits or loss will be recorded in the current profits or loss when derecognizing the non-current assets or disposal group held for sale.

31. Discontinued operation

A discontinued operation is a separately identified component of the Group that either has been disposed of or is classified as held for sale, and satisfies one of the following conditions: (1) represents a separate major line of business or geographical area of operations; (2) is part of a single co-ordinate plan to dispose of a

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

separate major line of business or geographical area of operations; and (3) is a subsidiary acquired exclusively with a view to resale.

32. Income tax accounting

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

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

33. Segment information

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

34. Explanation on significant accounting estimation

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

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

(1) Inventory impairment provision

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

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

minus the estimated cost to be incurred at the time of completion, the estimated selling expenses and relevant taxes.

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

The Company makes impairment test on fixed assets such as buildings, machine and equipment which have impairment indication and long-term assets such as goodwill as at the balance sheet date. The recoverable amount of relevant assets and assets group shall be the present value of the projected future cash flow which shall be calculated with accounting estimation.

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

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

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

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

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

(5) Projected liabilities arising from product quality guarantee

The Company commits to repair the major spare parts of refrigerators sold through go-to-countryside promotion activity for free for ten years. As to the maintenance expenses that may be increased arising from such commitment, the Company has provided projected liabilities.

Taking into account the various uncertainties during the ten years, the Company considers no discount factor of such projected liabilities. Instead, the Company reviews the parameters (probability, proportion, maintenance expense per single set) based on the actual occurrence of maintenance expenses as of each balance sheet date. If obvious change is found, the Company will adjust the projected liabilities according to the latest parameters so as to reflect the best estimation.

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

35. Other comprehensive income

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

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

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

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

36. Change of significant accounting policies and accounting estimates

(1) Change of significant accounting policy

Content and reasons	Approval procedure	Note
In 2018, the Ministry of Finance amended the Accounting Standards for Business Enterprise No.21- Lease, and the Company implemented the relevant accounting standards in preparing its financial statements for the first half year of 2021 and in accordance with the relevant convergence provisions.	Relevant change of the accounting policy has been deliberated and approved by the 7 th session of 10 th BOD	

Items and amounts of the statement items materially affected are as follows:

Item affected	Consolidated balance sheet			Balance sheet of parent company		
	2020-12-31 (before changed)	Amount adjusted	2021-1-1 (after changed)	2020-12-31- (before changed)	Amount adjusted	2021-1-1 (after changed)
Right-of-use assets		9,818,834.44	9,818,834.44			
Account paid in advance	30,105,373.40	-35,070.34	30,070,303.06	39,571,728.09		39,571,728.09
Lease liability		4,783,483.43	4,783,483.43			

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Item affected	Consolidated balance sheet			Balance sheet of parent company		
	2020-12-31 (before changed)	Amount adjusted	2021-1-1 (after changed)	2020-12-31- (before changed)	Amount adjusted	2021-1-1 (after changed)
Non-current liability due within one year	407,825,150.74	5,000,280.67	412,825,431.41	407,141,888.08		407,141,888.08

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

(3) Implementation of the new lease standard for 2021 (for the first time) adjusts the information on the relevant items in the financial statements at the beginning of the year of implementation

Notes to the adjustment of consolidation and parent company's balance sheet: in accordance with the new lease standards exercise on 1 Jan. 2021. Adjust the amount of items related to the financial statements at the beginning of the year of the first implementation based on the cumulative impact of the first implementation of the new lease standards, without adjusting the comparable period information. For the operating lease prior to the first execution date, the Company shall measure the lease liability according to the present value of remaining lease payments discounted on the basis of the internal resource input interest rate on the first execution date, and the right-of-use asset shall be adjusted according to the sum of the lease liability and the prepayment. See index 36 (1) for the specific adjustment details.

(4) There are no retrospective adjustments to prior period data for the implementation of the new lease standard from 2021 (for the first time)

V. Taxation

1. Major taxes and tax rates

Tax (expenses)	Tax (expenses) base	Tax (expenses) rate
VAT	Income from sales of goods and from processing	13%, 9%, 6%, 5%, 3%
Urban maintenance and construction tax	Turnover tax	5% or 7%
Education surcharge	Turnover tax	3%
Local education surcharge	Turnover tax	2%
Corporate income tax	Taxable income	15%, 20%, 25%, 30%, 33%
House property tax	Original book value of house property×(1-30%) or annual rent income	1.2% or 12%
Land use tax	Actual land area used	1 Yuan/M ² to 15 Yuan /M ²

Description of taxpayers with different corporate income tax rates:

Name	Income tax rate
------	-----------------

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Name	Income tax rate
Changhong Meiling Co., Ltd.	15%
Zhongke Meiling Cryogenic Technology Co., Ltd.	15%
Zhongshan Changhong Electric Co., Ltd.	15%
Sichuan Hongmei Intelligent Technology Co., Ltd.	15%
Mianyang Meiling Refrigeration Co., Ltd.	15%
Changhong Meiling Ridian Technology Co., Ltd.	15%
Ground Energy Heat Pump Tech. (Zhongshan) Co., Ltd.	15%
Hefei Meiling Nonferrous Metal Products Co., Ltd.	15%
Jiangxi Meiling Electric Appliance Co., Ltd.	15%
Sichuan Changhong Air-conditioner Co., Ltd.	15%
Anhui Tuoxing Technology Co., Ltd.	20%
Guangzhou Changhong Trading Co., Ltd.	20%
Anhui Lingan Medical Equipment Co., Ltd.	20%
Hefei Meiling Wulian Technology Co., Ltd.	20%
CH-Meiling International (Philippines) Inc.	30%
Changhong Ruba Trading Company (Private) Limited	33%

2. Preferential tax

(1) On August 17, 2020, the company obtained the high-tech enterprise certificate numbered GR202034000222 approved by the Anhui Provincial Department of Science and Technology, Anhui Provincial Department of Finance, and Anhui Provincial Taxation Bureau of the State Administration of Taxation, and enjoys 15% rate for the income tax for State Hi-Tech Enterprise for three years term.

(2) On August 17, 2020, the subsidiary Zhongke Meiling Cryogenic Technology Co., Ltd. obtained the high-tech enterprise certificate numbered GR202034000072 approved by the Anhui Provincial Department of Science and Technology, Anhui Provincial Department of Finance, and Anhui Provincial Taxation Bureau of the State Administration of Taxation, and enjoys 15% rate for the income tax for State Hi-Tech Enterprise for three years term.

(3) On December 9, 2020, the subsidiary Zhongshan Changhong Electric Co., Ltd., was included in the "Notice on Publicizing the List of the Second Batch of High-tech Enterprises to be Recognized in Guangdong Province in 2020" published by the Office of the National High-tech Enterprise Certification Management Leading Group, and continues to enjoy 15% rate for the income tax for State Hi-Tech Enterprise for three years term.

(4) The subsidiary Sichuan Hongmei Intelligent Technology Co., Ltd. has passed the qualification of high-tech enterprise certification on 9 December 2020, and enjoys 15% rate for the income tax for State Hi-Tech Enterprise for three years term.

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

(6) The subsidiary Guangdong Changhong Meiling Ridian Technology Co., Ltd. has passed the qualification of high-tech enterprise certification on 2 December 2019, and enjoys 15% rate for the income tax for State Hi-Tech Enterprise for three

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

years term.

(7) The subsidiary Hongyuan Ground Energy Heat Pump Tech. (Zhongshan) Co., Ltd. has passed the qualification of high-tech enterprise certification on 2 December 2019, and enjoys 15% rate for the income tax for State Hi-Tech Enterprise for three years term.

(8) The subsidiary Hefei Meiling Nonferrous Metal Products Co., Ltd. has passed the qualification of high-tech enterprise certification on 26 October 2018, and enjoys 15% rate for the income tax for State Hi-Tech Enterprise for three years term.

(9) The subsidiary Jiangxi Meiling Electric Appliance Co., Ltd. has passed the qualification of high-tech enterprise certification on 16 September 2019, and enjoys 15% rate for the income tax for State Hi-Tech Enterprise for three years term.

(10) The subsidiary Sichuan Changhong Air-conditioner Co., Ltd., belongs to the encouraged industry in the *Industrial Structure Adjustment Guidance Catalog* and enjoys the preferential taxation policy of corporate income tax for the Western Development, and the corporate income tax is levied at a reduced tax rate of 15%, valid until December 31, 2030.

(11) The subsidiary Anhui Tuoxing Technology Co., Ltd., Anhui Ligan Medical Equipment Co., Ltd., Hefei Meiling Wulian Technology Co., Ltd., Guangzhou Changhong Trading Co., Ltd. are in compliance with the relevant standards for small and medium-sized enterprises with meager profits in the “Notice on matters related to the implementation of preferential income tax policy to support the development of small & medium-size enterprise and individual entrepreneurs” (Guoshui [2021] No. 8) of the Ministry of Finance and the State Administration of Taxation, and temporarily implements below policies: the part of annual taxable income that does not exceed one million yuan is included in taxable income by 12.5% after a reduction, and corporate income tax is paid at a tax rate of 20%; while the part of annual taxable income exceeds one million yuan but not exceeding three million yuan is included in taxable income by 50% after a reduction, and corporate income tax is paid at a tax rate of 20%, which is valid until December 31, 2022.

VI. Notes to the major items in the consolidated financial statements

With respect to the financial statements’ figures disclosed below, unless otherwise specified, “period-beginning” refers to Jan. 1, 2021; “period-end” refers to Jun. 30, 2021; “Current Period” refers to Jan. 1 to Jun. 30, 2021; “the last period” refers to Jan. 1 to Jun. 30, 2020; the currency is RMB.

1. Monetary fund

Item	Ending balance	Opening balance
Cash	89,912.16	35,088.07
Bank deposit	4,132,381,613.96	6,100,644,898.32
Other monetary fund	1,169,651,408.13	484,232,497.85
Interest receivable on deposit	8,396,333.53	9,874,305.74
Total	5,310,519,267.78	6,594,786,789.98
Including: total amount deposited in overseas	9,678,300.21	11,293,949.64
Total use of restricted funds	534,571,433.50	159,382,669.14

Other monetary fund:

Item	Ending balance
Cash deposit	1,131,829,052.28
B share repurchase	26,606,274.19
Account of foreign currency for verification	10,372,374.03

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Item	Ending balance
Co-managed account funds	503,933.87
Taobao account	256,846.75
Union Pay online	82,927.01
Total	1,169,651,408.13

Which serves as non cash and cash equivalents refers to the banking acceptance draft deposit with a term of over three months, amounting to 484,617,499.63 yuan, forward locking deposit 50,000.00 yuan, the amount restricted for used in managed account was 503,933.87 yuan, bank deposits of 49,300,000.00 yuan frozen due to litigation, China Union Pay, Taobao account and Ten Pay are all third party payment platforms for the deposit of 100,000.00 yuan and interest receivable from deposits of 8,396,333.53 yuan, the remaining Monetary funds are treated as cash and cash equivalents.

Parts of the goods payment denominated in foreign currency should be transferred to reviewing accounts which may not be used temporarily. Upon approval of such review, those payments may be transferred to general accounts. Due to the relatively short time for reviewing foreign exchange, balance of the reviewing accounts is not limited on utilization.

2. Trading financial assets

Item	Ending balance	Opening balance
Financial assets measured at fair value and whose changes are included in current gains/losses	755,672,778.49	47,242,339.07
Including: Derivative financial assets	28,746,156.57	47,242,339.07
Principal and interest of wealth management products	726,926,621.92	

Trading financial assets refer to the RMB forward exchange fund in Current Period

3. Note receivable

(1) Category of note receivable

Item	Ending balance	Opening balance
Bank acceptance	110,365,130.06	13,023,329.01
Trade acceptance	123,550,518.22	335,880,000.00
Total	233,915,648.28	348,903,329.01
Less: bad debt provision	7,935,065.79	8,481,942.30
Book value	225,980,582.49	340,421,386.71

(2) Notes endorsement or discount and undue on balance sheet date

Item	Amount derecognition at period-end	Amount without derecognition at period-end
Bank acceptance	16,158,165.85	
Trade acceptance		
Total	16,158,165.85	

(3) Notes transfer to account receivable due for failure implementation by drawer at period-end

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Item	Amount of accounts receivable transferred at period-end
Trade acceptance	14,460,000.00
Total	14,460,000.00

(4) By accrual of bad debt provision

Category	Ending balance				Book value
	Book balance		Bad debt provision		
	Amount	Ratio	Amount	Ratio	
With bad debt provision accrual on single item	110,365,130.06	47.18%	300,000.00	0.27%	110,065,130.06
Including: bank acceptance	110,365,130.06	47.18%	300,000.00	0.27%	110,065,130.06
With bad debt provision accrual on portfolio	123,550,518.22	52.82%	7,635,065.79	6.18%	115,915,452.43
Including: trade acceptance	123,550,518.22	52.82%	7,635,065.79	6.18%	115,915,452.43
Total	233,915,648.28	100.00%	7,935,065.79	3.39%	225,980,582.49

(Continued)

Category	Opening balance				Book value
	Book balance		Bad debt provision		
	Amount	Ratio	Amount	Ratio	
With bad debt provision accrual on single item	13,023,329.01	3.73%	300,000.00	2.30%	12,723,329.01
Including: bank acceptance	13,023,329.01	3.73%	300,000.00	2.30%	12,723,329.01
With bad debt provision accrual on portfolio	335,880,000.00	96.27%	8,181,942.30	2.44%	327,698,057.70
Including: trade acceptance	335,880,000.00	96.27%	8,181,942.30	2.44%	327,698,057.70
Total	348,903,329.01	100.00%	8,481,942.30	2.43%	340,421,386.71

1) Note receivable withdrawal bad debt provision on single item

Name	Ending balance			Provision reason
	Book balance	Bad debt provision	Provision ratio (%)	
Bank acceptance	110,065,130.06			Minimal risk, holding maturity acceptance
Bank acceptance	300,000.00	300,000.00	100%	The bill has been collected by the bank
Total	110,365,130.06	300,000.00	—	—

2) Note receivable withdrawal bad debt provision by combination

Account age	Ending balance
-------------	----------------

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

	Note receivable	Bad debt provision	Provision ratio
Within 3 months (3 months included)	57,741,309.81	577,413.10	1.00%
More than 3 months and less than 6 months (6 months included)	61,041,889.96	6,104,189.00	10.00%
More than 6 months and less than 1 year (1 year included)	4,767,318.45	953,463.69	20.00%
Total	123,550,518.22	7,635,065.79	—

(5) Bad debt provision of note receivable that has been accrued, withdrawn, and reversed this period

Category	Opening balance	Changes this period				Ending balance
		Accrual	Withdrawal or reversal	Write-off	Other	
Bad debt provision	8,481,942.30	-546,876.51				7,935,065.79
Total	8,481,942.30	-546,876.51				7,935,065.79

(6) No note receivable actually written off in this period.

4. Account receivable

(1) Category of account receivable by bad debt accrual

Category	Ending balance				
	Book balance		Bad debt provision		Book value
	Amount	Ratio	Amount	Ratio	
Account receivable that withdrawal bad debt provision by single item	1,606,637,512.84	61.00%	24,560,360.79	1.53%	1,582,077,152.05
Including: current payment with related party	1,411,296,917.53	53.58%	2,840,923.40	0.20%	1,408,455,994.13
Account receivable with letter of credit	173,621,157.92	6.60%			173,621,157.92
Account receivable with single minor amount but withdrawal single item bad debt provision	21,719,437.39	0.82%	21,719,437.39	100.00%	
Account receivable withdrawal bad debt provision by portfolio	1,027,276,092.39	39.00%	63,294,173.26	6.16%	963,981,919.13
Including: account receivable of engineering customers	189,055,930.27	7.18%	13,940,083.40	7.37%	175,115,846.87
Receivables other than engineering customers	838,220,162.12	31.82%	49,354,089.86	5.89%	788,866,072.26
Total	2,633,913,605.23	100.00%	87,854,534.05	3.34%	2,546,059,071.18

(Continued)

Category	Opening balance				
	Book balance		Bad debt provision		Book value
	Amount	Ratio	Amount	Ratio	
Account receivable that withdrawal bad debt provision by single item	523,379,846.95	43.52%	25,905,935.37	4.95%	497,473,911.58
Including: current payment with related	397,745,724.79	33.07%	3,943,524.26	0.99%	393,802,200.53

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Category	Opening balance				
	Book balance		Bad debt provision		Book value
	Amount	Ratio	Amount	Ratio	
party					
Account receivable with letter of credit	72,037,362.43	5.99%			72,037,362.43
Account receivable with single minor amount but withdrawal single item bad debt provision	53,596,759.73	4.46%	21,962,411.11	40.98%	31,634,348.62
Account receivable withdrawal bad debt provision by portfolio	679,107,003.09	56.48%	46,305,134.01	6.82%	632,801,869.08
Including: account receivable of engineering customers	173,638,731.59	14.44%	13,008,672.00	7.49%	160,630,059.59
Receivables other than engineering customers	505,468,271.50	42.04%	33,296,462.01	6.59%	472,171,809.49
Total	1,202,486,850.04	100.0%	72,211,069.38	6.01%	1,130,275,780.66

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

Account receivable with single minor amount but withdrawal bad debt provision singly, refers to the minor single receivables, and withdrawal bad debt provision by combination shows no risk characteristic of the receivables, 75 clients involved.

2) Account receivable withdrawal bad debt provision by portfolio

A. Account receivable of engineering customers

Account age	Ending balance		
	Book balance	Bad debt provision	Provision ratio (%)
Within 3 months (3 months included)	47,284,652.60		
More than 3 months and less than 6 months (6 months included)	41,097,523.45		
Over 6 months and within one year (One year included)	50,196,962.50		
Over one year - within 2 years (2 years included)	37,745,416.52	7,549,083.30	20.00%
Over 2 years - within 3 years (3 years included)	12,680,750.20	6,340,375.10	50.00%
Over 3 years	50,625.00	50,625.00	100.00%
Total	189,055,930.27	13,940,083.40	—

B. Receivables other than engineering customers

Account age	Ending balance
-------------	----------------

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

	Book balance	Bad debt provision	Provision ratio (%)
Within 3 months (3 months included)	689,829,531.85	6,898,295.32	1.00%
More than 3 months and less than 6 months (6 months included)	72,215,232.06	7,221,523.21	10.00%
Over 6 months and within one year (One year included)	35,958,453.69	7,191,690.74	20.00%
Over one year - within 2 years (2 years included)	19,154,913.13	9,577,456.57	50.00%
Over 2 years - within 3 years (3 years included)	12,984,536.83	10,387,629.46	80.00%
Over 3 years	8,077,494.56	8,077,494.56	100.00%
Total	838,220,162.12	49,354,089.86	—

(2) By account age

Account age	Ending balance
Within 3 months (3 months included)	2,168,300,692.76
More than 3 months and less than 6 months (6 months included)	247,107,189.16
Over 6 months and within one year (One year included)	97,272,963.59
Over one year - within 2 years (2 years included)	67,934,834.51
Over 2 years - within 3 years (3 years included)	34,874,653.00
Over 3 years	18,423,272.21
Total	2,633,913,605.23

(3) Bad debt provision of accounts receivable this period

Category	Opening balance	Changes this period				Ending balance
		Accrual	Withdrawal or reversal	Write-off	Other	
Bad debt provision	72,211,069.38	16,898,006.47	1,228,611.25		25,930.55	87,854,534.05
Total	72,211,069.38	16,898,006.47	1,228,611.25		25,930.55	87,854,534.05

(4) Account receivable actually written-off in Current Period: nil

(5) Pledge of accounts receivable at period-end: nil.

(6) Top five receivables collected by arrears party amounting to 1,719,453,354.68 yuan in total, accounted

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

for 65.28% of the receivables of Current Period-end, the bad debt provision accrual correspondingly amounting to 20,824,326.64 yuan at period-end balance.

(7) No account receivable terminated recognition due to the transfer of financial assets

(8) No assets and liability transfer account receivable and continues to involve

5. Receivables financing

Item	Ending balance	Opening balance
Bank acceptance	1,132,467,568.98	1,632,388,702.83
Total	1,132,467,568.98	1,632,388,702.83

(1) Notes receivable already pledged that presented in receivables financing at the end of the period:

Item	Amount pledged at period-end
Bank acceptance	440,912,836.95
Total	440,912,836.95

Note: with purpose of improving the note utilization, the Company draw up bank acceptance by pledge parts of the outstanding notes receivable to the bank. For details of the pledge of bills receivable, see Note VI. 59. Assets with restricted ownership or use rights.

(2) Notes endorsement or discount and undue on balance sheet date at the end of the period

Item	Amount derecognition at period-end	Amount without derecognition at period-end
Bank acceptance	935,633,106.18	
Total	935,633,106.18	

6. Accounts paid in advance

(1) Age of account paid in advance

Item	Ending balance		Opening balance	
	Amount	Ratio (%)	Amount	Ratio (%)
Within one year	50,782,544.26	93.62%	29,388,065.57	97.73%
1-2 years	3,375,859.72	6.22%	393,517.42	1.31%
2-3 years	33,482.30	0.06%	25,000.00	0.08%
Over 3 years	54,314.62	0.10%	263,720.07	0.88%
Total	54,246,200.90	100.00%	30,070,303.06	100.00%

(2) Top 5 of account paid in advance in balance at period-end amounting to 39,328,333.92 yuan, accounted for 72.50% of the account.

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

7. Other account receivable

Item	Ending balance	Opening balance
Other account receivable	119,579,871.70	145,705,978.26
Total	119,579,871.70	145,705,978.26

(1) Category of other account receivable

Nature	Book balance at period-end	Book balance at period-begin
Export rebate	33,524,889.53	32,281,664.19
Cash deposit	70,998,962.91	77,754,290.83
Loans of employee's pretty cash	13,624,640.82	14,876,565.98
Related party not in consolidation statement	2,057,893.47	3,241,296.82
Advance money temporary	44,868.93	65,938.41
Other	216,853.56	18,375,974.37
Total	120,468,109.22	146,595,730.60

(2) Other account receivable bad debt reserves

Bad debt provision	First stage	Second stage	Third stage	Total
	Expected credit loss in next 12 months	Expected credit loss for the whole duration (no credit impairment)	Expected credit loss for the whole duration (credit impairment has occurred)	
Balance as at 1 Jan. 2021		839,752.34	50,000.00	889,752.34
Book balance of other account receivable in Current Period as at 30 Jun. 2021	—	—	—	—
-- Transfer to the second stage				
-- Transfer to the third stage				
-- Reversal to the second stage				
-- Reversal to the first stage				
Provision in Current Period		-1,514.82		-1,514.82
Reversal in Current Period				
Conversion in Current Period				
Write off in Current Period				
Other change				
Balance as at 30 Jun. 2021		838,237.52	50,000.00	888,237.52

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

(3) By account age

Account age	Ending balance
Within 3 months (3 months included)	57,004,480.08
More than 3 months and less than 6 months (6 months included)	3,577,905.93
Over 6 months and within one year (One year included)	28,852,257.97
Over one year - within 2 years (2 years included)	24,668,597.60
Over 2 years - within 3 years (3 years included)	2,048,710.92
Over 3 years	4,316,156.72
Total	120,468,109.22

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

Name	Nature	Ending balance	Account age	Proportion in total other receivables ending balance	Ending balance of bad debt provision
SAT of Hefei Economic & Technological Development Zone	Tax rebate	32,398,824.33	Within 3 months	26.89%	
Development & Reform Bureau of Qingyuan District, Baoding City	Cash deposit	16,400,000.00	Over 6 months and within one year	13.61%	
Office of the lading group for construction of new socialist countryside in Shunyi District	Cash deposit	8,780,849.40	More than 3 months and less than 6 months	7.29%	
Housing and Urban-Rural Development Bureau in Anxin County	Cash deposit	5,862,175.00	Within 3 months & more than 6 months and within 1 year	4.87%	
Housing and Urban-Rural Development Bureau in Anguo City	Cash deposit	3,319,800.00	Over 6 months and within one year	2.76%	
Total	—	66,761,648.73	—	55.42%	

(5) No other account receivable involved government subsidies

(6) No other receivables terminated recognition due to the transfer of financial assets

(7) No assets and liability transfer other receivables and continues to involve

8. Inventories

(1) Classification of inventories

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Item	Ending balance		
	Book balance	Inventory price decline provision/contract performance cost impairment provision	Book value
Raw materials	210,601,097.48	8,902,221.77	201,698,875.71
Stock commodities	1,396,193,629.54	81,229,282.34	1,314,964,347.20
Low value consumable articles	4,662,174.09	918,669.46	3,743,504.63
Goods in transit	630,696,166.92	20,320,371.32	610,375,795.60
Goods-in-process	14,545,773.24		14,545,773.24
Contract performance cost	94,330,091.14	82,985.99	94,247,105.15
Deferred expense for mould	45,913,383.53		45,913,383.53
Total	2,396,942,315.94	111,453,530.88	2,285,488,785.06

(Continued)

Item	Opening balance		
	Book balance	Inventory price decline provision/contract performance cost impairment provision	Book value
Raw materials	153,887,580.62	9,729,874.26	144,157,706.36
Stock commodities	1,227,162,291.35	73,930,262.61	1,153,232,028.74
Low value consumable articles	5,946,757.68	916,206.67	5,030,551.01
Goods in transit	245,061,800.18	9,702,391.49	235,359,408.69
Goods-in-process	8,737,073.41		8,737,073.41
Contract performance cost	119,758,145.49	97,462.80	119,660,682.69
Deferred expense for mould	49,177,500.53		49,177,500.53
Total	1,809,731,149.26	94,376,197.83	1,715,354,951.43

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

Item	Opening balance	Increase this period		Decrease this period		Ending balance
		Accrual	Other	Reversal or reselling	Other	
Raw materials	9,729,874.26	1,203,327.85		2,030,980.34		8,902,221.77
Stock commodities	73,930,262.61	28,449,893.23		21,150,873.50		81,229,282.34
Goods in transit	9,702,391.49	13,649,336.15		3,031,356.32		20,320,371.32
Low value consumable articles	916,206.67	4,603.21		2,140.42		918,669.46
Contract performance cost	97,462.80	3,205.98		17,682.79		82,985.99
Total	94,376,197.83	43,310,366.42		26,233,033.37		111,453,530.88

(8) Accrual for inventory falling price reserves

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

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

9. Other current assets

Item	Ending balance	Opening balance
Value-added tax to be deducted	198,735,885.46	181,882,278.05
Advance payment of income tax	2,898,546.47	9,506,261.78
Contract acquisition cost	13,584,231.77	4,511,132.31
Other unamortized expenses	4,120,927.62	2,453,792.84
Total	219,339,591.32	198,353,464.98

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

10. Long-term equity investment

Invested enterprise	Opening balance	Changes in Current Period								Ending balance	Ending balance of impairment	
		Additional investment	Disinvestment	Investment profit and loss confirmed by equity method	Other comprehensive income adjustment	Other changes of equity	Declaration of cash dividends or profits	Provision for impairment	Other			
Associated companies												
1.Hefei Xingmei Assets Management Co., Ltd.	6,826,274.99			-467,024.04							6,359,250.95	
2.Sichuan Zhiyijia Network Technology Co., Ltd. ^{note 1}	39,163,339.54			-16,208,022.33							22,955,317.21	
3.Hongyuan Ground Energy Heat Tech. Co., Ltd. ^{note 2}	22,103,109.57			-924,784.75							21,178,324.82	
4.Sichuan Tianyou Guigu Technology Co., Ltd. ^{note 3}	2,850,091.51			-56,544.01							2,793,547.50	
5.Chengdu Guigu Environmental Tech. Co., Ltd. ^{note 4}	6,040,006.77			-245,929.49							5,794,077.28	
6.ChanghongRuba ElectricCompany(Private)Ltd. ^{note 5}				236,565.85	-236,565.85							
7.Hefei Meiling Solar Energy Technology Co., Ltd. ^{note 6}				1,617,928.00			1,617,928.00					
Total	76,982,822.38			-16,047,810.77	-236,565.85		1,617,928.00				59,080,517.76	

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

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Note 2: subsidiary Sichuan Changhong Air Conditioner Co., Ltd (“Changhong Air Conditioner”) and Hengyouyuan Technology Development Group Co., Ltd. (“Hengyouyuan”) cooperated to establish Hongyuan Ground Energy Heat Technology Co., Ltd. on 28 October 2015. The registered capital of the company is 50 million yuan, among which, Changhong Air Conditioner contributed 24.5 million yuan, accounting for 49% of the registered capital, and Hengyouyuan contributed 25.5 million yuan, accounting for 51% of the registered capital.

