

长虹美菱股份有限公司

CHANGHONG MEILING CO., LTD.

MELING 美菱

二〇二一年年度报告
Annual Report 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 2021 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

Shine Wing Certified Public Accountants (LLP) issued standard unqualified Auditors' Report for the Company's Financial Report of 2021.

Major defects in internal control

Applicable Not applicable

The Company had no major defects in internal control in the reporting period.

Risk warning of concerning the forward-looking statements with future planning involved in 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 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 "XI. Prospects for the future development of the company" of "Section III. Management Analysis and Discussion", investors are advised to read the relevant content.

Securities Times, China Securities Journal, Hong Kong Commercial Daily and Juchao Website (Juchao Website (www.cninfo.com.cn)) are the media for information disclosure for year of 2022 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 reporting period

Applicable Not applicable

Whether to increase the share capital with public reserve

Yes No

The profit distribution plan for year of 2021, that deliberated and approved by 16th session of the 10th BOD was: take the total shares (on the registration date when implement the equity distribution plan for year of 2021) as the base, distributed 0.5 yuan (tax included) bonus in cash for every 10-share hold by all shareholders, no share bonus issued and no capitalizing of common reserves carried out.

The implementation of repurchase of domestically listed foreign shares (B share) was completed on February 18, 2022. And the cancellation of the repurchased shares are completed on March 2, 2022. Total share capital of the Company comes to 1,029,923,715 shares after cancellation, and reduction of registration capital and amendment of Article of Association still needs to be submitted for deliberation on Shareholders' General Meeting.

Directors, supervisors and senior executives of the Company respectively signed a Written Confirmation Opinions for 2021 Annual Report.

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

Documents Available for Reference

I. Financial statement carrying the signatures and seals of the Chairman, principal of the accounting works and person in charge of accounting organ;

II. Original audit report carrying the seal of the CPA and signature & seal of the accountants;

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.

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Interpretation

Items	Refers to	Contents
Company, The Company, Changhong Meiling or Meiling Electric	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
Meiling Group	Refers to	Hefei Meiling Group Holdings Limited
Industry Investment Group	Refers to	Hefei Industry Investment Holding (Group) Co., Ltd.
Changhong Air-conditioner	Refers to	Sichuan Changhong Air-conditioner Co., Ltd.
Zhongke Meiling	Refers to	Zhongke Meiling Cryogenic Technology Co., Ltd.
Mianyang Meiling	Refers to	Mianyang Meiling Refrigeration Co., Ltd.
Jiangxi Meiling	Refers to	Jiangxi Meiling Electric Appliance Co., Ltd.
Ridian Technology	Refers to	Changhong Meiling Ridian Technology Co., Ltd.
Wulian Technology	Refers to	Hefei Meiling Wulian Technology Co., Ltd.
Zhongshan Changhong	Refers to	Zhongshan Changhong Electric Co., Ltd.
Meiling Life Appliances	Refers to	Hefei Changhong Meiling Life Appliances Co., Ltd.
Changhong Huayi	Refers to	Changhong Huayi Compressor Co., Ltd.
Zhiyijia Company	Refers to	Sichuan Zhiyijia Network Technology 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 information

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)	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		
Registrations add.	No. 2163, Lianhua Road, Economic and Technology Development Zone, Hefei		
Code for registrations add	230601		
Historical changes on the registration address	The Company was registered in the Hefei Administration for Industry and Commerce on November 25, 1992 with the address registered as Linqun Road, Hefei City (Meiling Economic Development Zone); on March 13, 1997, registered address changed to No.48 Wuhu Road, Hefei instead of Linqun Road, Hefei City (Meiling Economic Development Zone); on May 19, 2008, the address changed to No. 2163, Lianhua Road, Economic and Technology Development Zone, Hefei from No.48 Wuhu Road, Hefei. Registered address of the Company has not changed during the reporting period.		
Offices add.	No. 2163, Lianhua Road, Economic and Technology Development Zone, Hefei		
Codes for office add.	230601		
Website	http://www.meiling.com		
E-mail	info@meiling.com		

II. Person/Way to contact

	Secretary of the Board	Rep. of security affairs
Name	Li Xia	Pan Haiyun
Contact add.	No. 2163, Lianhua Road, Economic and Technology	No. 2163, Lianhua Road, Economic and

	Development Zone, Hefei	Technology Development Zone, Hefei
Tel.	0551-62219021	0551-62219021
Fax.	0551-62219021	0551-62219021
e-mail	lixia@meiling.com	haiyun.pan@meiling.com

III. Information disclosure and preparation place

Website of the Stock Exchange where the annual report of the Company disclosed	<i>Securities Times, China Securities Journal, Hong Kong Commercial Daily</i>
Media and Website where the annual report of the Company disclosed	Juchao website: http://www.cninfo.com.cn
Preparation place for annual report	Room of secretary of the Board, 2/F , administrative center, Office building of the Company

IV. Registration changes of the Company

Organization code	Uniform social credit code: 9134000014918555XK
Changes of main business since listing (if applicable)	No changes
Previous changes for controlling shareholders (if applicable)	<p>1. In October 1993, after initial listing, controlling shareholder of the Company-- Hefei Meiling Industrial Corp. (renamed as Hefei Meiling Group Co., dated 23 May 1994), executing controlling rights of the Company and management right of the state-owned assets on behalf of Hefei State-owned Assets Management Office, named at that time;</p> <p>2. From November 1997 to May 2003, controlling shareholder of the Company was Hefei Meiling Group Holding Co., Ltd. (established base on former Meiling Group Co.,, “Meiling Group” for short), an enterprise solely owned by the State; mainly operating the state-owned capital in authorized from State-owned Assets Management Commission of Hefei City, ensuring the maintenance and appreciation of state-owned assets;</p> <p>3. On 29 May 2003, Meiling Group entered into “Equity Transfer Agreement” with Shunde GreenKel Enterprise Development Co., ltd. (“GreenKel”), the 82,852,683 state-owned shares held by the Company was transfer to GreenKel. After transferring, GreenKel comes to the first largest shareholder of the Company.</p> <p>4. According to the spirit of “Bulletin of Treatment Opinions on GreenKel Company purchasing State-owned Assets Shares of Listed Company” (GZFCQ[2006] No.: 44) jointly issued from SASAC and Ministry of Finance in April 2006, Meiling Group took back the Meiling Electric 82,852,683 shares from GreenKel by procedures, which has been transferred. In September 2006, relevant equity transfer agreement signed between the Meiling Group and GreenKel is invalid, which was confirmed by the “Award” ((2006) HZZ No.: 104) issued from arbitration commission of Hefei; the state-owned legal person’s 82,852,683 shares, held by GreenKel, should return to Meiling Electric, and relevant equity consideration will pay to GreenKel by Meiling Group . On 29 December 2006, the 82,852,683 shares of Meiling Electric were transfer to Meiling Group by GreenKel, and Meiling Group becomes the controlling shareholder of Meiling Electric again.</p> <p>5. On 18 May 2006 and 11 January 2007, Meiling Group entered into “Equity Transfer Agreement of Meiling Electric” and “Supplementary Agreement of Equity Transfer of Meiling Electric” respectively with Sichuan Changhong and Changhong Group, among the 123,396,375 shares held by Meiling Group, 82,852,683 shares were transferred respectively to Sichuan Changhong and Changhong Group according to the transfer way regulated in agreement; of this transferring, 45,000,000 shares (10.88% of total share capital of the Company) were transferred to Sichuan Changhong, the first largest shareholder of the Company while 37,852,683 shares (9.15% of total share capital of the Company) were</p>

	<p>transferred to Changhong Group, the third largest shareholder of the Company.</p> <p>6. On 29 October 2008, Changhong Group and Sichuan Changhong entered into “Equity Transfer Agreement of Hefei Meiling Co., Ltd.”, the 32,078,846 restricted circulations A shares of Meiling Electric held by Changhong Group were transferred by agreement to Sichuan Changhong. On 23 December 2008, the aforesaid equity transfer was approved by “Reply on Matters of Equity held by State-owned Shareholders of Hefei Meiling Co., Ltd.” (GZCQ(2008) No.: 1413) from SASAC; on 21 January 2009, the aforesaid transfer was registered for ownership transfer in Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The first majority shareholder of the Company comes to Sichuan Changhong.</p> <p>7. From 12 November 2018 to 25 February 2019, Sichuan Changhong and its concerted action Hong Kong Changhong totally buys 16,231,024 shares of the Company through the secondary market by bidding (including A-stock of 13,751,756 shares and B-stock of 2,479,268 shares), a 1.55% in total share capital of the Company. After stake enlarge, Sichuan Changhong and its concerted action Hong Kong Changhong holds 281,832,434 shares of the Company in total, a 26.98% of the total share capital of the Company; of which, Sichuan Changhong directly holds 248,457,724 A-share of the Company, a 23.79% in total share capital of the Company while Hong Kong Changhong holds circulation B-share of the Company amounting as 33,374,710 shares, a 3.19% in total share capital of the Company.</p> <p>8. Ended as 31 December 2021, Sichuan Changhong and its concerted action Hong Kong Changhong totally holds 281,832,434 shares of the Company, a 26.98% in total share capital of the Company; Sichuan Changhong directly holds 248,457,724 A-share of the Company, a 23.79% in total share capital of the Company while Hong Kong Changhong holds circulation B-share of the Company amounting as 33,374,710 shares, a 3.19% in total share capital of the Company.</p>
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V. Other relevant information

(1) CPA engaged by the Company

Name of CPA	Shine Wing Certified Public Accountants (LLP)
Offices add. for CPA	8/F, Block A, Fu Hua Mansion No.8 Chao Yang Men Bei da jie, Dong Cheng District, Beijing, P.R.C
Signing Accountants	Li Xifu, Wang Xiaodong

(2) Sponsor engaged by the Company for performing continuous supervision duties in reporting period

Applicable Not applicable

(3) Financial consultant engaged by the Company for performing continuous supervision duties in reporting period

Applicable Not applicable

VI. Main accounting data and financial indexes

Whether it has retroactive adjustment or re-statement on previous accounting data

Yes No

	2021	2020	Changes in the current year over the previous year (+,-)	2019

Operating income (RMB)	18,032,957,501.44	15,388,050,229.67	17.19%	16,553,252,894.93
Net profit attributable to shareholders of the listed company (RMB)	51,898,388.84	-85,565,716.91	160.65%	56,441,479.14
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB)	-140,217,633.26	-277,816,055.91	49.53%	-50,454,661.39
Net cash flow arising from operating activities (RMB)	160,923,258.10	1,403,516,222.46	-88.53%	1,285,003,985.04
Basic earnings per share (RMB/Share)	0.0497	-0.0819	160.68%	0.0540
Diluted earnings per share (RMB/Share)	0.0497	-0.0819	160.68%	0.0540
Weighted average ROE	1.07%	-1.73%	2.80 percentage points up	1.13%
	Year-end of 2021	Year-end of 2020	Changes at end of the current year compared with the end of previous year (+,-)	Year-end of 2019
Total assets (RMB)	15,190,469,756.33	16,103,355,454.46	-5.67%	14,202,233,615.47
Net assets attributable to shareholder of listed company (RMB)	4,837,334,400.21	4,854,173,682.43	-0.35%	5,004,947,673.36

The cause of the accounting policy change and accounting error correction

Applicable Not applicable

The lower one of net profit before and after deducting the non-recurring gains/losses in the last three fiscal years is negative, and the audit report of last year shows that the ability to continue operating is uncertain

Yes No

The lower one of net profit before and after deducting the non-recurring gains/losses is negative

Yes No

Item	2021	2020	Note
Operating income (RMB)	18,032,957,501.44	15,388,050,229.67	
Amount deducted from operating income (RMB)	144,383,101.14	135,186,516.29	It mainly refers to the income from house rental, waste sales, labor services, warehousing services and maintenance services in the current period

Operating income after deduction (RMB)	17,888,574,400.30	15,252,863,713.38	
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VII. 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	
	Current period	Previous period	Ending amount	Opening amount
Chinese GAAP	51,898,388.84	-85,565,716.91	4,837,334,400.21	4,854,173,682.43
Items and amount adjusted by foreign accounting rules				
Foreign accounting rules	51,898,388.84	-85,565,716.91	4,837,334,400.21	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.

VIII. Quarterly main financial index

In RMB

	Q 1	Q 2	Q 3	Q 4
Operating income	4,130,121,476.44	5,472,637,868.85	4,312,251,172.73	4,117,946,983.42
Net profit attributable to shareholders of the listed company	5,297,826.42	31,859,685.12	25,102,342.76	-10,361,465.46
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses	-26,469,858.74	-37,082,556.27	-1,016,633.94	-75,648,584.31
Net cash flow arising from operating activities	-968,522,457.80	380,026,340.98	403,766,756.43	345,652,618.49

Whether there are significant differences between the above-mentioned financial index or its total number and the relevant financial index disclosed in the company's quarterly report and semi-annual report

Yes No

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

Applicable Not applicable

In RMB

Item	2021	2020	2019	Note
Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	-133,214.72	-2,111,295.55	-9,537,945.52	Found more in "Income from assets disposal", "non-operation income & expenditure"
Governmental subsidy calculated into current gains and losses(while closely related with the normal business of the Company, the government subsidy that accord with the provision of national policies and are continuously enjoyed in line with a certain standard quota or quantity are excluded)	103,024,250.74	99,043,859.77	103,813,820.02	Found more in "Other income", "Non-operation income"
Gains/losses of fair value changes arising from holding of the trading financial asset, trading financial liability and investment earnings obtained from disposing the trading financial asset, trading financial liability, and financial assets available for sale, except for the effective hedging business related to normal operation of the Company	105,811,461.63	123,242,542.42	27,685,917.00	"Found more in "Income of fair value changes", "Investment income"

Switch back of the impairment for receivables that has impairment test independently	3,245,314.13	5,061,635.85	1,936,952.67	Found more in "Account receivable/other account receivable"
Other non-operating income and expenses other than the above	4,867,985.38	2,434,283.11	1,070,165.28	Found more in "Non-operation income & expenditure"
Less: impact on income tax	21,813,023.99	34,083,593.36	15,170,286.77	
Impact on minority shareholders' equity (post-tax)	2,886,751.07	1,337,093.24	2,902,482.15	
Total	192,116,022.10	192,250,339.00	106,896,140.53	

Details of other gains/losses items that meets the definition of non-recurring gains/losses:

Applicable Not applicable

There are no other gains/losses items that meet the definition of non-recurring gains/losses in the Company.

Explain 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*

Applicable Not applicable

There are 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*

Section III Management Discussion and Analysis

I. Industry of the Company during the reporting period

1. Refrigerator industry

The refrigerator industry is one of the mature home appliance industries, and the active brands in the market are relatively stable. From the overall data, 2021 was a satisfactory year for China's refrigerator market. In the face of unfavorable factors such as repeated global pandemics and insufficient transportation capacity, in 2021, China's refrigerator manufacturing industry has overcome multiple difficulties such as sharp fluctuations in raw material prices, increased supply chain pressure, weak domestic demand, and declining product profit margins, and increased the added value of products by optimizing product structure and cost and deeply digging the market, so that the industry development had a steady rise. According to industry online data, China's refrigerator production in 2021 was 86.096 million units, a year-on-year increase of 2.0%; total sales volume was 86.433 million units, a year-on-year increase of 2.3%. It is worth noting that export is still the main driving force for the growth of the refrigerator industry. In 2021, the export volume of China's refrigerator industry was 43.786 million units, a year-on-year increase of 4.8%, effectively driving the growth of the industry's overall sales.

2. Air-conditioning industry

Air-conditioning products are the household appliances that are the most affected by macro economy and weather factors. In the past two years, due to the continuous downturn in the real estate market and the impact of the pandemic, the scale of the air-conditioning industry has continued to decline. In 2021, affected by factors such as the frequent outbreaks of pandemic at home, rising raw material prices, dual control of energy efficiency, and too much rainfall in the peak season of air-conditioning sales, the air-conditioning industry experienced a phenomenon of "low peak season", resulting in a "cold year" to the air-conditioning market in 2021. According to industry online statistics, in 2021, the total sales volume of China's household air conditioning industry was 150 million units, a year-on-year increase of 7.9%, and a year-on-year increase of 1.3% compared with 2019; of which the domestic sales volume was 80 million units, a year-on-year increase of 5.5%, but a year-on-year decrease of 8.1% compared with 2019; exported 70 million units, a year-on-year increase of 11.0%, and a year-on-year increase of 16.1% compared with 2019. After years of rapid growth in the air-conditioning industry, the number of household ownership was high, and the industry demand has entered a new cycle of stock replacement. However, consumers' demand for replacement of air-conditioning products has been released slowly, and the overall sales volume will tend to be relatively stable in the next few years.

3. Washing machine industry

In 2021, the washing machine market has generally recovered to the level before the pandemic. According to the

omni-channel aggregate data of All View Cloud (AVC), in 2021, omni-channel retail sales was 76.6 billion yuan, a year-on-year increase of 7.3%, and retail sales volume was 37.18 million units, a year-on-year growth of 0.8%. However, due to the pandemic, changes in consumer demand and consumption patterns, the major brands have upgraded their products in terms of structure, attributes, form, function, price and demand. Integration of wash and dry, large capacity, silent, sterilizing wash, and intelligent modules have become the main theme of upgrading and innovation in subdivided tracks.

II. 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. 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", "2020 Top 10 Light Industry Technology Enterprises in China" and "National Leading Enterprises of Quality in Home Appliance Industry" 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". Furthermore, 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 May 2021, the company released a new generation of "very thin" direct-drive front-loading washing machines, using innovative technology, i.e. magnetic levitation ultra-thin DD motor, to realize the product concept of "direct drive is cleaner and quieter", and the main performance indicators such as noise and energy efficiency have reached the advanced level at home and abroad. In July 2021, the second-generation series of "M Fresh" products using "zero shock" and "soft freeze" preservation technologies were launched globally, breaking through the restricted area of refrigeration and freezing technologies of traditional refrigerators, and opening a brand new competition track to soft freeze preservation technology in the refrigerator industry. In November 2021, the company released the latest gas-heating water heater. By combining the invention patent technology of "a segmented burner and wall-hung boiler", it has the function of "bathing scene customization" by person and scene, which can provide different bathing modes to meet the diverse hot water needs of users. In the same month, the third-generation dual-engine variable-frequency M-Twindrive series ultra-low temperature freezer with unique advantages such as "dual independent systems, extreme uniformity, frequency conversion and energy saving" were released to the public, realizing the "intelligent storage" and "intelligent acquisition" of samples, providing guarantee for the storage security of samples again, and providing users with new options. In January 2022, the shared air conditioner for the living room and dining room using the far-to-near soft & comfortable wind technology was released for the first time, bringing users a comfortable home system that can be used for both living room and dining room.

Facing the future, the Company will implement the management policy of “one goal and three main lines” and 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.

During the reporting period, main income of the Company coming from refrigerator (freezer), air conditioner, washing machine, small home appliances, kitchen & toilet products and biomedical etc., total amounting to 17.332 billion yuan, a 96.11% of the operating income.

III. 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 + good comfort", 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 kitchen & bathroom and small household appliances, the company focused on building an influential brand of water ecological appliances and operation services, intensified the drinking water products, and researched and developed the integration of drinking water series products with refrigeration and household fields to provide users with better products and services. In terms of biomedical treatment, adhered to the development strategy of "based on the relevant diversification in the biomedical field", focused on the three major business strategic layouts of life science, smart cold chain and family health, and continued to promote product innovation, research and development, and quality improvement.

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, mother-infant refrigerator; “very-thin” series of washing

machine, AC thermostatic fresh air cabinet unit, fully dust-free hangers & sleep hangers, shared AC in the guest-dining room“, 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, professional and intelligent 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, Australian Frozen 4-Star Products, New European E-class Products, vertical display cabinets, DW-HL550 independent double temperature zone double control ultra-low temperature low temperature freezer, etc. In particular, the "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. Deeply dug into the industry subdivision track, the shared air conditioner for the living room and dining room adopted the far-to-near soft and comfortable wind technology, of which the far wind is 20 meters away and the near wind is soft, allowing the living room and dining room to share a warm space. The company was committed to accelerating the integration of the Internet of Things and other technologies with biomedical treatment, created the industry's first dual-engine inverter technology, and successively released the third-generation dual-engine inverter M-Twindrive series ultra-low temperature freezer, strongly empowering storage safety. In addition, DW-HL680 and DW-HL850, with its unique advantages of "dual independent systems, independent monitoring, extreme uniformity, frequency conversion & energy saving, rapid cooling, 7 layers of protection, three-dimensional heat preservation, and 10-inch large screen", realized the "intelligent storage" and "intelligent acquisition" of samples, and led a new era of intelligent samples storage. In short, the company was committed to creating a series of products with unique value through continuous technological innovation and iteration, and bringing new consumption experience to

consumers.

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, fresh-keeping” as core technologies, and “refrigeration, new material and foam” 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.

(3) Operation capacity

The Company continues to carrying out bench-marking activities to improve the operation and management standards and competitiveness of the Company. At the same time, the internal management capability has been continuously improved by continuing to carry out the improvement work in "human efficiency, money efficiency and material efficiency". The company established a hierarchical sharing system with clear goals, quantitative indicators, performance-oriented performance appraisal and incentives to activate internal productivity. Taking value chain management as the main line, continued to carry out value creation work, and enhanced the company's competitiveness. At the same time, continuously improved the internal control system and improved 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 actively 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, quickly building an operation management system with reasonable commercial inventory management as the core and a value management system core with terminal retail price; through determined bench marking match, achieved products leading and efficiency improvement and builds the capability for marketing system and development potential for long period of time. In overseas markets, the company increased the investments in overseas marketing agencies, research and development bases, production bases, etc., developed the market actively and cooperated with internationally renowned household appliance brands and distributors, continued to optimize the customer structure and enhance the product structure, accelerated the overseas branding, improve overseas brand awareness, in counter with the

overseas market segments, tailored marketing strategy to promoting the expanding driven by marketing.

IV. Main Business Analysis

(1) Refrigerator (cabinet) industry

In 2021, the company further strengthened the operation and management system centered on reasonable commercial inventory. By driving the transformation of the marketing organization and improving the delivery efficiency, the turnover of commercial inventory was greatly improved, and the number of days of commercial inventory turnover decreased by 7 days on a year-on-year basis. By improving the flexible production capacity of manufacturing, the manufacturing efficiency of refrigerator and freezer was improved.

Through the close combination of technology empowerment and product application, the company promoted the in-depth research and capability improvement of core technologies, key technologies and hard-core technologies, and the competitiveness of refrigerator and freezer products has been continuously strengthened. Focusing on the product strategy of "high-quality products + popular products", the company continued to promote the "thin, fresh, beautiful and intelligent" product layout of refrigerators, and further enhanced product competitiveness through "precise positioning, strengthening hierarchy, revitalizing bases, and channel customization", and promoted benign operation of products; strengthened the research on core & key technologies, the "zero shock" and "soft freeze" technologies carried by "M Fresh Second Generation" new products once again lead the industry's fresh-keeping technology, brought greater value to consumers and achieved good market benefits .

During the reporting period, the company set up the refrigerator cabinet business headquarters, focusing more on core industries, optimizing the platform and improving efficiency. To be a solid product management body, let the management body become the internal and external driving engine. Carried out the promotion of the whole value chain benchmarking, achieved initial effects, and improved the profit. The implementation of quality benchmarking has reduced the SCR and return and exchange rates; the implementation of R&D benchmarking has shortened the development cycle and improved the success rate of new products. Refrigerator (cabinet) business of the Company achieved revenue of approximately 7.725 billion yuan, an increase of 5.46 % on a y-o-y basis during the reporting period.

(2) Air-conditioning industry

In the domestic market, focused on "regional focusing, benign operation, and model innovation", and adhered to benchmarking; focused on standardized operation and management, reduced fees and improved efficiency; continued to promote the construction of key regions and partner innovation models. Under the premise of controllable value chain, carried out dislocated competition of online products to improved profit and loss, accelerated offline channel transformation, focused on products with unique value, and activated the team. In the overseas markets, upgraded sales channels and took efficiency as the starting point to reduce cost, improved manufacturing efficiency and enhanced logistics capacity building, and continued to build its own R&D and derivative capabilities. Air-conditioning business of the Company achieved revenue of approximately 6.867 billion yuan, an increase of 48.67 % on a y-o-y basis during the reporting period.