Note 3: Sichuan Tianyou Guigu Technology Co., Ltd. was incorporated on 31 March 2015 with registered capital of 100 million yuan. Our subsidiary Changhong Air Conditioner made capital contribution of RMB 25 million in cash, accounting for 25% of the registered capital. Chengdu Jiaodao Property Development Company made capital contribution of 20 million yuan, accounting for 20% of the registered capital. Chengdu Southwest Jiaotong University Industry (Group) Co., Ltd made capital contribution of 20 million yuan, accounting for 20% of the registered capital. Mianyang Investment Holding (Group) Co., Ltd made capital contribution of 5 million yuan, accounting for 5% of the registered capital. Shanghai Zhongcheng Xindaya Financial Information Service Co., Ltd made capital contribution of 5 million yuan, accounting for 5% of the registered capital. Jiangsu Runye Investment Co., Ltd. made capital contribution of 10 million yuan, accounting for 10% of the registered capital. In November 2015, Jiangsu Runye Investment Co., Ltd. transferred all its 10% shares to Sichuan Shuye Jiachen Real Estate Development Co., Ltd.; Chengdu Dongyu Shangmao Co., Ltd made capital contribution of 15 million yuan, accounting for 15% of the registered capital. In November 2015, Chengdu Dongyu Shangmao Co., Ltd. transferred all its 15% shares to Chengdu Dongyu No. 1 Enterprise Management Consulting Partnership (Limited Partnership). In 2016, shareholders meeting of Sichuan Tianyou Guigu Technology Co., Ltd. agreed to reduce the 50 million Yuan capital, the shareholders are reducing the capital by ratio of share-holding. After capital reduction, subsidiary Changhong Air conditioner contributed 12.5 million Yuan, representing 25% of the registered capital.

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

Note 5: Zhongshan Changhong, a subsidiary of the Company, entered into a supplemental joint venture agreement with RUBA Comprehensive Trading Company in 2017, pursuant to which, both parties agreed to increase capital contribution of US\$ 1,130,191.00, among which, Zhongshan Changhong subscribed to contribute US\$ 452,076.00 (equivalent to 3,001,649.02 yuan on the

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

actual contribution date) according to the original shareholding proportion of 40% and RUBA Comprehensive Trading Company subscribed to contribute US\$ 678,115.00 according to the original shareholding proportion of 60%.

Note 6: Hefei Meiling Solar Energy Technology Co., Ltd. was incorporated on April 18, 2002, with a registered capital of 10 million yuan. Subsidiary Hefei Meiling Group Holdings Limited invested 3.1114 million yuan, accounting for 31.114% of the registered capital; Hefei Huayi Investment Co., Ltd. invested 4.972 million yuan, accounting for 49.72% of the registered capital; Hefei Xingtai Asset Management Co., Ltd. invested 1.9166 million yuan, accounting for 19.166% of the registered capital.

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

11. Other non-current financial assets

Item	Ending balance	Opening balance
Sichuan Changhong Group Finance Co., Ltd.	500,000,000.00	500,000,000.00
Huishang Bank Co., Ltd.	5,000,000.00	5,000,000.00
Hongyun Fund	43,148,931.34	43,148,931.34
Total	548,148,931.34	548,148,931.34

12. Investment real estate

(1) Investment real estate measured at costs

Item	House and buildings	Total
I. Original book value		
1. Opening balance	59,512,503.29	59,512,503.29
2. Increase this period	1,176,028.81	1,176,028.81
(1) Construction in progress transfer-in	1,176,028.81	1,176,028.81
3. Decrease this period		
4. Ending balance	60,688,532.10	60,688,532.10
II. Accumulated depreciation and accumulated amortization		
1. Opening balance	5,624,041.29	5,624,041.29
2. Increase this period	955,807.64	955,807.64
(1) Provision or amortization	955,807.64	955,807.64
3. Decrease this period		
4. Ending balance	6,579,848.93	6,579,848.93
III. Impairment loss		
IV. Book value		
1. Ending book value	54,108,683.17	54,108,683.17
2. Opening book value	53,888,462.00	53,888,462.00

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

(3) Particular about mortgage of investment property at period-end

Name	Original book value	Accumulated depreciation	Impairment provision	Book value
House and buildings	5,795,017.72	2,245,626.65		3,549,391.07

(4) Investment real estate without property certification held

Item	Book value	Reasons for failing to complete property rights certificate
------	------------	---

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Item	Book value	Reasons for failing to complete property rights certificate
J04workshop	29,092,598.29	Related property rights in procedure
J03workshop	18,676,006.90	Related property rights in procedure
J20 air compressor station workshop	1,234,175.06	Related property rights in procedure
J18 opening and closing office	571,364.79	Related property rights in procedure
Total	49,574,145.04	

13. Fixed assets

Item	Book value at period-end	Book value at period-begin
Fixed assets	2,274,347,136.21	2,315,983,923.20
Disposal of fixed assets	75,875,517.11	75,875,517.11
Total	2,350,222,653.32	2,391,859,440.31

13.1 Fixed assets

(1) Fixed assets

Item	House and buildings	Machinery equipment	Transport equipment	Other equipment	Total
I Original book value					
1 Opening balance	1,662,291,191.07	1,728,214,888.97	34,401,220.30	203,184,998.75	3,628,092,299.09
2 Increase this period	16,222,356.11	42,413,051.09	736,494.32	12,036,823.15	71,408,724.67
(1) Purchase		970,178.52	256,382.11	7,660,875.18	8,887,435.81
(2) Construction in progress transfer-in	16,222,356.11	41,442,872.57	474,920.37	4,318,988.62	62,459,137.67
(3) Inventory transfer in for own use				48,681.99	48,681.99
(4) Increase in exchange rate changes			5,191.84	8,277.36	13,469.20
3 Decrease this period	150,207.09	28,533,499.04	235,135.32	3,086,722.77	32,005,564.22
(1) Dispose or retirement		24,715,265.82	235,135.32	3,086,722.77	28,037,123.91
(2) Transfer to construction in progress		3,813,978.57			3,813,978.57
(3) Temporary estimated decrease	150,207.09	4,254.65			154,461.74
4 Ending balance	1,678,363,340.09	1,742,094,441.02	34,902,579.30	212,135,099.13	3,667,495,459.54
II Accumulated depreciation					
1 Opening balance	351,313,535.78	856,306,300.29	19,765,302.96	82,704,782.54	1,310,089,921.57
2 Increase this period	26,579,485.84	71,541,140.97	1,469,541.61	8,334,487.98	107,924,656.40
(1) Accrual	26,579,485.84	71,541,140.97	1,427,410.94	8,328,445.82	107,876,483.57

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Item	House and buildings	Machinery equipment	Transport equipment	Other equipment	Total
(2) Increase in exchange rate changes			42,130.67	6,042.16	48,172.83
3 Decrease this period		23,684,040.00	141,102.29	2,442,688.84	26,267,831.13
(1) Dispose or retirement		22,745,983.28	141,102.29	2,442,688.84	25,329,774.41
(2) Transfer to construction in progress		938,056.72			938,056.72
4 Ending balance	377,893,021.62	904,163,401.26	21,093,742.28	88,596,581.68	1,391,746,746.84
III. Impairment loss					
1. Opening balance		1,877,839.70		140,614.62	2,018,454.32
2. Increase this period					
3. Decrease this period		616,877.83			616,877.83
(1) Dispose or retirement		616,877.83			616,877.83
4. Ending balance		1,260,961.87		140,614.62	1,401,576.49
IV. Book value					
1. Ending book value	1,300,470,318.47	836,670,077.89	13,808,837.02	123,397,902.83	2,274,347,136.21
2. Opening book value	1,310,977,655.29	870,030,748.98	14,635,917.34	120,339,601.59	2,315,983,923.20

The new fixed assets in this period mainly due to the 62,459,137.67 yuan transfer from construction in process; decrease of the fixed assets in Current Period mainly including assets dispose for retirement.

(2) No fixed assets temporary idle at period-end.

(3) Fixed assets for collateral at period-end

Name	Original book value	Accumulated depreciation	Impairment provision	Book value
House and buildings	474,545,282.09	117,160,334.15		357,384,947.94

(4) No fixed assets leased through financing lease at period-end

(5) Fixed assets leased through operating lease at period-end

Item	Original book value	Accumulated depreciation	Impairment provision	Book value
House and buildings	42,544,605.32	10,253,003.46		32,291,601.86
Machinery equipment	34,009,099.62	10,362,209.40		23,646,890.22
Other equipment	3,152,980.30	1,321,152.50		1,831,827.80
Total	79,706,685.24	21,936,365.36		57,770,319.88

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

(6) Fixed assets without property certificate

Item	Book value	Reason of not complete the property certificate
4# makeshift shelter	4,597,552.10	Related property rights in procedure
II section canteen of living area	21,026,734.32	Related property rights in procedure
Testing and experiment center building	39,263,160.93	Related property rights in procedure
Refrigerator packaging, sorting, storage and transportation center	53,776,614.52	Related property rights in procedure
Outsourcing workshop	13,505,765.84	Related property rights in procedure
J01 workshop	28,514,098.92	Related property rights in procedure
J02 workshop	30,763,846.28	Related property rights in procedure
J05 evaporator and condenser workshop	26,828,625.32	Related property rights in procedure
J06 central air-conditioner workshop	17,329,252.30	Related property rights in procedure
J07 electrical workshop	34,265,486.52	Related property rights in procedure
J08 packing materials warehouse	4,489,884.40	Related property rights in procedure
J09raw material warehouse	6,174,515.26	Related property rights in procedure
J10raw material warehouse	4,823,660.24	Related property rights in procedure
J11raw material warehouse	4,737,640.55	Related property rights in procedure
J15 house of refrigerant forklift	1,303,436.25	Related property rights in procedure
J16 chemical storage	1,170,502.00	Related property rights in procedure
J17 chemical storage	1,280,067.04	Related property rights in procedure
J19 main guard room	321,752.38	Related property rights in procedure
J19a guard room	203,212.53	Related property rights in procedure
J19d guard room	148,637.11	Related property rights in procedure
J19e guard room	148,637.11	Related property rights in procedure
J50 finished product warehouse	16,365,982.26	Related property rights in procedure
J51 finished product warehouse	15,839,703.21	Related property rights in procedure
J52 finished product warehouse	11,301,945.86	Related property rights in procedure
J53 finished product warehouse	12,173,080.55	Related property rights in procedure

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Item	Book value	Reason of not complete the property certificate
J54 finished product warehouse	11,320,928.79	Related property rights in procedure
J55 finished product warehouse	10,370,030.58	Related property rights in procedure
J56 finished product warehouse	10,370,030.58	Related property rights in procedure
Total	382,414,783.75	

(7) No fixed assets held for sale at period-end

13.2 Disposal of fixed assets

Item	Ending balance	Opening balance	Reasons for disposal transferred
Relevant assets disposal for reserved lands	75,875,517.11	75,875,517.11	Relocation for land reserve

Pursuant to the urban planning requirements of the People's Government of Hefei city, Hefei Land Reserve Center plans to purchase and store the land use right of an integrated economic development zone of the Company located at Longgang of Hefei with an area of 103,978.9 sq.m. (Approximately 155.9684 mu, Land Use Right Certificate No.: Dong Guo Yong (2004) Zi No. 0200, the stated use of the land is for industrial purpose). The estimated consideration for purchasing and storage is RMB74.48 million. The land is mainly used for the Company's warehouse, product finishing workshop and the factory of Zhongke Meiling. Pursuant to the purchasing and storage requirements of land use right, the land will be purchased and stored with vacant possession. In April 2013, the Company completed the relocation of occupants of the premises, and the net fixed assets in relation to the land will transfer as disposal, accounting treatment will be conduct in line with relevant rules upon receiving of the relocation compensation.

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

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

14. Construction in progress

Item	Ending balance	Opening balance
Construction in progress	70,466,482.26	60,775,088.96

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Total	70,466,482.26	60,775,088.96
--------------	----------------------	----------------------

(1) Details of construction in progress

Item	Ending balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Overseas product upgrade supporting box shell line, door shell line and some old product competitiveness improvement projects	11,603,740.95		11,603,740.95	9,837,906.27		9,837,906.27
Front-end expansion project of Hefei base with an annual output of 10 million refrigerator cabinets	8,156,676.12		8,156,676.12	1,304,336.29		1,304,336.29
Meiling Living Area Apartment Renovation Project	5,952,142.98		5,952,142.98	3,587,155.98		3,587,155.98
Changhong Air Conditioner-relocation of production base and upgrading & expansion	2,789,062.21		2,789,062.21	2,942,756.39		2,942,756.39
Construction of washing machine plant	2,511,504.38		2,511,504.38	3,097,203.54		3,097,203.54
Zhongke Meiling ultra-low temperature refrigerated storage equipment expansion project	2,347,522.10		2,347,522.10			
2021 efficiency improvement project of large refrigerator manufacturing plant	2,003,938.07		2,003,938.07			
Project of the application of MES system during manufacturing	1,993,134.07		1,993,134.07	1,670,775.59		1,670,775.59
Planning and Reconstruction Project of Overseas Refrigerator Manufacturing Plants	1,542,167.91		1,542,167.91			
Aluminum tube continuous extrusion production line	1,345,132.74		1,345,132.74			
Meiling PLM Project	1,132,593.09		1,132,593.09			
Fire-fighting facility upgrade project	1,109,713.12		1,109,713.12			
Technical transformation project of Zhongshan Changhong	985,492.22		985,492.22	6,926,902.64		6,926,902.64
Production efficiency improvement project of the Line C for the	904,741.38		904,741.38	904,741.38		904,741.38

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Item	Ending balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
overseas Refrigerator Manufacture Company						
Overseas inflated evaporator products transferred to Jiangxi base production project	704,143.91		704,143.91	685,133.49		685,133.49
Industrial Changhong Internet Promotion Project	673,336.60		673,336.60			
Equipment to be installed	476,783.77		476,783.77	386,124.34		386,124.34
Construction of laboratory (inspection center)	451,434.75		451,434.75	1,623,019.14		1,623,019.14
Capacity enlargement and technology improvement project for Air-conditioner Company	423,005.50		423,005.50	1,724,400.82		1,724,400.82
The fourth-phase unmanned vending machine and large-volume commercial cabinet production line project of the freezer manufacturing company	60,679.61		60,679.61	4,049,896.54		4,049,896.54
New overseas case molding line project				2,404,757.10		2,404,757.10
Other petty projects	23,299,536.78		23,299,536.78	19,629,979.45		19,629,979.45
Total	70,466,482.26		70,466,482.26	60,775,088.96		60,775,088.96

(2) Changes in significant construction in progress

Projects	Book balance at period-begin	Increase in Current Period	Transfer to fixed assets in Current Period	Other decrease	Book balance at period-end	Source of funds
Construction of washing machine plant	3,097,203.54	2,634,420.54	3,220,119.70		2,511,504.38	Self-raised/ Raise
Construction of laboratory (inspection center)	1,623,019.14	863,813.82	2,035,398.21		451,434.75	Raise
Changhong Air Conditioner-relocation of production base and upgrading &	2,942,756.39	6,318,282.03	6,471,976.21		2,789,062.21	Self-raised

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Projects	Book balance at period-begin	Increase in Current Period	Transfer to fixed assets in Current Period	Other decrease	Book balance at period-end	Source of funds
expansion						

(Continued)

Projects	Budget (in 10 thousand Yuan)	Proportion of project investment in budget	Progress	Accumulated amount of interest capitalization	including: interest capitalized amount of Current Period	Interest capitalization rate of Current Period
Construction of washing machine plant	37,121.00	99.30%	99%			
Construction of laboratory (inspection center)	10,748.00	86.77%	99%			
Changhong Air Conditioner- relocation of production base and upgrading & expansion	84,791.01	88.63%	99%	2,570,143.02		

15. Right-of-use assets

Item	House building	Total
I. Original book value		
1. Opening balance	9,818,834.44	9,818,834.44
2. Increase this period	13,760,631.85	13,760,631.85
(1) Rent in	13,760,631.85	13,760,631.85
3. Decrease this period		
4. Ending balance	23,579,466.29	23,579,466.29
II. Accumulated depreciation		
1. Opening balance		
2. Increase this period	3,296,977.97	3,296,977.97
(1) Accrual	3,296,977.97	3,296,977.97
3. Decrease this period		
4. Ending balance	3,296,977.97	3,296,977.97
III. Provision for impairment		
1. Opening balance		
2. Increase this period		
3. Decrease this period		
4. Ending balance		
IV. Book value		
1. Ending book value	20,282,488.32	20,282,488.32
2. Opening book value	9,818,834.44	9,818,834.44

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

16. Intangible assets

(1) Intangible assets

Item	Land use right	Trademark special right	Non-patent technology	Other	Total
I. Original book value					
1. Opening balance	869,724,297.57	283,292,439.34	532,983,550.68	61,676,492.32	1,747,676,779.91
2. Increase this period			29,041,182.12	32,198,081.53	61,239,263.65
(1) Internal research			29,041,182.12	32,198,081.53	61,239,263.65
3. Decrease this period			50,638,109.51		50,638,109.51
(1) Disposal			50,638,109.51		50,638,109.51
4. Ending balance	869,724,297.57	283,292,439.34	511,386,623.29	93,874,573.85	1,758,277,934.05
II. Accumulated amortization					
1. Opening balance	179,982,060.86	283,292,439.34	308,164,231.17	8,457,055.13	779,895,786.50
2. Increase this period	9,245,939.53		52,900,516.90	8,329,036.60	70,475,493.03
(1) Accrual	9,245,939.53		52,900,516.90	8,329,036.60	70,475,493.03
3. Decrease this period			40,262,970.64		40,262,970.64
(1) Disposal			40,262,970.64		40,262,970.64
4. Ending balance	189,228,000.39	283,292,439.34	320,801,777.43	16,786,091.73	810,108,308.89
III. Provision for impairment					
1. Opening balance			26,420,977.43	4,508,495.33	30,929,472.76
2. Increase this period					
3. Decrease this period			10,375,138.87		10,375,138.87
(1) Disposal			10,375,138.87		10,375,138.87
4. Ending balance			16,045,838.56	4,508,495.33	20,554,333.89
IV. Book value					
1. Ending book value	680,496,297.18		174,539,007.30	72,579,986.79	927,615,291.27
2. Opening book value	689,742,236.71		198,398,342.08	48,710,941.86	936,851,520.65

The intangible assets resulted from internal research takes 3.48% of the balance of intangible assets at period-end

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

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

(3) Up to end of the Period, mortgage of intangible assets is as follows:

Name	Property certificate serials	Area(M ²)	Net book value	Note
Land right use	HGYJCZi No.: 0121	27,120.22	17,377,492.85	
Land right use	Wan (2019) Property right of Hefei No.: 1148244/1148249/1148243/1148240/1148248/1148246/1148241/1148238/1149101/1148242/1148245/1148239/1148237/1148250/1148247/1149102	477,550.03	236,186,360.68	
Land right use	Wan (2019) Property right of Feixi County No.: 0061435/0061445	33,383.10	13,370,649.71	
Land right use	Wan (2019) Property right of Feixi County No.: 0061456/0061447/0061438/0061440/0061452/0061450/0061430/0061657	82,850.51	18,413,709.09	
Total		620,903.86	285,348,212.33	

17. Development expense

Item	Opening balance	Increase this period		Decrease this period			Ending balance
		Internal development expenditure	Other	Included in current profits and losses	Confirmed as intangible assets	Other	
Technology development for Air-conditioner	27,997,731.79	49,312,977.31		48,735.48	49,678,127.46		27,583,846.16
Technology development for refrigerator	45,030,709.77	35,276,613.99			11,561,136.19		68,746,187.57
Total	73,028,441.56	84,589,591.30		48,735.48	61,239,263.65		96,330,033.73

18. Goodwill

(1) Original value of goodwill

Invested enterprise	Opening balance	Increase this period		Decrease this period		Ending balance
		Formation from enterprise merger	Other	Formation from enterprise merger	Other	
Hefei Meiling Group Holdings Limited	3,553,367.77					3,553,367.77
Total	3,553,367.77					3,553,367.77

(2) Impairment loss of goodwill

Invested enterprise	Opening balance	Increase this period	Decrease this period	Ending balance
---------------------	-----------------	----------------------	----------------------	----------------

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

		Accrual	Other	Accrual	Other	
Hefei Meiling Group Holdings Limited	3,553,367.77					3,553,367.77
Total	3,553,367.77					3,553,367.77

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

19. Deferred income tax assets

(1) Deferred income tax assets without the offset

Item	Ending balance		Opening balance	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Deferred income tax assets recognized from assets impairment	124,677,573.63	18,701,636.02	122,853,362.96	18,427,787.28
Deferred income tax assets recognized from accrual liability	23,102,517.39	3,465,377.61	55,035,910.31	8,255,386.55
Deferred income tax assets recognized from Dismission welfare	11,752,793.14	1,762,918.97	13,326,014.64	1,998,902.20
Deferred income tax assets recognized from deferred income	101,553,424.88	15,233,013.73	107,392,156.36	16,108,823.46
Deferred income tax assets recognized from ir-reparable losses	452,903,790.07	67,931,658.90	545,833,222.08	81,874,983.31
Accrued income tax assets	4,290,952.45	643,642.87	3,467,314.27	520,097.14
Total	718,281,051.56	107,738,248.10	847,907,980.62	127,185,979.94

The Company's long-term equity investment impairment provisions are the investments in its subsidiary Meiling Candy Washing Machine Co., Ltd., expected to be cancelled in 2021, and the Company also confirmed deferred income tax assets while confirming the impairment provisions. The subsidiaries have unrecovered losses, at the consolidation level, the deferred income tax assets recognized in the Company's long-term equity investment impairment provisions are adjusted to be the deferred income tax assets generated from the recoverable losses.

(2) Deferred income tax liabilities without the offset

Item	Ending balance		Opening balance	
	Taxable temporary differences	Deferred income tax liability	Taxable temporary differences	Deferred income tax liability
Recognized by fixed assets depreciation	27,081,715.20	4,062,257.28	29,817,828.77	4,472,674.32
Recognized by changes in fair value	19,054,056.75	2,858,108.51	40,686,053.41	6,102,908.01
Total	46,135,771.95	6,920,365.79	70,503,882.18	10,575,582.33

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

(3) Details of unrecognized deferred income tax assets

Item	Ending balance	Opening balance
Deductible temporary difference	134,821,799.40	110,167,308.91
Deductible loss	941,947,487.33	880,692,110.28
Total	1,076,769,286.73	990,859,419.19

20. Short-term loans

Category	Ending balance	Opening balance
Loan in pledge	259,984,823.95	100,000,000.00
Guaranteed loan	23,160,000.00	66,180,000.00
Loan in credit	583,901,500.00	904,237,500.00
Bill financing		257,880,000.00
Interest payable	2,236,871.73	7,911,550.55
Total	869,283,195.68	1,336,209,050.55

Short-term loans at Current Period-end:

1) The Company entered into a Forfaiting Business Contract with Hefei Shouchun Branch of BCM with 360 days in term. Term of borrowing is from 29 Sept. 2020 to 24 Sept. 2021. Fixed annual interest rate of 3%, the loan amount is 200,000,000.00 Yuan.

2) The Company entered into a Forfaiting Business Contract with Anhui Branch of Bank of Communications Co., Ltd. with 237 days in term. Term of borrowing is from 30 Mar. 2021 to 22 Nov. 2021. Fixed annual interest rate of 3.40%, the loan amount is 59,984,823.95 Yuan.

3) The Company entered into a Loan Contract with Hefei Branch of Ping An Bank Co., Ltd. with 364 days in term. Term of borrowing is from 14 Dec. 2020 to 13 Dec. 2021. Fixed annual interest rate of 3.35%, the loan amount is 10,000,000.00 Yuan.

4) The Company entered into a Loan Contract with Hefei Luyang Branch of Hangzhou Bank Co., Ltd. with 362 days in term. Term of borrowing is from 4 Mar. 2021 to 1 Mar. 2022. Fixed annual interest rate of 3.45%, the loan amount is 30,000,000.00 Yuan.

5) The Company entered into Cross-border Participation in Financing Business Financing Notice with Hefei Baohe District Branch of Agricultural Bank of China Co., Ltd. with 180 days in term. Term of borrowing is from 5 Mar. 2021 to 1 Spet. 2021. Fixed annual interest rate of 2.66%, the loan amount is 99,500,000.00 Yuan.

6) The Company entered into Application for opening a domestic letter of credit with Anhui Branch of Bank of China Limited with 179 days in term. Term of borrowing is from 12 Mar. 2021 to 7 Spet. 2021. Fixed annual interest rate of 3.63%, the loan amount is 25,000,000.00 Yuan.

7) The Company entered into Weishang Bank Domestic Letter of Credit Forfaiting Business Contract with Hefei Economic Development Zone Branch of Huishang Bank Co., Ltd. with 359 days in term. Term of borrowing is from 16 Mar. 2021 to 10 Mar. 2022. Fixed annual interest rate of 3.35%, the loan amount is 30,000,000.00 Yuan.