(3) Washing machine industry

The company insisted on differentiated and dislocated competition in washing machine industry, and optimized and adjusted the product structure. In the domestic market, grasped the market consumption trend, adhered to the product and market leading strategy, the company launched the variable frequency direct drive drum with "magnetic levitation" technology to further enhance product competitiveness. In the foreign markets, carried out product innovation and research and development according to the living habits and using habits of different countries, and strengthened the development of overseas markets. Washing machine business of the Company achieved revenue of approximately 669 million yuan, an increase of 43.31 % on a y-o-y basis during the reporting period.

(4) Kitchen & bathroom, small appliances

Focused on the core strategy of "water ecology" to refine the product layout and R&D, and strengthened the products of drinking water, tea bar and gas hot water. According to the needs of users, the company carefully cultivated the industry field, increased investment in R&D and maintained innovation vitality. At the same time, it strengthened the integration of product functions, and launched the industry-leading intelligent voice tea bar machine, instant hot tea bar machine and gas heating water heater with different bath modes. Kitchen & bathroom, small appliances business of the Company achieved revenue of approximately 1.33 billion yuan, an increase of 16.37 % on a y-o-y basis during the reporting period.

(5) Biomedical

Focused on the strategic layouts for three major businesses of life science, smart cold chain and family health, strengthened the depth of research and development, improved the research and development system, optimized the research and development process, and formed sustainable technological innovation capabilities. Based on market demand, went deep into fine management, promoted process standardization construction, and optimized planning and scheduling management to improve productivity efficiency and product quality; adhered to market orientation, improved system response capabilities, attracted outstanding talents, built talent training systems, optimized management system construction, and improved operational efficiency. Biomedical business of the Company achieved revenue of approximately 441 million yuan, an increase of 25.15 % on a y-o-y basis during the reporting period.

(ii) Revenue and cost**1. Constitute of operation revenue**

In RMB

	2021		2020		Increase/decrease y-o-y (+,-)
	Amount	Ratio in operation revenue	Amount	Ratio in operation revenue	
Total operation revenue	18,032,957,501.44	100%	15,388,050,229.67	100%	17.19%

Manufacture of household appliances	17,331,645,754.46	96.11%	14,154,240,737.32	91.98%	22.45%
Other business	701,311,746.98	3.89%	1,233,809,492.35	8.02%	-43.16%
Refrigerator, freezer	8,165,836,380.29	45.28%	7,677,640,685.10	49.89%	6.36%
Air-conditioning (AC)	6,867,304,359.29	38.08%	4,619,288,893.44	30.02%	48.67%
Washing machine	668,996,516.82	3.71%	466,805,675.50	3.03%	43.31%
Small appliance and kitchen & toilet	1,330,315,557.62	7.38%	1,143,165,497.06	7.43%	16.37%
Other products	299,192,940.44	1.66%	247,339,986.22	1.61%	20.96%
Other business	701,311,746.98	3.89%	1,233,809,492.35	8.02%	-43.16%
Domestic	13,212,985,690.01	73.27%	10,398,533,564.21	67.58%	27.07%
Foreign	4,819,971,811.43	26.73%	4,989,516,665.46	32.42%	-3.40%
Direct sales	701,311,746.98	3.89%	1,233,809,492.35	8.02%	-43.16%
Distribution	17,331,645,754.46	96.11%	14,154,240,737.32	91.98%	22.45%

2. The industries, products, regions or sales model accounting for over 10% of the Company's operating revenue or operating profit

√Applicable □ Not applicable

In RMB

	Operating revenue	Operating cost	Gross profit ratio	Increase/decrease of operating revenue y-o-y	Increase/decrease of operating cost y-o-y	Increase/decrease of gross profit ratio y-o-y
According to industries						
Manufacture of household appliances	17,331,645,754.46	15,273,131,473.38	11.88%	22.45%	30.44%	-5.39%
According to products						
Refrigerator, freezer	8,165,836,380.29	6,945,620,033.21	14.94%	6.36%	12.96%	-4.98%
Air-conditioning	6,867,304,359.29	6,364,053,615.99	7.33%	48.67%	56.99%	-4.91%

(AC)						
Small appliance and kitchen & toilet	1,330,315,557.62	1,154,251,783.53	13.23%	16.37%	20.48%	-2.96%
According to region						
Domestic	12,521,627,236.27	10,779,025,843.09	13.92%	36.48%	45.41%	-5.28%
Foreign	4,810,018,518.19	4,494,105,630.29	6.57%	-3.41%	4.60%	-7.15%
According to sales model						
Distribution	17,331,645,754.46	15,273,131,473.38	11.88%	22.45%	30.44%	-5.39%

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

3. Income from physical sales larger than income from labors

Yes No

Industries	Item	Unit	2021	2020	Increase/decrease y-o-y (+,-)
Manufacture of household appliances industry	Sales volume	10 thousand pieces/set	2,291.75	2,086.39	9.84%
	Production	10 thousand pieces/set	2,255.60	2,103.47	7.23%
	Inventory	10 thousand pieces/set	95.14	131.29	-27.53%

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

Applicable Not applicable

4. Performance of the material sales contract and major procurement contracts that signed by the Company up to the reporting period

Applicable Not applicable

5. Constitute of operation cost

Industry classification

In RMB

Industries	Item	2021		2020		Increase/decrease y-o-y (+,-)
		Amount	Ratio in operation cost	Amount	Ratio in operation cost	

Manufacture of household appliances	Raw material	13,942,721,443.16	91.29%	10,753,506,155.27	91.84%	-0.55%
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Note: nil

6. Whether the changes in the scope of consolidation in Reporting Period

Yes No

More details can be seen in the report “VII. Changes in the scope of the merger” and “VIII. Interests in other entities” of “Section X Financial Report”

7. Major changes or adjustment in business, product or service of the Company in Reporting Period

Applicable Not applicable

8. Major sales client and main suppliers

(1) Major sales client of the Company

Total top five clients in sales (RMB)	9,460,098,700.85
Proportion in total annual sales volume for top five clients	52.46%
Proportion of the related parties’ sales in total annual sales volume for top five clients	37.71%

Information of top five clients of the Company

Serial	Name	Sales (RMB)	Proportion in total annual sales
1	Client I	6,500,770,811.78	36.05%
2	Client II	2,031,064,265.55	11.26%
3	Client III	382,002,588.01	2.12%
4	Client IV	298,759,989.33	1.66%
5	Client V	247,501,046.18	1.37%
Total	--	9,460,098,700.85	52.46%

Other notes of main clients

Applicable Not applicable

(2) Main suppliers of the Company

Total purchase amount from top five suppliers (RMB)	3,089,801,023.03
Proportion in total annual purchase amount for top five suppliers	21.99%
Proportion of related party’s purchase in total annual purchase amount for top five suppliers	15.91%

Information of top five suppliers of the Company

Serial	Name	Sales (RMB)	Proportion in total annual purchase
1	Supplier I	853,794,687.69	6.08%
2	Supplier II	722,264,897.13	5.14%
3	Supplier III	536,878,449.60	3.82%
4	Supplier IV	420,239,492.52	2.99%
5	Supplier V	556,623,496.09	3.96%
Total	--	3,089,801,023.03	21.99%

Other notes of main suppliers

Applicable Not applicable

(iii) Expenses

In RMB

	2021	2020	Increase/decrease y-o-y (+,-)	Note of major changes
Sales expense	1,364,640,404.75	1,945,803,799.56	-29.87%	According to the “Q&A of the Rules Implementation”, relevant expenses as transportation costs are transferred to “Operating costs”
Administrative expense	333,588,775.37	280,245,684.56	19.03%	Due to the increase in salary and social security expenses during the reporting period
Financial expense	-58,402,782.80	-5,529,984.84	-956.11%	Due to the decrease in foreign exchange losses during the reporting period
R&D expense	465,891,096.09	380,638,922.91	22.40%	Due to the increase in R&D investment during the reporting period

(iv) Investment in R&D

Applicable Not applicable

Projects	Purpose	Progress	Goals to be achieved	Expected impact on the future development of the Company
Next-generation smart refrigerator platform technology	Updating the intelligent service for refrigerator and solve the pain points for users	Completed	Improved the intelligence standards for refrigerator and enhanced the user experience	Advanced the intelligence standards for refrigerator products, increasing the price and profit amid the medium and high-end products, enhanced the image of intelligent brand of the Company
Next-generation distribution technology for the smart	Solve the problems on wifi distribution in terms	Completed	50% reduction in time for network distribution	Improving the distribution success for appliances such as intelligent refrigerator

terminal	of multiple-steps, complex interaction and time duration			and washing machine, heighten products competitiveness and user satisfaction
Operational data collection & analysis platform construction for the smart terminal	Constructed the data collection and analysis platform with purpose of generating values for R&D, after-sales, planning and quality of the products	Completed	Optimized the dimensionality and reporting frequency of the operation data for products, completed the link verification of data collection, storage, analysis and application of the platform	Laying the groundwork for Big Data application, which will play a practical value in user stickiness of the APP, quality, R&D and planning, and bring the improvement in product competitiveness
R&D on the technology of frost-free refrigerator with constant temperature micro-freezing room	Develop a refrigerator with constant temperature micro-freezing room	Completed and the product is available	The fresh meet can be preserve for 33 days without thawing	Better to meet the needs of users and enhance the market competitiveness of refrigerators
R&D of the mother-infant refrigerator	Research on the conditions of food storage for mothers and babies, developed a special refrigerator for mothers and babies	Completed and the product is available	Sterilization rate of 90% or more, antibacterial rate of over 90%, freshness preservation effect vitamin C retention rate $\geq 90\%$, the chlorophyll retention rate $\geq 85\%$	Enrich the function of Meiling products and meets the needs of users
R&D of the noise control technology for refrigerator in whole cooling cycle	Reducing noises in all categories of the refrigerators, improving the user experience	Completed the research on technical plans and test verification, and entered the stage of market promotion	Generating the method for noise reduction mutation, reducing the noise for typical products during the whole cooling cycle	Improving overall noise level of the frost-free refrigerators, cutting the complaint on noises and enhance the market competitiveness
Develop new cabinet for CHiQ serials	Solving the users pain points in guesting-dining AC, realized the function of faring winds and soft winds to enhance the user experience	Go to the mass production at the end of 2021	Completed the development of a new cabinet platform for guesting-dining AC	Forwarding the excavation of user needs and improving the R&D & innovation capability, expanding product usage scenarios, enhance the additional value of products while achieve the appearance and functional differentiation, strength the sustainable competitiveness of the brand
Makes the smoke machine and stove react in chain	Research into a technology that enables	Completed the	Temperature sensing technology allows the hood	To achieved the selling points of differentiated products and enhances the

through temperature sensing technology	the smoke machine and stove react in chain through temperature sensing technology. To adjust the air volume of the hood by detecting the change pattern of temperatures in the pot	development on May 17, 2021 and conducted a product launch.	to adjust the gears automatically and react in chain with the stove, and not limited to any brand of cookers.	price premium under the technology, meanwhile, it also meets the needs of smoking degreasing for users and won the customer praise. And it serves as a good model for the Company to increase the R&D investment in the future.
A kind of stove has 7 cavity and multi-stove with heavy fire	Research into a gas cooker with heavy fire, the core technology is a multi-burner system: high-efficiency air intake and better premixing effect; 7 independent splitter on the hear makes the flame contact area with bottom of the pot is larger and the fire is more powerful	Completed the development on May 27, 2021 and conducted a product launch.	Zero-second start, instantaneous ignition and multi-burner 7 cavity burner	Create a special product to improve the image of the Company's products and upgrading the products
Changhong intelligent cloud electric heater	With the arrival of the era of internet of everything, on basic water heating function, adding WiFi intelligent control to the electric heater, and by using the closed loop of human-cell phone-electric heater, improving the user's water experience and efficiency & quality of life. Intelligence of the electric heater is integrated into the intelligent cloud, achieved the interconnection in the whole house through intelligent cloud.	The project was completed on June 23, 2021 and the product launch was conducted	Enable the users to better operate electric heater, and improve the experience of using the heater in process of use, shorten the heating time and improve the efficiency of life	Accumulate the living habits from users, improve brand's reputation for smart home appliances, and provide reference for upgrading and optimizing the smart connection in whole house in the future
High-flux intelligent water purifier with	Develop a water purifier to solve the current common problems as low flow and not knowing when to replace the	Complete the approval on July 15, 2021 and on November	Flow rate of the pure water reached 2.5L/min or more; water efficiency achieved the national first-class water efficiency; analyzed the water	Performance of the product reaches the forefront of the industry and enhancing the status of the water purification products in the industry; notifying the consumers to replace the cartridge by core reminder,

	cartridge, the high-performance water purifier is meets the needs of high-flow during usage and reminder users to change the core intelligently according to the condition of use	28, 2021 the product launch was conducted	consumption intelligently and reminder the core replacement.	increase secondary service income from using the special cartridge of the Company
Realizing the heating technology based on infrared generation through polymer coating on micro-crystalline glass substrates	R&D the heating products for northeast market	Project completed in October 2021	Resonate with human body temperature and enhance the activity of water molecules in the body to better absorb heat radiation energy	Increase the market share of electric heaters in northern
R&D on voice-recognition tea bar machine	Develop a tea bar machine control by voice instead of controlling by users, and enhance the product differentiation and competitiveness	Completion the development and launch in March 2021	Voice recognition success rate of over 95%	Improving the product differentiation and profitability
Technology development of the ground source heat pump products	Market demand of coal-to-electricity	Completed	Mass-production	Growth in sales revenue and profits
Technology development of the water machine and water heater	Market demand of the coal-to-electricity and retailing	Completed	Mass-production	Growth in sales revenue and profits
Technology development of the heaters products	Market demand of coal-to-electricity	Completed	Mass-production	Growth in sales revenue and profits
Technology development of the home AC products	Market order requirements	Completed	Mass-production	Growth in sales revenue and profits
Technology development of the special AC products	Market order demand and future market expectations	Some projects are completed and other are under development	Some products have been mass-produced	Growth in sales revenue and profits
Distribution technology application of the Wi-Fi on third-generation intelligent white goods	Continuous optimization on the second-generation distribution network technology	Completed	Add the new BT distribution and optimized single Wi-Fi distribution	Ensuring the the Company remains at the leading edge of the industry in distribution network technology

R&D personnel

	2021	2020	Change proportion
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Number of R&D personnel (person)	1312	1431	-8.32%
Proportion of R&D personnel	13.04%	19.62%	6.58 percentage points down
Educational background	——	——	——
Undergraduate	844	824	2.43%
Masters	99	101	-1.98%
Age composition	——	——	——
Under 30	337	313	7.67%
30~40	473	585	-19.15%

Investment of R&D

	2021	2020	Change proportion
Investment for R&D (RMB)	623,553,400.81	556,253,003.33	12.10%
R&D investment/Operating revenue	3.46%	3.61%	0.15 percentage points down
Capitalization of R&D investment (RMB)	185,278,347.99	134,284,644.90	37.97%
Capitalization of R&D investment/R&D investment	29.71%	24.14%	5.57 percentage points up

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

Applicable Not applicable

Reasons for significant changes in the proportion of total R&D investment in operating revenue from the previous year

Applicable Not applicable

Reasons and rationality of the major changes of the capitalization rate of R&D investment

Applicable Not applicable

The Company paid much attention to the technology development and increased the investment in R&D during the reporting period

(v) Cash flow

In RMB

Item	2021	2020	Increase/decrease y-o-y (+,-)
Subtotal of cash in-flow from operation activity	19,122,732,939.87	16,120,150,110.69	18.63%
Subtotal of cash out-flow from operation activity	18,961,809,681.77	14,716,633,888.23	28.85%
Net cash flow from operation activity	160,923,258.10	1,403,516,222.46	-88.53%
Subtotal of cash in-flow from investment activity	2,089,320,180.25	1,171,001,295.31	78.42%

Subtotal of cash out-flow from investment activity	2,071,396,229.61	1,801,306,139.22	14.99%
Net cash flow from investment activity	17,923,950.64	-630,304,843.91	102.84%
Subtotal of cash in-flow from financing activity	1,700,242,527.68	2,049,754,910.57	-17.05%
Subtotal of cash out-flow from financing activity	2,450,727,546.66	1,748,483,992.86	40.16%
Net cash flow from financing activity	-750,485,018.98	301,270,917.71	-349.11%
Net increased amount of cash and cash equivalent	-585,334,883.53	1,039,722,339.59	-156.30%

Main reasons for y-o-y major changes in aspect of relevant data

Applicable Not applicable

Major changes in net cash flow from operation activity mainly because the cash paid for good procurement and received services during the period increased from a year earlier.

Major changes in net cash flow from investment activity mainly because the cash received from the recovery of investment increased from a year earlier.

Major changes in net cash flow from financing activity mainly because the cash paid for debt services increased from a year earlier.

Explanation on reasons for the significant differences between the net cash flow arising from operation activities in the Period and net profit of last year

Applicable Not applicable

Mainly because at end of the period, inventory and operating payable decreased from the beginning of the year.

V. Analysis of the non-main business

Applicable Not applicable

In RMB

	Amount	Ratio in total profit	Note	Whether be sustainable (Y/N)
Investment income	128,963,968.59	144.07%	Gains on delivery of the forward foreign exchange contracts in the period	N
Gains/losses from fair value changes	-3,133,939.42	-3.50%	Losses on the forward foreign exchange contracts in the period	N
Asset impairment	-57,484,042.03	-64.22%	Provision for decline in value of inventories and impairment of intangible assets in the period	N
Non-operation income	10,022,053.88	11.20%	Income from fines received in the period	N
Non-operation	5,154,068.50	5.76%	Loss on retirement of the non-current assets in the period	N

expenditure				
Credit impairment losses	-20,983,896.93	-23.44%	Provision for impairment loss on account receivable in the period	N

VII. Analysis of assets and liability

(i) Major changes of assets composition

In RMB

	Year-end of 2021		Year-begin of 2021		Ratio changes(+,-)	Note of major changes
	Amount	Ratio in total assets	Amount	Ratio in total assets		
Monetary fund	5,938,823,396.21	39.10%	6,594,786,789.98	40.93%	-1.83%	Mainly due to the decrease in net cash flow arising from financing activities in the period
Account receivable	1,440,874,691.28	9.49%	1,130,275,780.66	7.01%	2.48%	Mainly due to the increase in operation revenue in the period
Inventory	1,356,357,419.80	8.93%	1,715,354,951.43	10.65%	-1.72%	Mainly due to the increase in sales in the period
Investment real estate	53,149,934.45	0.35%	53,888,462.00	0.33%	0.02%	
Long-term equity investment	86,631,660.53	0.57%	76,982,822.38	0.48%	0.09%	Mainly due to the increase in earnings from investment for joint venture in the period
Fix assets	2,303,122,699.92	15.16%	2,391,859,440.31	14.84%	0.32%	The increase in percentage due to the decline of total assets in the period
Construction in progress	98,469,862.45	0.65%	60,775,088.96	0.38%	0.27%	The construction in progress transferred to fixed assets declined in the period
Right-of-use assets	45,367,918.31	0.30%	9,818,834.44	0.06%	0.24%	Resulted by the implementation of new leasing standards in the period
Short-term loans	622,874,652.77	4.10%	1,336,209,050.55	8.29%	-4.19%	Due to the repayment of short-term borrowings in the period
Contract liability	515,004,115.23	3.39%	522,550,891.28	3.24%	0.15%	The increase in percentage due to the decline of total assets in the period
Long-term loans	168,000,000.00	1.11%	188,231,439.30	1.17%	-0.06%	Due to the repayment of long-term borrowings in the period
Lease liability	33,225,912.15	0.22%	4,783,483.43	0.03%	0.19%	Resulted by the implementation of new leasing standards in the period

Foreign assets account for a relatively high proportion

Applicable Not applicable

(ii) 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	-29,245,252.88						17,997,086.19
2. Receivable financing	1,632,388,702.83						175,720,598.73	1,808,109,301.56
3. Other non-current financial assets	548,148,931.34	33,831,509.36						581,980,440.70
Subtotal of financial assets	2,227,779,973.24	4,586,256.48					175,720,598.73	2,408,086,828.45
Above total	2,227,779,973.24	4,586,256.48					175,720,598.73	2,408,086,828.45
Financial liabilities	4,584,076.51	7,720,195.90						12,304,272.41

Other changes:

Other changes in the financing of accounts receivable were that the company reclassified the bills receivables that both aimed at collecting contractual cash flow (collection) and selling (endorsed or discounted) into accounts receivable financing during the current period.

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

Yes No

(iii) 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 “60. Assets with restricted ownership or use rights” in “VI. Note of consolidate financial statement” carried under Section X. Financial Report

VII. Investment analysis

(i) Overall situation

Applicable Not applicable

Investment in the reporting (RMB)	Investment in the same period of last year (RMB)	Changes

50,000,000.00	662,169,149.17	-92.45%
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(ii) 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 sales of the household electric appliances, non-electric household appliances, gas stove, gas water heaters, gas boilers, fast heating electric water heater (electric heating wall-hung furnace), heat accumulating type series electric heaters, direct heating series electric heater; kitchen and toilet furniture, audio-visual equipment, radio and television equipment, computers, communications and other electronic equipment, interior decoration materials, general equipment, water purification equipment, luggage, personal care and personal hygiene items; health care products, massage equipment and hardware department; software and information technology services; business management consulting services; sales of second and third types of medical equipment; goods and technology import and export. (the import & export of goods and technologies prohibited by the state or involving administrative examination and approval is excluded)	Newly established	35,000,000	70%	Own fund	Ningbo Hongling Enterprise Management Partners (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. All capital contribution has been completed	Not applicable	21,255,622.60	N	2020-12-12	Juchao Website: http://JuchaoWebsite(www.cninfo.com.cn)(Notice No.: 2020-097)
Anhui Tuoxing	Class II medical equipment production; Class III medical equipment production; Class III medical equipment operation; Class III medical equipment leasing; Electrical installation services; Labor dispatch services (projects subject to approval)	Newly established	10,000,000	63.2683%	Own fund	N/A	Long-term	R&D, production and sales of the cryogenic	Remaining 5 million yuan was contributed	Not applicable	-1,299,892.14	N	2019-04-20	Juchao Website: http://JuchaoWebsite

Science and Technology Co., Ltd. note 1	according to law, business activities can only be carried out after approval by relevant departments); General items: Class I medical equipment production; Class I medical equipment sales; Class II medical equipment sales; Smart home consumer equipment sales; Metal product research and development; Metal product sales; Metal surface treatment and heat treatment processing; Non-ferrous metals rolling processing; Metal processing machinery manufacturing; Software development; Technology research and development of the Internet of Things; Software sales; Technology services, technology development, technology consultation, technology exchange, technology transfer, technology promotion; New car sales; Refrigeration and air conditioning equipment sales; Refrigeration and air conditioning equipment manufacturing; Information technology consulting services; Information system operation and maintenance services; Internet sales (except for the sale of products that require licensing); Intellectual property services (except patent agency services); General cargo warehousing services (excluding hazardous chemicals and other items that require approval); Low-temperature warehousing (excluding hazardous chemicals and other items that require approval); Repair of special equipment; Import and export of goods; Leasing of Class II medical equipment; Leasing management services of small and micro passenger car; Machinery and equipment leasing; Non-residential real estate leasing; Leasing of land use right (except for licensing business, can independently operate projects that are not prohibited or restricted by laws and regulations).							refrigeration equipment	in the period, and all capital contribution has been completed						(www.cninfo.com.cn)(Notice No.: 2019-025)
Anhui	Class I medical equipment production; Class I medical equipment sales; Class II medical equipment sales; Smart home consumer	Newly established	10,000,000	63.2683%	Own fund	N/A	Long-term	R&D, manufacturing	Contributed investment	Not applicable	-791,720.20	N	2021-3-03	Juchao Website:htt	

Ling'an Medical Equipment Co., Ltd. note ²	equipment sales; Software development; Metal product research and development; Metal product sales; Metal surface treatment and heat treatment processing; Non-ferrous metals rolling processing; Metal processing machinery manufacturing; Technology research and development of the Internet of Things; Software sales; Technology services, technology development, technology consultation, technology exchange, technology transfer, technology promotion; New car sales; Refrigeration and air conditioning equipment sales; Refrigeration and air conditioning equipment manufacturing; Information technology consulting services; Information system operation and maintenance services; Internet sales (except for the sale of products that require licensing); Intellectual property services (except patent agency services); General cargo warehousing services (excluding hazardous chemicals and other items that require approval); Low-temperature warehousing (excluding hazardous chemicals and other items that require approval); Repair of special equipment; Import and export of goods; Leasing of Class II medical equipment; Leasing management services of small and micro passenger car; Machinery and equipment leasing; Non-residential real estate leasing; Leasing of land use right (except for licensing business, can independently operate projects that are not prohibited or restricted by laws and regulations) Licensed items: Class II medical equipment production; Class III medical equipment production; Class III medical equipment operation; Electrical installation services; Class III medical equipment leasing (Business activities of projects subject to approval according to law can only be carried out after approval by relevant departments)	shed					m	and sales of the medical equipment	of 10 million yuan in the period.	able	19,164,010.26			p://Juchao Website (www.cninfo.com.cn)(Notice No.: 2021-008)
Total		--	--	--	--	--	--	--	--	--	19,164,010.26	--	--	--

Note 1: After the deliberation and approval of the 21st session of the 9th BOD 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 Tuoxing Science and Technology Co., Ltd

Note 2: After the deliberation and approval of the 5th session of 10th BOD 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.