8) The Company entered into a Cross-border financing loan business contract with Hefei Luyang Branch of China Construction Bank Corporation with 12 months in term. Term of borrowing is from 24 Mar. 2021 to 23 Mar. 2022. Loan rate of 3.55%, the loan amount is 100,000,000.00 Yuan.

9) The Company entered into a Contract for Loans of Working Capital with Anhui Branch of Bank of China with 184

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

days in term. Term of borrowing is from 27 May 2021 to 27 Nov. 2021, and counted from the actual withdrawal date, every 6 months is a floating period, current annual interest rate of 3.30%, the loan amount is 100,000,000.00 Yuan.

10) The Company entered into Weishang Bank Domestic Letter of Credit Forfaiting Business Contract with Hefei Economic Development Zone Branch of Huishang Bank Co., Ltd. with 179 days in term. Term of borrowing is from 25 Jun. 2021 to 21 Dec. 2021. Fixed annual interest rate of 2.80%, the loan amount is 20,000,000.00 Yuan.

11) The Company entered into Contract for the assignment of the seller's claims without recourse (domestic forfaiting business) under a domestic letter of credit with Hefei Branch of China Everbright Bank Co., Ltd. Term of borrowing is from 25 Jun. 2021 to 21 Dec. 2021. Loan rate of 2.70%, the loan amount is 100,000,000.00 Yuan.

12) The Company entered into Domestic Letter of Credit Trade Financing Line of Credit Contract with Hefei Branch of China Guangfa Bank Co., Ltd. Term of borrowing is from 29 Jun. 2021 to 27 Dec. 2021. Loan rate of 3.05%, the loan amount is 17,500,000.00 Yuan.

13) The Company entered into a Contract for Loans of Working Capital with Hefei Baohe District Branch of Agricultural Bank of China Co., Ltd. with 182 days in term. Term of borrowing is from 25 Jun. 2021 to 24 Dec. 2021, and counted from the actual withdrawal date, 6-month floating interest rate composed of 6-month LIBOR + 0.45% spread, current interest rate of 0.61525%, the loan amount is USD 15,000,000.00.

14) Subsidiary Zhongke Meiling Cryogenic Technology Co., Ltd. entered into a working capital loan contract with Hefei Branch of Bank of China. Term of borrowing is from 25 Nov. 2020 to 25 Nov. 2021. Fixed interest rate of 3.3%, the loan amount is 10,000,000.00 Yuan.

15) Subsidiary Zhongke Meiling Cryogenic Technology Co., Ltd. entered into a RMB Capital Loan Contract with Huaining Road Branch of Hefei Science and Technology Rural Commercial Bank. Term of borrowing is from 31 Mar. 2021 to 30 Mar. 2022. Fixed interest rate of 3.85%, the loan amount is 5,000,000.00 Yuan.

16) Anhui Tuoxing Technology Co., Ltd., a wholly-owned subsidiary of Zhongke Meiling Cryogenic Technology Co., Ltd., entered into a working capital loan contract with Hefei Branch of Bank of China. Term of borrowing is from 1 Apr. 2021 to 31 Mar. 2022. Fixed interest rate of 3.65%, the loan amount is 5,000,000.00 Yuan.

17) Subsidiary Changhong Ruba Trading Company(Private) Limited applied for a short-term loans of 400,000,000.00 Rupees to Lahore Branch of ICBC, loans term is from 17 December 2020 to 5 November 2021 with repayment of principal in installments. As of the reporting period, Pakistani subsidiary has repaid the principal of Rs. 200,000,000.00 and the remaining outstanding principal Rs. 200,000,000.00 is borrowed at an interest rate of 0.9% over the lending rate issued by the Central Bank of Pakistan.

21. Trading financial liability

Name	Ending balance	Opening balance
Trading financial liability	2,746,170.22	4,584,076.51
Including: Derivative financial liability	2,746,170.22	4,584,076.51

22. Note payable

Item	Ending balance	Opening balance
Bank acceptance	4,754,969,589.72	4,232,731,220.17
Trade acceptance	233,384,300.00	206,876,762.17
Total	4,988,353,889.72	4,439,607,982.34

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

23. Account payable

(1) Account payable

Item	Ending balance	Amount at year-begin
Total	3,669,199,259.64	2,851,999,684.30
Including: Amount aged over 1 year	52,848,517.19	74,369,337.19

(2) No major account payable with over one year book age at period-end.

24. Contract liabilities

Item	Ending balance	Opening balance
Total	344,400,472.19	522,550,891.28
Including: Amount aged over 1 year	19,193,682.89	91,437,631.00

25. Wages payable

(1) Category

Item	Opening balance	Increase this period	Decrease this period	Ending balance
Short-term compensation	262,858,303.46	711,775,979.24	783,367,463.54	191,266,819.16
After-service welfare- defined contribution plans	23,650,290.96	71,818,678.72	92,960,358.49	2,508,611.19
Dismiss welfare	3,813,181.63	2,073,812.28	2,838,920.78	3,048,073.13
Total	290,321,776.05	785,668,470.24	879,166,742.81	196,823,503.48

(2) Short-term compensation

Item	Opening balance	Increase this period	Decrease this period	Ending balance
Wages, bonuses, allowances and subsidies	246,130,770.29	619,152,779.93	681,211,248.26	184,072,301.96
Welfare for workers and staff	1,156,146.23	20,433,826.75	21,353,532.55	236,440.43
Social insurance	10,194,113.84	31,499,514.77	40,594,845.01	1,098,783.60
Including: Medical insurance	9,491,779.25	28,451,042.96	36,943,294.26	999,527.95
Work injury insurance	461,693.28	2,125,308.74	2,567,467.80	19,534.22
Maternity insurance	240,641.31	923,163.07	1,084,082.95	79,721.43
Housing accumulation fund	4,900,053.99	39,030,044.60	38,722,676.19	5,207,422.40
Labor union expenditure and personnel education expense	477,219.11	1,659,813.19	1,485,161.53	651,870.77
Total	262,858,303.46	711,775,979.24	783,367,463.54	191,266,819.16

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

(3) Defined contribution plans

Item	Opening balance	Increase this period	Decrease this period	Ending balance
Basic endowment insurance	21,115,136.67	68,912,405.91	89,308,840.17	718,702.41
Unemployment insurance	2,535,154.29	2,906,272.81	3,651,518.32	1,789,908.78
Total	23,650,290.96	71,818,678.72	92,960,358.49	2,508,611.19

26. Tax payable

Item	Ending balance	Opening balance
Value-added tax	63,255,410.89	41,769,712.31
Enterprise income tax	12,811,692.22	9,941,386.84
Individual income tax	2,116,661.65	2,781,283.48
Urban maintenance and construction tax	5,297,973.23	4,056,939.25
Real estate tax	3,837,356.88	6,370,190.14
Land use tax	1,551,010.83	2,701,128.78
Educational surtax	3,801,773.07	2,977,254.61
Stamp tax	2,917,008.35	2,213,950.91
Construction fund of Water Conservancy Projects	582,690.92	643,321.87
Treatment fund for abandon electrics & electronics	19,946,703.00	13,835,511.00
Other	3,601,429.93	2,391,754.71
Total	119,719,710.97	89,682,433.90

26. Other account payable

Item	Ending balance	Opening balance
Dividend payable	19,567,820.81	4,466,628.25
Other account payable	858,847,066.64	720,235,058.47
Total	878,414,887.45	724,701,686.72

27.1 Dividends payable

Item	Ending balance	Opening balance
Sichuan Changhong Electric Co., Ltd.	12,422,886.20	

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Hefei Industry Investment Holding (Group) Co., Ltd.	2,391,170.05	
China Life Insurance (Group) Company	288,404.82	263,813.22
China Life Insurance Group Co., Ltd.	432,607.23	395,719.83
BOC- Fullgoal Tianyi Securities Investment Fund	153,697.50	153,697.50
Hefei Branch of BOC	360,506.00	329,766.50
Hefei collective industry association	360,505.44	329,765.99
Entrust Investment Wuhu of Provincial ABC	288,404.82	263,813.22
Other units	2,869,638.75	2,730,051.99
Total	19,567,820.81	4,466,628.25

27.2 Other account payable

(1) Other account payable by nature

Nature	Ending balance	Opening balance
1. Accrued expenses (expenses occurred without reimbursed)	436,862,092.27	387,297,440.24
2. Receivables received temporary and deducted temporary	35,919,383.77	30,995,522.33
3. Deposit, margin	164,355,310.79	163,264,455.70
4. Not the come-and-go with related parties in statement scope	218,998,430.45	126,828,746.47
5. Other	2,711,849.36	11,848,893.73
Total	858,847,066.64	720,235,058.47

(2) At end of Current Period, the major other account payable with account age over one year mainly refers to the sale of margin.

28. Non-current liability due within one year

Item	Ending balance	Opening balance
Long-term loan principal and interest due within one year	413,561,652.50	407,141,888.08
Long term account payable due within one year	520,519.27	683,262.66
Lease liabilities due within one year	7,581,525.67	5,000,280.67
Total	421,663,697.44	412,825,431.41

29. Other current liabilities

Item	Ending balance	Opening balance
Pending sales tax	22,195,014.96	20,376,696.94
Factoring fees payable	906,702.57	2,547,001.79
Total	23,101,717.53	22,923,698.73

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

30. Long term borrowings

(1) Category of long term borrowings

Category	Ending balance	Amount at year-begin
Loan in mortgage	178,000,000.00	188,000,000.00
Interest payable		231,439.30
Total	178,000,000.00	188,231,439.30

(2) Long-term borrowings at period-end

Loan from	Borrowing day	Returning day	Foreign currency	Interest rate	Ending balance (RMB)	Opening balance (RMB)
EIBC (Export-Import Bank) Anhui Province Branch ^{Note 1}	2019/12/23	2026/11/25	RMB	4.455%	80,000,000.00	90,000,000.00
EIBC (Export-Import Bank) Anhui Province Branch ^{Note 2}	2020/3/26	2026/11/25	RMB	4.455%	98,000,000.00	98,000,000.00
Total					178,000,000.00	188,000,000.00

Note 1: The Company signed the "Loan Contract (Promoting the Opening-up of Loans in China - Fixed Assets)" with the Export-Import Bank of China Anhui Branch, the Company's investment real estate, fixed assets and intangible assets are used as mortgage for the loan. The term of the loan is from December 23, 2019 to November 25, 2026, the interest rate of the loan is determined according to the market quotation rate of the loan with a term of more than 5 years reduced by 0.195%, which fluctuates annually, and the amount of the loan is 100,000,000.00 yuan. According to the repayment plan agreed with the bank, the Company has repaid 6,000,000.00 yuan. It plans to repay 4,000,000.00 yuan on December 25, 2021 and repay 10,000,000.00 on June 25, 2022, a total of 14,000,000.00 yuan has been reclassified to non-current liabilities due within one year. The ending balance is 80,000,000.00 yuan.

Note 2: The Company signed the "Loan Contract (Promoting the Opening-up of Loans in China - Fixed Assets)" with the Export-Import Bank of China Anhui Branch, the Company's investment real estate, fixed assets and intangible assets are used as mortgage for the loan. The term of the loan is from 26 March 2020 to 25 November 2026, the interest rate of the loan is determined according to the market quotation rate of the loan with a term of more than 5 years reduced by 0.195%, which fluctuates annually, and the amount of the loan is 98,000,000.00 yuan. Balance at period-end amounted to 98,000,000.00 yuan.

31. Lease liability

Item	Ending balance	Opening balance
House building	12,529,575.32	4,783,483.43
Total	12,529,575.32	4,783,483.43

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

32. Long-term payable

Item	Ending balance	Opening balance
Long-term account payable		175,323.91
Special payable	1,433,821.62	1,530,000.00
Total	1,433,821.62	1,705,323.91

32.1 Classify by nature

Nature	Ending balance	Opening balance
Financing lease		175,323.91

32.2 Special payable

Item	Opening balance	Increase this period	Decrease this period	Ending balance	Reason
Special funds for technological transformation from Zhongshan Changhong	1,530,000.00		96,178.38	1,433,821.62	Technology plan project in Zhongshan City

33. Long-term wage payable

Item	Ending balance	Opening balance
Dismissal welfare	9,175,955.85	10,571,526.69

According to the internal early retirement policy, the long-term payable dismissal welfare bears by the Company up to end of Current Period amounting to 9,175,955.85 yuan

34. Accrual liability

Item	Ending balance	Opening balance	Reason
Product quality guarantee ^{note1}	10,531,572.82	14,487,294.50	Guarantee of product
Guarantee fund for quality service ^{note1}	12,570,944.57	47,905,440.57	Guarantee of product
Total	23,102,517.39	62,392,735.07	

Note 1: Product quality deposit is the maintenance expense provided by the Company under the national policy, while quality service special guarantees capital is the warranty costs provided for product quality in addition to such policy. Parts of the commitments on product quality assurance beyond the national three guarantees policy are expired in Period, the accrual liability that have not been anticipated has written-off in Current Period, actually 35,187,360.00 Yuan written-off.

35. Deferred income

(1) Classification of deferred income

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Item	Opening balance	Increase this period	Decrease this period	Ending balance	Reason
Government subsidies---subsidies of development project	136,876,337.09	3,446,100.00	11,511,555.00	128,810,882.09	
Government subsidies---subsidies of Relocation	40,501,113.03		1,959,072.83	38,542,040.20	
Total	177,377,450.12	3,446,100.00	13,470,627.83	167,352,922.29	

(2) Government subsidy

Item	Opening balance	New subsidy in Current Period	Amount reckoned into other income in Current Period	Other changes	Ending balance	Assets related/Income related
Demonstration factory construction for the intelligent manufacturing of intelligent air-conditioner	49,500,000.00		3,132,911.40		46,367,088.60	Assets related
Demolition compensation of Changhong Meiling	38,316,384.47		1,069,128.53		37,247,255.94	Assets related
Adaptability improvement on new coolants production	9,459,926.70		1,182,490.86		8,277,435.84	Assets related
Centre for external cooperation of the environmental protection	7,614,900.00	846,100.00	257,877.27		8,203,122.73	Assets related
Subsidy for industrial development policy from Hefei for first half of 2018	7,794,000.00		625,000.00		7,169,000.00	Assets related
Changhong Air Conditioner-relocation of production base and upgrading & expansion	6,880,000.00				6,880,000.00	Assets related
Key chip and module for transducer used and detection capacity building	6,840,000.00				6,840,000.00	Assets related
Policy funds for manufacturing a strong province, subsidy for equipment for the technological transformation of	3,750,000.00		312,500.00		3,437,500.00	Assets related

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Item	Opening balance	New subsidy in Current Period	Amount reckoned into other income in Current Period	Other changes	Ending balance	Assets related/Income related
industrial strong base						
RESEARCH AND APPLICATION OF THE VISA (VARIABLE FREQUENCY VOLUME INTEGRATED INTELLIGENT AIR-CONDITIONER)	4,462,790.72		704,651.16		3,758,139.56	Assets related
Special fund, government subsidy CZ059001	4,200,000.00				4,200,000.00	Assets related
Subsidy for industrial development policy from Hefei for second half of 2019	5,365,650.00		447,137.50		4,918,512.50	Assets related
Subsidy for industrial development policy from Hefei for first half of 2020	3,440,583.33		217,300.00		3,223,283.33	Assets related
Government subsidy for new plant construction - industrialization of cryogenic refrigeration equipment	3,291,666.67		250,000.00		3,041,666.67	Assets related
Subsidies for intelligent transformation & upgrading of enterprises from the new industrialization policy in economic development zone	3,280,739.58		302,837.50		2,977,902.08	Assets related
2020 Triple One Innovation Project in Anhui Province		2,600,000.00	54,166.67		2,545,833.33	Assets related
Industrialization of intelligent white household appliances software platform and typical application research and development	2,303,030.33		363,636.36		1,939,393.97	Assets related
Research and application of the MCU chip for inverter control	2,300,000.00				2,300,000.00	Assets related
Special funds for strategic emerging	2,000,000.00				2,000,000.00	Assets related

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Item	Opening balance	New subsidy in Current Period	Amount reckoned into other income in Current Period	Other changes	Ending balance	Assets related/Income related
industry and high-end growth industry						
Equipment subsidy for the industrial base technical renovation from Economic and Information Commission	1,547,083.33		117,500.00		1,429,583.33	Assets related
Demolition compensation of Jiangxi Meiling	2,184,728.56		889,944.30		1,294,784.26	Assets related
Subsidy from Zhongshan Finance Bureau (CZ028001 provincial special project 2019)	1,397,706.70		152,823.24		1,244,883.46	Assets related
Upgrade project for the production line of Mianyang Meiling Intelligent Refrigerator	1,316,666.72		98,749.98		1,217,916.74	Assets related
Subsidy for equipment purchasing for Hefei Tech. Improvement project in 2017	1,179,470.00		89,580.00		1,089,890.00	Assets related
Promotion of the energy-saving room air conditioner	858,762.97		105,154.62		753,608.35	Assets related
Subsidy for purchase of R & D instruments and equipment	882,105.20		91,056.26		791,048.94	Assets related
Emerging Industry Base Fund Support Item	620,000.00				620,000.00	Assets related
Promoting the new industry (annual output of 0.6 million medium& large volume environmental protection and energy saving freezer)	761,031.21		152,206.26		608,824.95	Assets related
Robot policy-rewards for purchasing robots	555,156.26		35,062.50		520,093.76	Assets related
2018 Zhongshan Special fund for industrial development - Special topic of technical	464,508.75		132,861.90		331,646.85	Assets related

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Item	Opening balance	New subsidy in Current Period	Amount reckoned into other income in Current Period	Other changes	Ending balance	Assets related/Income related
transformation						
Technical transformation of the Athena project	869,687.52		474,375.00		395,312.52	Assets related
Special fund for technical improvement	416,912.46		48,004.50		368,907.96	Assets related
Technical transformation of refrigerator evaporator workshop	551,324.77		44,829.00		506,495.77	Assets related
Technical transformation subsidy	209,218.33		15,889.98		193,328.35	Assets related
Technical renovation of air conditioner production line	190,767.27		30,601.92		160,165.35	Assets related
Special fund for technical improvement	484,047.64		51,904.80		432,142.84	Assets related
Subsidy for the development on production line technical reform for green-friendly high-quality metal pipe	88,600.63		20,446.32		68,154.31	Assets related
Subsidy for characteristic innovation and entrepreneurship carrier project from Hefei economic & development zone	2,000,000.00		2,000,000.00			Assets related
Total	177,377,450.12	3,446,100.00	13,470,627.83		167,352,922.29	

36. Share capital

Item	Opening balance	Change during the period (+, -)					Ending balance
		New shares issued	Bonus share	Shares transferred from capital reserve	Other	Subtotal	
Total shares	1,044,597,881.00						1,044,597,881.00

37. Capital reserve

Item	Opening balance	Increase this period	Decrease this period	Ending balance
Share premium	2,635,663,966.42		3,735.20	2,635,660,231.22
Other capital reserve	48,173,262.70			48,173,262.70

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Item	Opening balance	Increase this period	Decrease this period	Ending balance
Total	2,683,837,229.12		3,735.20	2,683,833,493.92

Note: Changes in equity premium this year were due to: the handling fee for repurchasing B shares.

38. Treasury stock

Item	Opening balance	Increase this period	Decrease this period	Ending balance
Repurchase of B shares	9,929,336.18	7,029,141.10		16,958,477.28
Total	9,929,336.18	7,029,141.10		16,958,477.28

Note: The Company convened the 40th meeting of the ninth board of directors, the 21st meeting of the ninth board of supervisors, and the 3rd extraordinary general meeting of shareholders in 2020 on July 27, 2020 and August 18, 2020, which reviewed and approved the Proposal on the Repurchase of Certain Domestically Listed Foreign Shares (B Shares) of the Company. As of June 30, 2021, a total of 9,377,869 shares were repurchased at a repurchase price of no more than HK\$2.21 per share (tax included), the total repurchase transaction price was HK\$20,112,237.81, and the real-time exchange rate was equivalent to 16,958,477.28 yuan.

39. Other comprehensive income

Item	Opening balance	Current Period					Ending balance
		Account before income tax in Current Period	Less: written in other comprehensive income in previous period and carried forward to gains and losses in current period	Less : Income tax expenses	Belong to parent company after tax	Belong to minority shareholders after tax	
Other comprehensive income re-divided into gains/losses							
Including: Other comprehensive income that can be converted to profit or loss under the equity method		-177,046.32			-177,046.32		-177,046.32
Conversion difference arising from foreign currency financial	-21,451,084.17	-1,080,704.27			-1,094,317.03	13,612.76	-22,545,401.20

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Item	Opening balance	Current Period					Ending balance
		Account before income tax in Current Period	Less: written in other comprehensive income in previous period and carried forward to gains and losses in current period	Less : Income tax expenses	Belong to parent company after tax	Belong to minority shareholders after tax	
statement							
Total	21,451,084.17	1,257,750.59			1,271,363.35	13,612.76	22,722,447.52

40. Surplus reserves

Item	Opening balance	Increase this period	Decrease this period	Ending balance
Statutory surplus reserve	300,757,088.27			300,757,088.27
Discretionary surplus reserve	115,607,702.16			115,607,702.16
Total	416,364,790.43			416,364,790.43

41. Retained profit

Item	Current Period	Last Year
Amount at the end of last year	740,754,202.23	884,127,743.42
Add: adjustment from undistributed profit at period-begin		
Including: retroactive adjustment by Accounting Standards for Business Enterprise		
change of accounting policy		
Correction of former material error		
Change of combination scope under common control		
Amount at the beginning of this period	740,754,202.23	884,127,743.42
Add: net profit attributable to shareholders of parent company for this period	37,157,511.54	-85,565,716.91
Less: withdraw of statutory surplus reserve		
withdraw of discretionary surplus reserve		5,577,930.23
Withdraw of general risk provision		
Dividend payable for ordinary shares	51,776,420.60	52,229,894.05
Dividend of ordinary shares transferred to share capital		
Ending balance	726,135,293.17	740,754,202.23

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

42. Operation income and operation cost

(1) Operation income and operation cost

Item	Current Period		Last Period	
	Income	Cost	Income	Cost
Main business	9,076,019,575.56	7,709,772,571.05	6,268,491,126.30	5,248,478,697.42
Other business	526,739,769.73	467,458,625.12	527,369,610.69	505,371,191.93
Total	9,602,759,345.29	8,177,231,196.17	6,795,860,736.99	5,753,849,889.35

(2) Main business classified according to product

Product	Current Period		Last Period	
	Operation income	Operation cost	Operation income	Operation cost
Refrigerator, freezer	4,083,961,202.33	3,333,608,452.02	2,920,923,251.77	2,377,765,236.89
Air-conditioner	3,958,753,350.50	3,540,481,498.57	2,595,885,454.11	2,247,295,670.56
Washing machine	322,671,076.35	245,250,873.36	179,892,246.84	148,034,172.04
Small household appliances and kitchen and bathroom	571,948,185.39	474,186,822.18	512,769,500.40	426,489,024.05
Other	138,685,760.99	116,244,924.92	59,020,673.18	48,894,593.88
Total	9,076,019,575.56	7,709,772,571.05	6,268,491,126.30	5,248,478,697.42

(3) Main business classified according to sales region

Region	Current Period		Last Period	
	Operation income	Operation cost	Operation income	Operation cost
Domestic	6,392,384,758.43	5,212,930,284.17	3,936,852,798.41	3,251,061,917.12
Overseas	2,683,634,817.13	2,496,842,286.88	2,331,638,327.89	1,997,416,780.30
Total	9,076,019,575.56	7,709,772,571.05	6,268,491,126.30	5,248,478,697.42

Top five clients have income in sales of 5,140,635,916.75 yuan in total, a 53.53% in total operation income.

43. Business tax and extra charges

Item	Current Period	Last Period
Treatment fund for abandon electrics & electronics	24,442,938.00	23,183,817.00
Real estate tax	9,677,275.48	8,958,027.86
Stamp duty	7,917,813.37	5,581,068.92
City construction tax	6,500,216.07	5,891,358.89

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Item	Current Period	Last Period
Extra charge for education and local education surcharge	5,016,280.65	4,600,301.45
Land use tax	4,111,310.87	3,429,180.26
Water fund	3,408,779.05	3,328,943.43
Other	3,117.48	332,015.42
Total	61,077,730.97	55,304,713.23

44. Sales expense

Item	Current Period	Last Period
Salary and extra charges	265,425,977.62	255,283,621.81
Transport expenses	250,818,152.26	211,841,082.72
Market support expenses	146,558,469.94	135,417,268.91
Air conditioner installation expenses	132,710,203.95	114,700,395.35
National three guarantees expense	62,323,679.78	90,184,296.10
Storage lease expenses	58,782,655.17	47,400,139.04
Travelling expenses	16,450,518.67	12,373,271.22
Business activity expenses	8,575,130.77	2,617,936.49
Depreciation expenses	4,209,609.23	3,944,399.06
Vehicle consumption	3,175,822.45	2,050,607.05
Advertising expenses	1,247,421.22	352,891.37
House-lease expenses	1,207,473.65	781,344.62
Other expenses	33,320,814.23	47,036,174.49
Total	984,805,928.94	923,983,428.23

45. Administration expense

Item	Current Period	Last Period
Salary and social insurance etc.	95,733,835.85	79,407,413.87
Depreciation	12,053,427.34	9,232,289.11
Amortized intangible assets	9,407,284.87	10,046,746.48
Water and electricity fee	3,137,429.43	1,773,141.17
Business activities fee	2,501,946.80	1,195,638.78
Property insurance fee	1,557,260.98	1,425,753.98
Domestic travelling fee	1,462,423.83	1,315,916.59
Office fee	1,063,725.75	803,009.47
Other expenses	26,040,092.13	30,269,783.47
Total	152,957,426.98	135,469,692.92

46. R&D expenses

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Item	Current Period	Last Period
Salary and social insurance etc.	64,787,655.99	50,278,576.62
Amortized intangible assets	58,589,406.22	53,871,905.01
Trial fee of R&D	32,578,184.91	31,728,340.10
Depreciation	6,808,269.93	7,707,855.52
Inspection and authentication fee	6,718,245.74	4,446,068.74
Utility bill	4,976,797.24	5,126,916.81
Cost of mould	1,384,855.16	2,727,245.15
Software usage fee	1,291,273.00	2,690,872.94
Other expenses	8,978,566.02	9,311,368.00
Total	186,113,254.21	167,889,148.89

47. Financial expenses

Item	Current Period	Last Period
Interest expenditure	37,292,383.25	45,498,046.65
Less: Interest income	62,433,816.96	74,784,016.69
Add: exchange loss	19,162,463.83	9,367,991.95
Procedure charge expenditure	8,002,685.90	10,335,558.03
Discount expenditure	-7,719,706.12	-3,285,693.99
Total	-5,695,990.10	-12,868,114.05

48. Other income

Item	Current Period	Last Period
Corporate policy funds	27,000,000.00	28,310,000.00
Demonstration factory construction for the intelligent manufacturing of intelligent air-conditioner	3,132,911.40	
Loan discount	3,000,000.00	
Immediate refund of VAT for software products	2,548,001.17	2,071,200.78
Subsidy for characteristic innovation and entrepreneurship carrier project from Hefei economic & development zone	2,000,000.00	
2019 VAT refund	1,635,266.39	
Adaptability improvement on new coolants production	1,182,490.86	1,182,490.86
Economic Development Zone Industrialization Policy Award and Supplementary Funds in 2019	1,140,400.00	
Demolition compensation of Changhong Meiling	1,069,128.53	1,234,182.17
Hefei 2020 Smart Home Appliances (Home Furnishing) Technology Award Supplement	1,000,000.00	
Demolition compensation of Jiangxi Meiling	889,944.30	889,944.30

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Item	Current Period	Last Period
RESEARCH AND APPLICATION OF THE VISA (VARIABLE FREQUENCY VOLUME INTEGRATED INTELLIGENT AIR-CONDITIONER)	704,651.16	704,651.16
Hefei Industrial development policy subsidy for first half of 2018	625,000.00	625,000.00
The second batch of awards for supporting China Sound Valley construction projects in 2020	544,200.00	
Faster revenue growth corporate incentives	500,000.00	
Technical transformation of the Athena project	474,375.00	2,143,125.00
Hefei Industrial development policy subsidy for second half of 2019	447,137.50	1,341,412.50
Industrialization of intelligent white household appliances software platform and typical application research and development	363,636.36	363,636.36
Policy funds for manufacturing a strong province, subsidy for equipment for the technological transformation of industrial strong base	312,500.00	312,500.00
Subsidies for intelligent transformation & upgrading of enterprises from the new industrialization policy in economic development zone	302,837.50	302,837.50
Centre for external cooperation of the environmental protection	257,877.27	
Government subsidy for new plant construction - industrialization of cryogenic refrigeration equipment	250,000.00	250,000.00
Subsidy for industrial development policy from Hefei for first half of 2020	217,300.00	
Subsidy from Zhongshan Finance Bureau (CZ028001 provincial special project 2019)	152,823.24	152,823.24
Promoting the new industry (annual output of 0.6 million medium& large volume environmental protection and energy saving freezer)	152,206.26	152,206.26
2018 Zhongshan Special fund for industrial development - Special topic of technical transformation	132,861.90	132,861.90
Equipment subsidy for the industrial base technical renovation from Economic and Information Commission	117,500.00	117,500.00
Subsidy for employment stable	111,761.05	4,457,036.59
Promotion of the energy-saving room air conditioner	105,154.62	105,154.62
Upgrade project for the production line of Mianyang Meiling Intelligent Refrigerator	98,749.98	98,749.98
Subsidy for purchase of R & D instruments and equipment	91,056.26	73,500.00
Subsidy for equipment purchasing for Hefei Tech. Improvement project in 2017	89,580.00	89,580.00
2020 Triple One Innovation Project in Anhui Province	54,166.67	
Special fund for technical improvement	51,904.80	21,442.62
Special fund for technical improvement	48,004.50	47,825.00
Technical transformation of refrigerator evaporator workshop	44,829.00	44,829.00
Robot policy-rewards for purchasing robots	35,062.50	

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Item	Current Period	Last Period
Technical renovation of air conditioner production line	30,601.92	30,601.92
Subsidy for the development on production line technical reform for green-friendly high-quality metal pipe	20,446.32	20,446.32
Technical transformation subsidy	15,889.98	
R290 air-conditioning production IOC subsidy		2,403,000.00
Special funds for export credit insurance		1,475,997.00
Technology Innovation and Enterprise Development Fund		640,240.37
2025 Industrial Development Fund		630,000.00
Feidong County's policy awards for promoting high-quality economic development		500,000.00
Special subsidy funds for epidemic prevention and control		500,000.00
Freezer project of Changhong Meiling		367,031.26
Other units	6,299,844.49	3,060,318.49
Total	57,250,100.93	54,852,125.20

49. Investment income

Item	Current Period	Last Period
Long-term equity investment income by equity method	-16,047,810.77	209,880.54
Investment income obtained from disposal of Trading financial assets	65,827,326.06	5,402,087.72
Income from financial products	2,754,190.61	1,539,918.00
Total	52,533,705.90	7,151,886.26

50. Changes in fair value gains

Item	Current Period	Last Period
Trading financial assets	-11,569,560.58	-4,785,270.15
Including :Income of fair value changes from derivative financial instruments	-18,496,182.50	-4,785,270.15
Wealth management product interest accrual	6,926,621.92	
Trading financial liability	1,837,906.29	-4,939,481.97
Including :Income of fair value changes from derivative financial instruments	1,837,906.29	-4,939,481.97
Total	-9,731,654.29	-9,724,752.12

51. Credit impairment loss

Item	Current Period	Last Period
------	----------------	-------------

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Note receivable bad debt loss	546,876.51	-451,763.04
Account receivable bad debt loss	-15,669,395.22	-22,539,727.97
Other account receivable bad debt loss	1,514.82	721,269.82
Total	-15,121,003.89	-22,270,221.19

52. Assets impairment loss

Item	Current Period	Last Period
Loss of inventory depreciation and loss of contract performance cost impairment	-43,310,366.42	-26,583,248.58
Total	-43,310,366.42	-26,583,248.58

53. Income from assets disposal

Item	Current Period	Last Period	Amount reckoned into non-recurring gains/losses in Current Period
Income from non-current assets disposal	-208,978.90	-178,704.98	-208,978.90
Including: income classify to assets ready for sale			
income not classify as to assets ready for sale	-208,978.90	-178,704.98	-208,978.90
Including: Income from fixed assets disposal	-208,978.90	-178,704.98	-208,978.90
Income from intangible assets disposal			
Total	-208,978.90	-178,704.98	-208,978.90

54. Non-operation revenue

Item	Current Period	Last Period	Amount reckoned into non-recurring gains/losses in Current Period
Income of penalty	854,054.88	366,979.53	854,054.88
Profit from disposal of non-current assets	117,430.00		117,430.00
Other	4,890,835.83	3,078,629.68	4,890,835.83
Total	5,862,320.71	3,445,609.21	5,862,320.71

55. Non-operating expenditure

Item	Current Period	Last Period	Amount reckoned into non-recurring gains/losses in Current Period
Non-current asset retirement losses	645,034.44		645,034.44
Penalty and late fee	34,829.07	77.03	34,829.07

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Other	80,729.11	959,477.10	80,729.11
Total	760,592.62	959,554.13	760,592.62

56. Income tax expenses

Item	Current Period	Last Period
Current income tax	21,302,275.31	8,498,558.12
Deferred Income Tax	15,784,696.07	-11,361,569.54
Total	37,086,971.38	-2,863,011.42

57. Other comprehensive income

Found more in 39. Other comprehensive income in VI

58. Items of cash flow statement

(1) Cash received (paid) from (for) other activities relating to operation/investment/financing

1) Cash received from other activities relating to operation

Item	Current Period	Last Period
Government subsidy and rewards	40,956,209.27	49,374,979.95
Collection of restriction fund	22,688,330.93	4,801,740.89
Cash deposit, deposit	9,420,313.94	11,794,014.82
Compensations	2,605,385.53	1,589,695.33
Rental income	2,178,291.38	2,537,602.16
Other	1,793,896.56	4,104,674.84
Total	79,642,427.61	74,202,707.99

2) Cash paid for other activities relating to operation

Item	Current Period	Last Period
Transfer to restriction fund	397,877,095.29	23,523,106.48
Market expenses	103,773,740.45	103,452,106.47
Rental fee	57,814,676.41	56,501,840.38
Service supporting fee	31,063,421.76	27,112,533.75
Petty cash, deposit, Cash deposit	27,666,562.51	33,991,028.48
Travel expenses, meeting fees and exhibition fees	23,609,336.42	15,954,778.39
Business activities fee	11,888,247.82	7,486,994.76
Inspection and certification fee, certification charge and reviewing fee	11,298,717.35	8,194,323.28

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Item	Current Period	Last Period
Transportation and vehicle expenses	8,370,198.29	6,928,444.73
Handling fee	8,259,452.97	9,596,183.72
Repair charge	8,129,554.19	5,969,217.79
Technological cooperation costs and consulting charge	6,098,074.18	4,050,588.10
Office expenses	3,172,145.59	3,977,096.29
Advertising fee	2,917,266.75	4,535,316.89
Labor service fee	2,003,400.19	2,806,291.21
Communication fee	1,073,434.97	281,653.09
Other expense	57,481,090.49	91,404,105.71
Total	762,496,415.63	405,765,609.52

3) Cash received from other activities relating to investment

Item	Current Period	Last Period
Interest income arising from bank savings	69,755,550.75	62,758,263.18
Income of forward exchange settlement	67,706,807.74	5,402,087.72
Cash deposit	925,112.51	230,611.63
Total	138,387,471.00	68,390,962.53

4) Cash paid for other activities relating to investment

Item	Current Period	Last Period
Losses of forward exchange settlement	47,506.93	
Total	47,506.93	

5) Cash received from other activities relating to financing

Item	Current Period	Last Period
Bill discounting fundraising	4,675,857.30	
Total	4,675,857.30	

6) Cash paid for other activities relating to financing

Item	Current Period	Last Period
Payment for B share repurchase	7,032,876.30	
Lease liability principal and interest	4,097,081.48	
Financing lease	175,323.88	893,318.70
Handling charge of dividend	36,415.52	36,893.14
Total	11,341,697.18	930,211.84

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

(2) Supplementary of the consolidated cash flow statement

Item	Current Period	Last Period
1. Net profit is adjusted to cash flow of operation activities:		
Net profit	55,696,358.16	-219,171,870.49
Add: provision for depreciation of assets	32,172,406.39	48,853,469.77
Depreciation of fixed assets, consumption of oil gas assets and depreciation of productive biological assets	108,832,291.21	104,594,561.21
Depreciation of right-of-use assets	3,296,977.97	
Amortization of intangible assets	70,475,493.03	66,064,785.04
Amortization of long-term retained expense	208,978.90	178,704.98
Loss from disposal of fixed assets, intangible assets and other long term assets (gain is listed with "-")	527,604.44	
Loss from discarding fixed assets as useless (gain is listed with "-")	9,731,654.29	9,724,752.12
Loss from change of fair value (gain is listed with "-")	-5,978,969.88	-19,917,978.09
Financial expense (gain is listed with "-")	-52,533,705.90	-7,151,886.26
Investment loss (gain is listed with "-")	19,447,731.84	-9,942,973.01
Decrease of deferred income tax assets (increase is listed with "-")	-3,655,216.54	-1,418,596.53
Increase of deferred income tax liabilities (decrease is listed with "-")	-587,211,166.68	-424,221,441.03
Decrease of inventories (increase is listed with "-")	-988,302,199.73	-478,954,328.10
Decrease of operational accounts receivable (increase is listed with "-")	748,795,645.68	543,257,841.98
Other		
Net cash flow arising from operation activities	-588,496,116.82	-388,104,958.41
2. Major investment and financing activities that do not involve cash receipts:		
Conversion of debt into capital		
Switching Company bonds due within one year		
financing lease of fixed assets		
3. Net change in cash and cash equivalents:		
Balance at period-end of cash	4,767,551,500.75	4,792,468,168.07
Less: Opening balance of cash	6,425,529,815.10	5,385,807,475.51
Add: Balance at period-end of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	-1,657,978,314.35	-593,339,307.44

(3) No net cash paid for subsidiary obtained in Current Period

(4) No net cash received from subsidiary disposal in Current Period

(5) Cash and cash equivalent

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Item	Current Period	Last Period
Cash	4,767,551,500.75	4,792,468,168.07
Including: cash in stock	89,912.16	128,714.24
Bank deposits available for payment at any time.	4,083,081,613.97	4,552,864,202.70
Other monetary fund available for payment at any time	684,379,974.62	239,475,251.13
Cash equivalents		
Including: bond investment due within 3 months		
Balance of cash and cash equivalents at period-end	4,767,551,500.75	4,792,468,168.07
Including: using the restricted cash and cash equivalents of the parent company or subsidiary of the group		

59. Assets with ownership or the right to use restricted

Item	Book value at period-end	Reasons
Monetary fund	534,571,433.50	Cash deposit, frozen funds
Receivables financing ^{note 1}	440,912,836.95	Pledged
Investment real estate ^{note 2}	3,549,391.07	Mortgage
Fixed assets ^{note 2}	357,384,947.94	Mortgage
Intangible assets ^{note 2}	285,348,212.33	Mortgage
Total	1,621,766,821.79	

Note 1: The note receivable listed in receivables financing was pledged for: short-term financing from the bank; with purpose of improving the note utilization, the Company draw up bank acceptance by pledge parts of the outstanding notes receivable to the bank

Note 2: The mortgage of investment real estate, fixed assets, and intangible assets is the mortgage of houses and buildings and land use rights. For details, please refer to Note VI. 30. Long-term loans.

60. Foreign currency

(1) Foreign currency

Item	Ending foreign currency balance	Exchange rate	Ending RMB converted balance
Monetary fund			205,655,918.43
Including: USD	27,201,221.23	6.4601	175,722,609.27
Euro	1,880,390.26	7.6862	14,453,055.62
AUD	1,420,183.66	4.8528	6,891,867.27
GBP	117,444.91	8.9410	1,050,074.94
Pakistan Rupi	58,078,577.55	0.0408	2,369,605.96
IDR	6,672,183,097.00	0.000446	2,975,793.66

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Item	Ending foreign currency balance	Exchange rate	Ending RMB converted balance
HKD	3,297.42	0.8321	2,743.78
PHP	16,492,228.42	0.1328	2,190,167.93
Account receivable			921,010,335.70
Including: USD	107,742,004.39	6.4601	696,024,122.56
Euro	15,528,162.84	7.6862	119,352,565.22
AUD	8,502,022.00	4.8528	41,258,612.36
GBP	338,211.00	8.9410	3,023,944.55
Pakistan Ruppi	1,101,410,856.42	0.0408	44,937,562.94
IDR	35,298,970,481.31	0.000446	15,743,340.83
PHP	5,046,590.70	0.1328	670,187.24
Other account receivable			9,209,447.07
Including: USD	1,265,765.52	6.4601	8,176,971.84
Pakistan Ruppi	13,544,917.00	0.0408	552,632.61
PHP	225,500.00	0.1328	29,946.40
HKD	540,675.66	0.8321	449,896.22
Account payable			26,970,597.19
Including: USD	1,316,275.31	6.4601	8,503,270.13
Euro	13,419.32	7.6862	103,143.58
Pakistan Ruppi	255,521,203.84	0.0408	10,425,265.12
PHP	59,781,011.75	0.1328	7,938,918.36
Other account payable			14,417,720.72
Including: USD	9,166.51	6.4601	59,216.57
HKD	17,362.53	0.8321	14,447.36
Pakistan Ruppi	348,440,514.34	0.0408	14,216,372.99
PHP	961,474.36	0.1328	127,683.80
Short-term loans			105,061,500.00
Including: USD	15,000,000.00	6.4601	96,901,500.00
Pakistan Ruppi	200,000,000.00	0.0408	8,160,000.00

(2) Foreign operational entity

The foreign operational entity of the Company was Changhong Ruba Trading Company (Private) Limited, mainly operates in Lahore, Pakistan; Recording currency is Pakistan Ruppi. CHANGHONG MEILING ELECTRIC INDONESIA, PT, mainly operates in Jakarta; recording currency is IDR. CH-Meiling International (Philippines) Inc,

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

mainly operates in Philippines; Recording currency is PHP.

61. Government subsidy

Item	Amount	Item	Amount reckoned into current gain/loss
Enterprise policy funds	27,000,000.00	Other income	27,000,000.00
Loan discount	3,000,000.00	Other income	3,000,000.00
2020 Triple One Innovation Project in Anhui Province	2,600,000.00	Deferred income	54,166.67
Immediate refund of VAT for software products	2,548,001.17	Other income	2,548,001.17
2019 VAT refund	1,635,266.39	Other income	1,635,266.39
Economic Development Zone Industrialization Policy Award and Supplementary Funds in 2019	1,140,400.00	Other income	1,140,400.00
Hefei 2020 Smart Home Appliances (Home Furnishing) Technology Award Supplement	1,000,000.00	Other income	1,000,000.00
Centre for external cooperation of the environmental protection	846,100.00	Deferred income	
The second batch of awards for supporting China Sound Valley construction projects in 2020	544,200.00	Other income	544,200.00
Faster revenue growth corporate incentives	500,000.00	Other income	500,000.00
Other units	6,315,427.16	Other income	6,315,427.16
Total	47,129,394.72		43,737,461.39

VII. Changes of consolidation rage

1. Enterprise combined under the different control: nil

2. Enterprise combined under the same control: nil

3. Reversed takeover: nil

4. Disposal of subsidiary: nil

5. Subsidiary liquidated

6. Subsidiary newly established:

Name of company	New merger	Shareholding	Net asset at	Net profit in
-----------------	------------	--------------	--------------	---------------

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

	reasons	ratio	period-end	Current Period
Anhui Lingan Medical Equipment Co., Ltd	Investment establishment	63.2683%	9,997,480.00	-2,520.00

7. Subsidiary merger by absorption: Nil

VIII. Equity in other entity

1. Equity in subsidiary

(1) Composition of the enterprise group

Subsidiary	Main office place	Registration place	Business nature	Shareholding ratio (%)		Acquire by
				Directly	Indirectly	
Zhongke Meiling Cryogenic Technology Co., Ltd.1)	Hefei	Hefei	Manufacturing and sales	63.2683		Investment establishment
Sichuan Hongmei Intelligent Technology Co., Ltd.2)	Mianyang	Mianyang	Software development		100	Investment establishment
Mianyang Meiling Refrigeration Co., Ltd.3)	Mianyang	Mianyang	Manufacturing and sales	95	5	Investment establishment
Jiangxi Meiling Electric Appliance Co., Ltd.4)	Jingdezhen	Jingdezhen	Manufacturing and sales	98.75	1.25	Investment establishment
Hefei Meiling Wulian Technology Co., Ltd.5)	Hefei	Hefei	Software development	100		Investment establishment
Hefei Meiling Electric Appliances Marketing Co., Ltd.6)	Hefei	Hefei	Sales	99.82	0.18	Investment establishment
Jinan Xiangyou Electric Appliances Marketing Co., Ltd.7)	Jinan	Jinan	Sales		93.4	Investment establishment
Wuhan Meizirong Electrical Marketing Co., Ltd.8)	Wuhan	Wuhan	Sales		92	Investment establishment
Zhengzhou Meiling Electric Appliances Marketing Co., Ltd.9)	Zhengzhou	Zhengzhou	Sales		100	Investment establishment
Taiyuan Meiling Electric Appliances Marketing Co., Ltd.10)	Taiyuan	Taiyuan	Sales		100	Investment establishment
Guangzhou Meiling Electric Appliances Marketing Co., Ltd.11)	Guangzhou	Guangzhou	Sales		98	Investment establishment
Tianjin Meiling Electric Appliances Marketing Co., Ltd.12)	Tianjin	Tianjin	Sales		100	Investment establishment
Hefei Meiling Nonferrous Metal Products Co., Ltd.13)	Hefei	Hefei	Manufacturing and sales		100	Enterprise combined under the same control
Changhong Meiling Ridian Technology Co., Ltd.14)	Zhongshan	Zhongshan	Manufacturing and sales	99.0361		Enterprise combined under the same control
CHANGHONGMEILINGELECTRICIND	Jakarta	Jakarta	Sales		100	Investment

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Subsidiary	Main office place	Registration place	Business nature	Shareholding ratio (%)		Acquire by
				Directly	Indirectly	
ONESIA,PT 15)						establishment
ChanghongRubaTradingCompa (Private) Limited 16)	Pakistan	Pakistan	Sales		60	Investment establishment
Sichuan Changhong Air-conditioner Co., Ltd. 17)	Mianyang	Mianyang	Manufacturing and sales	100		Enterprise combined under the same control
Zhongshan Changhong Electric Co., Ltd.18)	Zhongshan	Zhongshan	Manufacturing and sales	90	10	Enterprise combined under the same control
Hefei Meiling Group Holdings Limited19)	Hefei	Hefei	Manufacturing and sales	100		Enterprise combined not under the same control
Meiling Equator Household Appliance (Hefei) Co., Ltd.20)	Hefei	Hefei	Manufacturing and sales		100	Enterprise combined not under the same control
Hefei Equator Appliance Co., Ltd.21)	Hefei	Hefei	Manufacturing and sales		100	Enterprise combined not under the same control
Hongyuan Ground Energy Heat Pump Tech. Co., Ltd22)	Mianyang	Mianyang	Manufacturing and sales		51	Investment establishment
Ground Energy Heat Pump Tech. (Zhongshan) Co., Ltd. 23)	Zhongshan	Zhongshan	Manufacturing and sales		51	Investment establishment
Meiling CANDY Washing Machine Co., Ltd.24)	Hefei	Hefei	Manufacturing and sales	60		Investment establishment
Guangzhou Changhong Trading Co., Ltd25)	Guangzhou	Guangzhou	Sales		100	Investment establishment
Hebei Hongmao Household Appliance Technology Co., Ltd26)	Handan	Handan	Manufacturing and sales		99.0361	Investment establishment
Anhui Tuoxing Technology Co., Ltd.27)	Hefei	Hefei	Manufacturing and sales		63.2683	Investment establishment
CH-Meiling International (Philippines) Inc.28)	Philippines	Philippines	Sales	100		Investment establishment
Hefei Changhong Meiling Life Appliances Co., Ltd. 29)	Hefei	Hefei	Sales	70		Investment establishment
Anhui Ling'an Medical Equipment Co., Ltd 30)	Lu'an	Lu'an	Manufacturing and sales		63.2683	Investment establishment

Note:

1) Zhongke Meiling Cryogenic Technology Co., Ltd.(hereinafter referred to as Zhongke Meiling), the predecessor of which was Zhongke Meiling Cryogenic Technology Limited Liability Company, was established on 29 October 2002

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

by joint contribution from the Company and Technical Institute of Physics and Chemistry, CAS (“TIPC”), with registered capital of RMB60 million upon the establishment, among which, the Company made capital contribution of RMB42 million (including the assets in specie at the consideration of RMB35,573,719.70 as evaluated by Beijing Zhongzheng Appraisal Co., Ltd. with issuance of the Appraisal Report (ZZPBZ(2002)No.029) and cash contribution of RMB6,426,280.30) accounting for 70% of the aforesaid registered capital, and TIPC made capital contribution of RMB18 million with intangible assets of such value (namely the single compressor mixture industrial low temperature refrigeration technology) as evaluated by Jingzhongzi Assets Appraisal Co., Ltd. with issuance of the Appraisal Report (ZZPBZ(2002)No.225) accounting for 30% of the aforesaid registered capital. The paid-in of the above registered capital has been verified by Huazheng Accounting Firm by issuance of the Assets Verification Report (HZYZ (2002) No. B157) dated 16 October 2002.

In October 2014, according to the relevant provision under the Management Rules on Application of State Owned Assets by Central Business Organs, TIPC transferred the 30% equity interests held by it in Zhongke Meiling Cryogenic Technology Company Limited to its wholly-owned subsidiary Zhongke Xianxing (Beijing) Assets Management Co., Ltd (hereinafter referred to as Zhongke Xianxing) which would perform management over the operating assets of TIPC. Upon consideration and approval at the 37th session of the 7th Board of Directors of Hefei Meiling Co., Ltd, it is agreed to waive the pre-emptive right.

On 10 August 2015, all the founders signed the Founder Agreement of Zhongke Meiling Cryogenic Technology Company Limited, pursuant to which, they decided to change the firm type of Zhongke Meiling Cryogenic Technology Company Limited to a joint stock company. Based on the net assets of RMB96, 431,978.25 as audited by Xinyong Zhonghe CPA as of 30 June 2015, an aggregate of 65,000,000 shares have been converted at the proportion of 1:0.67, which are to be held by the original shareholders according to their respective entitlement. In case that the net assets exceed registered capital, the balance shall be recorded in capital reserve. On 28 August 2015, Xinyong Zhonghe CPA reviewed the registered capital and paid-in thereof in respect of the stock reform, and issued Assets Verification Report (XYZH/2015CDA40161). The Company registered industrial and commercial information on 11 September 2015.

On November 25, 2016, the first Extraordinary Shareholders' General Meeting of Zhongke Meiling Cryogenic Technology Co., Ltd. in 2016 considered and approved the Proposal on the Issuance Plan of the Company; Zhongke Meiling Company issued 3,150,000 shares to specific investors by the non-public offering of shares at 1.63 Yuan per share. The current capital increase was verified by the No. [XYZH/2016CDA40294] capital verification report issued by ShineWing CPA (special general partnership). After the completion of the issuance, the share capital of Zhongke Meiling Company increased to 68,150,000 shares and the Company's shareholding ratio was 66.76%.

On 15 September 2017, the Proposal of the First Stock Placement of Zhongke Meiling Cryogenic Technology Co., Ltd for year of 2017 was deliberated and approved by 4th session extraordinary of shareholders general meeting of 2017. Zhongke Meiling offering 490,300 shares to specific investors by way of privately placement, which has 1.72 Yuan per share in amount. The capital increase has been verified by the No. [XYZH/2017CDA40324] capital verification report issued by ShineWing CPA (special general partnership). After the completion of shares placement, stock of the Company increased to 68,640,300 shares and 66.87% held by the Company.

On September 9, 2019, the 10th Meeting of the Second Board of Directors and the Fourth Extraordinary Shareholders' Meeting reviewed and approved the Proposal on the First Stock Issuance Plan of Zhongke Meiling Cryogenic Technology Co., Ltd. in 2019 (Revised Version), the number of shares to be issued this time does not exceed 3,907,900 shares (including 3,907,900 shares), the issue price is not less than 2.16 yuan per share, and the raised funds are

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

expected to not exceed 8,441,064.00 yuan (including 8,441,064.00 yuan). After the completion of the additional issue, the company's share capital increased to 72,548,200 shares, which was verified by [No. XYZH/2020CDA30002] "Capital Verification Report" issued by Shine Wing Certified Public Accountants (LLP), and the Company's shareholding ratio was 63.2683%.