(iii)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 Income up to the End of Reporting Period	Realized Income	Reasons for not Reaching the Planned Schedule and Anticipated Income	Disclosed Date (if any)	Disclosed Index (if any)
Production base project of annual output of 2 million automatic washing machines(Phase II) <small>note</small>	Self-built	Y	Manufacture of household appliances industry	39,282,138.53	114,768,032.63	Fund-raising	The project of “Production base project of annual output of 2 million washing machines(Phase II)” has been completed during the reporting period	The production capacity of one million automatic roller washing machine shall be formed after this project being put into operation	Approximately -62,170,000 yuan		During the reporting period, suffer by the capacity climbing and COVID-19 and comprehensive factors as soaring prices of bulk materials and amortization of depreciation, sales of the Company was less than expectation, resulting in a loss of the project in the period.	2019-7-9, 2019-7-26	Juchao Website:Juchao Website (www.cninfo.com.cn)(Notice No.:2019-040, 2019-041, 2019-042, 2019-043 and 2019-047)
Total	--	--	--	39,282,138.53	114,768,032.63	--	--	--	--	--	--	--	--

Note : 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 BOD, the 13th session of the 9th BOS, 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 project was completed in construction.

(iv)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	2020-4-22	2022-12-28	184,610.32	457,956.60	474,558.31	-	156,034.41	32.26%	11,974.21
Total				334,471.07	--	--	184,610.32	457,956.60	474,558.31	-	156,034.41	32.26%	11,974.21
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.)	<p>Risk analysis:</p> <ol style="list-style-type: none"> 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 business, to ensure reasonable profit level. 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. 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. 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. 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.
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>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 119.7421 million yuan.</p>
Specific principle of the accounting policy and calculation for derivatives in the Period compared with last period in aspect of major	Not applicable

changes	
Special opinion on derivative investment and risk control by independent directors	<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>Shenzhen Stock Exchange Self-Regulatory Guidelines No.1- Standardized Operation of the Listed Companies on main Board</i>, the <i>Articles of Association</i>, <i>Management Measures on Company Authorization</i>, <i>Management System in relating to Foreign Exchange Forward Deals</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 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.</p>

(v) Application of raised proceeds

√ Applicable □ Not applicable

1. Overall application of raised proceeds

√ Applicable □ Not applicable

In 10 thousand yuan

Raising year	Way	Total raised capitals	Total raised capital used in Period	Total accumulative raised capitals used	Total raised capital has purpose of uses changed in Period	Cumulative raised capitals has purpose of uses changed in total	Ratio of cumulative raised capitals has purpose of uses changed	Total accumulative raised capitals unused	Usage of the retained raised capitals and what is expected to invested with those capitals	Raised capitals idle for more than two years
2016	Non-public offering of A-share	154,073.272276	9,421.530637	116,975.522643	0	42,584.305127	27.64%	6,467.864327	Construction of the fund-raising projects have been completed, remaining fund-raising projects will be closed subsequently, the spare fund-raising and balance resulted by difference between interest income (generated before canceling the specific account for fund-raising subsequently) and handling fee will be supplemented with the working capital of the Company permanently for daily operation and business development. Found more in the “Note 4. Use purpose and destination of the raised funds un-used” under “2. Situation of committed project of raised proceed in this section”.	-

Total	--	154,073.272276	9,421.530637	116,975.522643	0	42,584.305127	27.64%	6,467.864327	--	
Explanation on General usage of raised capital										
<p>Being deliberated and approved by 1st extraordinary shareholders meeting of 2016 and 17th session of 8th BOD, and verified by the Reply on Private Placement of Hefei Meiling Co., Ltd. (CSRC XK [2016] No.1396) issued from CSRC, the Company successfully offering 280,858,676 shares (A-stock) to 7 qualified investors, including Sichuan Changhong Electric Co., Ltd. (hereinafter referred as to Sichuan Changhong), with price of 5.59 yuan/Share and face value of 1.00 yuan. According to the Verification Report XYZH/2016CDA40272 issued by Shine Wing Certified Public Accountants (LLP), total raised fund amounting to 1,569,999,998.84 yuan, less vary issuance changes (tax included) 29,267,276.08 yuan, raised fund amounts to 1,540,732,722.76 yuan.</p> <p>Ended as 31 December 2021, actually fund of raised used accumulative amounted as 1,169,755,226.43 yuan in total, balance of the account for fund raised counted as 64,678,643.27 yuan (including saving interest income accumulative amounted as 4,432,960.36 yuan and income from financial product at expiration 41,232,660.81 yuan)</p> <p>The Company accumulative used the fund raised amounted as 1,169,755,226.43 yuan, the use of purpose including: intelligent construction has 385,768,032.63 yuan in used; R&D ability for intelligence and new products for intelligent household appliance has 468,105,530.03 yuan in used; smart life project totally used 45,001,600.000 yuan; used in current fund supplementary counted as 270,880,063.77 yuan (including saving interest of 147,341.01 yuan)</p>										

2. Situation of committed project of raised proceed

√ Applicable □ Not applicable

In 10 thousand yuan

Committed investment projects and over-raised fund investment	Change the project (Y/N) (including partially changed)	Total raised-fund commitment	Investment after adjustment (1)	Invested in the period	Cumulative investment amount till end of Period-end (2)	Investment progress till end of period-end (3) = (2)/(1)	Date of reach a predetermined state of use	Benefit achieved in the Period	Achieved expected benefits (Y/N)	Major changes of project feasibility (Y/N)
Committed investment project										
Construction of intelligent manufacturing project	Partial change	39,100.00	39,100.00	3,928.341478	38,576.803263	98.66%	Intelligent manufacturing (Hefei) project: end of December 2020	3,681	N	N
							Production line for the annual capacity of 2 million washing machines(Phase II): end	-2,547	N	N

							of December 2021			
Construction of intelligent R&D capability and new products development of the intelligent appliance technology	No changes	55,900.00	48,188.658476	5,493.189159	46,810.553003	97.14%	End of December 2021	--	Not applicable	N
Intelligent life project	Change completed	32,000.00	4,500.16	0	4,500.160000	100.00%	--	--	Not applicable	Y
Supplementary the floating capital	No changes	27,073.272276	27,073.272276	0	27,088.006377	100.05%	--	--	Not applicable	N
Subtotal of committed investment project	--	154,073.272276	118,862.090752	9,421.530637	116,975.522643	--	--	--	--	--
Investment of the over-raised fund										
No over-raised fund in the Period										
Payment of bank loans (if applicable)	--	--	--	--	--	--	--	--	--	--
Supplementary the working capital (if applicable)	--	--	--	--	--	--	--	--	--	--
Subtotal of over-raised fund investment	--	--	--	--	--	--	--	--	--	--
Total	--	154,073.272276	118,862.090752	9,421.530637	116,975.522643	--	--	--	--	--
Conditions and reasons of failure to meet schedule or predicted income (by specific projects)	Found in Note 1									
Description of major changes in project feasibility	"Found more in the "3.Change of the raised funds " in this section									

Amount, use of purpose and usage progress of the excessive raised fund	Not applicable
Change of the implementation location of project with investment of raised fund	Not applicable
Adjustment of the implementation ways of project with investment of raised fund	Not applicable
Early investment and replacement with the raised fund	Found in Note 2
Temporary replacement of the working capital with idle raised funds	Not applicable
Amount and reasons of cash surplus in raised funds during implementing the project	Found in Note 3
Use purpose and destination of the raised funds un-used	Found in Note 4
Problems or other circumstances in the use of raised funds and its disclosure	Relevant information with raised funds concerned are disclosed in a timely, true, accurate and complete manner, there is no violation in the deposit, use, management and disclosure of the raised funds.

Note1: Implementation of fund-raising projects**1.“Construction of intelligent manufacturing project ”:**

(1) the original planning construction period of “construction of intelligent manufacturing (Hefei) project” is 3-year, and with purpose of regulating the use of raised funds, the resolution of the 20th session of the 9th BOD, the 11th session of the 9th Supervisory Committee of the Company and resolution of AGM of 2018 passed and agreed to postpone the date that the project achieves the scheduled serviceable condition to the end of December 2021. Up to now, the "construction of intelligent manufacturing (Hefei) project" has reached its intended use status. During the reporting period, due to the impact of the soaring price of bulk materials, revenue from the project did not reach the expectations during the reporting period.

(2) The "Production line for the annual capacity of 2 million washing machines(Phase II)" has completed at end of the 2021 with normal production in process. As of today, the project has reached the intended state of use. During the reporting period, suffer by the capacity climbing and COVID-19 and comprehensive factors as soaring prices of bulk materials and amortization of depreciation, sales of the Company was less than expectation, resulting in a loss of the project in the period.

2.“Construction of intelligent R&D capability and new products development of the intelligent appliance technology ”

According to the “Non-public Offering of A-Share” in 2016, the Company plans to invested 559 million yuan on the project, and implementing the two major projects includes “intelligent R&D capacity building”(mainly include intelligent R&D management platform construction, experimental center construction and relocation, the construction of H&R and cooperative R&D) and “intelligent home appliance technology and new product development”.

In order to accelerate the implementation of the company’s “intelligent research and development projects”, shorten the development cycle of intelligent products, improve the company's research and development capabilities, and reduce the repeated investments in resources, the resolutions of the 31st meeting of the ninth BOD, the 16th meeting of the 9th BOS, and the 4th extraordinary shareholders’ meeting in 2019 passed and agreed the company to change the use and investment of some of the funds raised in the “intelligent research and development project”, and use them to purchase intelligent infrastructure platform construction and software R & D platforms and other R & D assets from Sichuan Changhong Electric Co., Ltd.(hereinafter referred to as Sichuan Changhong) and its subsidiaries. The pricing of the related transactions was subject to the appraised value of the underlying asset as of September 30, 2019, and the transaction price was determined to be 46,617,300 yuan.

Being approved by the 23rd session of 9th BOD, 17th session of 9th BOS and First extraordinary shareholders general meeting of 2020, agreed to close the project of “intelligent R&D”, and the surplus proceeds of the project as of November 30, 2019, amounting to 125,084,220.44 yuan (including income of 47,970,805.20 yuan from wealth management and deposits) and the interest to be settled thereafter to replenish the working capital of the Company permanently. Meanwhile, total amount of the final payment and warranty deposit that to be paid 114,368,326.60 yuan will continue to be retained in the fund raising account and paid as agreed in the contract.

As for the assets transaction with R&D purchased, after signing the “Assets Transfer Agreement” between the Company and other parties, the Company actively implemented the implementation of the transaction. However, substantial difficulties were encountered in the specific promotion work in 2020 due to the changes in the internal and external environment. Affected by the epidemic, assets handover has a slow progress in transaction, and the immature delivery conditions for some assets due to technology iteration and upgrade, material uncertainty has arisen as to the timing and results of the delivery completion of the subject assets. Taking into account the actual situation of the company and the future development needs, after deliberation and approval at the seventh session of the tenth BOD of the company and the 6th session of the 10th BOS of 2021 and the first extraordinary shareholders’ general

meeting of 2021, it was agreed that the company would terminate the use of raised funds to purchase the R&D assets such as the intelligent infrastructure platform construction and software R&D platform of Sichuan Changhong and its subsidiaries.

Before the termination of the transaction, the company had not yet paid the transaction funds and had not carried out the transfer procedures for the underlying assets. In order not to affect the progress of the company's fundraising project "intelligent R&D Project", the company had used its own funds to promote the sub-project "intelligent R&D management platform construction" in advance; after the termination of the transaction, the company continued to promote the construction of "intelligent R&D management platform construction", a sub-project of the "intelligent R&D Project" (other sub-projects of the intelligent R&D Project have been completed). Up to now, the "intelligent R&D management platform construction" has been completed and is ready for use.

In view of the project close and permanent replenishment of the working capital with surplus proceeds, the R&D assets as intelligent infrastructure platform and software R&D platform purchased from Sichuan Changhong and its subsidiaries with fund raising are terminated. Therefore, the project of "intelligent R&D management platform construction" is still under implementation. During the reporting period, the construction charge for intelligent R&D management platform, the contract final payment and warranty of 54,931,891.59 yuan in total are paid by the Company. Ended as 31 December 2021, remaining proceeds of "intelligent research and development projects" was 15,812,019.58 yuan (including wealth management income of 1,735,039.45 yuan and deposit interest income of 295,925.40 yuan)

3. "Intelligent life project"

The resolutions of the 24th session of the ninth BOD of the company, the 13th session of the 9th BOS, and the 2nd extraordinary shareholders' meeting in 2019 passed and approved the company to terminate the implementation of the "Intelligent life project" and use the remaining raised funds, financial management interest and deposit interest of the project to permanently supplement the working capital. The company has withdrawn the remaining funds raised and interest income from this account, a total of 305,843,051.27 yuan, to permanently supplement the company's working capital. After the withdrawal, the remaining funds of the special account for the raised funds were 0 yuan, and the account was cancelled. Meanwhile, the implement subject - Changmei Technology Co., Ltd. (hereinafter referred to as the "Changmei Technology") has been liquidated and cancelled.

4. "Supplementary the working capital "

The investment progress exceeded 100%, and mainly due to the use of raised funds containing the deposit interest of raised funds.

Note 2: Early investment and replacement with the raised fund

Ended as 31 October 2016, the Company contributed self-raised fund 63,984,738.91 yuan for the raised-fund investment project, the money has replaced as 63,984,738.91 yuan. Shine Wing CPA (LLP) made a special audit for pre-investment and carried out an Assurance Report on Invested Self-raised fund to the Raised-fund Investment Before Hand (XYZH/2016CD40285) (hereinafter referred as to Assurance Report). Replacement are as:

In 10 thousand yuan

Raised-fund investment project	Total investment	Commitment capital for raised-fund project	Investment of self-raised fund invested till end of 31 October 2016	Amount replaced
Construction of intelligent manufacturing project	39,870.65	39,100.00	2,545.41	2,545.41
Construction of intelligent R&D capability and new products development of the intelligent	55,900.00	55,900.00	2,053.06	2,053.06

appliance technology				
Intelligent life project	32,076.00	32,000.00	1,800.00	1,800.00
Total	127,846.65	127,000.00	6,398.47	6,398.47

The replacement has been deliberated and approved by the 27th session of 8th BOD and 14th session of 8th supervisory committee, independent directors are proposed an agreeable independent opinion, and sponsor institution carried out a verification opinion without objection.

Note 3: Amount and reasons for the balance of proceeds from implementation

1. According to the resolutions passed at the thirty-third session of the ninth BOD, the 17th session of the 9th BOS, and the first extraordinary shareholders' general meeting of 2020, it was agreed that the company would partially complete the "intelligent R&D ability building and smart home appliance technology new products development project" (hereinafter referred to as "intelligent R&D project"). The amount of surplus funds raised in the completion part of the project was 126,766,362.64 yuan (including wealth management income and deposit interest income). The main reasons for the above-mentioned surplus of raised funds are: firstly, during the implementation of the raised funds investment project, the company complied with the relevant regulations on the use of raised funds, proceeded from the actual situation of the project, on the premise of not affecting the smooth implementation and completion of the fund-raising investment project, and based on the principles of rationality, economy and effectiveness, the company prudently used the raised funds, and saved the project surplus raised funds of 77,113,415.23 yuan; secondly, interest income from wealth management and deposits generated during the deposit period of idle raised funds, totaling 49,652,947.41 yuan.

2. According to the resolutions passed at the sixteenth session of the tenth BOD and the thirteenth session of the tenth BOS, it was agreed that the company would complete the "intelligent R&D management platform construction", a sub-project of the remaining fundraising projects "intelligent manufacturing construction project" and "intelligent R&D project". The amount of the surplus raised funds in the completion of the fundraising project was 45,665,621.17 yuan, which was wealth management income and deposit interest income. The above-mentioned surplus of raised funds is mainly due to the interest income generated from financial management and deposits during the depositing period of idle raised funds. This matter still needs to be submitted to the company's general meeting of shareholders for consideration and approval.

Note 4: Use purpose and destination of the raised funds un-used

On March 29, 2022, the sixteenth session of the tenth BOD and the thirteenth session of the tenth BOS reviewed and approved the Proposal on Completing Investment Projects of Remaining Raised Funds and Permanently Supplementing the Working Capital with Surplus Raised Funds, the independent directors have issued agreed independent opinions, and the sponsor institution has issued an unobjectionable verification opinion, agreeing that the company would complete the "intelligent R&D management platform construction", a sub-project of the remaining fundraising projects "intelligent manufacturing construction project" and "intelligent R&D project", and the surplus raised funds of the aforementioned projects as of December 31, 2021 of 45,665,621.17 yuan (the final amount should be subject to the bank interest balance on the day the funds are transferred out), as well as the balance formed by the difference between interest income and service fee generated before the cancellation of the subsequent special account for the raised funds shall permanently supplement the company's working capital and be used for the company's daily operations and business development. This matter still needs to be submitted to the company's general meeting of shareholders for consideration and approval.

Up to now, all the raised funds that have not been used by the company are deposited in the designated special account for raised funds, and will continue to pay the balance payment of the fundraising project contract and the quality assurance fund. The use of the

raised funds of the Company has not changed.

3.Change of the raised funds

√ Applicable □ Not applicable

In 10 thousand yuan

Project after changed	Corresponding original commitment item	Total raised funds plans to invest after change (1)	Amount actually invested in the period	Cumulative investment amount actually till end of Period-end (2)	Investment progress till end of period-end (3)=(2)/(1)	Date of reaching a predetermined state of use	Benefit achieved in the Period	Achieved expected benefits (Y/N)	Major changes of project feasibility after changed (Y/N)
Production line for the annual capacity of 2 million washing machines(Phase II)	Freezer intelligent construction project	12,000	3,928.213853	11,476.803263	95.64%	2021-12-31	-2,547	N	N
Supplementary the floating capital permanently	Intelligent life project	30,584.305127	0	30,584.305127	100%	--	--	Not applicable	N
Total	--	42,584.305127	3,928.213853	42,061.10839	--	--	--	--	--

Reasons for changes, decision-making procedures and information disclosure (explain by specific project)	<p>1. The Company optimized the layout of the freezer’s production capacity through intelligent upgrading and rebuilding, improved the freezer’s production capacity and efficiency, and the freezer’s production capacity has been able to meet the market demand. The project had not been implemented, and the feasibility of the project had undergone major changes, if the Company continued to implement the “freezer intelligent construction project”, it would not be able to achieve the expected economic benefits and would face market and investment risks. Approved by the resolutions of the 24th session of the ninth BOD, the 13th session of the 9th BOS, and the 2nd extraordinary shareholders meeting in 2019 agreed the Company to change the unused raised funds of 120 million yuan for the “intelligent construction of freezer” invest in the “production base project for annual production of 2 million washing machines (Phase II)”. Found more on relevant announcement (Notice No.: 2019-040, 2019-041, 2019-042 and 2019-047) released on 9 July 2019 and on 26 July respectively. During the reporting period, “production base project for annual production of 2 million washing machines (Phase II)” has completed at end of the 2021 with normal production in process. The project reached the intended state of use as of today.</p> <p>2. As the main body of the company’s “Intelligent life project”, Changmei Technology used its own refrigeration equipment manufacturing advantages to look for new paths for enterprise development. However, due to the heavy asset burden, low turnover rate, high operation and maintenance and property costs, it sustained losses. After careful research, the company considered that the original business model of the smart life project was no longer competitive, if the company continued to implement the investment project with the raised funds, it would be difficult to achieve the expected investment income and may even generate greater losses. The resolutions of the 24th session of the ninth BOD of the company, the 13th session of the 9th BOS, and the 2nd extraordinary shareholders’ meeting in 2019 passed and approved the company to terminate the implementation of the “Intelligent life project” and use the remaining raised funds and financial management interest of the project to permanently supplement the working capital. Found more on relevant announcement (Notice No.: 2019-040,</p>
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	2019-041, 2019-043 and 2019-047) released on 9 July 2019 and on 26 July respectively. The company has withdrawn the remaining funds raised and interest income from this account, a total of 305,843,051.27 yuan, to permanently supplement the company's working capital. After the withdrawal, the remaining funds of the special account for the raised funds were 0 yuan, and the account was cancelled. Meanwhile, the implement subject - Changmei Technology Co., Ltd. (hereinafter referred to as the "Changmei Technology") has been liquidated and cancelled.
Conditions and reasons of failure to meet schedule or predicted income (by specific projects)	The "production base project for annual production of 2 million washing machines (Phase II)" has completed at end of the 2021 with normal production in process. The project reached the intended state of use as of today. During the reporting period, suffer by the capacity climbing and COVID-19 and comprehensive factors as soaring prices of bulk materials and amortization of depreciation, sales of the Company was less than expectation, resulting in a loss of the project in the period.
Presentation on the major changes in project feasibility after changed	N/A

VIII. Sales of major assets and equity

(i) Sales of major assets

Applicable Not applicable

No major assets are sold in the period

(ii) Sales of major equity

Applicable Not applicable

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

Applicable Not applicable

(i) 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	Operating revenue	Operating profit	Net profit
Zhongke Meiling Cryogenic Technology Co., Ltd.	Subsidiary	Research and development, manufacturing and sales of ultra-low temperature freezer	72,548,200	525,123,425.58	248,075,236.72	464,899,620.09	77,804,211.51	65,085,510.92
Jiangxi Meiling Electric Appliance Co., Ltd.	Subsidiary	Manufacturing of refrigeration and freezer	50,000,000	269,231,691.58	132,436,721.37	834,813,600.80	13,453,619.64	13,531,378.62
Mianyang Meiling Refrigeration Co., Ltd.	Subsidiary	Manufacturing of refrigeration and freezer	100,000,000	146,680,170.59	120,388,578.98	384,775,062.33	-1,433,282.09	-1,099,588.10
Sichuan Changhong Air-conditioner Co., Ltd.	Subsidiary	R&D, manufacturing and domestic sales of air-conditioning	850,000,000	3,290,717,406.66	1,084,703,780.24	4,916,379,335.27	-5,884,296.28	-4,190,915.53
Zhongshan Changhong Electric Co., Ltd.	Subsidiary	R&D, manufacturing and foreign sales of air-conditioning	334,000,000	1,294,481,958.15	81,279,662.26	2,384,071,471.29	-40,772,575.99	-40,598,387.35
Hefei Meiling Group Holdings Limited	Subsidiary	Sales of white goods	80,000,000	1,660,769,710.90	-228,079,317.35	5,648,841,234.10	-47,507,646.68	-46,955,697.02
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	303,209,569.07	136,853,874.26	309,467,627.62	3,092,866.04	2,351,153.78
Hefei Changhong Meiling Life	Subsidiary	R&D and sales of household appliances, kitchen	50,000,000	421,208,513.56	80,365,175.14	1,136,846,527.85	40,139,653.52	30,365,175.14

Appliances Co., Ltd.		appliances and small home appliances						
Hefei Xingmei Assets Management Co., Ltd.	Associates	Leasing, agency	1,000,000	47,138,542.38	41,084,024.11		31,871,752.79	26,945,094.97

(ii) 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 and Establishment	The wholly-owned subsidiary invested by the controlling subsidiary of the Company - Zhongke Meiling, registered capital amounted to 10 million yuan. Establishment of the company further expands the business scope of Zhongke Meiling in field of biomedical, further develops the business in life science segment and enhance the core competitiveness of Zhongke Meiling.
Tai yuan Meiling Electric Appliances Marketing Co., Ltd	Mergers & acquisition	Minor effect on the overall production and operation and performance of the company
Tianjin Meiling Electric Appliances Marketing Co., Ltd	Mergers & acquisition	Minor effect on the overall production and operation and performance of the company
Guangzhou Meiling Electric Appliances Marketing Co., Ltd	Mergers & acquisition	Minor effect on the overall production and operation and performance of the company

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

Subsidiary of the Company - Sichuan Changhong Air-conditioner Co., Ltd has major growth in net profit from a year earlier, mainly because the revenue from operation increased dramatically on a y-o-y basis.