2) Sichuan Hongmei Intelligent Technology Co., Ltd. (hereinafter referred to as Hongmei Intelligent) was established on Jan. 24, 2014. It is a limited company jointly invested by the Company and Mianyang Meiling Refrigeration Co., Ltd., being approved by the Industrial and Commerce Bureau of Peicheng District, Mianyang City. The company owes registered capital of RMB 5 million, including RMB 4.95 million contributed by Changhong Meiling Company in cash, accounted for 99% of the registered capital; Mianyang Meiling Refrigeration Co., Ltd. contributed RMB 50000 in cash with 1% of the register capital occupied. The above mentioned register capital have been verified by verification report of Chuanjinlai Yanzi No. [2014] B039 issued by Sichuan Jinlai Accounting Firm Co., Ltd. In July 2016, the shares of Hongmei Intelligent, held by the Company has transferred to Sichuan Changhong AC Co., Ltd., after transferred, Changhong AC has 99% equity of Hongmei Intelligent, the Company has no shares of Hongmei Intelligent directly.

3) Mianyang Meiling Refrigeration Co., Ltd. (hereinafter referred to as Mianyang Meiling), a limited liability company jointly set up by the Company and China-tech Meiling Company, was founded on Mar. 6, 2009. Its registered capital and paid-in capital were RMB 50 million upon establishment, of which, the Company invested RMB 45 million, accounting for 90% of the registered capital; Zhongke Meiling Company invested RMB 5 million, accounting for 10% of the registered capital. The capital receipt was verified by the verification report [CXKY (2009) No. 008] of Sichuan Xingrui Certified Public Accountants. On 19 January 2011, the Company increase RMB 50 million in capital of Mianyang Meiling, of which RMB 95 million invested by the Company, a 95% of total register capital while RMB 5 million invested by Zhongke Meiling, a 5% of total capital occupied. The paid-in capital has been verified by Capital Verification Report [XYZH/2010CDA6040] from Chengdu Branch of Shinewing CPA CO., Ltd. In 2011, Zhongke Meiling entered into "Equity Transfer Agreement" with Jiangxi Meiling Refrigeration Co., Ltd. 5 percent equity of Mianyang Meiling held by Zhongke Meiling was transferred to Jiangxi Meiling Refrigerator. In September 2013, Jiangxi Meiling Refrigeration was combined by Jiangxi Meiling Electric Appliance Co., Ltd, than 5 percent equity was transfer to Jiangxi Meiling Electric Appliance.

4) Jiangxi Meiling Electric Appliance Co., Ltd. (hereinafter referred to as Jiangxi Meiling Electric Appliance) was a limited liability company jointly established by the Company and Mianyang Meiling on 23 May 2011. Register capital of the company totally as RMB 50 million, RMB 49.375 million invested by the Company, 98.75% in total register capital while RMB 0.625 million invested by Mianyang Meiling, a 1.25% in total register capital occupied. The initial investment RMB 10.50 million was received dated 13 May 2011 with RMB 10 million from the Company and RMB 0.5 million from Mianyang Meiling. Rest of the capital shall be invested fully within 2 years after the joint ventures established according to capital requirement. The initial investment capital were verified by the Capital Verification Report [JXKYzi (2011) No. 090] issued from Jingdezhen Xingci CPA Co., Ltd. Second capital RMB 39.5 million was fully funded on 28 July 2011, the Company contributed RMB 39.375 million while Mianyang Meiling Company invested RMB 125,000, the contributions have been verified by the capital verification report [Jing Xing Kuai Yan Zi (2011) No.: 134] issued from JDZ Xingci CPA Co., Ltd.

5) Hefei Meiling Wulian Technology Co., Ltd. (hereinafter referred to as Wulian Technology) was established dated 21 January 2019 with registered capital of RMB 10 million, and it is the subsidiary of the Company with fully-owned establishment. As of December 31, 2020, paid in capital is 6 million yuan

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

6) Hefei Meiling Electric Appliances Marketing Co., Ltd (hereinafter referred to as Meiling Marketing) is the limited company jointly invested by the Company and Mianyang Meiling Company on 21 Oct. 2009. Registered capital and paid-up capital were RMB 10 million, including RMB 9.9 million invested by the Company, a 99% of the registered capital; Mianyang Meiling Company contributed RMB 0.1 million, a 1% of the registered capital. The above mentioned paid-up register capital have been verified by verification report of [Wan An Lian Xin Da Yan Zi (2009) No. 074] issued by Anhui An Lian Xin Da Accounting Firm Co., Ltd. On 25 Nov. 2010, the Company increased capital RMB 45 million, registered capital amounting to RMB 55 million, including RMB 54.9 million contributed by the Company, a 99.82% of the registered capital, while Mianyang Meiling invested RMB 0.1 million, a 0.18% of the registered capital. The increased capital has been verified by verification report of [Wan Hua Shen Zheng Da Kuai Yan Zi (2010) No. 1514] issued by Anhui Hua Shen Zhengda CPA Co., Ltd.

7) Jinan Xiangyou Electric Appliances Marketing Co., Ltd (hereinafter referred to as Jinan Xiangyou) was established dated 3 June 2011 with registered capital of RMB 3 million; Meiling Marketing invested RMB 1.08 million, accounted for 36% of the registered capital; after Meiling Marketing acquired 55.4% equity interests from the minority shareholders in 2015, Meiling Marketing totally holds 91.4% equity of the Jinan Xiangyou, In 2019, minority shareholders step out, shares of Jinan Meiling hold by Meiling Marketing changed to 93.4%.

8) Wuhan Meizirong Electrical Marketing Co., Ltd (hereinafter referred to as Wuhan Meizirong) was established dated 10 January 2011 with registered capital of RMB 5 million; Meiling Marketing invested RMB 4.60 million, accounted for 92% of the registered capital.

9) Zhengzhou Meiling Electric Appliances Marketing Co., Ltd (hereinafter referred to as Zhengzhou Meiling) was established dated 17 January 2011 with registered capital of RMB 3 million; Meiling Marketing invested RMB 1.08 million, accounted for 36% of the registered capital. In 2013, Meiling Marketing purchased 10% equity from minority; Meiling Marketing signed equity transfer agreement with the minority shareholders in April 2015, to acquire as the transferee the 39% equity interests of Zhengzhou Meiling held by minority shareholders, Meiling Marketing acquired 10% equity interests from the minority shareholders in February 2016; and after acquiring 5% equity from minority in 2017, Meiling Marketing totally holds 100% equity of Zhengzhou Meiling.

10) Taiyuan Meiling Electric Appliances Marketing Co., Ltd. (hereinafter referred to as Taiyuan Meiling) was established dated 18 January 2011 with registered capital of RMB 4 million; Meiling Marketing invested RMB 1.59 million, accounted for 39.75% of the registered capital; after Meiling Marketing purchased 45.5% equity from minority in 2013, after purchased 14.75% equity from minority in 2016, Meiling Marketing totally holds 100% equity of the Taiyuan Meiling.

11) Guangzhou Meiling Electric Appliances Marketing Co., Ltd. (hereinafter referred to as Guangzhou Meiling) was established dated 13 May 2011 with registered capital of 5 million Yuan; Meiling Marketing invested 4.3 million Yuan, accounted for 86% of the registered capital; after Meiling Marketing acquired 12% equity interests from the minority shareholders in 2014, Meiling Marketing totally held the 98% equity interests of Guangzhou Meiling.

12) Tianjin Meiling Electric Appliances Marketing Co., Ltd. (hereinafter referred to as Tianjin Meiling) was established dated 2 March 2011 with registered capital of 3 million Yuan; Meiling Marketing invested 2.565 million Yuan, accounted for 85.5% of the registered capital; In 2015, Meiling Marketing and Jiangxi Meiling Appliances entered into equity transfer agreements with minority shareholders respectively, to acquire as the transfers the 14.1% and 0.4% equity interests of Tianjin Meiling held by minority shareholders. Upon completion of equity transfer in December 2015,

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Meiling Marketing totally held the entire equity interests of Tianjin Meiling.

13) Hefei Meiling Nonferrous Metal Products Co., Ltd. (hereinafter referred to as Nonferrous Metal) was the Sino-foreign joint venture jointly set up by original Meiling Group, Hefei Meiling Copper Co., Ltd. And Singapore Kim Shin Development Co., Ltd., which have been originally approved by the [WJMWFFZZ (1996) No.349] of Foreign Trade and Economic Committee of Anhui Province. Its registered capital was US\$ 2.92 million upon establishment, of which, original Meiling Group invested US\$ 1.46 million (monetary capital), accounting 50% of the registered capital, Hefei Meiling Copper Co., Ltd invested US\$ 0.584 million (monetary capital of RMB 0.18 million and real assets of US\$ 0.404 million), accounting 20% of registered capital while Singapore Kim Shin Development Co., Ltd invested US\$ 0.876 million (monetary capital), accounting 30% of the registered capital. The above mentioned investment verified by the verification report of [HSWZ (1995) No. 0737], [HSWZ (1996) No. 328] and [HSWZ (1998) No. 088] from Anhui CPAs Co., Ltd. In July 2008, approved by [HWS (2008) No.53] from Foreign Trade Economic Cooperation Bureau of Hefei City, 30% equity and 20% equity held by Singapore Kim Shin Development Co., Ltd and Hefei Meiling Copper Co., Ltd respectively transferred to original Meiling Group Totally. The Company's register capital came into RMB 24,286,808.00 after transference, and was not the joint-venture any more.

14) Changhong Meiling Ridian Technology Co., Ltd. (hereinafter referred to as Ridian Technology) is a limited liability company invested and established by Sichuan Changhong Electric Co., Ltd. (hereinafter referred to as Sichuan Changhong) and Sichuan Changhong Motor Transport Co., Ltd. (hereinafter referred to as Changhong Motor Transport Company) on May 25, 2016. The registered capital and paid-in capital are RMB 40 million Yuan, of which Sichuan Changhong has invested 32 million Yuan by monetary capital, accounting for 80% of the registered capital; Changhong Motor Transport Company has invested 8 million Yuan, accounting for 20% of the registered capital. The official receipts of registered capital have been verified by original Sichuan Junhe Accounting Firm [No. JHYZ (2006) 3027]. Ridian Technology increased registered capital of 43 million Yuan on January 4, 2007, changing from 40 million Yuan to 83 million Yuan, for the newly increased 43 million Yuan, Sichuan Changhong invested 1.8 million Yuan, Guangdong Xiongfeng Electric Co., Ltd. invested 40 million Yuan, and Kou Huameng and other 9 natural person shareholders invested 1.2 million Yuan, at the same time, the shareholders' meeting considered and agreed to transfer the investment of 8 million Yuan of Changhong Motor Transport Company to Sichuan Changhong Venture Investment Co., Ltd, the structure of the registered capital after changes was that Sichuan Changhong invested 33.8 million Yuan, accounting for 40.72%; Guangdong Xiongfeng Electric Co., Ltd. invested 40 million Yuan, accounting for 48.19%; Sichuan Changhong Venture Investment Co., Ltd Invested 8 million Yuan, accounting for 9.64%; Kou Huameng and other 9 natural person shareholders invested 1.2 million Yuan, accounting for 1.45%. The change of registered capital was verified by Zhongshan Promise Accounting Firm [No. ZCHZ (2007)501010].

On February 18, 2009, seven natural person shareholders transferred total 0.76% stock rights to Hu Zhiheng, after the transfer, the registered capital of Changhong Ridian was still 83 million Yuan, the structure of registered capital after changes was that Sichuan Changhong invested 33.8 million Yuan, accounting for 40.72%; Guangdong Xiongfeng Electric Co., Ltd. invested 40 million Yuan, accounting for 48.19%; Sichuan Changhong Venture Investment Co., Ltd invested 8 million Yuan, accounting for 9.64%; Hu Zhiheng and other two natural person shareholders invested 1.2 million Yuan, accounting for 1.45%.

On October 9, 2014, Changhong Ridian held the shareholders meeting which considered and agreed Kou Huameng to transfer its stock rights of total 250,000 Yuan which accounts for 0.301% of the Ridian Technology's registered capital to Sichuan Changhong Venture Investment Co., Ltd at the cost of 317,802 Yuan. The other shareholders of the Ridian

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Technology waived the right of pre-emption. On December 11, 2014, Ridian Technology held the shareholders meeting which considered and agreed Guangdong Xiongfeng Electric Co., Ltd. to transfer its stock rights of total 40 million Yuan which accounts for 48.19 % of the company's registered capital to Sichuan Changhong Electric Co., Ltd. at the cost of 43,977,300 Yuan. The other shareholders of the Ridian Technology waived the right of pre-emption. The structure of registered capital after changes was that Sichuan Changhong invested 73.8 million Yuan, accounting for 88.92%; Sichuan Changhong Venture Investment Co., Ltd Invested 8.25 million Yuan, accounting for 9.94%; Hu Zhiheng and another natural person shareholder invested 950,000 Yuan , accounting for 1.14%.

On 4 January 2016, Sichuan Changhong and Sichuan Changhong Venture Investment Co., Ltd. transferred total 98.855% equity of the Ridian Technology to the Company. After the transfer, the Company directly holds 98.855% stock rights of Ridian Technology.

On 7 April 2020, Ridian Technology convened the shareholders' meeting, and agreed the Wu Changyuan to transferred total 0.18% equity of the Ridian Technology to the Company. After the transfer, the Company directly holds 99.0361% stock rights of Ridian Technology.

15) CHANGHONG MEILING ELECTRIC INDONESIA, PT.(hereinafter referred to as Indonesia Changhong) is a subsidiary established in Indonesia and jointly invested by Zhongshan Changhong and Sichuan Changhong in 2016, the company's registered capital is 6 million US dollars, of which Zhongshan Changhong subscribed and paid 5.88 million US dollars in cash, accounting for 98% of the registered capital, Changhong Air Conditioning subscribed and paid 120,000 US dollars in cash, accounting for 2% of the registered capital. On 4 July 2017, rests of the 2.94 million US dollars are subscribed by Zhongshan Changhong in line with the agreement.

16) Changhong Ruba Trading Company (Private) Limited (hereinafter referred to as Changhong Ruba) was a joint venture established by Zhongshan Changhong Appliances Company Limited and RUBA GENERAL TRADING FZE Company ("RUBA") on 5 August 2011 with the approval from Guangdong Development and Reform Commission by issuance of the Approval Relating to Joint Construction of a Manufacturing and Selling Platform Project in Pakistan by Zhongshan Changhong Appliances Company Limited (YFGWZ(2011)958). The resolution of the second extraordinary shareholders' meeting of Zhongshan Changhong in 2016 passed the "Proposal on the Company's Capital Increase to Changhong Ruba Trading Company (Private) Limited", and agreed that the company and UAE RUBA Company jointly increase capital to Changhong Ruba Trading Company(Private) Limited which was invested by both sides in Pakistan at an earlier stage, Zhongshan Changhong invested 3.84 million US dollars in this capital increase, and UAE RUBA Company invested 2.56 million US dollars, the shares held by both sides remained unchanged. After the capital increase, the company's registered capital became 12.4 million US dollars, of which Zhongshan Changhong Home Appliances Company Limited invested 7.44 million US dollars in cash, shareholding ratio was 60%, UAE RUBA Company invested 4.96 million US dollars in cash, and shareholding ratio was 40%.

17) Sichuan Changhong Air Conditioning Co., Ltd. (hereinafter referred to as Changhong Air Conditioner), a limited liability company jointly set up by Sichuan Changhong and Changhong Chuangtou, was founded on November 28, 2008. Its registered capital was RMB 200 million upon establishment, of which, Sichuan Changhong invested RMB 298 million (RMB 210,088,900 invested by monetary capital while RMB 87,911,100 invested by real material), equivalent to RMB 198 million shares, accounting for 99% of the registered capital; and Changhong Chuangtou invested RMB 3 million, accounting for 1% of the registered capital with equivalent of RMB 2 million shares. The registered capital receipt was verified by the verification report [CGYYZ (2008) No. 177] of Sichuan Guangyuan Certified Public Accountants Co., Ltd. and [HLTHYZ (2008) No. 12-006] of Sichuan Henglitai Certified Public

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Accountants Co., Ltd. In December 2009, the Company obtained 100% equity of Changhong Air-conditioner by consolidated under the same control. In 2017, the Company increased capital of 650 million Yuan to Changhong Air Conditioner, after capital increased, registered capital of Sichuan Changhong comes to 850 million Yuan from 200 million Yuan, shareholding still counted as 100%.

18) Zhongshan Changhong Electric Co., LTD (hereinafter referred to as Zhongshan Changhong), was the original Guangdong Changhong Electric Co., Ltd., and is a limited liability company jointly set up by Sichuan Changhong and China Minmetals on May 22, 2001. Its registered capital was RMB 80 million upon establishment, of which, Sichuan Changhong invested RMB 72 million, including RMB 69.3 million bidding for the estate/ non-estate from original Zhongshan Sanrong Air-conditioner Co., Ltd. And its patent use-right of RMB2.7 million, accounting for 90% of the registered capital; China Minmetals invested RMB 8 million in monetary capital accounting 10% of the registered capital. The Company changed its name originally from Guangdong Changhong Electric Co., Ltd in July 2003. In December 2009, the Company obtained 90% equity of Zhongshan Changhong by consolidated under same control. 10% equity held by China Minmetals has been transferred by Changhong Air-conditioner on April 11, 2010. On 25 May 2014, the Company increased RMB 36 million to Zhongshan Changhong, and Changhong AC increased RMB 4 million. In 2016, according to the overseas development strategy of the Company and the development and operation needs of the subsidiaries, the Company and the wholly-owned subsidiary Changhong Air Conditioning have increased capital of RMB 64 million Yuan to Zhongshan Changhong according to the existing shareholding ratio, among which the capital increase of the Company was RMB 57.6 million Yuan, and the capital increase of Changhong Air Conditioning was RMB 6.4 million Yuan. After the completion of this capital increase, the registered capital Zhongshan Changhong shall increase to RMB 184 million Yuan, the shareholding ratio of the company and Changhong Air Conditioning remained unchanged and was still 90% and 10%, of which the Company invested 165.6 million Yuan, accounting for 90% of the registered capital, Changhong Air Conditioning invested 18.4 million Yuan, accounting for 10% of the registered capital. In March 2020, in accordance with the Company's overseas development strategy and the operation and development needs of its subsidiaries, the Company and its wholly-owned subsidiary Changhong Air Conditioning increased capital of RMB 150 million to Zhongshan Changhong according to the existing shareholding ratios, of which the Company increased capital of RMB 135 million, Changhong Air-Conditioning increased capital of RMB 15 million. After the completion of capital increase, the registered capital of Zhongshan Changhong has increased to RMB 334 million. The Company's and Changhong's shareholding ratios in Zhongshan Changhong remain unchanged at 90% and 10%, of which the Company funded RMB 300.6 million, accounting for 90% of the registered capital, while Changhong Air Conditioning funded RMB 33.4 million, accounting for 10% of the registered capital.

19) Hefei Meiling Group Holdings Limited (hereinafter referred to as Meiling Group), was the state-owned company originally approved by People's Government of Hefei Province and established authorized by SASAC of Hefei City. On July 14, 2008, 100% state-owned equity of Meiling Group has freely transferred to Xingtai Holding by Hefei SASAC. Agreement by the approval of < State-owned property agreement transfer from Meiling Group > [HGZCQ (2010) No.34] of Hefei SASAC on April 9, 2010, 100% state-owned property of Meiling Group after partial assets and liabilities separated transferred to the Company from Xingtai Holding as amount of RMB 113.2 million. The re-registration of industrial and commercial procedure for Meiling Group after separated partial assets liability has finished on July 28, 2010. The new Meiling Group has register capital of RMB 80 million, and has been verified by the [AD (2010) YZD No. 016] from Anhui Auding CPAs Co., Ltd.

20) Meiling Equator Household Appliance (Hefei) Co., Ltd. (hereinafter referred to as Equator Household Appliance) was the Sino-foreign joint venture jointly set up by original Meiling Group and EQUATOR INVESTMENTS (USA) INC. (EQUATOR

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

for short), which have been approved by the [SWZWFZZ(2004) No.0103] of Approval Certificate of Foreign Enterprise from People's Government of Anhui Province. Its registered capital was US\$ 3 million upon establishment, of which, Sino company invested US\$ 2.25 million in machinery equipment, accounting 75% of the registered capital while foreign company invested US\$ 0.5 million in monetary capital and US\$ 0.25 million in intangible assets, amounting to US\$0.75 million, accounting 25% of the registered capital. The above mentioned investment verified by the verification report of [WYAYZ (2004) No. 135] from Anhui Yongan CPAs Co., Ltd. In July 2007, approved by [HWJ (2007) No.136] from Foreign Trade Economic Cooperation Bureau of Hefei City, 25% equity held by EQUATOR transferred to Anhui Meiling Electric Co., Ltd. Totally. The Company's register capital came into RMB 24,793,200 after transference, and was not the joint-venture any more. 25% equity owned by Anhui Meiling Electric Co., Ltd has been transferred totally to original Meiling Group in July 2009.

21) Hefei Equator Appliance Co., Ltd.(hereinafter referred to as Equator Appliance) was jointly set up by original Meiling Group and Yingkaite Appliance on September 26, 2007. Its register capital was RMB 12 million, among which, original Meiling Group invested 8,670,600 Yuan in monetary capital, accounting 72.255% in registered capital; Equator Appliance invested 3,329,400 Yuan in the assessment value of intangible assets (land-use right), accounting 27.745% of total registered capital. The investment being verified by [WYAZ (2004) No. 135] from Anhui Yongan CPAs Co., Ltd.

22) Hongyuan Ground Energy Heat Pump Technology Co., Ltd. (hereinafter referred to as Hongyuan Ground Energy) was established on 28 August 2015, it is a limited liability company authorized by Administration for Industry and Commerce of Peicheng District, Mianyang, Sichuan, contributed by Sichuan Changhong Air Conditioner Co., Ltd (hereinafter referred to as Changhong Air Conditioner) and Hengyouyuan Technology Development Group Co., Ltd. together. Registered capital amounted as 50 million Yuan, including 25.5 million Yuan contributed by Changhong Air Conditioner in cash, a 51% in total registered capital; Hengyouyuan Technology Development Group Co., Ltd. invested 24.5 million Yuan in cash, a 49% in registered capital.

23) Hongyuan Ground Energy Heat Pump Tech. (Zhongshan) Co., Ltd.(hereinafter referred to as Hongyuan Zhongshan) was established and invested on 18 July 2017 with registered capital of 15 million Yuan, The Hongyuan Ground Energy Heat Pump Tech. Co., Ltd contributed 1.5 million Yuan with own funds and takes 100% in the registered capital. In 2018, the shareholders of the Hongyuan Zhongshan decided to increase capital of 30 million Yuan, and contributed by the shareholder Hongyuan Ground Energy; thus registered capital of Hongyuan Zhongshan up to 45 million Yuan

24) Meiling Candy Washing Machine Co., Ltd. (hereinafter referred to as Meiling Candy) was established and registered on 27 April 2017, which was contributed by the Company and Candy Hoover Group S.r.l. together. Registered capital counted as 150 million Yuan, including 90 million Yuan invested by the Company, a 60% in registered capital.

25) Guangzhou Changhong Trading Co., Ltd. (hereinafter referred to as Changhong Trading) was established on 6 Jan. 2017, the wholly-owned subsidiary of Zhongshan Changhong Electric Co., LTD (hereinafter referred to as Zhongshan Changhong) with registered capital of one million Yuan

26) Hebei Hongmao Household Appliance Technology Co., Ltd. (hereinafter referred to as Hebei Hongmao) was established on 21 July 2017 with registered capital of 5 million Yuan. Changhong Ridian invested 5 million Yuan by own fund and takes 100% in registered capital.

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

27) Anhui Tuoxing Technology Co., Ltd. (hereinafter referred to as Anhui Tuoxing) was established on 20 May 2019 with registered capital of 10 million Yuan and it is the subsidiary of Zhongke Meiling with fully-owned establishment. As of June 30, 2021, actually 10 million yuan contributed.

28) CH-Meiling.International (Philippines) Inc. was established on 13 February 2020 in Philippines with registered capital of US\$ 1,000,000, takes 100% of the equity. As of December 31, 2020, the Company has invested US\$ 1,000,000,

29) Hefei Changhong Meiling Life Electric Co., Ltd. (hereinafter referred to as Changmei Life) was established on 24 December 2020, jointly established by the Company and Ningbo Hongling Enterprise Management Partnership (Limited Partnership). As of June 30, 2021, the Company actually contributed 35 million yuan, representing 70% of the equity while 15 million yuan invested by Ningbo Hongling Enterprise Management Partnership (Limited Partnership), a 30% takes in the equity.

30) Anhui Ling'an Medical Equipment Co., Ltd. (hereinafter referred to as Ling'an Medical) was established on 4 September 2021, which is a wholly-owned subsidiary of Zhongke Meiling, and registered capital of 10 million yuan. As of June 30, 2021, actually 10 million yuan contributed.