X. Structured entity controlled by the Company

Applicable Not applicable

XI. Prospects for the future development of the company

(1) Macro environment analysis

Looking forward to 2022, the impact of the pandemic on various industries affects residents' income to a certain extent, consumer demand shrinks, and pressures from supply shocks and weakening economic expectations still exist, and the pandemic and the complex and volatile global political and trade environment bring lots of uncertainties to economic development. But in the long run, China's economy is resilient, and the long-term positive fundamentals will not change. With a new round of technological revolution and the in-depth development of industrial transformation, new technologies will promote profound changes in the traditional manufacturing industry, the pace of corporate innovation will be accelerated, the consumer market will be characterized by hierarchy and individualization, and there will be new opportunities for the development of the home appliance industry. Under the general trend of industry consumption upgrading, the high-quality, personalized, fashionable, comfortable, intelligent, healthy and other emerging categories and scene solutions that accurately match the needs of segmented groups through technological innovation and consumer research will have a rapidly growth and become the main driving force for the consumer market. The household appliance

industry chain will comprehensively have a green, low-carbon, intelligent, and digital transformation and upgrading, and continue to enhance the industry's global competitiveness and influence.

(2) Industry environment analysis

1.Refrigerator (freezer) industry

In the domestic market, according to the data released by the National Bureau of Statistics, the refrigerator and freezer ownership per 100 households in China has exceeded 100 in 2020, which also means that the refrigerator market has fully entered the stock market, and the product structure upgrade and the price structure upgrade brought about by the renewing process still exist, and the scale still maintains a steady development trend. From the perspective of the supply side, although raw material prices of bulk commodity have fallen, they are still operating at a high level. The long-term existence of cost pressures will continue to form a negative feedback on the scale, and will also continue to drive industry prices higher. All View Cloud (AVC) predicts that the retail sales volume of the refrigerator market will reach 31.51 million units in 2022, a year-on-year decrease of 1.2%, while the upstream cost continues to drive price growth. The retail sales are expected to be 98 billion yuan, a year-on-year increase of 0.9%.

In terms of the export, the demand for refrigerators in overseas markets, especially in Europe and the United States, is likely to fall due to the weak demand brought about by overdraft in the early stage and the increase in terminal prices, as well as the multiple pressures brought about by the withdrawal of financial subsidies in many regions. In addition, the shipping price remains high in a short period of time, and the repeated outbreaks of pandemics overseas result in a sluggish international logistics supply chain and a low empty container turnover rate, the shipping capacity of major overseas ocean routes is still tight, which also squeezes the export share and profit to a certain extent. The industry online predicts that the export scale of refrigerators will decline to a certain extent in 2022.

2. Air-conditioning industry

In 2021, the cost of the air-conditioning industry soared, the industry demand was weak, and enterprises faced huge operating pressure. In the first half of 2022, the consumption drive of the domestic air-conditioning market is still insufficient and there are still some uncertain factors, but with the stimulus and guidance of a series of national consumption policies, the consumer market will gradually improve in the second half of the year. In overseas markets, because the slowdown in global economic recovery is hard to alter, the behavior of issuing consumer vouchers in developed countries is unsustainable, high inflation and exchange rate fluctuations restrain demand, and shipping prices will remain high in the short term, the prices of air-conditioning products are hard to fall back, and there is great uncertainty in the overseas market demand for air conditioners in 2022. In this context, the competition among enterprises is more rational and cautious.

3.Washing machine

In recent years, the washing machine market has tended to a period of stock consolidation, the market demand is

mainly for upgrading, and insufficient demand has become the norm in the industry. Especially under the influence of the COVID-19 epidemic, the overall growth rate of the industry has declined. Affected by factors such as rising raw materials prices, increased cost, and consumer's mentality after the pandemic, competition among enterprises has shifted from price to value. In addition to basic functions such as washing, products also focus on high-quality and high additional functional requirements, such as drying, sterilization, and intelligence, and continuously improve product quality. In view of the stable domestic pandemic situation, the possibility of a large-scale outbreak is minimal. At the same time, the market demand for washing machine renew is stable, and the pace of product iteration is stable and powerful. Among household appliances, washing machine shows a positive trend of continuously stable market, continuous transfer of channels, and continuous upgrading of structure.

4.Kitchen & bathroom, small appliance

In the kitchen appliance industry, the "stay at home economy" caused by the pandemic allows millions of families to regain the time and space to cook, and awakens people's love and enthusiasm for cooking. However, with the normalization of the pandemic, consumers have gradually become more rational and less enthusiastic about consumption. According to the national standard for the service life of kitchen and bathroom products, kitchen and bathroom products will gradually enter the renew cycle, and along with the technical iteration of kitchen and bathroom products, the improvement of residents' consumption levels, and the implementation of plans such as old city renovation, the upgrading of kitchen and bathroom products will be further accelerated.

In terms of the small home appliance industry, from the channel level, the arrival of the epidemic has led to the rapid development of online channels and the maturity of live streaming sales, and online channels have become the main sales channels for small home appliances. From the perspective of category, consumption continues to escalate and the population is continuously subdivided, resulting in a diversified consumption demand. Many emerging small home appliances categories emerge after the epidemic, injecting new energy and opportunities into the small home appliance market. But at the same time, small home appliance is also facing the dilemma of low entry threshold and uneven products, resulting in the increasingly fierce competition among enterprises.

5.Bio-medical

The medical equipment industry has a huge market size and many subdivisions, together with the equipment upgrades of primary medical institutions during the post-pandemic period, the market demand for various medical equipment has been growing steadily. Under the background that the national policy focuses on encouraging the localization and domestic substitution of medical equipment, the state encourages the priority to purchase domestic devices, which has created the demand for localization and promoted the continuous improvement of the domestic medical equipment industry chain. At the same time, companies continue to increase investment in research and development, enhance independent innovation capabilities, adjust business models, and establish and improve regulatory systems, which have effectively promoted the process of localization of medical equipment.

(iii) Development strategy

1. Vision

Be a leading brand in China, World Class and respectable household appliance enterprise.

2. Strategic direction

Fully implement the guideline of "one goal, three main lines", drive organizational transformation through reasonable commercial inventory turnover, and improve overall competitiveness with efficiency as the core, so as to achieve the steady development of the industry.

(iv) Business plan for 2022

1. Management principle

The company's management principle in 2022 is "one goal, three main lines". The company will firmly take the road of efficiency as the king, product leadership, and benchmarking, so that the capabilities of efficiency and product can be transformed into economic benefits through benchmarking, and then achieve one goal of achieving share growth under the premise of profitability.

(1) One goal

"One goal" is to achieve share growth under the premise of profitability. Deepen the marketing transformation, further strengthen the operation management system centered on reasonable commercial inventory, the value management system centered on retail price, the marketing management system centered on retail, and the expense control system centered on rigid budget, and continue to increase revenue, reduce costs, and reduce fees in the research and production end so as to achieve the goal of continuous improvement in operations.

(2) Three main lines

Efficiency is king: further strengthen the operation management system with reasonable commercial inventory as the core, and lead the efficient and coordinated operation of the whole link of retail-manufacturing-logistics.

1. Improve commercial inventory turnover. The retail end strengthens the inventory management of commercial units, accelerates the marketing transformation and business model optimization, and continues to shorten the commercial inventory turnover days; the manufacturing end shortens the order cycle through the futures model and the order model; improves the supply capacity and shortens the procurement cycle; improves die change efficiency and flexibility production and increase the daily delivery rate to shorten the production cycle; the logistics end shortens the logistics cycle by improving the efficiency of logistics collection, loading, and delivery. At the same time, the company will build a data security system to vigorously ensure the smooth progress of industrial Internet projects, increase the proportion of direct delivery of products, increase the proportion of orders and customers, and support the increase in commercial inventory turnover.

2. Improve R&D efficiency. Take the product as the starting point, connect the planning, development, promotion and sales business chain to achieve the joint action of goals and tasks, reduce the design change rate, compress the research and development cycle, and strictly control the number of product models.

3. Improve manufacturing efficiency. On the premise of ensuring safety, we will focus on comprehensive

operation, precise ordering, digital manufacturing, and lean production; with production line efficiency as the starting point, we will greatly narrow the gap with benchmarks and achieve manufacturing breakthroughs.

4. Improve quality efficiency. Continue to promote risk control, cost reduction, and reputation improvement, improve product quality level, greatly reduce the bad review rate of e-commerce, telephone complaint rate, and return rate, and improve customer satisfaction.

5. Improve human efficiency and cultural implementation. Continuously optimize jobs and improve human efficiency, and upgrade GPI (employee performance growth indicator) and improve employee vitality. Implement the corporate culture into the code of conduct and the evaluation standards for each cadre and employee, and improve the professional satisfaction of all employees.

Product leadership: Value oriented, study consumer needs and gain insight into technology development trends; integrate internal planning capabilities, R&D and manufacturing capabilities, marketing and promotion capabilities and user service capabilities, and superimpose "unique value products" on the basis of efficiency to form the competitive advantages of "high-quality products + popular products" .

1. Adhere to the product strategy. Adhere to the product strategy of "high-quality products" + "popular products" + "high-quality & popular products", focus on "thin, fresh, beautiful, intelligent" refrigerators, focus on "extremely quiet, extremely economical, extremely intelligent" air conditioners, focus on "thin, large, simple" washing machines, focus on "influential brands of water ecological household appliances and operation services" for kitchen, bathroom and small household appliances, and focus on "life sciences, cold chain and health market opportunities" to make product layout for biomedical products. Through "accurate positioning, strengthening stratification, revitalizing bases, and channel customization", we continue to enhance product competitiveness and promote healthy product operation.

2. Strengthen the construction of product planning system. Refresh the product planning and development outline by node to accurately meet the market demand. Go deep into the market to improve the accuracy and breadth of product planning, standardize the implementation of the IPD process, and reduce source changes.

3. Take the user as the center, dig out and solve the pain points. Make precise user portraits, embed user experience evaluation into the IPD process, and enhance the improvement rate of user experience problems for new products.

4. Improve the capacity building of core key technologies. Independently master the core technology to achieve industry leadership; integrate and apply the key technologies to achieve industry advancement; and master the hard core technology mechanism to achieve industry breakthroughs.

5. Strengthen intelligent research. Create a leading product use experience around the human-computer interaction between users and home appliances, and create a new generation of home appliance products around the integration of basic home appliance technology and intelligent technology.

Benchmarking: It is necessary to benchmark not only the technology, but also the business guiding ideology, so as to improve the performance, ability and efficiency of the organization.

2. Market strategy

(1) Refrigerator (freezer)

In the domestic market, the company will unswervingly carry out the transformation of the marketing organization, create "high-quality goods" + "hot sale products"+ “high-quality and hot-sale products”, increase scale, improve gross profit, increase e-commerce efforts, promote online and offline integration, and achieve scale growth through the increase in online share, meanwhile, shrink offline channels with poor profit and loss.

In overseas markets, focus on valuable scale improvement. Create the advantages of air cooling and frequency conversion, consolidate the leading advantages of vertical air-cooled refrigerators, create the advantages of thin-walled horizontal refrigerators with full volume, improve product competitiveness, and continuously increase market share by focusing on strategic markets, key markets, and potential markets. At the same time, accelerate the business development of self-owned overseas brands, the subsidiaries run parallel to the agency models, and speed up the brand export.

(2) Air-conditioning

In the domestic markets, we pursue a benign priority, seize the opportunity to upgrade the functions of "fresh air, self-cleaning, and comfortable air", and create a "high-quality goods" + "hot sale products"+ “high-quality and hot-sale products” model. Develop e-commerce, focus on the base market, fully benchmark against each other, and insist on profitable scale growth.

In overseas markets, the company adheres to the business philosophy of brand priority, channel focus, product upgrade, and efficiency first. In terms of channels, seek breakthroughs in new markets, further expand emerging markets, focus on core customers in key markets, and strengthen the ability to respond to different markets. In terms of products, promote the derivation and sales of new on-hook platform products, and accelerate the development of the third-generation health air conditioners and the products with voice function of a local minority language.

(3)Washing machine

On the basis of domestic sales, make rapid breakthroughs in export sales, supplemented by brand business, the three-in-hand make its own efforts to achieve sustainable and high-quality growth. Focus on the industrial vision of "wash away the pretense and protect the whole family", adhere to the business philosophy of "user-centered, high-quality, differentiated", and create the core competitiveness of products such as "ultra-thin body", "super-large diameter", and "one-key smart wash".

(4) Kitchen and bath, small household appliances

For kitchen, bathroom and small household appliances, continue to implement differentiated competition strategies, strengthen the improvement of influence in the water ecology segment, and continue to deepen the system capabilities building based on the business idea of "product traction, marketing transformation, operation improvement, and team activation", focus on the core product line of "Tea Drinking Ecology", and steadily improve the market size and industry status.

(5) Bio-medical

Unswervingly implement the development strategy based on the related diversification in the bio-medical field, center on the business framework layout of life science, smart cold chain, and family health, go deep into the life science channel system construction, promote product upgrade iterations and new technology innovation research and development to drive services and improve efficiency; move towards automated cold storage, and steadily expand smart cold chain business; promote the launch of new family health products, and accumulate channel expansion to promote the rapid growth of the company.

The above business plan and business objectives do not represent the listed Company's profit forecast of 2022, whether it can be achieved depends on the changes in market condition, the efforts of management team and other factors, there are a lot of uncertainties, investors should pay special attention to it.

(v) Possible risks and countermeasures

In the face of home appliances market competition is more intense and other objective factors, the survival environment of an enterprise will be even worse. In 2022, the Company will face risks as severe industry, soaring raw material costs, rising shipping prices, trade frictions and geopolitical implications.

1. Risk of price fluctuations in raw materials

Affected by the pandemic, the prices of bulk raw materials used in the company's main products have been rising for several consecutive rounds since May 2019. Though the prices slightly fell after rise at the end of 2021, due to the impact of the international and domestic "dual control" policies, it is less likely that prices will have a sharp decline, and it is expected that the overall operation is still at a high level, and the enterprises face huge cost pressures.

2. Risk of price fluctuations in international transport

Affected by the pandemic and the increase in international demand for raw materials such as iron ore, the container and shipping capacity has become tight, leading to an increase in international transport costs. It is difficult for the company to book the cargo space for product export, resulting in prolonged delivery and transport cycle, and difficult shipment of finished products. At the same time, the rising sea freight leads to a rise in retail price, which will restrain the demand in some overseas markets, and thus have an adverse impact on the company's export business.

3. The impact of trade frictions and geopolitical

The company pays close attention to the impact of uncertain factors such as international trade frictions and geopolitics on the company's global business.

In response to the above risks, and combined with the industry situation in 2022 and the deficiencies in 2021, the company will fully implement the business policy of "one goal, three main lines" in 2022, and make arrangements in terms of products, technologies, and markets in advance, so that the company's products can realize the high-end and intelligent transformation, meanwhile, enrich product lines, and build a comprehensive home appliance enterprise.

XII. In the report period, reception of research, communication and interview

√ Applicable □ Not applicable

Time	Location	Way	Reception object	Type	Main contents of the discussion and the information provided	Basic situation index of investigation
2021-4-14	China Fund- Jihuibao Online Roadshow Center (www.jhbshow.com)	Other	Other	The shareholders and investors who participated in the interactive exchange at the 2020 annual business presentation of the Company	Holding a presentation on the 2020 annual business results and responding the questions that investors concerned	http://irm.cninfo.com.cn/ires/company/companyDetail?stockcode=000521&orgId=gssz000521

Section IV. Corporate Governance

I. Corporate governance of the Company

(i) Overview of the corporate governance

In strict compliance with the Company Law, Securities Law, Governance Principles of Listed Company issued by the CSRC, the *Rules Governing the Listing of Stocks on Shenzhen Stock Exchange* and *Shenzhen Stock Exchange Self-Regulatory Guidelines No.1- Standardized Operation of the Listed Companies on main Board* of SSE, the Company continued to construct and perfect its governance structure, thereby forming its decision-making, supervision and operation management organization with general meeting, the board of directors, the board of supervisors and operation management as the major structure. The general meeting, board of directors, board of supervisors and operation management of the Company has definite terms of reference, which can ensure an effective balance, scientific decision-making process and coordinative operation, laying firm foundation for making decisions relating to the Company's continuous, steady and healthy development.

During the reporting period, the actual situation of corporate governance has been in line with the requirements of relevant state laws and regulations, and regulatory documents relevant to governance of listed companies issued by China Securities Regulatory Commission and Shenzhen Stock Exchange.

1. Shareholders and general meeting

The Company standardized the procedures concerning convening, holding and voting of general meeting in strict compliance with the Articles of Association and Rules of Procedure of General Meeting. All shareholders, especially the minority shareholders, were equally treated to ensure all shareholders shall rank equal status and can fully exercise their right. During the reporting period, the Company convened shareholders general meetings. In addition to convening general meeting in forms of site conference, the Company offered convenience for shareholders to present general meeting via network voting which was safe, economic and convenient. At the same time, all the matters submitted to the Company's general meeting of shareholders should count the votes of the small and medium investors separately, and the results of the vote count should be disclosed timely so as to effectively protect the rights and interests of small and medium investors and ensure that all shareholders, especially the small and medium shareholders, fully exercise their rights.

2. The Company and controlling shareholders

The Company has independent business and independent management capability. The Company and its controlling shareholders owe independent business, personnel, assets, organs and finance. During the period, controlling shareholder abide by requirement of Article of Association and Management System of Related Transactions, strictly regulate their behaviors, and no controlling shareholder has directly or indirectly intervened in the Company's policy-making and business activities beyond the general meeting of stockholders, no capital or assets of the Company occupied by controlling shareholder and its affiliates either.

3. The directors and board of directors

Board Meeting are revoke and open in line with the regulation of Company Law and Article of Association strictly, voting and information disclosure procedures appliance with relevant rules. All directors of the company have carried out the work in accordance with the Rules of Procedure for the Board of Directors and the Independent Director System, conscientiously attended the board meetings and the shareholders' meetings, exercised their powers in accordance with the law, performed their duties diligently, and actively participated in relevant training organized by the Shenzhen Stock Exchange and Anhui Securities Regulatory Bureau, the Listed Companies Association of Anhui, and have been familiar with relevant laws and regulations. Independent directors strictly abide by the Guiding Opinions on Establishing an Independent Director System in Listed Companies, the Independent Director System and other regulations, in line with a serious, diligent and loyal working attitude, based on an independent and prudent stand, actively participated in the company's decision-making, carefully considered various proposals, issued prior approval and independent opinions on related transactions and major issues, fully exerted the supervision and check and balance role of independent directors, and effectively safeguarded the interests of the company and all shareholders, especially the small and medium shareholders. The four special committees of strategy, remuneration and assessment, audit and nomination under the board of directors of the company have been responsible for the discussion, decision-making, supervision and evaluation of major work issues of the company according to the corresponding working rules of each departmental committee, and quality played an important role in the scientific decision-making and the improvement of decision-making efficiency and quality.

4. Supervisors and board of supervisors

The Company convened and held meeting of supervisors in strict compliance with the Company Law and Articles of Association, and the voting and information disclosure procedures of supervisors' meeting complied with relevant requirements. The tenth board of supervisors of the company has five supervisors, including two employee supervisors, the number and constitution of the board of supervisors meet the requirements of laws and regulations. All supervisors of the company can earnestly perform their duties in accordance with the requirements of the Rules of Procedure for the Board of Supervisors, supervise the decision-making procedures and resolutions of the board of directors and the legal operation of the company, review the regular reports prepared by the board of directors and put forward written review opinions, and effectively supervise and express independent opinions on the company's major events, related transactions, financial status, the legality and compliance of directors and senior executives' performance of duties by attending the general meeting of shareholders and the meeting of the board of directors from the perspective of safeguarding the legitimate rights and interests of the company and shareholders.

5. The performance appraisal and incentive and constraint mechanism

The Company owes and continues to improve fairness and transparency performance appraisal standards and incentive and constraint mechanism for directors, supervisors and senior management, the engagement of managers of the Company is open and transparent and meets the provisions of laws and regulations.

6. The stakeholders

The Company fully respects and maintains the legitimate rights and interests of stakeholders; strengthen communication and negotiation with each other, realizes the coordination and balance of interests for all parties including society, shareholders, company and staff, pushes forward the sustainable, steady and harmonious development of the Company together. In terms of safeguarding the interests of shareholders, the company treats all shareholders, especially the small and medium-sized shareholders equally, in strict accordance with relevant regulations, and ensures that all shareholders enjoy equal status and fully exercise their rights by regulating the convening, holding and voting procedures of the general meeting of shareholders. In terms of rights and interests maintenance, the company attaches great importance to the growth and development of employees, improves employee satisfaction and guides all employees to make more contributions to the development of the company by building position system, organizing a variety of accrual activities to shape corporate culture, and formulating sustainable human resources and remuneration policies. In terms of safeguarding the interests of related parties, guided by the corporate value of "co-creation and sharing", the company is committed to establishing a win-win cooperation model with related parties for common development and common growth, and exploring the optimization of cooperation modes such as management, personnel, cost and efficiency under the principle of equality and mutual benefit.

7. About information disclosure and transparency

During the reporting period, the company strictly complied with relevant provisions of the Listing Rules of Shenzhen Stock Exchange and the company's Information Disclosure Management System, strengthened the management of information disclosure affairs, actively fulfilled its information disclosure obligations, and designated Securities Times, China Securities Journal, Hong Kong Commercial Daily and Juchao Information Website (Juchao Website (www.cninfo.com.cn)) as the designated media for the company's information disclosure, implemented strict confidential procedures for material undisclosed inside information, and controlled the scope of informed personnel. The company earnestly fulfilled its obligations to disclose relevant information in a true, accurate, timely and complete manner, and ensured that all investors equally enjoy the right to know and other legitimate rights and interests.

8. Investor relations management

The Company has seriously done the job of the investor relations management in accordance with the requirements of the "Investor Relations Management System" and "Reception and Promotion system" during the Period. Communicated with investors through the irm.cninfo.com.cn platform of the Shenzhen Stock Exchange, fully listened to their opinions and suggestions, and protected the interests of small and medium investors; earnestly did a good job in answering and replying investors' visits and calls, as well as receiving and replying faxes and e-mails, and carefully handled the media reports. In order to fully protect the interests of small and medium investors, the company organized and held the 2020 online performance briefing and achieved good results, helping investors to have a more comprehensive understanding of the listed company and enhancing the company's transparency.

(ii) Whether there are significant differences between the actual state of corporate governance and laws, administrative regulations and the provision with governance concerned for listed companies issued by CSRC

Yes No

There are no significant differences between the actual state of corporate governance and laws, administrative regulations and the provision with governance concerned for listed companies issued by CSRC

II. Independence of the Company relative to controlling shareholder and the actual controller in ensuring the Company's assets, personnel, finance, organization and businesses

The Company totally separated in business, personnel, assets, institutions and financial aspects from Sichuan Changhong (controlling shareholder) and actual controller State-owned Assets Supervision & Administration Commission of Mianyang Municipality, with independent business accounting, responsibility and risk and independent business operation capability.

1. The business: the Company has an independent and complete business as well as operation ability, with specialized procurement, production, technology, marketing, management, human resources and other departments. We autonomously manage and operate business on our own. While the management staff are independent from controlling shareholders and their subordinate enterprises. The Company is free from interference by controlling shareholders and other affiliates, and there is no dependence on controlling shareholders and other affiliates.

2. The personnel: personnel, labor, personnel and salary of the Company are completely independent. President, vice president, person in charge of finance, Secretary of the board of directors and other senior management personnel are working in the Company and receive salary, not receiving any remuneration and holding position of any except directors, supervisors in the controlling shareholder and its subordinate enterprises.

3. Assets: the Company owns places of production and management independent from its controlling shareholder, owns complete assets structure, independent production system, auxiliary production systems and supporting facilities, land use rights, ownership of houses and other assets, and independent purchase and sales system. No assets occupied by controlling shareholders and other affiliates.

4. Institutions: the Company established organization completely independent from controlling shareholders; the general meeting, board of directors, board of supervisors and the internal organization are capable of taking independent action, with no controlling shareholder intervention of corporation's decision-making behavior. The Company strengthen the power restriction system via general meeting, the Board, supervisory committee, independent directors and vary committees, formulated an effective structure for corporate governance.

5. Financial aspects: the Company set up independent financial management, and independent accounting system and financial management system, independently setting up banking account and tax declaration.

III. Horizontal competition

Applicable Not applicable

IV. In the report period, the Company held annual shareholders' general meeting and extraordinary shareholders' general meeting

(i) Annual Shareholders' General Meeting in the report period

Session of meeting	Type	Ratio of investor participation	Date	Date of disclosure	Index of disclosure
AGM of 2020	AGM	31.5421%	2021-4-28	2021-4-29	Totally 21 proposals including <i>Report on Works of BOD for year of 2020, Report on Works of BOS for year of 2020, Annual Report of 2020 and Its Summary, Financial Statement Report for year of 2020 and Plans of Profit Distribution for year of 2020</i> are deliberated and approved in the Meeting, for details, please refer to the "Resolution of the AGM of 2020" (No. 2021-034) on the cninfo website (Juchao Website (www.cninfo.com.cn)).
First Extraordinary General Meeting of 2021	Extraordinary General Meeting	4.7757%	2021-6-16	2021-6-17	One proposal on <i>Assets Procurement Termination and Related Transactions</i> was deliberated and approved by the Meeting, for details, please refer to the "Resolution Notice of First extraordinary general meeting of 2021" (No. 2021-046) on the cninfo website (Juchao Website (www.cninfo.com.cn)).
Second Extraordinary General Meeting of 2021	Extraordinary General Meeting	31.3097%	2021-7-28	2021-7-29	Totally 2 proposals including <i>Purchasing the Liability Insurance for Director/Supervisor/Senior Executives and Increased the Expected Routine Related Transactions for year of 2021</i> are deliberated and approved in the Meeting, for details, please refer to the "Resolution Notice of Second extraordinary general meeting of 2021" (No. 2021-058) on the cninfo website (Juchao Website (www.cninfo.com.cn)).
Third Extraordinary General Meeting of 2021	Extraordinary General Meeting	31.4135%	2021-9-10	2021-9-11	One proposal on <i>Continue Implementation and Adjustment Partially of the Repurchase Program of Certain Domestic Listed Foreign Shares (B Share)</i> was deliberated and approved by the Meeting, for details, please refer to the "Resolution Notice of Third extraordinary general meeting of 2021" (No. 2021-075) on the cninfo website (Juchao Website (www.cninfo.com.cn)).
Fourth Extraordinary General Meeting of 2021	Extraordinary General Meeting	31.4488%	2021-12-23	2021-12-24	Totally 11 proposals including <i>Amend Some Article of the Article of Association, Amend Some Articles of Rules of Procedure for Shareholders General Meeting and Expected Routine Related Transactions for year of 2022</i> are deliberated and approved in the Meeting, for details, please refer to the "Resolution Notice of Fourth extraordinary general meeting of 2021" (No. 2021-109) on the cninfo website (Juchao Website (www.cninfo.com.cn)).

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(ii) Request for extraordinary general meeting by preferred stockholders whose voting rights restore

Applicable Not applicable

V. Directors, supervisors and senior officers

(i) Basic information

Name	Title	Working status	Sex	Age	Start dated of office term	End date of office term	Shares held at period-begin (share)	Stock options	Number of restricted shares granted (share)	Number of shares increased in this period (share)	Number of shares decreased in this period (share)	Other changes (share)	Shares held at period-end (share)	Reasons for increase or decrease of shares
Wu Dinggang	Chairman	Currently in office	M	49	2014-7-3	2023-10-12	570,500	0	0	0	0	0	570,500	Not applicable
Zhong Ming	Director, President	Currently in office	M	49	2013-12-30	2023-10-12	236,175	0	0	0	0	0	236,175	Not applicable
Yong Fengshan	Director	Currently in office	M	53	2017-9-12	2023-10-12	0	0	0	0	0	0	0	Not applicable
Kou Huameng	Director, Deputy president	Currently in office	M	52	2014-7-3	2023-10-12	0	0	0	0	0	0	0	Not applicable
Hu Zhaogui	Director, Deputy president	Currently in office	M	48	2018-6-21	2023-10-12	178,050	0	0	0	0	0	178,050	Not applicable
Zhao Qilin	Director	Currently in office	M	46	2021-12-23	2023-10-12	0	0	0	0	0	0	0	Not applicable
Hong yuanjia	Independent director	Currently in office	M	46	2020-10-12	2023-10-12	0	0	0	0	0	0	0	Not applicable
Mou Wen	Independent director	Currently in office	F	55	2020-10-12	2023-10-12	0	0	0	0	0	0	0	Not applicable
Zhao Gang	Independent director	Currently in office	M	43	2020-10-12	2023-10-12	0	0	0	0	0	0	0	Not applicable
Shao Min	Chairman of Supervisory	Currently in office	M	39	2017-9-12	2023-10-12	0	0	0	0	0	0	0	Not applicable
He Xintan	Supervisor	Currently in office	M	41	2017-9-12	2023-10-12	0	0	0	0	0	0	0	Not applicable
Huang	Supervisor	Currently	F	51	2017-9-12	2023-10-12	0	0	0	0	0	0	0	Not

Hong		in office												applicable
Ji Ge	Staff supervisor	Currently in office	F	40	2017-12-25	2023-10-12	0	0	0	0	0	0	0	Not applicable
Sun Hongying	Staff supervisor	Currently in office	F	50	2021-3-30	2023-10-12	0	0	0	0	0	0	0	Not applicable
Liu Hongwei	Executive deputy president	Currently in office	M	58	2011-6-20	2023-10-12	1,689,893	0	0	0	0	0	1,689,893	Not applicable
Huang Danian	Deputy president	Currently in office	M	52	2017-9-12	2023-10-12	356,450	0	0	0	0	0	356,450	Not applicable
Tang Youdao	Deputy president	Currently in office	M	51	2021-3-29	2023-10-12	0	0	0	0	0	0	0	Not applicable
Pang Haitao	CFO (person in charge of finance)	Currently in office	M	46	2017-10-25	2023-10-12	0	0	0	0	0	0	0	Not applicable
Li Xia	Secretary of the Board	Currently in office	F	41	2009-5-22	2023-10-12	552,800	0	0	0	0	0	552,800	Not applicable
Chen Ye	Director	Office leaving	M	57	2020-10-12	2021-12-10	0	0	0	0	0	0	0	Not applicable
Zhu Wenjie	Staff supervisor	Office leaving	M	34	2015-4-8	2021-3-30	0	0	0	0	0	0	0	Not applicable
Total	--	--	--	--	--	--	3,583,868	0	0	0	0	0	3,583,868	--

1. During the reporting period, whether there was any departure of directors and supervisors and dismissal of Senior Officers

√ Yes □ No

(1) On March 30, 2021, former security representative and staff supervisor Mr. Zhu Wenjie resigned from the position of staff supervisor of 10th BOS and security representative of the Company for personal reasons.

(2) On December 20, 2021, non-independent director Mr. Chen Ye resigned from the Director of 10th BOD and member of the strategy committee of the Company for personal reasons.

2. 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, with service term same as the 10 th BOD
Sun Hongying	Staff supervisor	Be elected	2021-3-30	Voted by the 6 th session of 8 th Staff Congress of the Company, agreed to elected Ms. Sun Hongying as the staff supervisor of 10 th BOS, term of office shall be from the date of deliberation and approval by Staff Congress to the date of expiration of 10 th BOS of the Company
Zhao Qilin	Director	Be elected	2021-12-23	Approved by Fourth Extraordinary General Meeting of Shareholders of 2021, Mr. Wu Zhao Qilin was elected as the non-independent director of the 10 th BOD with service term same as the 10 th BOD
Chen Ye	Director	Office leaving	2021-12-10	Resigned from the Director of 10 th BOD and member of the strategy committee of the Company for personal reasons.
Zhu Wenjie	Staff supervisor	Office leaving	2021-3-30	Resigned from the position of staff supervisor of 10 th BOS and security representative of the Company for personal reasons.

(ii) Post-holding

1. Professional background, major working experience and present main responsibilities in Company of directors, supervisors and senior executive at the present

(1) Wu Dinggang, male, the Han nationality from Suining, Sichuan Province, was born in March 1973, Member of CPC, owns bachelor degree, graduate from Tianjin University of Commerce China (Tianjin University of Commerce now), major in refrigeration equipment and cryogenic technique. He served successively as GM of Suining Sale Branch and Chengdu Sales Branch of Sichuan Changhong Electric Co., LTD, director of Sichuan and Chongqing Marketing Management Department of Sichuan Changhong Electric Co., LTD, deputy GM of Changhong Electronics (China) Marketing Co., GM of market planning center of Changhong Multimedia Industry, director and GM of Le-Jia-Yi Chain Management Co., Ltd., ZhongkeMeiling Cryogenic Technology Co., Ltd. director and GM of Sichuan Changong Air Conditioner Co., Ltd and deputy president, president, deputy chairman and Party Secretary of the Company. Currently he serves as director, vice GM of Sichuan Changhong Electric Co., Ltd., chairman of the Company; Chairman of Zhongshan Changhong Electric Co., LTD; Chairman of Sichuan Changhong Air-conditioner Co., Ltd. and Chairman of ZhongkeMeiling Cryogenic Technology Co., Ltd.

(2) Zhong Ming, male, the Han nationality from Meishan, Sichuan Province, was born in November 1972, member of CPC, a senior engineer, doctoral degree, EMBA degree from University of Science and Technology of China, PhD degree in Engineering Thermophysics. He successively served as deputy director of research institution of Sichuan Changhong Air-conditioner Co., Ltd., deputy GM of Sichuan Changhong Air-conditioner Co., Ltd. and technical director of household appliance group of Sichuan Changhong Electric Co., LTD. He serves as director President and Party Secretary of the Company currently and Chairman of Hefei MeilingWulian Technology Co., Ltd.

(3) Yong Fengshan, male, Han nationality, was born in Ding yuan, Anhui in June 1968, a member of the Communist Party of China, a senior accountant, and a master degree holder. He ever took the posts of the director of finance department of Hefei Cable Factory, the director of finance division and the deputy chief accountant of Hefei Meiling Co., Ltd., the deputy general manager and chief accountant of Hefei Meiling Group Holding Co., Ltd., the secretary of the party committee and the GM and the president of Hefei Industrial Investment Holdings Co., Ltd. Currently he serves as the secretary of the party committee and the president of Hefei Industry Investment Holding (Group) Co., Ltd., the secretary of the party committee and the GM and the president of Hefei Industrial Investment Holdings Co., Ltd., chairman of Hefei State-owned Assets Holding Co., Ltd., the president of CAS (Hefei) Institute of Technology Innovation Co., Ltd., chairman of Hefei Venture Capital Guiding Fund Co., Ltd., director of Anhui Jianghuai Automobile Co., Ltd., chairman of Hefei Kechuang Group Co., Ltd., chairman of Hefei Talent Development Group Co., Ltd., vice chairman of Anhui Management Society, Vice chairman of Hefei Enterprise (Entrepreneurs) Association and Chairman of Shushan Branch, and the director of the Company.

(4) Zhao Qilin, male, Han nationality, born in September 1975, graduated from Southwestern University of Finance and Economics with a bachelor's degree in rural finance, and served as accountant of the financial department, investment project manager, asset management manager of asset management department, manager of investment management department, and securities affairs representative of Sichuan Changhong Electric Co., Ltd.; financial manager of Sichuan Changhong Innovation Investment Co., Ltd.; chief financial officer and joint company secretary of Changhong Jiahua Holdings Co., Ltd.. He currently serves as secretary of the board, general counsel, office director of the board of directors, and director of the asset management department of Sichuan Changhong Electric Co., Ltd., the controlling shareholder of the Company; director of Anjian Holdings Co., Ltd., and director of Sichuan Changhong Innovation Investment Co., Ltd..

(5) Kou Huameng, male, the Han nationality from Yanting, Sichuan Province, was born in February 1970, Member of CPC, master degree candidate, EMBA graduate from UESTC. He served successively as deputy director of production office of Sichuan Changhong Electric Co., LTD, director of Guangxi Marketing management Committee, director of Fujian-Jiangxi Marketing Management, General Manager of Changhong Audiovisual Company and director and GM of Guangdong Changhong Digital Technology Co., Ltd.; Sichuan

Changhong Electric Co., Ltd, director of development management department of Sichuan Changhong Electric Co., Ltd., and director of ChanghongHuayi Compressor Co., Ltd.; now he serves as director and deputy president of the Company.

(6) Hu Zhaogui, male, the Han nationality, born in Feixi Hefei in October 1974, a member of the Communist Party of China, holds a master's degree, graduated from Chongqing University as a master of business administration. He has served successively as the head of marketing and sales department stationed abroad of Hefei Meiling Co., Ltd., assistant president and general manager of the freezer and washing machine business division, and general manager of the domestic marketing division. He is currently the director and vice president of the Company and the general manager of Sichuan Changhong Air Conditioner Co., Ltd., a subsidiary of the Company.

(7) Hong yuanjia, male, Han nationality, born in February 1975, Shantou, Guangdong, holds a master degree, graduated from Shanghai University of Finance and Economics majoring in international business management, and is Fudan University MPAcc (Master of Accounting), CPA, International Accountant (AIA), intermediate accountant, and intermediate economist. He once served as the foreign currency payable supervisor and investment supervisor of China Eastern Airlines Co., Ltd., the deputy manager of the financial department of the Shanghai Representative Office of SanchengHongji (Hong Kong) Co., Ltd., the accounting manager of General Electric Lighting Co., Ltd., the accounting manager of General Electric Industrial Supply Co., Ltd., and Chief Financial Officer of Lingji Electronics (General Electrical Industry System Power Supply). He is currently the Chief Financial Officer of Asia Pacific Region of Yiluo Technology (Shanghai) Co., Ltd. and an independent director of the Company.

(8) Mou Wen, female, Han nationality, born in September 1965, Hengshan, Hunan, holds a master's degree, an accountant, and holds a master's degree in business management from Sichuan University. She previously served as a lecturer in the School of Business Administration of Sichuan University, an Associate Professor of Accounting in the School of Business Administration of Sichuan University, an independent director of Tibet Mineral Development Co., Ltd., Sichuan Jinlu Group Co., Ltd., Huayi Compressor Co., Ltd., Jinhui Liquor Co., Ltd., Sichuan Teway Food Co., Ltd., and Hebei Baoli Engineering Equipment Group Co., Ltd., a member of Investment Decision Advisory Committee of Sichuan Chuanjiao Road and Bridge Co., Ltd., and financial consultant of Sichuan Daka Electric Co., Ltd., etc. She is currently Associate Professor and Master Supervisor of Business School of Sichuan University, and an independent director of Chengdu Guibao Science and Technology Co., Ltd., MianyangFulin Precision Machinery Co., Ltd., Sichuan Joyou Digital Technology Co., Ltd., Tibet Mineral Development Co., Ltd., and an independent director of the Company.

(9) Zhao Gang, male, Han nationality, born in April 1977, Peixian, Jiangsu Province, is a member of the Communist Party of China, holds a doctoral degree, graduated from the University of Science and Technology of

China majoring in power engineering and thermophysics. He once served as a post doctorate and an associate professor in the Department of Mechanics and Mechanical Engineering of the University of Science and Technology of China, a professor of orbital systems in the Department of Electronic Science and Technology, a special researcher for foreigners in the Japan Society for the Promotion of Science, School of Engineering, Kyushu University, Japan, and a senior research scholar in the Department of Mechanical Engineering at the University of Washington. He is currently the executive director, professor and doctoral supervisor of the Department of Electronic Science and Technology of the University of Science and Technology of China, the deputy director of the Anhui Life Resources Conservation and Artificial Organ Engineering Technology Research Center, a part-time professor of the Department of Mechanical Engineering of the University of Washington, and an independent director of the Company.

(10)Chen Ye, male, Han nationality, native of Changzhou, Jiangsu, born in November 1963, senior engineer, master's degree, graduated with a master's degree in business administration from Business School of the Hong Kong University of Science and Technology. He served as an engineer of Physical and Chemical Analysis Centers of the 46th Research Institute of CETC, deputy general manager of Tianjin Xinxing Electronics Co., Ltd., chairman and president of Sichuan Top Software Co., Ltd., general manager of Beijing Hongli Nico Technology Co., Ltd., manager of planning technology department and deputy manager of asset management department of Sichuan Changhong Electric Co., Ltd., general manager of Sichuan Changhong Innovation Investment Co., Ltd., general manager of Chengdu Changhong Technology Co., Ltd., and director of the Company. He resigned from the Company on December 10, 2021, and didn't serve as a director of the Company.

(11) Shao Min, male, Han nationality, was born in Linyi, Shandong in March 1983, and earned a bachelor's degree in accounting major from Xi'an Jiaotong University. He joined in work in July 2004, and ever served as the accountant and finance manager of the branch office of Sichuan Changhong Electric Co., Ltd., the financial director of finance department, the project manager of asset management department, manager of Assets Operation Division of Assets Management Dept, deputy director and director of the Assets Management Dept.of Sichuan Changhong Electric Co., Ltd. He currently serves as the head of Capital Operation Dept.of Sichuan Changhong Electric Co., Ltd., director of Changhong Huayi Compressor Co., Ltd., director of Sichuan Changhong New Energy Technology Co., Ltd., and the chairman of the Board of Supervisors of the Company.

(12) He Xintan, male, Han nationality, was born in Xiayi, Henan in April 1980, a member of the Communist Party of China, an economist, and earned a master's degree in management science and engineering from Xi'an Jiaotong University. He joined in work in July 2002, and successively took the posts of the operations management director of operation management department and the manager of general management office of Sichuan Changhong Electric Co., Ltd., the deputy director of development and management department of Sichuan Changhong Electric Co., Ltd., and a director of Changhong Huayi Compressor Co., Ltd. Currently he serves as assistant to General Manager of Sichuan Changhong Electric Co., Ltd. and a supervisor of the Company.

(13) Huang Hong, female, Han nationality, was born in Shehong, Sichuan in June 1970, a member of the Communist Party of China, a master degree holder, graduated from the University of Glasgow as a MBA, and a senior auditor. She joined in work in July 1992, and ever served as the financial director of finance department, the audit manager, marketing audit director, and audit chief of auditing department of Sichuan Changhong Electric Co., Ltd. He currently serves as the deputy director of auditing department and the deputy director of labor union audit committee of Sichuan Changhong Electric Co., Ltd., and a supervisor of the Company.

(14) Ji Ge, female, Han nationality, was born in Nanyang, Henan Province in January 1982, a member of the Communist Party of China, and earned a bachelor's degree in law from Hunan University and a master's degree from Anhui University. She joined Hefei Meiling Co., Ltd. in July 2005 and once served as the legal specialist of legal department, the sponsor of legal affairs, and the intellectual property director of the legal department of the Company. She currently serves as staff supervisor of the Company, member of commission for Discipline Inspection, head of director office and risk control compliance dept., director of office of Party Committee, and director of Discipline Inspection office.

(15) Sun Hongying, female, Han nationality, native of Tongcheng, Anhui, born in March 1972, member of the Communist Party of China, master degree, intermediate accountant, graduated from Hefei University of Technology with a major in accounting. She successively served as deputy director of the cost center, director of the financial department of the refrigerator business division, and deputy director of the financial management department of Changhong Meiling Co., Ltd.. She currently serves as employee supervisor, deputy director of the refrigerator and freezer division of the finance and economics department, and director of the company labor union review committee of the Company.

(16) Liu Hongwei, Male, Chinese American, bored in May 1963, Doctor of Applied Mechanics from Lehigh University, graduate from department of mechanical engineering, Tsinghua University. He served successively in Kulicke and Soffa Industries, Pennsylvania; Tessera Technology Corporation, California; serves technical and management post in Intel Corporation in Silicon Velleg. He joints the Hefei Meiling Co., Ltd. in 2007, now he serves as executive deputy president of the Company.

(17) Huang Dalian, male, Han nationality, was born in Huaining, Anhui in November 1969, a member of the Communist Party of China, a senior engineer, and a master degree holder. He once served as the logistics director and the deputy general manager, the director of the human resources department, the director of the comprehensive planning department, head of budget management dept. , and the assistant to the general manager of Sales Company of Hefei Meiling Co., Ltd. He is now the vice president of the Company.

(18) Tang Youdao, male, Han nationality, was born in Xuancheng, Anhui in July 1970, a undergraduate degree and graduated from Wuhan University of Technology, majoring in industrial management engineering. He hold jobs successively as overseas marketing manager, head of marketing dept., head of overseas marketing dept. and

general manager of overseas business division under the name of Hefei Meiling Co., Ltd. Currently vice president and general manager of overseas refrigerator/washing machine division of the Company.

(19) Pang Haitao, male, Han nationality, was born in Qionghai, Hainan in May 1975, a member of the Communist Party of China, a senior accountant, a senior political engineer, and a bachelor degree holder, and earned the EMBA degree from Jiangxi University of Finance and Economics. He used to be a member of the finance department, the director of related transactions and the director of capital operations of Sichuan Changhong Electric Co., Ltd., the chief of finance office of Guangdong Changhong Electronics Co., Ltd., the director of general ledger, the head of general management office, and the head of general ledger management office of the finance department of Sichuan Changhong Electric Co., Ltd., the deputy general manager and chief financial officer of Sichuan Changhong Development Co., Ltd., the deputy general manager and chief accountant of Huayi Compressor Co., Ltd. Currently he is the chief financial officer (person in charge of finance) of the Company.

(20) Li Xia, female, the Han nationality from Qionglai, Sichuan Province, was born in October 1980, Member of CPC and Intermediate Accountant with Master Degree. She graduated from Accounting Department of Sichuan University Business and Management School. She ever was Project Manager in Financing & Acquisition Office of Asset Management Department and Business Executive in Board Office of Sichuan Changhong Electronic Co., Ltd. she took the posts of Deputy GM and Financial Supervisor of Sichuan Changhong Innovation Investment Co., Ltd., and chairman of supervisory committee of Zhongke Meiling Cryogenic Technology Co., Ltd. She is the Secretary of the Board, deputy secretary of the Party, secretary of discipline inspection commission and general counsel of the Company recently.