(2) Major non-wholly-owned subsidiary

Subsidiary	Shareholding ratio of minority	Gains/losses attributable to minority in Current Period	Dividend distributed to minority announced in Current Period	Balance of minority's interest at period-end
Zhongke Meiling	36.7317%	19,037,359.58	1,598,892.00	86,252,629.03
Hongyuan Ground Energy	49.00%	-4,964,708.04		12,147,092.24
Ridian Technology	0.9639%	-16,945.64		1,276,558.15
Changmei Life	30.00%	5,211,265.13		20,211,265.13

(3) Financial information for major non-wholly-owned subsidiary

Subsidiary	Ending balance					
	Current assets	Non-current assets	Total assets	Current liability	Non-current liability	Total liabilities
Zhongke Meiling	429,654,686.43	133,236,569.55	562,891,255.98	321,652,192.96	6,421,214.87	328,073,407.83
Hongyuan Ground Energy	62,319,001.48	29,771,693.76	92,090,695.24	64,044,788.09	3,255,922.99	67,300,711.08
Ridian Technology	297,773,560.26	48,537,604.93	346,311,165.19	213,436,113.88	432,142.84	213,868,256.72
Changmei Life	317,064,609.76		317,064,609.76	249,693,726.01		249,693,726.01

(Continued)

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Subsidiary	Opening balance					
	Current assets	Non-current assets	Total assets	Current liability	Non-current liability	Total liabilities
Zhongke Meiling	386,201,073.54	133,596,263.07	519,797,336.61	323,587,127.53	8,867,591.28	332,454,718.81
Hongyuan Ground Energy	110,464,175.51	25,279,044.46	135,743,219.97	100,181,345.93	639,832.66	100,821,178.59
Ridian Technology	572,516,245.87	50,889,561.24	623,405,807.11	488,419,038.99	484,047.64	488,903,086.63
Changmei Life						

(Continued)

Subsidiary	Current Period			
	Operation income	Net profit	Total comprehensive income	Cash flow from operation activity
Zhongke Meiling	271,384,729.79	51,828,122.35	51,828,122.35	44,525,447.06
Hongyuan Ground Energy	49,226,548.73	-10,132,057.22	-10,132,057.22	-57,732,313.13
Ridian Technology	152,108,811.31	-2,059,812.01	-2,059,812.01	-206,486,307.38
Changmei Life	486,144,189.56	17,370,883.75	17,370,883.75	61,431,363.80

(Continued)

Subsidiary	Last Period			
	Operation income	Net profit	Total comprehensive income	Cash flow from operation activity
Zhongke Meiling	113,979,900.96	3,187,502.65	3,187,502.65	-1,593,316.20
Hongyuan Ground Energy	89,983,710.53	-9,754,270.96	-9,754,270.96	6,460,975.38
Ridian Technology	388,868,705.58	8,761,499.08	8,761,499.08	-79,204,317.51
Changmei Life				

(4) Major limitation on using enterprise group's assets and liquidate debts of enterprise group: nil

(5) Offering financial supporting or other supports for structured entity that included in consolidation statement scope: nil

2. Changes of owner' equity shares in subsidiary and its impacts: nil

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

3. Equity in joint venture or associate enterprise

(1) Major joint venture or associate enterprise

Joint venture or associate enterprise	Main office place	Register place	Business nature	Shareholding ratio (%)		Accounting treatment for investment of joint venture or associate enterprise
				Directly	Indirectly	
Associated companies:						
1.ChanghongRubaElectricCompany (Private)Ltd.	Lahore, Pakistan	Lahore	Manufactures, sales		40.00	Equity
2.Hefei Xingmei Assets Management Co., Ltd.	Hefei	Hefei	Rental, agency	48.28		Equity
3.Sichuan Zhiyijia Network Technology Co., Ltd.	Mianyang	Mianyang	Sales	50.00		Equity
4.Hongyuan Ground Energy Heat Tech. Co., Ltd	Mianyang	Mianyang	R & D, sales, after-sales		49.00	Equity
5.Sichuan Tianyou Guigu Technology Co., Ltd	Mianyang	Mianyang	Manufactures, sales		25.00	Equity
6.Chengdu Guigu Environmental Tech. Co., Ltd.	Chengdu	Chengdu	R&D, manufacturing and sales		25.00	Equity

(2) Financial information for major Joint venture: nil

(3) Financial information for associate enterprise

Item	Ending balance/Current Period					
	ChanghongRubaElectricCompany(Private)Ltd.	Hefei Xingmei Assets Management Co., Ltd.	Sichuan Zhiyijia Network Technology Co., Ltd.	Hongyuan Ground Energy Heat Tech. Co., Ltd	Sichuan Tianyou Guigu Technology Co., Ltd	Chengdu Guigu Environmental Tech. Co., Ltd.
Current assets	119,979,518.16	134,730.09	4,209,479,633.63	40,469,336.49	11,295,307.29	24,228,107.02
Including: cash and cash equivalent	7,210,015.53	27,526.83	2,349,292,997.85	104,814.25	4,364,075.98	9,789,062.89
Non-current assets	44,109,181.42	18,174,212.08	9,751,159.60	9,249,737.02	12,352.49	13,419,496.74
Total assets	164,088,699.58	18,308,942.17	4,219,230,793.23	49,719,073.51	11,307,659.78	37,647,603.76
Current liability	171,913,449.12	5,137,337.05	4,157,099,291.25	6,374,225.39	116,070.34	17,034,439.84
Non-current liability			2,221,938.05			1,977,248.32
Total liabilities	171,913,449.12	5,137,337.05	4,159,321,229.30	6,374,225.39	116,070.34	19,011,688.16
Minority's interest						1,083,928.80
Equity attributable to shareholder of parent company	-7,824,749.54	13,171,605.12	59,909,563.93	43,344,848.12	11,191,589.44	17,551,986.80
Share of net assets measured by shareholding	-3,129,899.82	6,359,250.95	29,954,781.97	21,238,975.58	2,797,897.36	4,387,996.70

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Item	Ending balance/Current Period					
	ChanghongRubaElectricCompany(Pri-vate)Ltd.	Hefei Xingmei Assets Management Co., Ltd.	Sichuan Zhiyijia Network Technology Co., Ltd.	Hongyuan Ground Energy Heat Tech. Co., Ltd	Sichuan Tianyou Guigu Technology Co., Ltd	Chengdu Guigu Environmental Tech. Co., Ltd.
Adjustment						
--Goodwill			821,877.28			1,416,227.93
Unrealized profit of the internal downstream transactions	265,726.62		7,821,342.04	60,650.76	4,349.86	10,147.35
Unrealized profit of the internal upstream transactions						
Other	3,395,626.44					
Book value of the equity investment for associate enterprise		6,359,250.95	22,955,317.21	21,178,324.82	2,793,547.50	5,794,077.28
Fair value of equity investment for the affiliates with consideration publicly						
Operation income	129,037,750.98		5,593,676,163.39	1,673,087.14	718,023.89	7,596,668.97
Financial expenses	387,772.68	236,147.00	-33,239,098.14	338.80	-59,414.10	-51,562.20
Income tax expenses	1,709,882.92		147,397.82			-
Net profit	7,290,919.13	-967,324.02	-27,599,431.03	-1,875,733.81	-226,371.54	-1,079,748.77
Net profit of discontinuing operation						
Other comprehensive income	-148,798.81					
Total comprehensive income	7,142,120.32	-967,324.02	-27,599,431.03	-1,875,733.81	-226,371.54	-1,079,748.77
Dividend received from associate enterprise in Current Period						

(Continued)

Item	Opening balance/Last Period					
	ChanghongRubaElectricCompany(Pri-vate)Ltd.	Hefei Xingmei Assets Management Co., Ltd.	Sichuan Zhiyijia Network Technology Co., Ltd.	Hongyuan Ground Energy Heat Tech. Co., Ltd	Sichuan Tianyou Guigu Technology Co., Ltd	Chengdu Guigu Environmental Tech. Co., Ltd.
Current assets	68,287,114.60	626,580.92	3,812,812,831.86	40,622,241.47	21,480,727.03	17,707,474.44

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Item	Opening balance/Last Period					
	ChanghongRuba Electric Company (Private) Ltd.	Hefei Xingmei Assets Management Co., Ltd.	Sichuan Zhiyijia Network Technology Co., Ltd.	Hongyuan Ground Energy Heat Tech. Co., Ltd	Sichuan Tianyou Guigu Technology Co., Ltd	Chengdu Guigu Environmental Tech. Co., Ltd.
Including: cash and cash equivalent	5,536,272.95	119,477.66	2,996,535,171.99	52,958.51	10,450,786.16	2,371,663.95
Non-current assets	45,830,745.35	18,704,537.29	1,226,646.52	10,161,277.73	12,352.49	13,175,012.62
Total assets	114,117,859.95	19,331,118.21	3,814,039,478.38	50,783,519.20	21,493,079.52	30,882,487.06
Current liability	129,084,729.80	5,192,189.07	3,724,855,931.57	5,562,937.27	10,075,118.54	19,463,087.16
Non-current liability	-	-	117,900.00	-	-	1,886,933.19
Total liabilities	129,084,729.80	5,192,189.07	3,724,973,831.57	5,562,937.27	10,075,118.54	21,350,020.35
Minority's interest	-	-	-	-	-	822,750.86
Equity attributable to shareholder of parent company	14,966,869.86	14,138,929.14	89,065,646.81	45,220,581.93	11,417,960.98	8,709,715.85
Share of net assets measured by shareholding	-5,986,747.94	6,826,274.99	44,532,823.41	22,158,085.15	2,854,490.25	2,177,428.96
Adjustment	-	-	-	-	-	-
--Goodwill	-	-	821,877.28	-	-	3,887,027.34
Unrealized profit of the internal downstream transactions	49,697.83	-	6,191,361.16	54,975.58	4,398.74	24,449.53
Unrealized profit of the internal upstream transactions	-	-	-	-	-	-
Other	5,937,050.11	-	-	-	-	-
Book value of the equity investment for associate enterprise	-	6,826,274.99	39,163,339.53	22,103,109.57	2,850,091.51	6,040,006.77
Fair value of equity investment for the affiliates with consideration publicly	-	-	-	-	-	-
Operation income	45,300,541.58	-	3,605,343,938.12	23,259,797.54	10,087.61	1,501,031.58
Financial expenses	10,265,459.27	-1,117.38	-22,628,943.85	1,359.95	-134,260.28	124,588.98
Income tax expenses	-	-	1,037,833.62	-	-	-
Net profit	-11,109,497.99	-639,886.66	5,881,057.16	-128,904.93	23,543.66	-4,433,824.06
Net profit of discontinuing operation	-	-	-	-	-	-
Other comprehensive income	188,871.84	-	-	-	-	-

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Item	Opening balance/Last Period					
	ChanghongRuba Electric Company (Private) Ltd.	Hefei Xingmei Assets Management Co., Ltd.	Sichuan Zhiyijia Network Technology Co., Ltd.	Hongyuan Ground Energy Heat Tech. Co., Ltd	Sichuan Tianyou Guigu Technology Co., Ltd	Chengdu Guigu Environmental Tech. Co., Ltd.
Total comprehensive income	10,920,626.15	-639,886.66	5,881,057.16	-128,904.93	23,543.66	-4,433,824.06
Dividend received from associate enterprise in Current Period			6,649,787.97			

(4) Financial summary for non-important Joint venture and associate enterprise

Item	Ending balance/Current Period	Opening balance/Last Period
Associated companies:		
Total book value of investment		
Total amount measured by shareholding ratio		
--Net profit	-69,558.59	-129,133.66
--Other comprehensive income		
--Total comprehensive income	-69,558.59	-129,133.66

(5) Major limitation on capital transfer ability to the Company from joint venture or affiliates: Nil

(6) Excess loss occurred in joint venture or affiliates: Nil

(7) Unconfirmed commitment with joint venture investment concerned: Nil

(8) Intangible liability with joint venture or affiliates investment concerned: Nil

4. Major conduct joint operation: Nil

5. Structured body excluding in consolidate financial statement: Nil

IX. Relevant risks related with financial instrument

The major financial instruments of the Company include borrowings, account receivables, account payable, Trading financial assets, Trading financial liability, the details of which are set out in Note VI. Risks related to these financial instruments include exchange risks and interest rate risks. The management of the Company controls and monitors the risk exposures to ensure the above risks are under control.

In connection with exchange risks, in order to prevent from exchange risks arising from foreign currency transaction amount, foreign currency dominated loans and interest expenditure, the Company

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

entered into several forward exchange contracts with banks. Fair value of the forward exchange contract which has been recognized as derivative financial instrument has been included in profits and losses. As export business is increasing, if risks that are out of control of the Company occur such as appreciation of RMB, the Company will mitigate the relevant risks by adjusting its sales policy.

The Company's interest rate risk arises from bank borrowings and interest-bearing debt. Financial liabilities at floating rate expose the Company to cash flow interest rate risk, and financial liabilities at fixed rate expose the Company to fair value interest rate risk. The Company will determine the respective proportion of contracts at fixed and floating rates based on the prevailing market conditions. As of 30 June 2021, the interest-bearing debts mainly referred to borrowing contracts at floating rate denominated in RMB with total amount of 810,984,823.95 Yuan, the floating rate loan contract measured by RMB amounted as 542,000,000.00 Yuan in total; borrowing contracts at fixed rate denominated in USD with total amount of 96,901,500.00 Yuan; borrowing contracts at fixed rate denominated in IDR with total amount of 8,160,000.00 Yuan. Risks relating to change of fair value of financial instruments arising from movement of interest rate mainly related to bank borrowings at fixed rate. As for borrowings at fixed rate, the Company aims to keep its floating rate. Risks relating to change of cash flow of financial instruments arising from movement of interest rate mainly related to bank borrowings at floating rate. The Company establishes its policy to keep floating rate for these borrowings so as to eliminate fair value risk arising from movement of interest rate.

X. Fair value disclosure

1. Asset and liability measured by fair value at end of Current Period and fair value measurement level

Item	Fair value at period-end			
	1 st level	2 nd level	3 rd level	Total
I. Continuous fair value measurement	—	—	—	—
(i) Trading financial assets	28,746,156.57	726,926,621.92		755,672,778.49
1. Financial assets measured at fair value and whose changes are included in current gains/losses	28,746,156.57	726,926,621.92		755,672,778.49
Including: Derivative financial assets	28,746,156.57			28,746,156.57
Principal and Interest of Wealth Management Products		726,926,621.92		726,926,621.92
(ii) Other non-current financial assets		43,148,931.34	505,000,000.00	548,148,931.34
(iii) Receivables financing			1,132,467,568.98	1,132,467,568.98
Total assets continuously measured at fair value	28,746,156.57	770,075,553.26	1,637,467,568.98	2,436,289,278.81
(ii) Trading financial liability	2,746,170.22			2,746,170.22
1. Financial liabilities measured by	2,746,170.22			2,746,170.22

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Item	Fair value at period-end			
	1 st level	2 nd level	3 rd level	Total
fair value and with variation reckoned into current gains/losses				
Including: Derivative financial liability	2,746,170.22			2,746,170.22
Total liabilities continuously measured at fair value	2,746,170.22			2,746,170.22

2. The basis for determining the market price of continuous and non-continuous first-level fair value measurement items

The company's fair value measurement items are futures contracts and foreign exchange options. The market price of futures contracts is determined based on the closing price of the futures contract at the end of the period; the market price of foreign exchange options is determined based on the quotation of contract products of the foreign exchange options at the end of the period.

3. Qualitative and quantitative information on the valuation techniques used and important parameters for continuous and non-continuous second-level fair value measurement items

The fair value measurement items are long-term investments in the fund company. For long-term investments in fund companies, the assessed book value can represent the best estimate of fair value within the scope.

4. Qualitative and quantitative information on the valuation techniques used and important parameters for continuous and non-continuous third-level fair value measurement items

The company's fair value measurement items are investments in Sichuan Changhong Group Finance Co., Ltd. and Huishang Bank Co., Ltd. Since there is no active market quotation and no major changes have been found in the investment until the reporting period, the investment cost represents the best estimate of the fair value within the scope, so its cost is regarded as the fair value. Due to the short remaining period of the receivables financing, the book value is close to the fair value, and the face amount is used as the fair value.

XI. Related parties and related transaction

(I) Relationship of related parties

1. Controlling shareholder and ultimate controller

(1) Controlling shareholder and ultimate controller

Controlling shareholder and ultimate controller	Registration place	Business nature	Registered capital	Shareholding ratio in the Company	Voting rights ratio in the Company
Sichuan Changhong Electric Co., Ltd.	Mianyang	Manufacture and sales	4,616,244,222.00	26.98%	26.98%

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Sichuan Changhong Electronics Holding Group is the controlling shareholder of Sichuan Changhong Electric Co., LTD, and the SASAC Mianyang office holds 100.00% equity interests of Sichuan Changhong Electronic Holding Group, which means that SASAC Mianyang office is the ultimate controller of the Company.

(2) Register capital and change thereof of controlling shareholder

Controlling shareholder	Opening balance	Increase this period	Decrease this period	Ending balance
Sichuan Changhong Electric Co., Ltd.	4,616,244,222.00			4,616,244,222.00

(3) Shares held by the controlling shareholder and its changes on equity

Controlling shareholder	Amount of shares held		Shareholding ratio	
	Ending balance	Opening balance	Ratio at period-end	Ratio at period-beginning
Sichuan Changhong Electric Co., Ltd.	281,832,434.00	281,832,434.00	26.98%	26.98%

2. Subsidiary

Found more in Note “VIII. 1 (1) Enterprise group composition”

3. Joint venture and associated enterprise

Major Joint venture and associated enterprise of the Company found more in Note “VIII. 3 (1) major joint venture and associated enterprise”. Other Joint venture and associated enterprise that have related transactions occurred with the Company in Current Period or occurred in last period, and with balance results:

Joint venture and associated enterprise	Relationship with the company
Hefei Meiling Solar Energy Technology Co., Ltd.	Associated enterprise of subsidiary Meiling Group
Changhong Ruba Electric Company (Private) Ltd.	Associated enterprise of subsidiary Zhongshan Changhong
Hefei Xingmei Assets Management Co., Ltd.	Associated enterprise of the Company
Sichuan Zhiyijia Network Technology Co., Ltd.	Associated enterprise of the Company, has the same controlling shareholder and actual control of the Company
Hongyuan Ground Energy Heat Tech. Co., Ltd	Associated enterprise of subsidiary Changhong Air-conditioner
Sichuan Tianyou Guigu Technology Co., Ltd	Associated enterprise of subsidiary Changhong Air-conditioner
Chengdu Guigu Environmental Tech. Co., Ltd.	Associated enterprise of subsidiary Changhong Air-conditioner

4. Other related party

Other related party	Relationship with the company
---------------------	-------------------------------

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Other related party	Relationship with the company
Sichuan Changhong International Travel Service Co., Ltd.	Control by same controlling shareholder and ultimate controller
Hunan Grand-Pro Intelligent Tech. Company	Control by same controlling shareholder and ultimate controller
CHANGHONG.ELECTRIC.(AUSTRALIA) PTY.LTD.	Control by same controlling shareholder and ultimate controller
CHANGHONG ELECTRIC MIDDLE EAST FZCO	Control by same controlling shareholder and ultimate controller
Sichuan Changhong Electronic Products Co., Ltd.	Control by same controlling shareholder and ultimate controller
Hefei Changhong New Energy Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong Mold Plastic Tech. Co., Ltd.	Control by same controlling shareholder and ultimate controller
Changhong Europe Electric s.r.o	Control by same controlling shareholder and ultimate controller
Changhong Huayi Compressor Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong Jijia Fine Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong Minsheng Logistics Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Service Exp. Appliance Service Chain Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong Precision Electronics Tech. Co., Ltd.	Control by same controlling shareholder and ultimate controller
PT.CHANGHONG ELECTRIC INDONESIA	Control by same controlling shareholder and ultimate controller
CHANGHONG (HK) TRADING LIMITED	Control by same controlling shareholder and ultimate controller
Sichuan Changhong Device Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Chengdu Changhong Electronic Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Lejiayi Chain Management Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Hongwei Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong Real Estate Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong New Energy Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Hefei Changhong Industrial Co., Ltd.	Control by same controlling shareholder and ultimate controller
Changhong International Holdings (Hong Kong) Co., Ltd.	Control by same controlling shareholder and ultimate controller
Guangdong Changhong Electronics Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong Package Printing Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong Solar Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Other related party	Relationship with the company
Sichuan Changhong Power Supply Co. Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Hongxin Software Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong Network Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Guangyuan Changhong Electronic Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Yuanxin Financial Lease Co., Ltd.	Control by same controlling shareholder and ultimate controller
Orion.PDP.Co.,Ltd	Control by same controlling shareholder and ultimate controller
081 Electronic Group Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong International Hotel Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Aichuang Science & Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong Intelligent Manufacturing Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong Property Services Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Huanyu Industrial Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Jiahong Industrial Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Ailian Science & Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong Gerun Environmental Protection Tech. Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Huafeng Enterprise Group Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong Group Finance Co., Ltd.	Control by same controlling shareholder and ultimate controller
Mianyang Leyijia Tradeing Chain Co., Ltd.	Control by same controlling shareholder and ultimate controller
Changhong Grand-Pro Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Zhongshan Guanghong Moulding Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Hongcheng Construction Engineering Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong Jiechuang Lithium Battery Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Mianyang Huafeng Interconnect Technology Co., Ltd	Control by same controlling shareholder and ultimate controller
Sichuan Qiruike Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Hongmofang Network Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong Intelligent Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Other related party	Relationship with the company
Sichuan Hongyu Metal Manufacturing Co., Ltd.	Associated enterprise of other enterprise that have the same controlling shareholder
Sichuan Hongran Green Energy Co., Ltd.	Associated enterprise of controlling shareholder
Sichuan Changxin Refrigeration Parts Co., Ltd.	Associated enterprise of controlling shareholder
Mianyang Highly Electric Co., Ltd.	Associated enterprise of controlling shareholder

(ii) Related transactions

1. Purchasing commodity

Related party	Content	Current Period (in 10 thousand Yuan)	Last Period (in 10 thousand Yuan)
Sichuan Changhong Mold Plastic Tech. Co., Ltd.	Purchasing commodity	47,151.73	28,634.55
Sichuan Changhong Electric Co., Ltd.	Purchasing commodity	31,287.06	18,465.23
Sichuan Changxin Refrigeration Parts Co., Ltd.	Purchasing commodity	29,722.49	13,415.61
Changhong Huayi Compressor Co., Ltd.	Purchasing commodity	25,353.49	17,759.15
Sichuan Changhong Jijia Fine Co., Ltd.	Purchasing commodity	24,414.33	13,209.22
Mianyang Highly Electric Co., Ltd.	Purchasing commodity	18,284.13	7,870.76
Sichuan Changhong Package Printing Co., Ltd.	Purchasing commodity	6,913.07	3,616.69
Sichuan Aichuang Science & Technology Co., Ltd.	Purchasing commodity	5,848.84	4,319.04
Changhong Ruba Electric Company (Private) Ltd.	Purchasing commodity	4,715.18	4,630.78
Sichuan Ailian Science & Technology Co., Ltd.	Purchasing commodity	1,934.07	1,641.27
Sichuan Changhong Electronic Products Co., Ltd.	Purchasing commodity	1,797.64	1,209.94
Sichuan Changhong Precision Electronics Tech. Co., Ltd.	Purchasing commodity	1,291.84	744.35
Changhong International Holdings (Hong Kong) Co., Ltd.	Purchasing commodity	672.20	870.43
Sichuan Zhiyijia Network Technology Co., Ltd.	Purchasing commodity	625.80	44.87
Hefei Changhong Industrial Co., Ltd.	Purchasing commodity	293.88	14.65
Guangdong Changhong Electronics Co., Ltd.	Purchasing commodity	254.71	196.21
Hunan Grand-Pro Intelligent Tech. Company	Purchasing commodity	75.66	766.89
Zhongshan Guanghong Moulding Technology Co., Ltd.	Purchasing commodity	77.26	
081 Electronic Group Co., Ltd.	Purchasing commodity	4.95	10.08
Sichuan Changhong Intelligent Manufacturing Technology Co., Ltd.	Purchasing commodity	1.77	3.25
Sichuan Changhong New Energy Technology Co., Ltd.	Purchasing commodity	0.96	1.71
Chengdu Guigu Environmental Tech. Co., Ltd.	Purchasing commodity	0.18	
Sichuan Changhong Electronics Holding Group Co., Ltd.	Purchasing commodity		1.59
Sichuan Changhong Property Services Co., Ltd.	Purchasing commodity		0.03

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Related party	Content	Current Period (in 10 thousand Yuan)	Last Period (in 10 thousand Yuan)
Guangyuan Changhong Electronic Technology Co., Ltd.	Purchasing commodity		0.88
Sichuan Service Exp. Appliance Service Chain Co., Ltd.	Purchasing commodity		0.19
Hongyuan Ground Energy Heat Tech. Co., Ltd	Purchasing commodity		374.67
Total		200,721.24	117,802.04

2. Accept the services

Related party	Content	Current Period	Last Period
Sichuan Changhong Minsheng Logistics Co., Ltd.	Accept the services	224,557,352.50	183,300,319.49
Sichuan Service Exp. Appliance Service Chain Co., Ltd.	Accept the services	93,499,148.00	91,822,618.54
Changhong International Holdings (Hong Kong) Co., Ltd.	Accept the services	2,433,372.32	
Sichuan Jiahong Industrial Co., Ltd.	Accept the services	2,219,124.89	471,372.03
Sichuan Changhong Electric Co., Ltd.	Accept the services	1,848,713.48	10,404,495.04
Sichuan Hongwei Technology Co., Ltd.	Accept the services	1,630,024.98	4,108,738.76
Sichuan Changhong Property Services Co., Ltd.	Accept the services	1,256,815.72	1,627,043.79
Sichuan Changhong Intelligent Manufacturing Technology Co., Ltd.	Accept the services	637,456.72	884.96
Sichuan Hongxin Software Co., Ltd.	Accept the services	627,830.20	703,487.72
Sichuan Changhong Electronics Holding Group Co., Ltd.	Accept the services	410,018.80	711,931.57
Guangdong Changhong Electronics Co., Ltd.	Accept the services	381,270.76	142,467.10
Sichuan Changhong International Travel Service Co., Ltd.	Accept the services	231,756.12	99,699.89
Sichuan Changhong Electronic Products Co., Ltd.	Accept the services	124,574.71	
Sichuan Changhong Mold Plastic Tech. Co., Ltd.	Accept the services	66,728.31	509,633.16
Sichuan Zhiyijia Network Technology Co., Ltd.	Accept the services	36,917.82	113,548.74
Sichuan Changhong International Hotel Co., Ltd.	Accept the services	14,824.98	10,827.32
Sichuan Aichuang Science & Technology Co., Ltd.	Accept the services	13,211.15	
Sichuan Changhong Jijia Fine Co., Ltd.	Accept the services		642,657.00
Sichuan Hongmofang Network Technology Co., Ltd.	Accept the services		2,122.64
Total		329,989,141.46	294,671,847.75

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

3. Purchase fuel and power

Related party	Content	Current Period	Last Period
Sichuan Changhong Electric Co., Ltd.	Accept fuel power	10,484,815.16	8,261,144.64
Sichuan Hongran Green Energy Co., Ltd.	Accept fuel power	572,392.86	189,240.25
Guangdong Changhong Electronics Co., Ltd.	Accept fuel power	520,124.75	463,030.92
Changhong Huayi Compressor Co., Ltd.	Accept fuel power	202,230.10	188,715.05
Hefei Changhong New Energy Technology Co., Ltd.	Accept fuel power	172,184.57	160,813.32
Sichuan Changhong Property Services Co., Ltd.	Accept fuel power	12,564.80	6,680.80
Total		11,964,312.24	9,269,624.98