(21) Zhu Wenjie, male, the Han nationality from Hefei, Anhui Province, member of Communist Party of China, born in January 1988, a master degree, graduated from University of science and technology of China as a MBA., he served as an accountant for big customer accounting in financial management department of Hefei Meiling Co., Ltd., securities affairs assistant at the office of secretary of the board, director of securities affairs, the representative of securities affairs and staff supervisor. He has resigned from the Company on March 30, 2021 and no longer holds staff supervisor of the Company.

2. Post-holding in shareholder's unit

Applicable Not applicable

Name	Shareholder's unit	Title	Start date of office term	End date of office term	Drawing remuneration and allowance from shareholder's unit (Y/N)
Wu Dinggang	Sichuan Changhong Electric Co., Ltd.	Director	2020.06.30	2023.06.29	N
		Deputy GM	2019.01.12	2023.06.29	Y

Yong Fengshan	Hefei Industry Investment Holding (Group) Co., Ltd.	Party Secretary, Chairman	2015.02	-	Y
ZhaiQilin	Sichuan Changhong Electric Co., Ltd.	Secretary of the Board of Directors	2020.12.16	2023.6.29	Y
		General counsel	2022.2.14	2023.6.29	N
		Director of Board Office	2021.3.29	-	N
		Director of Asset Management Department	2021.3.29	-	N
He Xintan	Sichuan Changhong Electric Co., Ltd.	Assistant to General Manager	2021.03.29	-	Y
Post-holding in shareholder's unit	N/A				

3. Post-holding in other unit

√ Applicable □ Not applicable

Name	Other unit	Title	Start date of office term	End date of office term	Drawing remuneration and allowance from other unit (Y/N)
Wu Dinggang	Sichuan Zhiyijia Network Technology Co., Ltd.	Chairman	2021.01.25	-	N
	Lejiayi Chain Management Co., Ltd.	Chairman	2019.04.25	-	N
	Sichuan Kuaiyidian Electrical Service Chain Co., Ltd.	Chairman	2019.06.10	-	N
Yong Fengshan	Hefei Venture Capital Guidance Fund Co., Ltd.	Chairman	2015.04.	-	N
	CAS (Hefei) Technical Innovation Engineering Institute Co., Ltd.	Chairman	2015.04.	-	N
	Hefei State-owned Assets Holding Co., Ltd.	Chairman	2015.04	-	N
	Hefei Industry Investment Holding Co., Ltd.	Chairman, General Manager, Secretary of the Party Committee	2008.06	-	N
	Anhui Jianghuai Automobile Group Co., Ltd.	Director	2018.07.20	2022.03.25	N

	Hefei Kechuang Group Co., Ltd.	Chairman	2021.05	-	N
	Hefei Talent Development Group Co., Ltd.	Chairman	2022.01	-	N
Zhao Qilin	Sichuan Changhong Innovation Investment Co., Ltd.	Director	2021.1.21	-	N
	WIDEMIRACLELIMITED	Director	2014.7.14	-	N
	Ganghong Industrial Co., Ltd.	Director	2013.6.18	-	N
	SUFFICIENTVALUEGROUPLIMITED	Director	2013.6.18	-	N
	Changhong Jiahua (Hong Kong) Information Products Co., Ltd.	Director	2021.1.8	-	N
	Anjian Holdings Co., Ltd.	Director	2012.1.19	-	N
Hu Zhaogui	Lejiayi Chain Management Co., Ltd.	Director	2018.01.23	-	N
	Sichuan Zhiyijia Network Technology Co., Ltd.	Director	2019.07.25	-	N
	Hong Yuan Ground Energy Heat Tech. Co., Ltd.	Vice Chairman	2017.12.27	-	N
	Sichuan Tianyou Guigu Technology Co., Ltd.	Director	2018.01.16	-	N
	Chengdu Guigu Environmental Tech. Co., Ltd.	Director	2018.06.30	-	N
Mou Wen	Business School of Sichuan University	Associate professor, master tutor	1995.02	-	Y
	Chengdu Sibao Technology Co., Ltd.	Independent director	2017.05.05	2021.12.07	Y
	Mianyang Fulin Precision Machinery Co., Ltd.	Independent director	2017.06.23	2023.06.30	Y
	Sichuan Junyi Digital Technology Co., Ltd.	Independent director	2021.07.01	2024.06.30	Y
	Tibet Mining Development Co., Ltd.	Independent director	2021.03.09	2024.03.08	Y
Zhao Gang	University of Science and Technology of China	Department Executive Director, Professor, Doctoral Supervisor	2011.04	-	Y
Hong yuanjia	Yiluo Technology (Shanghai) Co., Ltd.	Asia Pacific Financial Director	2014.06	-	Y
Shao Min	Changhong Huayi Compressor Co., Ltd.	Director	2021.02.25	2024.05.12	N
	Sichuan Changhong New Energy Technology Co., Ltd.	Director	2018.05.10	2024.12.19	N
	Sichuan Changhong Electronics Holding Group Co., Ltd.	Head of Capital Operation Dept.	2021.03	-	Y
Huang Hong	Sichuan Changhong Electronics Holding	Deputy Director of	2011.09.16	-	Y

	Group Co., Ltd.	Audit Department			
Pang Haitao	Hefei Xingmei Asset Management Co., Ltd.	Director	2018.02.05	-	N
Post-holding in other unit	N/A				

4. Punishment of securities regulatory authority in recent three years to the company's current and outgoing directors, supervisors and senior management during the reporting period

Applicable Not applicable

(iii) Remuneration of directors, supervisors and senior executives

1. Decision-making, determine basis and actually payment of remuneration for directors, supervisors and senior executives

(1) Procedure for deciding remunerations of directors, supervisors and senior management

Implemented in line with laws, regulations and relevant rules of "Company Law", "Article of Association" and "Enforcement Regulation of Remuneration and Evaluation Committee of the Board", including:

Allowance plan of independent directors are implemented after deliberated in the Board and approved in Shareholders' General Meeting. Other directors and non-staff supervisors except independent directors are received no remuneration from the Company.

Remuneration of senior executives are deliberated and approved by the Board according to remuneration evaluation plan together with opinions of Remuneration and Evaluation Committee.

The remuneration appraisal and payment for directors and senior executive of the Company for Current Year will disclose in the Annual Report after review without objection from Remuneration & Appraisal Committee of the Board and submit to the BOD for Current Year.

(2) Bases on which remunerations of directors, supervisors and senior management are decided

The Company conducted the performance examination on the task of directors, supervisors and senior executives according to the HR management policy, wages of directors, supervisors and senior executives are decided by their performance and evaluations check by the Company. All wages are performing by the evaluation results according to the only evaluation standard that carried by the Company.

(3) Actual payment of remunerations of directors, supervisors and senior management

Allowance of the independent directors are paid by the standards approved in Annual Shareholders' General Meeting, other director, who serves as senior executive at the same time, and non-staff supervisors except independent directors did not received remuneration from the Company; remunerations for senior executives of

the Company are paid strictly by the unify remuneration valuation mechanism of the Company.

Directors, supervisors and senior executives of the Company has 19 in total up to 31 December 2021, actually 13 person receiving remuneration from the Company, 2 staff supervisors are received their remuneration by actual positions (non-supervisor post); furthermore, 3 independent directors are received the allowance monthly from the Company; the Company will pay remuneration to senior executives in line with the performance appraisal by monthly, quarterly and annual.

During the reporting period, the Company has established the executive compensation and performance management program for the senior management of 2021 in accordance with the main scope, the responsibilities, the importance of the management positions of the senior management, and the compensation level of other relevant company and position, the program includes but not limited to the company's key performance indicator (KPI) and performance evaluation criteria, procedures and major evaluation system; the major programs of the reward and punishment; review the performance of duties of the company's senior management and conduct the annual performance appraisal.

At the end of Current Year, the Remuneration and Appraisal Committee combined the work report and self-evaluation of the senior management in 2021, followed the performance evaluation criteria and procedures, and evaluated the Key Performance Indicator (KPI) of the senior management in 2020; and other relevant indicators of performance evaluation; proposed the remuneration amount and performance appraisal approach of the senior management based on the job performance evaluation results and the remuneration policy, and reported to the Board for deliberation.

2. Remuneration for directors, supervisors and senior executives in reporting period

In 10 thousand yuan

Name	Title	Sex	Age	Post status	Total remuneration obtained from the Company (before taxes)	Whether remuneration obtained from related party of the Company
Wu Dinggang	Chairman	M	49	Currently in office	0	Y
Zhong Ming	Director, President	M	49	Currently in office	45.56	N
Yong Fengshan	Director	M	53	Currently in office	0	Y
Kou Huameng	Director, Deputy president	M	52	Currently in office	35.08	N

Hu Zhaogui	Director, Deputy president	M	48	Currently in office	60.22	N
Zhao Qilin	Director	M	46	Currently in office	0	Y
Hong yuanjia	Independent director	M	46	Currently in office	11.90	N
Mou Wen	Independent director	F	55	Currently in office	11.90	N
Zhao Gang	Independent director	M	43	Currently in office	11.90	N
Shao Min	Chairman of Supervisory	M	39	Currently in office	0	Y
He Xintan	Supervisor	M	41	Currently in office	0	Y
Huang Hong	Supervisor	F	51	Currently in office	0	Y
Ji Ge	Staff supervisor	F	40	Currently in office	32.33	N
Sun Hongying	Staff supervisor	F	50	Currently in office	29.16	N
Liu Hongwei	Executive deputy president	M	58	Currently in office	71.31	N
Huang Danian	Deputy president	M	52	Currently in office	35.33	N
Tang Youdao	Deputy president	M	51	Currently in office	380.12	N
Pang Haitao	CFO (person in charge of finance)	M	46	Currently in office	42.59	N
Li Xia	Secretary of the Board	F	41	Currently in office	30.31	N
Chen Ye	Director	M	57	Office leaving	0	Y
Zhu Wenjie	Staff supervisor	M	34	Office leaving	5.85	N
Total	--	--	--	--	803.56	--

VI. Responsibility performance of directors during the reporting period

(i) The board of directors during the reporting period

Session of meeting	Date of meeting	Disclosure date	Meeting resolutions
The 5 th session of 10 th BOD	2021-3-2	2021-3-3	Totally 5 proposals including <i>Invested Wealth Management Products with Part of the Idle Fund Raising and Investment and Establishment of a Wholly-Owned Subsidiary by Zhongke Meiling Cryogenic Technology Co., Ltd- Controlling Subsidiary of the Company</i> are deliberated and approved in the Meeting, for details, please refer to the "Resolution Notice of the 5 th session of 10 th BOD" (No. 2021-008) on the cninfo website (Juchao Website (www.cninfo.com.cn)).
The 6 th session of 10 th BOD	2021-3-29	2021-3-31	Totally 27 proposals including <i>Report on Works of BOD for year of 2020, Annual Report of 2020 and Its Summary and Financial Statement Report for year of 2020</i> are deliberated and approved in the Meeting, for details, please refer to the "Resolution Notice of the 6 th session of 10 th BOD" (No. 2021-013) on the cninfo website (Juchao Website (www.cninfo.com.cn)).
The 7 th session of 10 th BOD	2021-4-19	2021-4-20	Totally 6 proposals including <i>The Q1 Report of 2021, Provision for Credit Losses and Provision for Decline in Value of Inventories</i> are deliberated and approved in the Meeting, for details, please refer to the "Resolution Notice of the 7 th session of 10 th BOD" (No. 2021-028) on the cninfo website (Juchao Website (www.cninfo.com.cn)).
The 8 th session of 10 th BOD	2021-5-26	2021-5-27	Totally 3 proposals including <i>Investment in Building the Industrial Internet Service Capacity by Subsidiary- Hefei Meiling Wulian Technology Co., Ltd, The Company Applied for a Special Credit Line of Up to 400 million yuan for the Note Pool from Jiujiang Bank, Hefei Branch and Holding the First Extraordinary Shareholders General Meeting of 2021</i> are deliberated and approved in the Meeting, for details, please refer to the "Resolution Notice of the 8 th session of 10 th BOD" (No. 2021-038) on the cninfo website (Juchao Website (www.cninfo.com.cn)).
The 9 th session of 10 th BOD	2021-7-12	2021-7-13	Totally 9 proposals including <i>Purchasing the Liability Insurance for Director/Supervisor/Senior Executives, Increased the Expected Routine Related Transactions for year of 2021 and The Company Applied for a Maximum Credit Line of 300 million yuan from Hefei Branch of China Minsheng Bank</i> are deliberated and approved in the Meeting, for details, please refer to the "Resolution Notice of the 9 th session of 10 th BOD" (No. 2021-050) on the cninfo website (Juchao Website (www.cninfo.com.cn)).
The 10 th session of 10 th BOD	2021-8-16	2021-8-18	Totally 10 proposals including <i>Semi-Annual Report (Full-text) of 2021 and its Summary, Provision for Credit Losses and Provision for Decline in Value of Inventories</i> are deliberated and approved in the Meeting, for details, please refer to the "Resolution Notice of the 10 th session of 10 th BOD" (No. 2021-060) on the cninfo website (Juchao Website (www.cninfo.com.cn)).
The 11 th session of 10 th BOD	2021-8-24	2021-8-25	Totally 2 proposals including <i>Continue Implementation and Adjustment Partially of the Repurchase Program of Certain Domestic Listed Foreign Shares (B Share) and Holding the Third Extraordinary Shareholders General Meeting of 2021</i> are deliberated and approved in the Meeting, for details, please refer to the "Resolution Notice of the 11 th session of 10 th BOD" (No. 2021-067) on the cninfo website (Juchao Website (www.cninfo.com.cn)).

The 12 th session of 10 th BOD	2021-10-19	2021-10-20	Totally 18 proposals including <i>The Q3 Report of 2021, Provision for Credit Losses, Provision for Decline in Value of Inventories and Disposal of Non-Current Assets</i> are deliberated and approved in the Meeting, for details, please refer to the "Resolution Notice of the 12 th session of 10 th BOD" (No. 2021-081) on the cninfo website (Juchao Website (www.cninfo.com.cn)).
The 13 th session of 10 th BOD	2021-12-6	2021-12-7	Totally 12 proposals including <i>Amend Some Article of the Article of Association, Amend Some Articles of Rules of Procedure for Shareholders General Meeting and Expected Routine Related Transactions for year of 2022</i> are deliberated and approved in the Meeting, for details, please refer to the "Resolution Notice of the 13 th session of 10 th BOD" (No. 2021-091) on the cninfo website (Juchao Website (www.cninfo.com.cn)).
The 14 th session of 10 th BOD	2021-12-12	2021-12-13	One proposal on By-Election of the Non-independent Director of 10 th BOD of the Company was deliberated and approved in the Meeting, for details, please refer to the "Resolution Notice of the 14 th session of 10 th BOD" (No. 2021-101) on the cninfo website (Juchao Website (www.cninfo.com.cn)).
The 15 th session of 10 th BOD	2021-12-20	2021-12-21	Totally 3 proposals including <i>Increase in Expected Routine Related Transactions for 2021, Agree Sichuan Zhiyijia Network Technology Co., Ltd Provided External Guarantee and Holding the First Extraordinary Shareholders General Meeting of 2022</i> are deliberated and approved in the Meeting, for details, please refer to the "Resolution Notice of the 15 th session of 10 th BOD" (No. 2021-104) on the cninfo website (Juchao Website (www.cninfo.com.cn)).

(ii) The attending of directors to Board meetings and shareholders general meeting

The attending of directors							
Director	Times of Board meeting supposed to attend in the report period	Times of present in person	Times of attending by communication	Times of entrusted presence	Times of Absence	Absent the Meeting for the second time in a row (Y/N)	Times of attending the shareholder general meeting
Wu Dinggang	11	2	9	0	0	N	3
Zhong Ming	11	2	9	0	0	N	5
Yong Fengshan	11	0	11	0	0	N	0
Kou Huameng	11	2	9	0	0	N	3
Chen Ye	9	1	8	0	0	N	2
Zhao Qilin	0	0	0	0	0	N	0
Hu Zhaogui	11	1	10	0	0	N	0
Hong yuanjia	11	1	10	0	0	N	1
Mou Wen	11	2	9	0	0	N	2

Zhao Gang	11	2	9	0	0	N	4
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Explanation of absent the Board Meeting for the second time in a row

During the reporting period, none of the directors failed to attend two consecutive Board Meeting in person.

(iii) Objection for relevant events from directors

Whether directors come up with objection about company’s relevant matters or not

Yes No

Directors has no objections for relevant events in reporting period

(iv) Other explanation about responsibility performance of directors

Whether the opinions from directors have been adopted or not

Yes No

During the reporting period, the directors of the company strictly followed the Company Law, the Securities Law, the Listing Rules of Shenzhen Stock Exchange, and the Self-Discipline Supervision Guidelines for Listed Companies of Shenzhen Stock Exchange No. 1 - Standardized Operation of Main Board Listed Companies" and other laws and regulations, actively attended the company's board meetings and the company's general meeting of shareholders, performed duties conscientiously and diligently, made prudent and scientific decisions on various matters reviewed by the company's board meetings, and all their professional suggestions on the company’s major decisions have been adopted .

VII. The special committees under the board during the reporting period

Committee name	Members	Number of meetings held	Date of meeting	Meeting content	Important comments and suggestions made	Other performance of duties	Specific circumstances of the objection (if applicable)
Strategy Committee	Wu Dinggang, Yong Fengshan, Zhong Ming, Kou Huameng, Hu Zhaogui, Chen Ye, Zhao	2	2021-2-25	Reviewed one proposal on the Investment and Establishment of a Wholly-owned Subsidiary by the Holding Subsidiary Zhongke Meiling Cryogenic Technology Co., Ltd.	The proposal was deliberated and approved and agreed to submit to the BOD for consideration	Not applicable	N/A
			2021-3-19	Reviewed two proposals on the Company's 2021 Development Plan and	The above mentioned proposal was deliberated and approved and agreed to	Not applicable	N/A

	Gang			Proposal on the Company's Shareholders Return Planning in the Next Three Years (2021-2023).	submit to the BOD for consideration		
Audit Committee	Hong yuanjia, Mou Wen, Zhao Gang	6	2021-1-28	Reviewed two proposals on the Financial Statement Report for year of 2020 and Arrangement of Internal Control Auditing and Un-audited Financial Accounting Statement for year of 2020	The above mentioned proposals are deliberated and approved	Not applicable	N/A
			2021-3-10	Reviewed one proposal on Preliminary Draft of the Audit on Financial Statement for year of 2020	The proposal was deliberated and approved	Not applicable	N/A
			2021-3-28	Reviewed five proposals on "Audited Financial Statement Report of 2020", "Auditing Report of Internal Control for year of 2020", "Summary Report on Auditing Works for year of 2020 from Shine Wing Certified Public Account", "Auditing Institution for Financial Report of 2021 and Internal Control Auditing Re-engagement and Remuneration Paid", and "Opening Business of Forward Exchange"	The proposal were deliberated and approved and agreed to submit the following 4 proposals as "Audited Financial Statement Report of 2020", "Auditing Report of Internal Control for year of 2020", "Auditing Institution for Financial Report of 2021 and Internal Control Auditing Re-engagement and Remuneration Paid" and "Opening Business of Forward Exchange" to the BOD for consideration	Not applicable	N/A
			2021-4-16	Reviewed one proposal on the "Financial Statement of 1Q of 2021"	The proposal was deliberated and approved and agreed to submit to the BOD for consideration	Not applicable	N/A
			2021-8-6	Reviewed one proposal on the "Financial Statement of Semi-annual 2021"	The proposal was deliberated and approved and agreed to submit to the BOD for consideration	Not applicable	N/A
			2021-10-15			The proposal was	Not

				Reviewed one proposal on the "Financial Statement of 3Q of 2021"	deliberated and approved and agreed to submit to the BOD for consideration	applicable	
Nomination Committee	Mou Wen, Wu Dinggang, Hong yuanjia, Zhao Gang	2	2021-3-19	Reviewed one approved on the Proposal on the Qualification Examination of the Company's BOD for the Senior Managers Planned to Be Appointed by the Company"	The proposal was deliberated and approved and agreed to submit to the BOD for consideration	Not applicable	N/A
			2021-12-10	Reviewed one proposal Proposal to Review the Qualification of Non-Independent Directors to be Elected by 10 th BOD of the Company	The proposal was deliberated and approved and agreed to submit to the BOD for consideration	Not applicable	N/A
Remuneration and Appraisal Committee	Zhao Gang, Wu Dinggang, Mou Wen, Hong yuanjia	1	2021-3-19	Reviewed one approved on the "Appraisal and Payment of Remuneration of Directors and Senior Executives in Current Year 2020"	The proposal was deliberated and approved by the Meeting and agreed to submit to the annual meeting of the Board for consideration as part of the Annual Report	Not applicable	N/A

VIII. Works from Supervisory Committee

Whether the Company has risks or not in reporting period that found in supervisory activity from supervisory committee

Yes No

Supervisory committee has no objection about supervision events in reporting period

IX. Staff of the Company

(i) Numbers, professional structure and education background

On-job employee in parent company at period-end (people)	4,614
On-job employee in main subsidiary at period-end(people)	8,201
Total on-job employees at period-end(people)	12,815
Current total payroll(people)	12,815
Number of retired employees with expenses paid by the parent company and main subsidiary (people)	83
Professional structure	
Types of professional category	Numbers of professional category (people)

Production staff	7,200
Salesman	2,822
Technician	2,273
Financial staff	195
Administration staff	325
Total	12,815
Education background	
Type of education background	Numbers (people)
High school and below	8,283
Junior college	1,981
Undergraduate	2,380
Master and above	171
Total	12,815

(ii) Remuneration policy

The Company formulated human resources and compensation policy conducive to sustainable development of enterprise according to the provisions of relevant laws and policies promulgated by the state and to the Company's actual situation.

In order to implement the core values of co-creation and sharing, especially to mobilize the work initiative and enthusiasm of grass-roots employees, based on the overall design idea of “building a small management & control platform, making a refined business platform and a one-line decision-making power”, further decentralization, effectively activate the team. In order to comprehensively and effectively evaluate and quantitatively evaluate employee performance growth, the guide departments actively found out where they had lagged behind, made up for shortcomings, and continued to narrow the gap with benchmarks. The company made the design, monitoring and evaluation rules to performance growth indicator (GPI) system, which effectively guided employee performance growth and continuously improved the professional ability and work efficiency of employees. At the same time, an applicable compensation adjustment mechanism was established based on the growth level of employees, continuously motivating employees to pursue excellence and stimulating vitality. In order to promote the achievement of the performance of each unit, the company optimized and adjusted the incentive system this year, strengthened the quantitative reflection of incremental value and operating results, and adjusted the incentive system to annual operating results incentives and process value creation incentives, so as to improve the operational efficiency and vitality of business units. Continued to promote the application of the whole-process performance management system, optimized the information management of performance communication, performance feedback, and growth communication mechanisms, and encouraged employees to develop together with the company. The company established and optimized a unified evaluation mechanism for job promotion, set up position systems and promotion channels, implemented the point system evaluation criteria and internal job

competition mechanism, and incorporated annual evaluation and competition into the normalization, and gradually formed the employment mechanism of “those who want to do a job have a chance, those who can do a job have a platform, and those who get things done have a status”. At the same time, the company shaped the corporate culture by providing various holidays, allowances, condolences, and organizing a variety of leisure activities, sports culture festival, carnivals, etc. so as to improve the employee satisfaction.

(iii) Training plans

Training plan: The Company has established the *Human Resources Strategic Layout, Training Management Program, Annual Talent Development & Training Plan* and other systems and standard work flows, set up the staff capacity model, built Meiling online learning system and the knowledge assets management system of Changhong Meiling and gradually established the growth mechanism by combining the training with the individual employee development, and combining the qualification promotion with the career development.

1. The mechanism for the selection, education and use of reserve talents gradually presented. The Company established a clear evaluation model for talent standards, completed the talent standards for management position, supervisory professional position and professional positions in each series; focused on advancing the project for talent construction, and optimized the high-level talent development echelons such as reserve leaders, reserve cadres, reserve leaders, and outstanding university students, and realized the dynamic talent management; establish succession maps for each sequence of talents, and clarify the ability status of existing talent teams and future talent succession systems.

2. Accurate training improved training effect. In order to effectively support the company's business policy of "one goal, three main lines", we built a multi-level and multi-category talent training system based on business needs. On the one hand, improved the training enthusiasm and professional ability of the trainees through the project points system, industry exchanges and other activities, on the other hand, aiming at the common shortcomings of the team and the shortcomings of personal ability, introduced external training courses and internal course development to effectively promote the precise training plan. At the same time, we established a classified management and organizational guarantee system for training projects, and strengthened training process management through methods such as course directional push, node management and control, project review, and training examinations, and the training effect and the number of talent promotions have gradually emerged.

3. Built an internal knowledge asset management system, jointly built an internal knowledge asset information system with a third party, and redefined the company's knowledge asset standards and organizational guarantee system. On the one hand, we integrated the online learning system, and improve the unified planning, classification, and tag retrieval of the knowledge asset management system and the knowledge system of online learning system, effectively established the prototype of the company-level knowledge assets, and we would continue to supplement and improve knowledge assets in the later stage. On the other hand, continued to promote the supplement and update of Meiling's knowledge assets database of "technology, management, manufacturing,

quality, safety and environmental protection". On the basis of "internal trainer certification system" and "benchmark job knowledge extraction project", optimized professional series of live courses, and internalized the company's standardized talent knowledge base, and carried out inheritance and influence.

(iv) Labor outsourcing

Applicable Not applicable

X. Profit distribution plan and capitalizing of common reserves plan

(i) Formulation, Implementation and Adjustment of Profit Distribution Policy Especially Cash Dividend policy during the Reporting Period

Applicable Not applicable

During the reporting period, the company has strictly executed the profit distribution policy in accordance with the "Articles of Association", the formulation and implementation of the company's cash dividend policy are in line with the provisions of "Articles of Association" and the requirements of the resolutions of shareholders' meeting, the dividends standards and proportion have been definite and clear, relevant decision-making procedures and mechanisms have been complete, the responsibilities of independent directors have been clear and have played its due role, minority shareholders have had the opportunities to fully express their views and aspirations, and the legitimate interests of minority shareholders have been maintained. In addition, the "Changhong Meiling Co., Ltd. Shareholders Return Planning in the Next Three Years (2021-2023)" approved by the company's board of directors and the resolutions of shareholders' general meeting has made clear plans for the form and priority of profit distribution, the interval of profit distribution, the specific conditions and proportions of cash dividends, and the specific conditions for issuing stock dividend.

In the reporting period, the Company implemented Profit distribution plan for year of 2020, that is, based on the 1,035,528,412 shares (deducted the 9,069,469 B-share repurchased which are not participated in distribution from total share capital of the Company dated December 31, 2020, that is 1,044,597,881 shares), distribute 0.5 yuan (tax included) in cash for every 10 shares held by all shareholders of the Company, total cash dividend of 51,776,420.60 yuan was distributed.

Special explanation on cash dividend policy	
Satisfy regulations of General Meeting or requirement of Article of Association (Y/N):	Y
Well-defined and clearly dividend standards and proportion (Y/N):	Y
Completed relevant decision-making process and mechanism (Y/N):	Y
Independent directors perform duties completely and play a proper role (Y/N):	Y
Minority shareholders have opportunity to express opinions and demands totally and their legal	Y

rights are fully protected (Y/N):	
Condition and procedures are compliance and transparent while the cash bonus policy adjusted or changed (Y/N):	Y

(ii) The Company is profitable during the reporting period and the parent company has positive profit available for distribution to shareholders without cash dividend distribution plan proposed

Applicable Not applicable

(iii) Profit distribution plan and capitalizing of common reserves plan for the Period

Applicable Not applicable

Bonus shares for every 10-share (Share)	0
Dividends for every 10-share (RMB) (Tax included)	0.5
Shares added for every 10-share base (Share)	0
Equity base of distribution plan (Share)	1,029,923,715
Total cash dividend (RMB) (Tax included)	51,496,185.75
Cash dividend for other ways (i.e. repurchased) (RMB)	16,501,235.20
Total cash dividend (including other way) (RMB)	67,997,420.95
Profits available for distribution (RMB)	733,649,425.65
Ratio of cash dividend (including other way) in total profit distribution	100%

Cash dividend

Taking the total share capital on the equity registration date of the company's future implementation of the 2021 annual equity distribution plan as the base, distribute cash dividends of 0.5 yuan (tax included) for every 10 shares to all shareholders, not giving bonus shares, and not converting capital reserve in to equity.

On February 18, 2022, the implementation of shares buy-back of domestically listed foreign shares (B-Share) was completed and the cancellation of the buy-back shares are finished on March 2, 2022. After cancellation, total share capital of the Company amounted to 1,029,923,715 shares, and the matters relating to the registered capital reduction and Article of Association amendment have yet to be submitted to the shareholders general meeting for consideration.

Detail explanation on profit distribution or capitalization from capital public reserve

For year of 2021, the individual statement of the parent company show net profit of 67,464,464.66 yuan, according to the auditing from Shine Wing Certified Public Accountants (LLP). In accordance with relevant regulations, the retained profit at beginning of Current Year amounted as 943,879,339.46 yuan, deducted the 2020 profit distributed 51,776,420.60 yuan and after extract for statutory surplus reserve 6,746,446.47 yuan, the retained profit in individual statement of the parent company cumulative counted as 952,820,937.05 yuan at end of 2021. In addition, for year of 2021, the net profit attributable to owners of parent company amounted as 51,898,388.84 yuan, caliber of the consolidated statement undistributed profit at the beginning of the year is 740,754,202.23 yuan, deducted the 2020 profit distributed 51,776,420.60 yuan and after extract for statutory surplus reserve 6,746,446.47 yuan, accumulated retained profit according to the consolidated statement at the end of 2021

counted as 734,129,724.00 yuan.

According to relevant regulations, the company's profit distribution shall be based on the profit available for distribution of the parent company, and shall comply with the principle of the lower of the profit accumulative available for distribution in the consolidated statement and the parent company's statement. Therefore, the profit available for distribution in 2021 is the cumulative undistributed profit of 734,129,724.00 yuan in the consolidated statement at the end of 2021.

Pursuit to relevant rules and regulation of Article of Association, and considering the interest of shareholders and long-term development needs of the Company, proposed recommendations: Taking the total share capital on the equity registration date of the company's future implementation of the 2021 annual equity distribution plan as the base, distribute cash dividends of 0.5 yuan (tax included) for every 10 shares to all shareholders, not giving bonus shares, and not converting capital reserve in to equity. On February 18, 2022, the implementation of shares buy-back of domestically listed foreign shares (B-Share) was completed and the cancellation of the buy-back shares are finished on March 2, 2022. After cancellation, total share capital of the Company amounted to 1,029,923,715 shares, and the matters relating to the registered capital reduction and Article of Association amendment have yet to be submitted to the shareholders general meeting for consideration. Taking the total 1,029,923,715 shares after cancellation as the base, a cash dividend of 51,496,185.75 yuan is expected to be paid.

After distribution, the retained profit of the parent company amounted as 901,324,751.30 yuan, rests of the retained profit will carry-over for distribute in later years.

XI. Implementation of the Company's stock incentive plan, employee stock ownership plan or other employee incentives

Applicable Not applicable

The Company has no equity incentive plan, employee stock ownership plans or other employee incentives.

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

(i) Construction and implementation of internal control

In accordance with the Basic Norms for Enterprise Internal Control and its supporting guidelines, and the Information Disclosure Compilation Rules for Companies Publicly Issuing Securities No. 21 - General Provisions on Annual Internal Control Evaluation Reports jointly issued by the China Securities Regulatory Commission and the Ministry of Finance and other relevant regulations, and combined with the Company's internal control system and internal control evaluation methods, the company organized its internal control work, effectively implemented internal control, and continuously improved and optimized the company's internal control system so as to adapt to the needs and changes of the internal and external environment.

The company's 2021 Annual Internal Control Self-Assessment Report fully, truly and accurately reflected the actual situation of the company's internal control. The units, businesses and matters included in the assessment scope, as well as high-risk areas, covered the main aspects of the company's operation and management, and the company maintained effective internal controls in high-risk areas and in all material aspects. During the reporting period, the company had no major defects and significant defects in internal control.

(ii) Details of major defects in IC appraisal report that found in reporting period

□Yes √No

XIII. Management and controls on the subsidiary during reporting period

Name of company	Integration plan	Integration progress	Problems encountered in integration	Actions taken	Resolve progress	Follow-up resolution plan
Not applicable	-	-	-	-	-	-

XIV. Internal control self-assessment report or internal control audit report

(i) Appraisal Report of Internal Control

Date of evaluation report of internal control disclosed (Full-text)	2022-3-31	
Index of evaluation report of internal control disclosed (Full-text)	Juchao Website (www.cninfo.com.cn)	
The ratio of the total assets of units included in the scope of evaluation accounting for the total assets on the company's consolidated financial statements	99.48%	
The ratio of the operating income of units included in the scope of evaluation accounting for the operating income on the company's consolidated financial statements	99.58%	
Defects Evaluation Standards		
Category	Financial Reports	Non-financial Reports
Qualitative criteria	<p>1. Material defect: severally or jointly with other defects, will lead to material wrong reporting in financial reports being not able to prevented or found or rectified in a timely manner. Occurrence of the followings will be deemed as material defect:</p> <ol style="list-style-type: none"> 1. inefficiency of environment control; 2. fraud of directors, supervisors and senior management; 3. The external auditor finds material wrong reporting in current financial statement, while the Company has not found such reporting during its operation; 4. The material defect identified and reported to the management fails to be rectified in a reasonable time period; 5. The audit committee and audit department of the Company exercise invalid supervision upon internal control; 6. Other defects which may affect financial statement users to make correct judgment. <p>2. Major defect: severally or jointly with other defects, will lead to wrong reporting in financial reports being not able to prevented or found or rectified in a timely manner which still needs attention from the management though it doesn't reach or exceed material defect as described above. Occurrence of the followings will be deemed as major defect:</p>	<p>Occurrence of the followings shall be deemed as material defect, otherwise as major defect or general defect subject to the level of influence.</p> <ol style="list-style-type: none"> 1. breach of national laws, regulations or regulatory documents; 2. procedure for making significant decisions is not scientific; 3. absence of system may lead to invalid system; 4. Material or major defects are not likely to rectify; 5. Large negative effects on the company and disclosed in the form of announcement; 6. Other issues that materially affect the Company.

	<p>(1) Financial losses caused by guaranteeing and investing in securities and financial derivatives transactions and disposing property right and stock right without authorization;</p> <p>(2) The company's financial staff or other relevant business personnel have unclear powers and responsibilities or job chaos, or are suspected of being involved in economic or job-related crimes and have been transferred to the judiciary;</p> <p>(3) Punishment or severely negative impacts on the company's image due to the bias implementation of the policy or accounting errors, etc.;</p> <p>(4) Financial losses caused by destroying, concealing, or altering the important original evidences at will, such as invoices and checks, etc.</p> <p>(5) Cash income is not entered into the account book, or public funds are deposited in private account or "private coffer" is established by breaking the rules.</p> <p>3. General defect: other internal control related defects that do not constitute material defects or major defect.</p>	
<p>Quantitative standard</p>	<p>1. Proportion of potential wrong reporting in total operating income: Material defect: wrong reporting $\geq 0.5\%$; Major defect: $0.1\% \leq$ wrong reporting $< 0.5\%$; General defect: wrong reporting $< 0.1\%$.</p> <p>2. Proportion of potential wrong reporting in total profit: Material defect: wrong reporting $\geq 10\%$; Major defect: $5\% \leq$ wrong reporting $< 10\%$; General defect: wrong reporting $< 5\%$.</p> <p>3. Proportion of potential wrong reporting in total assets: Material defect: wrong reporting $\geq 0.5\%$; Major defect: $0.1\% \leq$ wrong reporting $< 0.5\%$; General defect: wrong reporting $< 0.1\%$.</p> <p>4. Proportion of potential wrong reporting in total owners' equity: Material defect: wrong reporting $\geq 0.5\%$; Major defect: $0.1\% \leq$ wrong reporting $< 0.5\%$; General defect: wrong reporting $< 0.1\%$.</p>	<p>1. Proportion of direct property loss in total operating income: Material defect: wrong reporting $\geq 0.1\%$; Major defect: $0.05\% \leq$ wrong reporting $< 0.1\%$; General defect: wrong reporting $< 0.05\%$.</p> <p>2. Proportion of direct property loss in total profit: Material defect: wrong reporting $\geq 10\%$; Major defect: $5\% \leq$ wrong reporting $< 10\%$; General defect: wrong reporting $< 5\%$.</p> <p>3. Proportion of direct property loss in total assets: Material defect: wrong reporting $\geq 0.2\%$; Major defect: $0.1\% \leq$ wrong reporting $< 0.2\%$; General defect: wrong reporting $< 0.1\%$.</p> <p>4. Proportion of direct property loss in total owners' equity: Material defect: wrong reporting $\geq 0.2\%$; Major defect: $0.1\% \leq$ wrong reporting $< 0.2\%$; General defect: wrong reporting $< 0.1\%$.</p>
<p>Amount of significant defects in financial reports</p>	0	
<p>Amount of significant defects in non-financial reports</p>	0	
<p>Amount of important defects in financial</p>	0	

reports	
Amount of important defects in non-financial reports	0

(ii) Auditing report of internal control

Applicable Not applicable

Deliberation section of auditing report of IC	
We consider that: in all major aspects, Changhong Meiling Co., Ltd. has efficiency in financial report of internal control dated 31 December 2021 according to Basic Standards of Internal Control for Enterprise and relevant regulations.	
Disclosure details of audit report of internal control	Disclosed
Disclosure date of audit report of internal control (full-text)	2022-3-31
Index of audit report of internal control (full-text)	Juchao Website (www.cninfo.com.cn)
Opinion type of auditing report of IC	Standard unqualified
whether the non-financial report had major defects	No

Whether CPA carries out qualified opinion for audit report of internal control or not

Yes No

Whether the opinions are consistent in audit report of internal control carrying out by CPA and the self-evaluation report of the Board or not

Yes No

XV. The rectification of self-examination problems in the special actions on governance of listed companies

According to the Announcement on Launching Special Actions on the Governance of Listed Companies" (CSRC [2020] No. 69) of China Securities Regulatory Commission, the company followed the principle of seeking truth from facts, strictly compared with the "Special Self-examination List on Governance of Listed Companies", and carefully sorted out the existing problems. Through this self-examination, the Company believed that its corporate governance complied with the requirements of the Company Law, the Securities Law, and the Standardized Operation of Main Board Listed Companies and other laws and regulations. The problems found in the company's self-examination and sorting out and the rectifications were as follows:

(i) Subsidiary holding shares of listed companies and the rectification

1. Meiling Group, a wholly-owned subsidiary of the company, held 1,141,053 restricted shares of the Company. The restricted shares held by Meiling Group were the consideration shares received for the share reform on behalf

of other non-tradable shareholders in the company's reform plan for non-tradable shares. In March 2016, according to the approval of the State-owned Assets Supervision and Administration Commission of the State Council, the 49,477,513 state-owned shares (including the already held 47,823,401 shares and the unrecovered relevant rights of the consideration of 1,654,112 shares received for the share reform on behalf of other non-tradable shareholders in the company's reform plan for non-tradable shares) of the Company held by Hefei Xingtai Holdings Group Co., Ltd., the company's original shareholder, should be transferred to Industry Investment Group free of charge. Therefore, the restricted shares of the Company held by Meiling Group should be transferred to Industry Investment Group free of charge.

2. According to the approval of the State-owned Assets Supervision and Administration Commission of the State Council and the regulations of relevant departments, Meiling Group should transfer the shares paid on behalf of others and related rights held by it to Industry Investment Group at one time free of charge after recovering all the 1,654,112 shares of consideration for the share reform. At present, Meiling Group has only recovered 1,141,053 shares, and the holders of the remaining consideration shares for the share reform have been unable to get in touch for many times and for many years, there is great uncertainty about the time when all the shares will be recovered. However, the company still actively promotes the recovery of the shares advanced by Meiling Group, and handles the relevant procedures for free transfer as soon as possible after all the consideration shares for the share reform are recovered. Prior to this, the company's restricted shares held by Meiling Group would not enjoy any rights as shareholders during the holding period, including voting rights, dividend rights, etc.

(ii) The voting system did not comply with laws and regulations and the rectifications

1. According to Article 90 of the Securities Law of the People's Republic of China (2019 Amendment), "the board of directors, independent directors, shareholders holding more than 1% of voting shares of a listed company or the investor protection institutions established in accordance with laws, administrative regulations or the provisions of securities regulatory authority of the State Council may act as solicitors", and the company should complete the scope of in accordance with the aforementioned regulations.

2. On December 6 and December 23, 2021, the company held the thirteenth session of the tenth board of directors and the fourth extraordinary general meeting of shareholders in 2021, it was agreed that the company would complete the solicitation subject for voting rights in the Articles of Association and the Rules of Procedure for the General Meeting of Shareholders (Announcement No. 2021-091, No. 2021-093, No. 2021-109), and the industrial and commercial registration of changes has been completed.

(iii) The controlling shareholder, the actual controller and the listed company shared the trademark and the

rectifications

1. The company and the controlling shareholder shared trademark. Regarding the shared trademark, only the controlling shareholder authorized its "Changhong" trademark to Changhong Meiling for free use, and there was no such situation that Changhong Meiling authorized the "Meiling" trademark to be used by the controlling shareholder.

2. In view of the fact that Changhong Meiling and the controlling shareholder used the controlling shareholder's "Changhong" trademark in different product businesses, which neither caused competition or conflict with the business of both parties, nor affected the independence of Changhong Meiling as a listed company. In future, the company will legally and compliantly use trademarks in strict accordance with relevant laws and regulations.

Section V. Environmental and Social Responsibility

I. Major environmental

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

Yes N

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. 注	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	≤18.1mg/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 .	3,540.57kg	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 "Pollution Permit Management Measures	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	≤26mg/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	1,881.23kg	(Trial)", the "Fixed Pollution Source Pollution Permit Classification Management Directory (2019 Edition)", etc.,	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	<3mg/m ³	"Comprehensive Emission Standard of Air Pollutants GB16297-1996" Table 2 requirements, that is, the SO ₂ <120 mg/m ³	874.98kg		Not exceeded

			Zone, Mianyang City				there is no requirement for the	
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/m ³	"Comprehensive Emission Standard of Air Pollutants GB16297-1996" Table 2 secondary standard requirements, that is, the concentration of particulate matter <120 mg/m ³	933.23kg	company's total emissions in the pollution discharge registration	Not exceeded

Note: In 2021, Bureau of Ecology and Environment of Mianyang issued the "List of Key Sewage Units in Mianyang for year of 2021", and included Changhong Air-conditioner in the list of key soil environment 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 for environmental issues during the reporting period

The Company and its subsidiaries strictly abide by the relevant national and regional environmental protection laws and regulations, established and improved the internal environmental protection management system by relying on the ISO14001 system, updated the adaptable laws and regulations and relevant industry requirements in a timely manner, and actively performed corporate social responsibilities, which laid a solid foundation for the company's compliance operations. During the reporting period, the Company and its subsidiaries were not subject to administrative penalties due to environmental issues.

6. Other environment information that should be disclosed

According to the Environmental Information Disclosure Measures of Enterprises and Institutions, in line with the principle of mandatory disclosure and voluntary disclosure combined, the Company and its subsidiaries have realized the disclosure of information relating to environmental impact assessment, project acceptance, pollutants production and discharge, solid waste management, important environmental factors, environmental objectives and performance of construction projects.

7. Measures taken to reduce carbon emissions and their effectiveness during the reporting period

Applicable Not applicable

Combining the characteristics and special requirements of carbon emissions, the company strengthens the energy management of each production unit, improves the internal energy management and energy efficiency index assessment and energy consumption evaluation system, continues to carry out energy measurement and evaluation, follows the principles of system management, and establishes a complete and effective management system. During the reporting period, the company vigorously promoted and applied the industry's advanced energy-saving equipment and technologies, and carried out energy-saving technical transformation; carried out energy-saving transformation for high-consumption and low-efficiency air compressors, upgrading and transformation for air compressor joint control systems, energy-saving transformation for steam pipelines, research and application for infrared heating technology, application research for air energy units, application research for air compressor waste heat recovery and utilization, and replacement of high-efficiency and energy-saving heating tiles and other energy-saving renovation measures, improved automation and intelligence, and combined energy management

with informatization construction, improved the production and manufacturing system through internet technology, realized lean production management, improved production efficiency, and reduced energy waste and CO₂ emissions.

8. 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

The company adheres to the core values of "dedication, responsibility, co-creation and sharing", and achieves the purpose of "staff satisfaction, customer satisfaction, and shareholder satisfaction" through standardized operation and scientific management. While achieving benign development, the company has also actively fulfilled its social responsibilities through various forms and channels.

1. Protection of the rights and interests of shareholders and creditors

The company strictly follows the provisions and requirements formulated by the Articles of Association and the Rules of Procedure for the General Meeting of Shareholders, regulates the convening, holding and voting procedures of the general meeting of shareholders, equally treats all shareholders, especially small and medium shareholders equally, and ensures that all shareholders enjoy equal status and fully exercise their own rights. Under the premise of strictly implementing the Administrative Measures for Information Disclosure of Listed Companies, the company actively communicates and exchanges information with investors on the company's operations and management, financial status, etc. through annual performance briefings, investor telephone hotline, e-mails, and the investor relations interactive platform of the Shenzhen Stock Exchange, and discloses information to all investors in a truthful, accurate, complete, concise and clear, and easy-to-understand manner; the company attaches great importance to the shareholder return mechanism. During the reporting period, the company combined its own operating conditions and business models, and formulated the "Shareholder Return Plan for the Next Three Years (2021-2023) of Changhong Meiling Co., Ltd.". In addition, during the reporting period, in order to effectively protect the rights and interests of all shareholders and enhance the investment confidence of public investors in the company, the company's board meeting and shareholders' meeting reviewed

and approved the continued implementation of the B-share repurchase plan, which effectively improved shareholder satisfaction.

2. Protection of the rights and interests of employees

In accordance with relevant laws, regulations and policies, and in light of its own actual situation, the company has established a relatively complete employment management system, including labor contract system, salary and performance appraisal system, welfare management system, training management system, employee vacation management system, etc.. The company pays attention to the vital interests of employees, maximizes the protection of the legitimate rights and interests of employees and retirees, and strives to form a benefit sharing mechanism for both company and employees, and establishes a harmonious labor relationship. At the same time, the company shapes corporate culture and improves employee satisfaction by providing various vacations, allowances, condolences, and organizing colorful leisure activities, sports and cultural festivals, carnivals, etc.

3. Protection of the rights and interests of suppliers, customers and consumers

The company has established a relatively complete procurement management system, optimized and revised system documents in a timely manner, unified information system tools, strictly controlled every link of the procurement business, cultivated core and strategic suppliers, and established a high-end supply chain cultivation plan for component suppliers of high-end products, so as to form a synergy, cooperation and win-win situation between the company and its suppliers.

The company attaches great importance to product quality and customer needs, and has a relatively advanced and complete R&D and quality assurance system which has passed ISO9001, ISO14001, ISO45001 management system certifications, so its products are guaranteed by high quality and reliable performance. At the same time, for different types of customers, the company implements classification evaluation and system management, timely answers or feed backs and deals with the questions raised by customers, continuously improves quality services, and enhances brand image.

4. Social welfare

Over the years, the company has been actively participating in social welfare undertakings and various social welfare activities. The company strictly implements the internal environmental operation control procedures and a series management systems related to environment, safety and product quality, such as Energy Management Regulations, Safety Production Responsibility System, Safety Training Management System, and "Process Quality Control Points" Management Measures for Refrigerator and Freezer Products, ensures that the company's production and service activities comply with relevant national legal requirements; and actively carries out actions such as helping employees with serious illnesses and advocating voluntary donations by employees. In addition, after the outbreak of the COVID-19 pandemic, the company has actively participated in various social welfare

activities and assumed social responsibilities , donated multiple batches of medical supplies to contribute to the anti-pandemic work.