4. Sales of goods

Related party	Content	Current Period (in 10 thousand Yuan)	Last Period (in 10 thousand Yuan)
Sichuan Zhiyijia Network Technology Co., Ltd.	Sales of goods	328,665.84	179,508.62
CHANGHONG(HK)TRADINGLIMITED	Sales of goods	13,687.72	37,764.29
Sichuan Changhong Mold Plastic Tech. Co., Ltd.	Sales of goods	13,068.52	8,464.02
Changhong International Holdings (Hong Kong) Co., Ltd.	Sales of goods	10,567.62	3,122.61
Sichuan Changxin Refrigeration Parts Co., Ltd.	Sales of goods	8,177.09	5,105.82
Changhong Europe Electric s.r.o	Sales of goods	5,608.18	1,092.95
CHANGHONGELECTRIC(AUSTRALIA)PTY.LTD	Sales of goods	5,310.94	5,137.25
Sichuan Changhong Jijia Fine Co., Ltd.	Sales of goods	3,677.37	2,541.50
Changhong Ruba Electric Company (Private) Ltd.	Sales of goods	2,356.10	258.73
Orion.PDP.Co.,Ltd	Sales of goods	1,985.69	1,049.00
Sichuan Changhong Electric Co., Ltd.	Sales of goods	318.89	409.94
Sichuan Service Exp. Appliance Service Chain Co., Ltd.	Sales of goods	293.76	194.88
Hongyuan Ground Energy Heat Tech. Co., Ltd	Sales of goods	202.96	2,365.21
CHANGHONG ELECTRIC MIDDLE EAST FZCO	Sales of goods	143.65	446.95
Sichuan Tianyou Guigu Technology Co., Ltd	Sales of goods	50.64	
Chengdu Guigu Environmental Tech. Co., Ltd.	Sales of goods	41.36	62.47
PT.CHANGHONGELECTRICINDONESIA	Sales of goods	27.80	670.07
Lejiayi Chain Management Co., Ltd.	Sales of goods	18.04	451.13
Sichuan Aichuang Science & Technology Co., Ltd.	Sales of goods	16.47	24.33
Guangdong Changhong Electronics Co., Ltd.	Sales of goods	10.62	7.79
Sichuan Changhong Minsheng Logistics Co., Ltd.	Sales of goods	9.73	42.12
Mianyang Leyijia Tradeing Chain Co., Ltd.	Sales of goods	9.25	
Guangyuan Changhong Electronic Technology Co., Ltd.	Sales of goods	8.07	0.35

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Related party	Content	Current Period (in 10 thousand Yuan)	Last Period (in 10 thousand Yuan)
Hefei Changhong Industrial Co., Ltd.	Sales of goods	7.89	0.24
Sichuan Changhong Real Estate Co., Ltd.	Sales of goods	1.96	
Sichuan Changhong Device Technology Co., Ltd.	Sales of goods	0.08	
081 Electronic Group Co., Ltd.	Sales of goods	0.08	
Sichuan Changhong Gerun Environmental Protection Tech. Co., Ltd.	Sales of goods		418.11
Sichuan Huafeng Enterprise Group Co., Ltd.	Sales of goods		20.28
Sichuan Changhong Power Source Co., Ltd.	Sales of goods		1.81
Sichuan Changhong New Energy Technology Co., Ltd.	Sales of goods		31.18
Total		394,266.32	249,191.65

5. Provide the services

Related party	Content	Current Period	Last Period
Hongyuan Ground Energy Heat Tech. Co., Ltd	Provide the services	216,981.14	
Sichuan Aichuang Science & Technology Co., Ltd.	Provide the services	254,071.82	40,367.92
Sichuan Changhong Minsheng Logistics Co., Ltd	Provide the services	189,986.96	
Guangdong Changhong Electronics Co., Ltd.	Provide the services	116,398.34	
Sichuan Changhong Jijia Fine Co., Ltd.	Provide the services	94,798.00	138,484.44
Sichuan Changhong Mold Plastic Tech. Co., Ltd.	Provide the services	87,808.26	48,637.53
081 Electronic Group Co., Ltd.	Provide the services	47,230.97	
Sichuan Huafeng Enterprise Group Co., Ltd.	Provide the services	13,205.66	174,311.83
Sichuan Zhiyijia Network Technology Co., Ltd.	Provide the services	12,600.00	
Sichuan Changhong Electronic Products Co., Ltd.	Provide the services	11,021.81	
Sichuan Changhong Gerun Environmental Protection Tech. Co., Ltd.	Provide the services	9,433.96	
Chengdu Guigu Environmental Tech. Co., Ltd.	Provide the services	8,874.24	
Sichuan Changhong Precision Electronics Tech. Co., Ltd.	Provide the services	6,434.91	
Sichuan Hongwei Technology Co., Ltd.	Provide the services	1,440.00	
Sichuan Changhong Electronics Holding Group Co., Ltd.	Provide the services	-10,800.00	
Sichuan Changhong Network Technology Co., Ltd.	Provide the services	-34,142.50	
Sichuan Changhong Electric Co., Ltd.	Provide the services	-90,632.94	208,530.97
Sichuan Changhong Intelligent Technology Co., Ltd.	Provide the services		547,177.50
Sichuan Changhong Intelligent Manufacturing Technology Co., Ltd.	Provide the services		494,545.00
Sichuan Changhong Device Technology Co., Ltd.	Provide the services		105,644.50
Sichuan Changhong New Energy Technology Co., Ltd.	Provide the services		113,853.33

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Related party	Content	Current Period	Last Period
Total		934,710.63	1,871,553.02

6. Provide fuel power

Related party	Content	Current Period	Last Period
Sichuan Changhong Mold Plastic Tech. Co., Ltd.	Provide fuel power	3,510,461.21	2,965,740.57
Sichuan Changhong Device Technology Co., Ltd.	Provide fuel power	310,921.71	361,054.22
Sichuan Changhong Jijia Fine Co., Ltd.	Provide fuel power	76,952.28	65,789.86
Sichuan Changhong Minsheng Logistics Co., Ltd.	Provide fuel power	28,024.31	34,091.79
Sichuan Zhiyijia Network Technology Co., Ltd.	Provide fuel power	25,002.79	16,480.49
Changhong International Holdings (Hong Kong) Co., Ltd.	Provide fuel power	23,176.99	
Guangdong Changhong Electronics Co., Ltd.	Provide fuel power	5,371.01	12,670.97
Sichuan Changhong Precision Electronics Tech. Co., Ltd.	Provide fuel power	5,186.20	4,085.08
Total		3,985,096.50	3,459,912.98

Businesses between the Company and its connected persons are generally conducted under market operation rules as if they were the same as other business counter parties. For price of sale or purchase and provision of other labor service between the Company and its related parties, the state pricing is applicable if the pricing do exists; in case of absence of such state pricing, price is determined under market price; in case of absence of such market price, price is determined by both parties at actual cost plus reasonable expenses; for some special services, the price of which cannot be determined under the rule of cost plus expense, the price shall be determined by both parties by negotiation.

7. Related rental

(1) Rent out

Lessor	Lessee	Type of assets	Leasing income in Current Period	Leasing income in Last Period
Changhong Meiling	Sichuan Changhong Mold Plastic Tech. Co., Ltd.	Apartment	215,400.00	249,003.66
Changhong Meiling	Sichuan Changhong Mold Plastic Tech. Co., Ltd.	Warehouse	143,182.65	173,480.38
Changhong Meiling	Hefei Changhong Industrial Co., Ltd.	Apartment	122,170.38	56,700.43
Changhong Meiling	Sichuan Zhiyijia Network Technology Co., Ltd.	Apartment	98,968.06	98,968.06
Changhong Meiling	Sichuan Changhong Minsheng Logistics Co., Ltd.	Apartment	92,000.16	69,201.18
Changhong Meiling	Sichuan Service Exp. Appliance Service Chain Co., Ltd.	Apartment	79,200.00	
Changhong	Sichuan Changhong Jijia Fine Co., Ltd.	Warehouse	77,419.25	66,900.76

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Lessor	Lessee	Type of assets	Leasing income in Current Period	Leasing income in Last Period
Meiling				
Changhong Meiling	Sichuan Changhong Jijia Fine Co., Ltd.	Apartment	63,200.00	3,417.92
Changhong Meiling	Sichuan Changhong Mold Plastic Tech. Co., Ltd.	Workshop	31,119.62	357,577.84
Changhong Meiling	Sichuan Changhong Precision Electronics Tech. Co., Ltd.	Apartment	21,600.00	9,864.00
Changhong Meiling	Sichuan Changhong Jijia Fine Co., Ltd.	Forklift	20,123.09	12,713.38
Changhong Meiling	Sichuan Aichuang Science & Technology Co., Ltd.	Warehouse	18,759.84	16,227.34
Changhong Meiling	Sichuan Changhong Minsheng Logistics Co., Ltd.	Office	15,800.16	
Changhong Meiling	Hefei Changhong Industrial Co., Ltd.	Warehouse	3,237.74	
Changhong Meiling	Sichuan Service Exp. Appliance Service Chain Co., Ltd.	Forklift	2,400.00	4,800.00
Changhong Meiling	Sichuan Ailian Science & Technology Co., Ltd.	Warehouse	952.34	1,343.10
Changhong Meiling	Hefei Changhong Industrial Co., Ltd.	Forklift	177.50	
Changhong Meiling	Sichuan Changhong Jijia Fine Co., Ltd.	Workshop		134,544.22
Changhong Meiling	Sichuan Aichuang Science & Technology Co., Ltd.	Forklift		2,532.50
Changhong Meiling	Sichuan Hongwei Technology Co., Ltd.	Apartment		31,200.00
Changhong Air-conditioner	Sichuan Changhong Mold Plastic Tech. Co., Ltd.	Workshop	2,962,527.42	2,962,527.42
Changhong Air-conditioner	Sichuan Changhong Jijia Fine Co., Ltd.	Workshop	1,839,508.14	4,292,185.61
Changhong Air-conditioner	Sichuan Changhong Mold Plastic Tech. Co., Ltd.	Equipment	672,368.04	
Changhong Air-conditioner	Sichuan Changhong Jijia Fine Co., Ltd.	Equipment	618,666.19	
Changhong Air-conditioner	Sichuan Changhong Electric Co., Ltd.	Workshop	481,457.77	327,319.42
Changhong Air-conditioner	Chengdu Guigu Environmental Tech. Co., Ltd.	Workshop	28,403.67	28,403.67
Changhong Air-conditioner	Sichuan Changhong Electric Co., Ltd.	Meeting room		1,834.86
Zhongshan Changhong	Guangdong Changhong Electronics Co., Ltd.	Office building	22,485.99	
Zhongshan Changhong	Sichuan Changhong Mold Plastic Tech. Co., Ltd.	2# living area	22,364.52	27,080.00

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Lessor	Lessee	Type of assets	Leasing income in Current Period	Leasing income in Last Period
Zhongshan Changhong	Sichuan Changhong Logistics Co., Ltd.	Minsheng Parts of the office building rent-out	22,148.58	16,422.70
Zhongshan Changhong	Sichuan Changhong Electronics Tech. Co., Ltd.	Precision 2# living area	21,000.00	25,400.00
Zhongshan Changhong	Sichuan Changhong Technology Co., Ltd.	Device 2# living area	3,735.44	10,861.40
Zhongshan Changhong	Guangdong Changhong Co., Ltd.	Electronics 2# living area		55,721.47
Jiangxi Meiling	Sichuan Changhong Mold Plastic Tech. Co., Ltd.	Workshop	411,144.18	409,855.80
Jiangxi Meiling	Sichuan Changhong Logistics Co., Ltd.	Minsheng Warehouse Office		6,857.14
Zhongke Meiling	Sichuan Changhong Logistics Co., Ltd.	Minsheng Workshop	783,911.94	1,310,400.00
Ridian Technology	Sichuan Changhong Technology Co., Ltd.	Device Workshop	1,087,270.76	764,656.24
Ridian Technology	Sichuan Hongwei Technology Co., Ltd.	Workshop	47,314.29	45,257.14
Total			10,030,017.72	11,573,257.64

(2) Lessee of related parties

Lessor	Lessee	Type of assets	Leasing income in Current Period	Leasing income in Last Period
Sichuan Changhong Holding Group Co., Ltd.	Electronics Changhong Air-conditioner	Staff dormitory	101,443.84	
Sichuan Changhong Electric Co., Ltd.	Changhong Air-conditioner	Workshop, Office		264,244.07
Guangdong Changhong Co., Ltd.	Electronics Hongyuan Ground Energy	Staff dormitory	50,139.23	42,425.47
Guangdong Changhong Co., Ltd.	Electronics Zhongshan Changhong	Workshop	677,103.14	338,551.56
Guangdong Changhong Co., Ltd.	Electronics Zhongshan Changhong	Staff dormitory		67,231.64
Sichuan Changhong Electric Co., Ltd.	Mianyang Meiling	Workshop	1,630,727.51	1,766,436.48
Sichuan Changhong Holding Group Co., Ltd.	Electronics Mianyang Meiling	Staff dormitory	4,363.60	25,087.32
Sichuan Changhong Electric Co., Ltd.	Ridian Technology	Staff dormitory		48,257.03
Guangdong Changhong Co., Ltd.	Electronics Ridian Technology	Staff dormitory	61,733.50	32,765.89
Sichuan Changhong Electric Co., Ltd.	Meiling Group	Office		885,487.38
Chengdu Changhong Technology Co., Ltd.	Electronic Hongmei Intelligent	Office		310,722.13
Total			2,525,510.82	3,781,208.97

8. Related guarantee

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Secured party	Sponsored party	Maximum guarantee amount	Start	Date due	Completed (Y/N)
		(in 10 thousand Yuan)			
Changhong Meiling	Jiangxi Meiling	10,000.00	2020.04.09	2021.04.09	Y
Changhong Meiling	ChanghongRuba	2,103.51	2019.12.23	2021.01.15	Y
Changhong Meiling	ChanghongRuba	1,831.50	2020.12.16	2021.12.07	N
Changhong Meiling	Ridian Technology	3,000.00	2020.03.14	2021.03.13	N
Changhong Meiling	Ridian Technology	4,000.00	2020.03.30	2021.03.31	Y
Changhong Meiling	Ridian Technology	6,500.00	2020.08.22	2021.08.22	N
Changhong Meiling	Ridian Technology	5,000.00	2020.07.03	2021.07.02	N
Changhong Meiling	Ridian Technology	4,000.00	2021.03.31	2022.03.31	N
Changhong Meiling	Ridian Technology	5,000.00	2021.06.09	2021.12.31	N
Changhong Meiling	Zhongke Meiling	2,000.00	2020.12.25	2021.09.26	N
Changhong Meiling	Zhongke Meiling	3,000.00	2020.09.22	2021.09.22	N
Changhong Meiling	Zhongke Meiling	2,000.00	2020.08.24	2021.08.24	Y
Changhong Meiling	Zhongke Meiling	1,000.00	2020.11.19	2021.11.18	N
Changhong Meiling	Zhongke Meiling	1,000.00	2020.03.10	2021.03.10	Y
Changhong Meiling	Zhongke Meiling	1,500.00	2020.06.01	2021.03.12	Y
Changhong Meiling	Zhongke Meiling	500.00	2020.06.30	2021.03.15	Y
Changhong Meiling	Zhongke Meiling	5,000.00	2021.05.24	2022.05.24	N
Changhong Meiling	Zhongke Meiling	2,000.00	2019.12.30	2020.11.22	Y
Changhong Meiling	Zhongshan Changhong	20,000.00	2020.06.12	2021.03.10	Y
Changhong Meiling	Zhongshan Changhong	5,000.00	2020.03.09	2021.03.09	N
Changhong Meiling	Zhongshan Changhong	15,000.00	2020.01.10	2021.01.10	Y
Changhong Meiling	Zhongshan Changhong	5,500.00	2020.03.15	2021.03.15	Y
Changhong Meiling	Zhongshan Changhong	17,900.00	2020.04.14	2021.04.13	Y
Changhong Meiling	Zhongshan Changhong	20,000.00	2020.03.30	2021.03.30	Y

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Secured party	Sponsored party	Maximum guarantee amount	Start	Date due	Completed (Y/N)
Changhong Meiling	Zhongshan Changhong	12,000.00	2020.04.28	2021.04.28	Y
Changhong Meiling	Zhongshan Changhong	10,000.00	2020.08.31	2021.08.31	Y
Changhong Meiling	Zhongshan Changhong	15,000.00	2020.07.03	2021.07.02	N
Changhong Meiling	Zhongshan Changhong	20,000.00	2021.04.08	2022.03.18	N
Changhong Meiling	Zhongshan Changhong	18,000.00	2021.03.29	2022.03.29	N
Changhong Meiling	Zhongshan Changhong	13,000.00	2021.03.03	2022.03.03	N
Changhong Meiling	Zhongshan Changhong	10,000.00	2021.05.25	2022.05.25	N
Changhong Meiling	Zhongshan Changhong	9,000.00	2021.03.15	2022.03.15	N
Changhong Meiling	Zhongshan Changhong	20,000.00	2021.03.30	2022.03.30	N
Changhong Meiling	Nonferrous Metals	1,000.00	2020.03.20	2021.03.05	Y
Changhong Meiling	Meiling Group	6,000.00	2020.03.26	2021.03.26	N
Changhong Meiling	Meiling Group	10,000.00	2020.12.30	2021.12.29	N
Changhong Meiling	Meiling Group	5,000.00	2021.03.05	2022.03.05	N
Zhongke Meiling	Anhui Tuoxing	500.00	2021.04.01	2022.03.31	N
Counter guarantee:					
Jiangxi Meiling	Changhong Meiling	10,000.00	2020.04.09	2021.04.09	Y
ChanghongRuba	Changhong Meiling	2,103.51	2019.12.23	2021.01.15	Y
ChanghongRuba	Changhong Meiling	1,831.50	2020.12.16	2021.12.07	N
Ridian Technology	Changhong Meiling	3,000.00	2020.03.14	2021.03.13	N
Ridian Technology	Changhong Meiling	4,000.00	2020.03.30	2021.03.31	Y
Ridian Technology	Changhong Meiling	6,500.00	2020.08.22	2021.08.22	N
Ridian Technology	Changhong Meiling	5,000.00	2020.07.03	2021.07.02	N
Ridian Technology	Changhong Meiling	4,000.00	2021.03.31	2022.03.31	N
Ridian Technology	Changhong Meiling	5,000.00	2021.06.09	2021.12.31	N
Zhongke Meiling	Changhong Meiling	2,000.00	2020.12.25	2021.09.26	N
Zhongke Meiling	Changhong	3,000.00	2020.09.22	2021.09.22	N

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Secured party	Sponsored party	Maximum guarantee amount	Start	Date due	Completed (Y/N)
	Meiling				
Zhongke Meiling	Changhong Meiling	2,000.00	2020.08.24	2021.08.24	Y
Zhongke Meiling	Changhong Meiling	1,000.00	2020.11.19	2021.11.18	N
Zhongke Meiling	Changhong Meiling	1,000.00	2020.03.10	2021.03.10	Y
Zhongke Meiling	Changhong Meiling	1,500.00	2020.06.01	2021.03.12	Y
Zhongke Meiling	Changhong Meiling	500.00	2020.06.30	2021.03.15	Y
Zhongke Meiling	Changhong Meiling	5,000.00	2021.05.24	2022.05.24	N
Zhongke Meiling	Changhong Meiling	2,000.00	2019.12.30	2020.11.22	Y
Zhongshan Changhong	Changhong Meiling	20,000.00	2020.06.12	2021.03.10	Y
Zhongshan Changhong	Changhong Meiling	5,000.00	2020.03.09	2021.03.09	N
Zhongshan Changhong	Changhong Meiling	15,000.00	2020.01.10	2021.01.10	Y
Zhongshan Changhong	Changhong Meiling	5,500.00	2020.03.15	2021.03.15	Y
Zhongshan Changhong	Changhong Meiling	17,900.00	2020.04.14	2021.04.13	Y
Zhongshan Changhong	Changhong Meiling	20,000.00	2020.03.30	2021.03.30	Y
Zhongshan Changhong	Changhong Meiling	12,000.00	2020.04.28	2021.04.28	Y
Zhongshan Changhong	Changhong Meiling	10,000.00	2020.08.31	2021.08.31	Y
Zhongshan Changhong	Changhong Meiling	15,000.00	2020.07.03	2021.07.02	N
Zhongshan Changhong	Changhong Meiling	20,000.00	2021.04.08	2022.03.18	N
Zhongshan Changhong	Changhong Meiling	18,000.00	2021.03.29	2022.03.29	N
Zhongshan Changhong	Changhong Meiling	13,000.00	2021.03.03	2022.03.03	N
Zhongshan Changhong	Changhong Meiling	10,000.00	2021.05.25	2022.05.25	N
Zhongshan Changhong	Changhong Meiling	9,000.00	2021.03.15	2022.03.15	N
Zhongshan Changhong	Changhong Meiling	20,000.00	2021.03.30	2022.03.30	N
Nonferrous Metals	Changhong Meiling	1,000.00	2020.03.20	2021.03.05	Y
Meiling Group	Changhong Meiling	6,000.00	2020.03.26	2021.03.26	N
Meiling Group	Changhong	10,000.00	2020.12.30	2021.12.29	N

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Secured party	Sponsored party	Maximum guarantee amount	Start	Date due	Completed (Y/N)
	Meiling				
Meiling Group	Changhong Meiling	5,000.00	2021.03.05	2022.03.05	N

9. Assets transfer of related parties

Related party	Type	Current Period	Last Period
Sichuan Changhong Intelligent Manufacturing Technology Co., Ltd.	Purchase/ Purchase and construction of fixed assets	5,762,952.63	769,469.03
Sichuan Changhong Electric Co., Ltd.	Purchase and construction of fixed assets	5,595.00	
Sichuan Hongxin Software Co., Ltd.	Purchase intangible assets	141,509.43	
Sichuan Changhong Mold Plastic Tech. Co., Ltd.	Purchasing fixed assets	521,211.50	
Sichuan Huanyu Industrial Co., Ltd.	Purchase and construction of fixed assets	366,972.48	2,164,755.99
Sichuan Hongcheng Construction Engineering Co., Ltd.	Purchase and construction of fixed assets	1,950,244.22	
081 Electronic Group Co., Ltd.	Purchase and construction of fixed assets	1,058,420.18	
Sichuan Changhong Electric Co., Ltd.	Purchase intangible assets		471,698.11
Sichuan Zhiyijia Network Technology Co., Ltd.	Purchasing fixed assets		816,132.79
Sichuan Changhong Jineng Sunshine Technology Co., Ltd.	Purchasing fixed assets		42,348.02
Total		9,806,905.44	4,264,403.94

10. Other

Related party	Content	Current Period (in 10 thousand Yuan)	Last Period (in 10 thousand Yuan)
Yuanxin Financial Lease Co., Ltd.	Financing business, financing expenses and financial leasing	34,194.22	1,875.83

11. Related transaction with Changhong Finance Company

(1) Saving balance

Name of company	Ending balance	Opening balance	Interest income from bank saving in the period
Changhong Meiling Co., Ltd.	1,455,040,471.60	1,860,047,247.52	29,842,699.24

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Name of company	Ending balance	Opening balance	Interest income from bank saving in the period
Sichuan Changhong Air-conditioner Co., Ltd.	630,595,432.94	134,802,966.64	1,882,678.21
Zhongshan Changhong Electric Co., Ltd.	423,266,221.83	404,582,475.31	2,869,751.36
Zhongke Meiling Cryogenic Technology Co., Ltd.	216,790,954.84	141,336,330.05	3,596,177.24
Hefei Changhong Meiling Life Appliances Co., Ltd.	89,509,414.70		566,299.32
Changhong Meiling Ridian Technology Co., Ltd.	40,393,724.88	162,196,324.57	1,691,311.68
Ground Energy Heat Pump Tech. (Zhongshan) Co., Ltd.	14,816,171.21	69,211,263.89	775,423.53
Anhui Tuoxing Technology Co., Ltd.	10,114,495.37	10,243,055.56	134,772.07
Hebei Hongmao Household Appliance Technology Co., Ltd	166,356.39	15,657,360.37	108,917.55
Hongyuan Ground Energy Heat Pump Tech. Co., Ltd	25,126.44	114,826.06	300.38
Hefei Meiling Group Holdings Limited	12,575.02	3,742.21	7.28
Mianyang Meiling Refrigeration Co., Ltd.	50,979.44	50,871.36	108.08
Jiangxi Meiling Electric Appliance Co., Ltd.	9,565.26	9,544.98	20.28
Total	2,880,791,489.92	2,798,256,008.52	41,468,466.22

12. Borrowing: nil

13. Accounts receivable factoring: nil

(iii) Come and go balance with related parties

1. Receivable items

Item	Related party	Ending balance		Opening balance	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Account receivable	Sichuan Zhiyijia Network Technology Co., Ltd.	1,091,290,661.24	11,516.14	152,851,050.10	5,950.95
Account receivable	CHANGHONG (HK) TRADING LIMITED	109,551,244.01		74,561,075.45	
Account receivable	Changhong International Holdings (Hong Kong) Co., Ltd.	63,115,711.15		23,280,926.68	
Account receivable	Changhong Ruba Electric Company (Private) Ltd.	48,036,662.75	2,524,954.64	46,262,313.51	3,664,544.64
Account receivable	CHANGHONG ELECTRIC (AUSTRALIA) PTY.LTD.	40,846,257.34		82,523,745.73	
Account receivable	Changhong Europe Electric s.r.o	36,220,317.38		7,285,475.46	

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Item	Related party	Ending balance		Opening balance	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Account receivable	Orion.PDP.Co.,Ltd	16,160,376.81		1,365,471.85	
Account receivable	Hongyuan Ground Energy Heat Tech. Co., Ltd	2,759,933.11	274,613.95	2,557,611.11	259,719.23
Account receivable	CHANGHONG ELECTRIC MIDDLE EAST FZCO	635,699.68		1,641,684.42	
Account receivable	Sichuan Changhong Electric Co., Ltd.	585,639.57	18,640.40	1,648,021.88	
Account receivable	Sichuan Aichuang Science & Technology Co., Ltd.	572,239.19		1,235,293.51	
Account receivable	Sichuan Service Exp. Appliance Service Chain Co., Ltd.	431,371.34		179,721.66	
Account receivable	Lejiayi Chain Management Co., Ltd.	421,391.12	11,198.27	752,700.75	13,309.44
Account receivable	Sichuan Changhong Mold Plastic Tech. Co., Ltd.	377,414.84		193,981.98	
Account receivable	PT.CHANGHONG ELECTRIC INDONESIA	278,000.00		703,520.00	
Account receivable	Sichuan Huafeng Enterprise Group Co., Ltd.	13,998.00			
Account receivable	Sichuan Changhong Network Technology Co., Ltd.			291,996.61	
Account receivable	Sichuan Changhong Electronic Products Co., Ltd.			375,287.92	
Account receivable	Sichuan Changhong International Hotel Co., Ltd.			20,166.00	
Account receivable	Sichuan Changhong Minsheng Logistics Co., Ltd.			12,173.16	
Account receivable	Guangdong Changhong Electronics Co., Ltd.			3,507.01	
Account paid in advance	Sichuan Changhong Intelligent Manufacturing Technology Co., Ltd.	1,156,014.00		2,191,049.27	
Account paid in advance	Sichuan Service Exp. Appliance Service Chain Co., Ltd.	64,685.49			
Account paid in advance	Sichuan Zhiyijia Network Technology Co., Ltd.	16,813.41			
Account paid in advance	Sichuan Changhong Minsheng Logistics Co., Ltd.			366,287.00	
Other receivable	CHANGHONG (HK) TRADING LIMITED	1,773,143.47			
Other receivable	Sichuan Service Exp. Appliance Service Chain	200,000.00		200,000.00	

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Item	Related party	Ending balance		Opening balance	
		Book balance	Bad debt provision	Book balance	Bad debt provision
	Co., Ltd.				
Other receivable	Hunan Grand-Pro Intelligent Tech. Company	45,200.00		45,200.00	
Other receivable	Sichuan Changhong International Hotel Co., Ltd.	39,550.00		39,550.00	
Other receivable	Sichuan Changhong Electric Co., Ltd.			2,657,173.57	
Other receivable	Sichuan Changhong Real Estate Co., Ltd.			299,373.25	
Total		1,414,592,323.90	2,840,923.40	403,544,357.88	3,943,524.26

2. Payable items

Item	Related party	Ending balance	Opening balance
Account payable	Sichuan Changhong Mold Plastic Tech. Co., Ltd.	233,841,328.64	44,726,533.64
Account payable	Sichuan Changhong Jijia Fine Co., Ltd.	133,610,712.15	30,784,821.38
Account payable	Changhong Huayi Compressor Co., Ltd.	105,879,312.73	24,556,917.25
Account payable	Sichuan Changhong Electric Co., Ltd.	76,799,589.89	48,150,899.09
Account payable	Sichuan Changxin Refrigeration Parts Co., Ltd.	57,033,970.42	
Account payable	Sichuan Changhong Package Printing Co., Ltd.	53,840,684.33	10,337,574.43
Account payable	Sichuan Aichuang Science & Technology Co., Ltd.	38,519,998.62	36,339,436.08
Account payable	Mianyang Highly Electric Co., Ltd.	25,685,924.67	10,035,029.02
Account payable	Sichuan Ailian Science & Technology Co., Ltd.	12,939,462.28	3,067,909.39
Account payable	Sichuan Changhong Electronic Products Co., Ltd.	11,062,588.35	2,388,369.91
Account payable	Changhong Ruba Electric Company (Private) Ltd.	10,425,265.12	8,938,947.95
Account payable	Sichuan Changhong Precision Electronics Tech. Co., Ltd.	9,908,724.88	877,946.47
Account payable	Changhong International Holdings (Hong Kong) Co., Ltd.	6,713,126.24	1,502,240.80
Account payable	Sichuan Changhong Intelligent Manufacturing Technology Co., Ltd.	5,504,701.91	962,930.89
Account payable	CHANGHONG (HK) TRADING LIMITED	3,052,516.27	3,052,516.27
Account payable	Hefei Changhong Industrial Co., Ltd.	2,595,527.95	6,434,535.69
Account payable	Guangdong Changhong Electronics Co., Ltd.	1,955,036.10	848,590.31

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Item	Related party	Ending balance	Opening balance
Account payable	Sichuan Changhong Minsheng Logistics Co., Ltd.	608,980.06	863,688.97
Account payable	Zhongshan Guanghong Moulding Technology Co., Ltd.	253,335.76	
Account payable	Sichuan Service Exp. Appliance Service Chain Co., Ltd.	105,426.95	261,823.77
Account payable	081 Electronic Group Co., Ltd.	61,292.73	136,168.13
Account payable	Sichuan Changhong Jineng Sunshine Technology Co., Ltd.	52,743.33	52,743.33
Account payable	Sichuan Changhong International Travel Service Co., Ltd.	44,678.00	50,552.00
Account payable	Sichuan Hongxin Software Co., Ltd.	28,301.89	
Account payable	Sichuan Hongyu Metal Manufacturing Co., Ltd.	14,662.40	
Account payable	Sichuan Changhong New Energy Technology Co., Ltd.	11,182.86	5,333.60
Account payable	Sichuan Hongwei Technology Co., Ltd.	3,225.71	3,225.71
Account payable	Sichuan Changhong Power Source Co., Ltd.	1,870.82	1,870.82
Account payable	Sichuan Changhong Device Technology Co., Ltd.	0.18	
Account payable	Sichuan Zhiyijia Network Technology Co., Ltd.		2,979,349.71
Account payable	Hunan Grand-Pro Intelligent Tech. Company		433,594.69
Account payable	Sichuan Changhong Electronics Holding Group Co., Ltd.		6,687.52
Contract liability	Changhong International Holdings (Hong Kong) Co., Ltd.	3,124,634.35	
Contract liability	Lejiayi Chain Management Co., Ltd.	826,463.34	1,774,510.16
Contract liability	Changhong Grand-Pro Technology Co., Ltd.	689,291.22	
Contract liability	Sichuan Changhong Jiechuang Lithium Battery Technology Co., Ltd.	684,955.75	
Contract liability	Sichuan Changhong Electric Co., Ltd.	549,204.26	750,203.12
Contract liability	Chengdu Guigu Environmental Tech. Co., Ltd.	329,148.67	
Contract liability	Sichuan Changhong Device Technology Co., Ltd.	59,317.08	
Contract liability	Sichuan Tianyou Guigu Technology Co., Ltd	52,176.99	
Contract liability	Sichuan Changhong Power Source Co., Ltd.	50,973.45	
Contract liability	CHANGHONG ELECTRIC MIDDLE EAST FZCO	42,236.48	
Contract liability	Orion.PDP.Co.,ltd	16,471.68	

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Item	Related party	Ending balance	Opening balance
Contract liability	Sichuan Changhong Minsheng Logistics Co., Ltd.	13,060.00	9,355.42
Contract liability	Sichuan Service Exp. Appliance Service Chain Co., Ltd.	12,939.29	12,736.12
Contract liability	Sichuan Changhong Gerun Environmental Protection Tech. Co., Ltd.	5,090.51	5,090.51
Contract liability	Sichuan Changhong Electronics Holding Group Co., Ltd.	5,080.00	5,080.00
Contract liability	Hefei Changhong Industrial Co., Ltd.	3,903.44	4,022.06
Contract liability	CHANGHONG (HK) TRADING LIMITED	936.52	945.91
Contract liability	Guangyuan Changhong Electronic Technology Co., Ltd.	442.48	
Contract liability	081 Electronic Group Co., Ltd.	22.61	25.55
Contract liability	Hongyuan Ground Energy Heat Tech. Co., Ltd		108,490.57
Contract liability	Sichuan Changhong Real Estate Co., Ltd.		2,154.65
Other payable	Yuanxin Financial Lease Co., Ltd.	112,566,076.90	44,276,743.76
Other payable	Sichuan Changhong Minsheng Logistics Co., Ltd.	99,417,556.18	75,964,081.82
Other payable	Sichuan Changhong Mold Plastic Tech. Co., Ltd.	1,763,861.48	1,700,295.88
Other payable	Changhong Huayi Compressor Co., Ltd.	1,598,900.00	1,598,900.00
Other payable	Sichuan Changhong Intelligent Manufacturing Technology Co., Ltd.	749,467.36	1,722,946.07
Other payable	Sichuan Zhiyijia Network Technology Co., Ltd.	567,054.64	41,940.00
Other payable	Sichuan Changhong Jineng Sunshine Technology Co., Ltd.	500,000.00	500,000.00
Other payable	Sichuan Changhong Jijia Fine Co., Ltd.	419,345.69	400,500.00
Other payable	Sichuan Changhong Electric Co., Ltd.	402,513.25	163,469.22
Other payable	Sichuan Qiruike Technology Co., Ltd.	224,348.62	
Other payable	Sichuan Hongwei Technology Co., Ltd.	216,764.36	
Other payable	Hunan Grand-Pro Intelligent Tech. Company	200,000.00	250,000.00
Other payable	Changhong International Holdings (Hong Kong) Co., Ltd.	75,751.51	
Other payable	Sichuan Changhong Electronics Holding Group Co., Ltd.	62,721.60	
Other payable	Sichuan Changhong Package Printing Co., Ltd.	57,232.00	50,000.00
Other payable	Sichuan Changxin Refrigeration Parts Co., Ltd.	53,400.67	46,702.03
Other payable	081 Electronic Group Co., Ltd.	47,460.00	47,460.00
Other payable	Guangdong Changhong Electronics Co., Ltd.	38,660.60	
Other payable	Chengdu Guigu Environmental Tech. Co., Ltd.	25,132.00	
Other payable	Sichuan Changhong Gerun Environmental Protection Tech. Co., Ltd.	10,000.00	10,000.00
Other payable	Sichuan Changhong Property Services Co., Ltd.	1,404.40	

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Item	Related party	Ending balance	Opening balance
Other payable	Sichuan Changhong Precision Electronics Tech. Co., Ltd.	779.19	0.01
Other payable	CHANGHONG (HK) TRADING LIMITED		32,607.64
Other payable	Sichuan Jiahong Industrial Co., Ltd.		23,100.04
	Total	1,016,018,949.81	367,301,597.36

(iv) Commitments from related parties: Nil

XII. Share-based payment: Nil

XIII. Contingency

1. Pending action or possible liabilities formed from arbitration: Nil
2. Contingency from external guarantee: Nil
3. Other contingency: Nil

XIV. Commitments: Nil

XV. Events occurring after the balance sheet date

1. Important non-adjustment items: Nil
2. Profit distribution: Nil
3. Major sales return: Nil
4. Other than the above mentioned events, the Company have no other events occurred after balance sheet date.

XVI. Other significant matters

1. Correction of previous periods and influence: Nil
2. Debt restructuring: Nil
3. Assets replacement: Nil
4. Pension plan: Nil
5. Discontinuing operation: Nil

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

6. Branch information

In 10 thousand Yuan

Item	Refrigerator, freezer Washing machine	Air- conditioner	Small appliances and kitchen and bathroom division	Other division	Sales in branch	Total
Operation income	475,905.65	418,292.47	66,691.55	17,913.07	18,526.81	960,275.93
Including: foreign trade income	472,547.83	418,257.71	61,455.05	8,015.34		960,275.93
Income from transactions between divisions	3,357.82	34.76	5,236.50	9,897.73	18,526.81	
Operation expenses	470,187.22	426,277.65	64,799.76	15,512.41	18,495.81	958,281.23
Operation profit	5,718.43	-7,985.18	1,891.79	2,400.66	31.00	1,994.70
Total assets	1,227,098.25	545,367.60	63,719.06	21,087.72	179,711.75	1,677,560.88
Total liability	733,958.71	435,817.98	43,757.67	7,738.11	30,742.34	1,190,530.13
Supplementary information						
Depreciation and amortization expenses	10,151.39	7,303.81	235.57	231.74	-13.09	17,935.60
Capital expenditure	5,175.48	3,976.65	0.37	789.16		9,941.66

7. Other major transactions and events shows impact on investor's decision-making: Nil

XVII. Notes to main items of financial statement of parent company

1. Account receivable

(1) Presented according to the bad debt accrual method

Category	Ending balance				
	Book balance		Bad debt provision		Book value
	Amount	Ratio	Amount	Ratio	
Account receivable that withdrawal bad debt provision by single item	1,653,473,613.80	87.76%	2,258,191.61	0.14%	1,651,215,422.19
Including: Related party payments	1,605,806,989.96	85.23%	1,907,017.88	0.12%	1,603,899,972.08
Account receivable with letter of credit	47,315,450.11	2.51%			47,315,450.11
Account receivable with single minor amount but withdrawal single item bad debt provision	351,173.73	0.02%	351,173.73	100.00%	
Account receivable withdrawal bad debt provision by portfolio	230,537,906.56	12.24%	13,606,655.61	5.90%	216,931,250.95
Including: account receivable of engineering customers	6,246,264.00	0.33%	1,249,252.80	20.00%	4,997,011.20
Receivables other than engineering customers	224,291,642.56	11.91%	12,357,402.81	5.51%	211,934,239.75
Total	1,884,011,520.36	100.00%	15,864,847.22	0.84%	1,868,146,673.14

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

(Continued)

Category	Opening balance				Book value
	Book balance		Bad debt provision		
	Amount	Ratio	Amount	Ratio	
Account receivable that withdrawal bad debt provision by single item	858,063,066.45	83.09%	3,370,366.42	0.39%	854,692,700.03
Including: Related party payments	815,741,150.65	78.99%	2,956,149.11	0.36%	812,785,001.54
Account receivable with letter of credit	38,179,742.75	3.70%			38,179,742.75
Account receivable with single minor amount but withdrawal single item bad debt provision	4,142,173.05	0.40%	414,217.31	10.00%	3,727,955.74
Account receivable withdrawal bad debt provision by portfolio	174,658,647.31	16.91%	10,052,329.94	5.76%	164,606,317.37
Including: account receivable of engineering customers	6,255,423.49	0.61%	1,250,265.60	19.99%	5,005,157.89
Receivables other than engineering customers	168,403,223.82	16.31%	8,802,064.34	5.23%	159,601,159.48
Total	1,032,721,713.76	100.00%	13,422,696.36	1.30%	1,019,299,017.40

1) Provision for bad debts of account receivable on an individual basis

Account receivable with single minor amount but withdrawal bad debt provision singly, refers to the minor single receivables, and withdrawal bad debt provision by combination shows no risk characteristic of the receivables, 1 client involved.

2) Account receivable withdrawal bad debt provision by portfolio

A. Account receivable of engineering customers

Account age	Ending balance		
	Book balance	Bad debt provision	Accrual ratio (%)
Within 3 months (3 months included)			
Over 3 months and within 6 months (6 months included)			
Over 6 months and within one year (One year included)	4,095.49		
Over one year - within 2 years (2 years included)	6,251,328.00	1,250,265.60	20.00%
Over 2 years - within 3 years (3 years included)			50.00%
Over 3 years			100.00%
Total	6,255,423.49	1,250,265.60	

B. Receivables other than engineering customers

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Account age	Ending balance		
	Book balance	Bad debt	Accrual ratio (%)
Within 3 months (3 months included)	197,888,607.96	1,978,886.08	1.00%
Over 3 months and within 6 months (6 months included)	7,226,815.70	722,681.57	10.00%
Over 6 months and within one year (One year included)	8,026,061.58	1,605,212.32	20.00%
Over one year - within 2 years (2 years included)	5,664,401.49	2,832,200.75	50.00%
Over 2 years - within 3 years (3 years included)	1,336,668.72	1,069,334.98	80.00%
Over 3 years	4,149,087.11	4,149,087.11	100.00%
Total	224,291,642.56	12,357,402.81	

(2) By account age

Account age	Ending balance
Within 3 months (3 months included)	1,775,034,371.14
Over 3 months and within 6 months (6 months included)	63,744,276.01
Over 6 months and within one year (One year included)	15,973,988.88
Over one year - within 2 years (2 years included)	17,736,404.67
Over 2 years - within 3 years (3 years included)	7,361,457.13
Over 3 years	4,161,022.53
Total	1,884,011,520.36

(3) Bad debt reserves of the account receivable

Category	Opening balance	Amount change in the period			Ending balance
		Accrual	Collected or switch back	Resale or write-off	
Bad debt provision	13,422,696.36	2,442,150.86			15,864,847.22
Total	13,422,696.36	2,442,150.86			15,864,847.22

(4) Top 5 balance of account receivable aggregated by the debtor at end of the period amounted to 1,497,654,234.50 yuan, accounted for 79.49% of the receivables at balance of current period-end, the bad debt provision amounted as 392,875.38 yuan.

(5) There are no receivables derecognized due to the transfer of financial assets.

(6) There are no receivables and the amount of assets and liabilities formed by continued involvement

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

2. Other account receivable

Item	Ending balance	Opening balance
Other account receivable	46,277,319.42	49,093,918.57
Total	46,277,319.42	49,093,918.57

(1) By nature

Nature	Ending book balance	Opening book balance
Related party in consolidation statement	7,774,669.44	3,521,237.00
Related party not in consolidation statement	200,000.00	200,000.00
Loans of employee's pretty cash	3,933,825.65	5,697,517.11
Cash deposit	2,020,000.00	6,507,745.28
Export rebates	32,398,824.33	32,281,664.19
Other		935,978.02
Total	46,327,319.42	49,144,141.60

(2) Provision for bad debt of other receivable

Bad debt reserves	First stage	Second stage	Third stage	Total
	Expected credit loss in next 12 months	Expected credit loss for the whole duration (no credit impairment)	Expected credit loss for the whole duration (credit impairment has occurred)	
Balance as at 1 Jan. 2021		223.03	50,000.00	50,223.03
Book balance of other account receivable in Current Period as at 30 Jun. 2021	—	—	—	—
--Transfer to the second stage				
--Transfer to the third stage				
--Reversal to the second stage				
--Reversal to the first stage				
Provision in Current Period		-223.03	-	-223.03
Reversal in Current Period				
Conversion in Current Period				
Write off in Current Period				
Other change				

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Bad debt reserves	First stage	Second stage	Third stage	Total
	Expected credit loss in next 12 months	Expected credit loss for the whole duration (no credit impairment)	Expected credit loss for the whole duration (credit impairment has occurred)	
Balance as at 30 Jun. 2021			50,000.00	50,000.00

(3) By account age

Account age	Ending balance
Within 3 months (3 months included)	38,545,952.18
Over 3 months and within 6 months (6 months included)	1,011,408.29
Over 6 months and within one year (One year included)	1,278,507.31
over one year-within two years (2 years included)	1,122,830.00
Over 2 years - within 3 years (3 years included)	1,062,091.90
Over 3 years	3,306,529.74
Total	46,327,319.42

(4) Top 5 balance of other account receivable aggregated by the debtor at end of the period

Name of the unit	Nature	Ending balance	Account age	Proportion of the total period-end balance of other receivable	Ending balance of bad debt reserve
State Taxation Bureau of Hefei Economic and Technological Development Zone	Export rebates	32,398,824.33	Within 3 months	69.93%	
Hefei Changhong Meiling Life Appliances Co., Ltd.	Related party payments	4,394,963.87	Within 3 months	9.49%	
Hefei Meiling Electric Appliances Marketing Co., Ltd	Related party payments	3,077,192.21	Over 3 years	6.64%	
Dai Tianlei	Petty cash	462,317.60	Within 3 months	1.00%	
Li Di	Petty cash	350,711.37	Within 3 years	0.76%	
Total	—	40,684,009.38	—	87.82%	

(5) There are no receivables involving government subsidies

(6) There are no other receivables derecognized due to the transfer of financial assets.

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

(7) There are no other receivables and the amount of assets and liabilities formed by continued involvement

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

3. Long-term equity investments

(1) Classification of long-term equity investments

Item	Ending balance			Opening balance		
	Book balance	Impairment loss	Book value	Book balance	Impairment loss	Book value
Investment in subsidiaries:						
Zhongke Meiling Cryogenic Technology Co., Ltd.	42,652,000.00		42,652,000.00	42,652,000.00		42,652,000.00
Mianyang Meiling Refrigeration Co., Ltd.	95,000,000.00		95,000,000.00	95,000,000.00		95,000,000.00
Hefei Meiling Electric Appliances Marketing Co., Ltd	54,900,000.00		54,900,000.00	54,900,000.00		54,900,000.00
Zhongshan Changhong Electric Co., Ltd.	304,856,419.37		304,856,419.37	304,856,419.37		304,856,419.37
Sichuan Changhong Air-conditioner Co., Ltd.	955,600,437.79		955,600,437.79	955,600,437.79		955,600,437.79
Hefei Meiling Group Holdings Limited	113,630,000.00		113,630,000.00	113,630,000.00		113,630,000.00
Jiangxi Meiling Electric Appliance Co., Ltd.	79,000,000.00		79,000,000.00	79,000,000.00		79,000,000.00
Changhong Meiling Ridian Technology Co., Ltd.	91,082,111.12		91,082,111.12	91,082,111.12		91,082,111.12
Meiling CANDY Washing Machine Co., Ltd.	60,000,000.00	27,675,208.01	32,324,791.99	60,000,000.00	27,675,208.01	32,324,791.99
Hefei Meiling Wulian Technology Co., Ltd	6,000,000.00		6,000,000.00	6,000,000.00		6,000,000.00
CH-Meiling International (Philippines) Inc.	6,889,100.00		6,889,100.00	6,889,100.00		6,889,100.00
Hefei Changhong Meiling Life Appliances Co., Ltd.	35,000,000.00		35,000,000.00			
Investment in associates:						

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Item	Ending balance			Opening balance		
	Book balance	Impairment loss	Book value	Book balance	Impairment loss	Book value
Hefei Xingmei Assets Management Co., Ltd.	6,359,250.95		6,359,250.95	6,826,274.99		6,826,274.99
Sichuan Zhiyijia Network Technology Co., Ltd.	30,776,659.24		30,776,659.24	45,354,700.69		45,354,700.69
Total	1,881,745,978.47	27,675,208.01	1,854,070,770.46	1,861,791,043.96	27,675,208.01	1,834,115,835.95

(2) Investment in subsidiaries

Invested enterprise	Opening balance	Increased in Current Period	Decreased in Current Period	Ending balance	Provision for impairment losses in the Period	Ending balance of impairment
Zhongke Meiling Cryogenic Technology Co., Ltd.	42,652,000.00			42,652,000.00		
Mianyang Meiling Refrigeration Co., Ltd.	95,000,000.00			95,000,000.00		
Hefei Meiling Electric Appliances Marketing Co., Ltd.	54,900,000.00			54,900,000.00		
Zhongshan Changhong Electric Co., Ltd.	304,856,419.37			304,856,419.37		
Sichuan Changhong Air-conditioner Co., Ltd.	955,600,437.79			955,600,437.79		
Hefei Meiling Group Holdings Limited	113,630,000.00			113,630,000.00		
Jiangxi Meiling Electric Appliance Co., Ltd.	79,000,000.00			79,000,000.00		
Changhong Meiling Ridian Technology Co., Ltd.	91,082,111.12			91,082,111.12		
Hefei Changhong Meiling Life Appliances Co., Ltd.		35,000,000.00		35,000,000.00		
Meiling CANDY Washing Machine Co., Ltd.	60,000,000.00			60,000,000.00		27,675,208.01
Hefei Meiling Wulian Technology Co., Ltd.	6,000,000.00			6,000,000.00		

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Invested enterprise	Opening balance	Increased in Current Period	Decreased in Current Period	Ending balance	Provision for impairment losses in the Period	Ending balance of impairment
CH-Meiling International (Philippines) Inc.	6,889,100.00			6,889,100.00		
Total	1,809,610,068.28	35,000,000.00		1,844,610,068.28		27,675,208.01

(3) Investment in associates

Invested enterprise	Opening balance	Changes in Current Period								Ending balance	Ending balance of impairment
		Additional Investment	Negative Investment	Investment income recognized under equity	Adjustment for other comprehensive income	Other equity change	Cash dividend or profit announced to issued	Provision for impairment loss	Other		
Hefei Xingmei Assets Management Co., Ltd.	6,826,274.99			-467,024.04						6,359,250.95	
Sichuan Zhiyijia Network Technology Co., Ltd.	45,354,700.69			-14,578,041.45						30,776,659.24	
Total	52,180,975.68			-15,045,065.49						37,135,910.19	

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

4. Operation income, operation cost

(1) Operation income and operation cost

Item	Current Period		Last Period	
	Income	Cost	Income	Cost
Main business	3,102,350,117.09	2,860,557,418.34	2,453,463,713.88	2,260,946,436.99
Other business	873,401,787.20	841,056,783.21	760,500,119.30	761,172,953.16
Total	3,975,751,904.29	3,701,614,201.55	3,213,963,833.18	3,022,119,390.15

(2) Main business - Classified according to product

Product	Current Period		Last Period	
	Operation income	Operation cost	Operation income	Operation cost
Refrigerator, freezer	2,809,476,859.57	2,589,201,634.89	2,201,687,822.75	2,028,605,037.68
Washing machine	232,248,515.69	216,526,918.33	102,710,982.12	103,454,823.52
Small household appliances and kitchen and bathroom	55,241,125.67	49,594,600.28	146,212,337.07	126,125,131.02
Other	5,383,616.16	5,234,264.84	2,852,571.94	2,761,444.77
Total	3,102,350,117.09	2,860,557,418.34	2,453,463,713.88	2,260,946,436.99

(3) Main business - Classified according to region

Region	Current Period		Last Period	
	Operation income	Operation cost	Operation income	Operation cost
Domestic	1,756,300,378.04	1,652,622,816.92	1,322,226,066.74	1,332,014,226.07
Overseas	1,346,049,739.05	1,207,934,601.42	1,131,237,647.14	928,932,210.92
Total	3,102,350,117.09	2,860,557,418.34	2,453,463,713.88	2,260,946,436.99

Top five clients in sales revenue amounted as 1,692,183,177.25 yuan, a 42.56% in total operation income.

5. Investment income

Item	Current Period	Last Period
Long-term equity investment income by cost method	2,754,000.00	69,912,000.00
Long-term equity investment income by equity method	-15,045,065.49	2,738,300.44
Investment income obtained from disposal of Trading financial assets	46,948,848.62	3,755,039.20
Income from financial products	2,754,190.61	1,432,328.96

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Item	Current Period	Last Period
Total	37,411,973.74	77,837,668.60

XVIII. Approval of financial statement

The financial statement has already been approved from the board of directors of the Company for reporting dated 16 August 2021.

Annotations of Financial Statements of ChangHong Meiling Co., Ltd.

From 1 January 2021 to 30 June 2021

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

Supplementary information for financial statement

1. Non-recurring gains and losses for this period

Item	Current Period	Note
Gains and losses from disposal of non-current assets	-736,583.34	
Governmental subsidy reckoned into current gains/losses (not including the subsidy enjoyed in quota or ration according to national standards, which are closely relevant to enterprise's business)	54,702,099.76	
Losses/gains from changes of fair values occurred in holding trading financial assets and trading financial liabilities, and investment income obtaining from the disposal of trading financial assets, trading financial liability and financial assets available-for-sale, excluded effective hedging business relevant with normal operations of the Company	58,849,862.38	
Reversal of the account receivable depreciation reserves subject to separate impairment test	1,228,611.25	
Other non-operating income and expenses other than the above	5,629,332.53	
Subtotal	119,673,322.58	
Less: impact on income tax	17,645,671.62	
Impact on minority shareholders' equity (post-tax)	1,317,724.41	
Total	100,709,926.55	—

2. Return on equity and earnings per share

Profit during the report period	Weighted average return on equity	Earnings per share/EPS (RMB/Share)	
		Basic EPS	Diluted EPS
Net profit attributable to ordinary shareholders of the parent company	0.76%	0.0356	0.0356
Net profit attributable to ordinary shareholders of the parent company after deduction of the non-recurring gains/losses	-1.31%	-0.0608	-0.0608

Section XI. Documents available for Reference

- I. Text of the Semi-Annual Report carrying the signature of the Chairman;
- II. Financial statement carrying the signatures and seals of the Chairman, principal of the accounting works and person in charge of accounting organ;
- III. Original documents of the Company and manuscripts of public notices that disclosed in the website designated by CSRC in the report period;

The aforesaid documents are all available at headquarter of the Company. The Company would provide them timely when CSRC and Shenzhen Stock Exchange require or the shareholders need consultation according to the regulations and Articles of Association.

Chairman: Wu Dinggang

Changhong Meiling Co., Ltd.

18 August 2021