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

The company actively undertakes corporate social responsibility, and strives to contribute to local poverty alleviation and rural revitalization while achieving its own sound operation and development. At the beginning of 2022, the company has successively carried out the "Rural Revitalization, Meiling Goes First - Base Agricultural Products Fair", and the love assistance activities for Tongxin Primary School in Tiantangzhai Town, Jinzhai County, positively responding to Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and assuming the social responsibility of enterprises.

Section VI. Important Events

I. Implementation of commitment

(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

Commitment	Commitment party	Type/content	Date	Term	Implementation
Commitments made in acquisition report or equity change report	Sichuan Changhong Electric Co., Ltd.(hereinafter, the “Sichuan Changhong”)	About committed and promised in order to prevent horizontal competition in the Acquisition Report of Hefei Meiling Co., Ltd.	2007-6-12	Valid for long term	Strictly implemented
				Valid for long term	Strictly implemented
				Valid for long term	Strictly implemented
		1. The acquirer shall not engage in refrigerator business or activity which competes or will compete with business of Meiling Electrical Appliances, or that which has interest conflict with Meiling Electrical Appliances. 2. The acquirer promises to apply shareholders’ right on a legal and reasonable manner and shall not take any action to limit or affect the normal operation of Meiling Electric. 3. For any opportunity to engage in competing business, the acquirer will advise Meiling Electric in written for engaging such business or not. If Meiling Electrical Appliances gives no clear written reply as to whether engaging the competing business or not within 20 days after receipt of the aforesaid letter, it shall be deemed that it will not engage in such business. The acquirer will only engage in non-competing business provided that Meiling Electric confirms not to or is deemed to not engage in such non-competing business.			

Commitment made during the non-public offer of 2010	Sichuan Changhong	Commitment regarding to reducing and preventing competition with Meiling Electric	<p>1. It will not engage in such business or activity that competes with or has interest conflict with that of Meiling Electric except for the action taken for sake of Meiling Electric as required by Meiling Electrical Appliances.</p> <p>2. The Company promises to apply shareholders' right on a legal and reasonable manner and shall not take any action to limit or affect the normal operation of Meiling Electric</p> <p>3. In case that Meiling Electric expects, on the basis of its existing business, to expand its operation scope into the business which the Company has already operated, <i>the Company agrees to grant priority acquisition right to Meiling Electric regarding such business if the same conditions are met, provided that the Company is still the controlling shareholder or actual controller of Meiling Electric</i></p>	2010-6-24	Valid for long term	Strictly implemented
		Commitment regarding to reducing and standardizing related transaction with Meiling Electric	<p>1. Measures will be adopted to prevent continued related transaction with Meiling Electric: as to the related transaction that can not be prevented, it will sign related transaction agreement with Meiling Electric under the market principles of "equally paid and mutual benefit", and fairly determined the transaction price according to the market prevailing standards.</p> <p>2. Perform the necessary obligations to make related directors and related shareholder abstain from voting according to relevant regulation, and observe legal procedure for approving related transaction and information disclosure obligations.</p> <p>3. Promise not to hurt legal interests of Meiling Electric and other shareholders through related transaction.</p>	2010-6-24	Valid for long term	Strictly implemented
		Commit to authorized Changhong Air-conditioner and Zhongshan Changhong use "Changhong" trademark and relevant patents for free.	2010-11-6	Valid for long term	Strictly implemented	
	The Company	1. Commit to disclose periodic reports on a truthful, accurate, complete, fair and prompt manner, to disclose all the information that have important influences over investors, to accept supervision under the CSRC and Shenzhen Stock Exchange.	2011-1-7	Valid for long term	Strictly implemented	

		<p>2. Commit to make public clarification in respect of such information that is released from any public media and may result in misleading influences on stock price once the Company is aware of such information.</p> <p>3. The directors, supervisors, senior management and core technicians of the Company will accept opinions and criticism from the social public, and they will not trade the Company's securities, directly or indirectly, with any inside information and other illegal methods. The Company promises that the documents submitted to Shenzhen Stock Exchange exist no false statement or material omission, and no relevant information will be disclosed during the application for listing without prior content from Shenzhen Stock Exchange.</p>				
Commitment made in transfer of air conditioning assets property	Sichuan Changhong	<p>1. Since the property transfer didn't involve the buildings and land currently used by Changhong Air-conditioner, Sichuan Changhong commits, upon the completion of equity transfer, to continue to lease such assets to Changhong Air-conditioner at market price.</p>	2009-12-10	Valid for long term	Strictly implemented	
		<p>2. After completion of this property transfer, Sichuan Changhong commits to manage to prevent new related transaction with Meiling Electric. For those which can not be prevented, Sichuan Changhong commits to determine the transaction price based on market accepted methods, so as to ensure fairness of related transaction and protection of the interest of Meiling Electric</p>		Valid for long term	Strictly implemented	
		<p>3. Sichuan Changhong commits that it will not engage in air conditioning and refrigerator business or activity which competes or will compete with business of Meiling Electric, or that which has interest conflict with Meiling Electric</p>				
Commitments of not to reducing the shares	Sichuan Changhong Electric Co., Ltd. and persons acting in concert	<p>1. Based on market conditions and as allowed by laws and rules, multiple measures were adopted adequately to increase shareholding of Meiling Electric, so as to demonstrate its firm confidence on the PRC economy and Meiling Electric with its actual actions, maintain sound development of capital market and promote recovery of healthy market</p>	2015-7-9	Valid for long term	Strictly implemented	
		<p>2. Continued to support operation and development of listed company as always and promoted the achievement of Meiling Electric. It is committed to bringing steady and real return to investors.</p>				
Commitment made during the non-public offer	Directors and senior executives of the Company	Commitment on compensation of immediate	1. I hereby undertake not to deliver interests to other entities or individuals without consideration or at unfair conditions, nor to prejudice the Company's interests by other means.	2016-2-23	Till the completion of projects invested with the proceeds	Implementing

in 2016		dilution of return arising from non-public issuance of shares	<p>2. I hereby undertake to restrain my role related consumption behaviors.</p> <p>3. I hereby undertake not to conduct any investment and consumption which is not related to performance of duties with utilization of any company assets.</p> <p>4. I hereby undertake that the remuneration system determined by the board of directors or the remuneration and examination committee be linked to implementation of the compensation of return measures.</p> <p>5. In case that the Company adopts share based incentive plan in future, I hereby undertake that the exercise conditions of the incentive plan to be announced by the Company be linked to implementation of the compensation of return measures.</p> <p>6. For the period from the date of this commitment to the date of completion of this non-public issuance of shares, if the CSRC makes other new regulatory requirements on compensation of return measures and the commitment thereof, and in case that the above commitments cannot satisfy these new requirements from the CSRC, I hereby undertake to issue supplementary commitment in compliance with the latest CSRC requirements.</p> <p>7. As one of the principals responsible for compensation of return measures, I, in case of break of the above commitments or refuse to perform the above commitments, agree to receive relevant punishment or to adopt relevant administration measures according to the systems, rules and regulations of the CSRC and Shenzhen Stock Exchange.</p>		from this non-public issuance of shares	
	The Company		<p>1. Promise to truly, accurately, completely, fairly and timely publish periodic reports, disclose all information that has significant impacts on the investors, and accept the supervision and management of China Securities Regulatory Commission and the Shenzhen Stock Exchange.</p> <p>2. Make commitments that the Company will publicly clarify in time after knowing any information on any public communications media that may cause misleading influence on the stock price</p> <p>3. The Company's directors, supervisors and senior executives will listen carefully to the opinions and criticisms of the public and never use any acquired inside information and other improper</p>	2016-10-12	Valid for long term	Strictly implemented

		means to directly or indirectly engage in the trading activities of the Company's stock.			
Perform the commitment promptly or not	√ Yes □ No				
If the commitment is overdue and has not been fulfilled, the specific reasons for incomplete performance and the work plan for next step shall be explained in detail	Not applicable				

(ii) Concerning assets or project of the Company, which has profit forecast, and reporting period still in forecasting period, explain reasons of reaching the original profit forecast

Applicable Not applicable

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.

Disclosure date for specific approval opinion on fund occupation from CPA: 31 March 2022

Disclosure index for specific approval opinion on fund occupation from CPA: Juchao website: Juchao Website (www.cninfo.com.cn)-- Specific Explanation on Non-operational fund occupation and its related capital transactions for year of 2021 of Changhong Meiling Co., Ltd.

III. External guarantee out of the regulations

Applicable Not applicable

No external guarantee out of the regulations occurred in the period.

IV. Statement on the latest “modified audit report” by BOD

Applicable Not applicable

V. Explanation from Board of Directors, Supervisory Committee and Independent Directors (if applicable) for “Qualified Opinion” that issued by CPA

Applicable Not applicable

VI. Explanation of the changes in accounting polices, accounting estimates or correction of significant accounting errors compared with the financial report of the previous year

Applicable Not applicable

Found more details in 38. Change of major accounting policy and estimation under IV. Major accounting policy and estimation carried in the Section XII. Financial Report

VII. Compare with last year’s financial report; explain changes in consolidation statement’s scope

Applicable Not applicable

In the reporting period, the consolidated financial statements of the Company cover 27 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, during the reporting period one enterprise is included in the consolidate scope, that is Anhui Ling'an Medical Equipment Co., Ltd. The subsidiaries Tai yuan Meiling Electrical Marketing Co., Ltd., Tianjin Meiling Electrical Marketing Co., Ltd., and Guangzhou Meiling Electrical Marketing Co., Ltd. were decreased due to the merger.

More details can be seen in the report “VII. Changes in the scope of the merger” and “VIII. Equity in other entities” of “Section X Financial Report”

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

Name of domestic accounting firm	Shine Wing Certified Public Accountants (LLP)
Remuneration for domestic accounting firm (In 10 thousand yuan)	131
Continuous life of auditing service for domestic accounting firm	13-year
Name of domestic CPA	Li Xifu, Wang Xiaodong
Continuous life of auditing service for domestic CPA	Li Xifu (5 years), Wang Xiaodong (2 year)
Name of foreign accounting firm (if applicable)	N/A
Remuneration for foreign accounting firm (10 thousand yuan) (if applicable)	N/A
Continuous life of auditing service for foreign accounting firm (if applicable)	N/A
Name of foreign CPA (if applicable)	N/A
Continuous life of auditing service for foreign CPA (if applicable)	-

(i) Accounting firm appointed

(ii) Re-appointed accounting firms in this period

Yes No

(iii) Appointment of internal control auditing accounting firm, financial consultant or sponsor

Applicable Not applicable

In reporting period, Shine Wing Certified Public Accountants (LLP) was appointed as audit institute of internal control for the Company, auditing charge for internal control amounting as 250,000 yuan.

IX. Particular about delisting after annual report disclosed

Applicable Not applicable

X. Bankruptcy reorganization

Applicable Not applicable

XI. Material lawsuits and arbitration of the Company**(i) Major Litigation and Arbitration Matters**

Applicable Not applicable

During the reporting period, the Company had no major litigation and arbitration matters.

(ii) Other litigation matters

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.

XII. Penalty and rectification

Applicable Not applicable

Name	Type	Causes	Investigation penalty type	Conclusions (if any)	Disclosure date	Disclosure index
ZhongkeMeiling 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 accepting the on-site inspection by the Anhui Medical Products Administration, Zhongke Meiling has fully realized the problem of not timely filing and registering changes in accordance with the relevant provisions of the Regulations for the Supervision and Administration of Medical Devices, and rectified the corresponding problems as soon as possible. Zhongke Meiling recalled the products involved in a timely manner in accordance with the Medical Device Recall Management Measures, and immediately sealed samples of the recalled products and sent them to a third-party authority for performance and safety testing. The inspection showed that 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 its subsidiaries will profoundly summarize the lessons of this administrative penalty, strictly abide by relevant laws and regulations, further improve the standardized operation level, and prevent such incidents from happening again.

XIII. 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 large amount due unliquidated debt sentenced by the court.

XIV. Major related party transaction

(i) Related party transaction with routine operation concerned

Applicable Not applicable

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 approved or not limited (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	50,571.94	50,571.94	3.60%	60,000.00	N	Spot exchange, Bank acceptance	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
2	Changhong Huayi Compressor Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchased	Compressor, Door seal	Marketing price	41,837.98	41,837.98	2.98%	63,150.00	N	Bank acceptance	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
3	Sichuan Changhong Mold Plastic Tech. Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchased	Components, plastic parts and lining accessories etc.	Marketing price	72,213.77	72,217.32	5.14%	120,000.00	N	Spot exchange, Bank acceptance	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
4	Sichuan Changhong Jijia Fine Co.,	Other enterprise control	Commodity purchased	Base plate assembly, black plate, bracket etc.	Marketing price	36,519.86	36,519.86	2.60%	60,000.00	N	Spot exchange, Bank	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097,

	Ltd.	under the same controlling shareholder and ultimate controller									acceptance		2021-12-21	2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
5	Sichuan Changhong Package Printing Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchased	Packing boxes, foam, fixed support block etc.	Marketing price	10,505.94	10,505.94	0.75%	18,000.00	N	Spot exchange, Bank acceptance	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
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	1,689.38	1,689.38	0.12%	5,000.00	N	Bank acceptance	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
7	Sichuan Changhong International Hotel Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchased	foodstuff	Marketing price	2.00	2.00	0.00%	8,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
8	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%	13,000.00	N	Bank acceptance	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
9	Guangdong	Other	Commodity	Foam and carton	Marketing price	459.10	459.10	0.03%	13,000.00	N	Spot	-	2020-12-12;	Juchao

	Changhong Electronics Co., Ltd.	enterprise control under the same controlling shareholder and ultimate controller	purchased		g price						exchange, Bank acceptance		2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106	
10	Sichuan Changhong Intelligent Manufacturing Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchased	Circuit boards	Marketing price	2.86		2.86	0.00%	8,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
11	Sichuan Hongwei Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchased	RTU collectors	Marketing price	0.32		0.32	0.00%	13,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
12	Hefei Changhong Industrial Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchased	Inverter integrated board, control board	Marketing price	942.42		942.42	0.07%	13,000.00	N	Bank acceptance	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
13	Sichuan Changhong New Energy Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchased	batteries	Marketing price	2.70		2.70	0.00%	8,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106

		controller												
14	Sichuan Zhiyijia Network Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchased	Air conditioner, LCD TV	Marketing price	1,218.16	1,218.16	0.09%	13,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
15	Changhong International Holdings (Hong Kong) Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchased	Television	Marketing price	1,017.63	1,017.63	0.07%	10,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
16	Sichuan Changhong Electronic Products Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchased	Speech components for R&D, electronic components	Marketing price	2,376.25	2,376.25	0.17%	6,000.00	N	Spot exchange, Bank acceptance	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
17	Sichuan Jiahong Industrial Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchased	foodstuff	Marketing price	0.60	0.60	0.00%	8,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
18	Sichuan Ailian Science & Technology Co., Ltd.	Other enterprise control under the same controlling	Commodity purchased	Internet access modules, electronic components etc.	Marketing price	2,519.71	2,519.71	0.18%	6,000.00	N	Spot exchange, Bank acceptance	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and

		shareholder and ultimate controller												2021-106
19	Sichuan Aichuang Science & Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchased	Inverter integrated board, R-IC etc.	Marketing price	10,843.83	10,843.83	0.77%	15,000.00	N	Spot exchange, Bank acceptance	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
20	Hunan Grand-Pro Intelligent Tech. Company	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchased	Floor mopping robot	Marketing price	152.35	152.35	0.01%	1,500.00	N	Spot exchange, Bank acceptance	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
21	Sichuan Service Exp. Appliance Service Chain Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchased	Air conditioner spare parts	Marketing price	5.00	5.00	0.00%	13,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
22	Sichuan Changhong Electronics Holding Group Co., Ltd.	Controlling shareholder and ultimate controller	Accept labor service	Shuttle transportation fee, employee medical examination fees and training fees etc.	Marketing price	168.13	168.13	0.12%	8,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
23	Sichuan Changhong Electric Co., Ltd.	Controlling shareholder and ultimate controller	Accept labor service	Training fees, technical service fees, inspection and certification fees etc.	Marketing price	574.57	574.57	0.40%	5,600.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and

														2021-106
24	Sichuan Changhong Minsheng Logistics Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Accept labor service	Transportation costs, storage and handling charges, freight and miscellaneous charges etc.	Marketing price	58,526.38	58,526.38	41.06%	60,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
25	Sichuan Changhong Mold Plastic Tech. Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Accept labor service	Mold changes fees	Marketing price	12.72	12.72	0.01%	5,600.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
26	Sichuan Service Exp. Appliance Service Chain Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Accept labor service	Three packages, equipment repair, miscellaneous fees etc.	Marketing price	25,071.81	25,071.81	17.59%	35,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
27	Sichuan Hongxin Software Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Accept labor service	Software usage fee, service supporting fee and information service fee	Marketing price	1,085.67	1,085.67	0.76%	5,600.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
28	Guangdong Changhong Electronics Co., Ltd.	Other enterprise control under the same controlling	Accept labor service	Labor insurance fee, service support fee, network service fee etc.	Marketing price	112.83	112.83	0.08%	5,600.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and

		shareholder and ultimate controller												2021-106	
29	Sichuan Jiahong Industrial Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Accept labor service	Meals, property management fees etc.	Marketing price	389.52		389.52	0.27%	8,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
30	Sichuan Changhong International Hotel Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Accept labor service	Meetings fee, accommodation	Marketing price	21.78		21.78	0.02%	8,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
31	Orion.PDP.Co.,Ltd	Other enterprise control under the same controlling shareholder and ultimate controller	Accept labor service	Three-packages fee	Marketing price	12.53		12.53	0.01%	8,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
32	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	2.66		2.66	0.00%	8,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
33	Sichuan Changhong Property Services Co.,	Other enterprise control under the	Accept labor service	Dormitory facility and equipment service fees, property	Marketing price	70.72		70.72	0.05%	8,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107,

	Ltd.	same controlling shareholder and ultimate controller		management fees										2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
34	Sichuan Hongwei Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Accept labor service	Inspection & certification fees	Marketing price	152.19	152.19	0.11%	5,600.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
35	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	-46.57	-46.57	-0.03%	5,600.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
36	Sichuan Changhong Intelligent Manufacturing Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Accept labor service	Information consulting fees, labor dispatch fee and equipment repair fees	Marketing price	74.86	74.86	0.05%	8,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
37	Sichuan Changhong Jijia Fine Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Accept labor service	Equipment repair fees and labor dispatch fee	Marketing price	1.18	1.18	0.00%	5,600.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
38	Sichuan Changhong	Other enterprise	Accept labor service	Environmental fees	Marketing price	5.66	5.66	0.00%	8,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13;	Juchao Website(www.cninfo.com.cn)

	Gerun Environmental Protection Tech. Co., Ltd.	control under the same controlling shareholder and ultimate controller											2021-7-29 and 2021-12-21	cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106	
39	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	12.70		12.70	0.01%	5,600.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
40	Sichuan Aichuang Science & Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Accept labor service	Labor dispatch fee, R&D test fees	Marketing price	13.14		13.14	0.01%	8,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
41	Guangyuan Changhong Electronic Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Accept labor service	Labor dispatch fee	Marketing price	102.31		102.31	0.07%	5,600.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
42	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	598.87		598.87	0.42%	5,600.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106

43	Sichuan Qiruik Technology Co., Ltd	Other enterprise control under the same controlling shareholder and ultimate controller	Accept labor service	Technical development service fee, instrument repair fees and inspection and certification fees etc.	Marketing price	598.09	598.09	0.42%	8,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
44	Sichuan Changhong Electric Co., Ltd.	Controlling shareholder and ultimate controller	Purchase of fuel power	Electricity, steam, water, compressed air	Marketing price	1,997.74	1,997.74	0.14%	60,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
45	Changhong Huayi Compressor Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Purchase of fuel power	Steam fee	Marketing price	45.17	45.17	0.00%	63,150.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
46	Guangdong Changhong Electronics Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Purchase of fuel power	Electricity, water, compressed air	Marketing price	120.47	120.47	0.01%	13,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
47	Hefei Changhong New Energy Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Purchase of fuel power	Electricity fee	Marketing price	34.49	34.49	0.00%	13,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106

48	Sichuan Changhong Property Services Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Purchase of fuel power	Electricity fee	Marketing price	3.03	3.03	0.00%	8,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
49	Sichuan Changhong Electric Co., Ltd.	Controlling shareholder and ultimate controller	Sales of goods	Air conditioners, waste materials, small appliances	Marketing price	426.60	426.60	0.02%	8,000.00	N	Spot exchange, Bank acceptance	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
50	Sichuan Changhong Electronics Holding Group Co., Ltd.	Controlling shareholder and ultimate controller	Sales of goods	Car refrigerator, small appliances	Marketing price	18.06	18.06	0.00%	3,100.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
51	Sichuan Changhong Jijia Fine Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Steel plate, base plate, bracket etc.	Marketing price	4,867.94	4,867.94	0.28%	8,000.00	N	Spot exchange, Bank acceptance	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
52	Sichuan Changhong Mold Plastic Tech. Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Refrigerator and washing machine components, accessories, small appliances etc.	Marketing price	19,808.97	19,808.97	1.14%	32,000.00	N	Spot exchange, Bank acceptance	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
53	Lejiayi Chain Management	Other enterprise	Sales of	Air conditioner, Refrigerator,	Marketing price	53.10	53.10	0.00%	15,000.00	N	Cash	-	2020-12-12; 2020-12-30; 2021-7-13;	Juchao Website(www.cninfo.com.cn)

	Co., Ltd.	control under the same controlling shareholder and ultimate controller	goods	freezer, small appliances, etc.	g price						settlement		2021-7-29 and 2021-12-21	cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
54	Sichuan Zhiyijia Network Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Washing machine, freezers, air conditioners, small appliances etc.	Marketing price	650,051.03	650,051.03	37.51%	700,000.00	N	Spot exchange, Bank acceptance	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
55	Sichuan Changhong Device Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Kitchen and bathroom, small appliances	Marketing price	0.08	0.08	0.00%	15,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
56	Sichuan Changhong Minsheng Logistics Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Cartons, liners, air conditioners, refrigerators etc.	Marketing price	27.05	27.05	0.00%	15,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
57	Sichuan Service Exp. Appliance Service Chain Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Air conditioners, inverter integrated boards, components etc.	Marketing price	655.49	655.49	0.04%	15,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106

58	Hefei Changhong Industrial Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Micro controllers, etc.	Marketing price	7.89		7.89	0.00%	15,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
59	Sichuan Changhong Real Estate Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Air conditioner, Kitchen and bathroom, small appliances	Marketing price	6.63		6.63	0.00%	15,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
60	Sichuan Changhong Network Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Car refrigerator	Marketing price	0.39		0.39	0.00%	15,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
61	Guangdong Changhong Electronics Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Air conditioner, kitchen and bathroom	Marketing price	32.01		32.01	0.00%	15,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
62	Sichuan Changhong Intelligent Manufacturing Technology Co., Ltd.	Other enterprise control under the same controlling shareholder	Sales of goods	Equipment installation and commissioning accessories	Marketing price	1.41		1.41	0.00%	3,100.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106

		and ultimate controller													
63	Changhong Huayi Compressor Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Air conditioner	Marketing price	3.76		3.76	0.00%	63,150.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
64	Sichuan Changhong Power Source Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Air conditioner	Marketing price	16.99		16.99	0.00%	15,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
65	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%	15,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
66	Guangyuan Changhong Electronic Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Air conditioner, Kitchen and bathroom, small appliances	Marketing price	15.43		15.43	0.00%	15,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
67	Sichuan Hongxin Software Co., Ltd.	Other enterprise control under the same	Sales of goods	Air conditioner, small appliances	Marketing price	12.11		12.11	0.00%	15,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053,

		controlling shareholder and ultimate controller												2021-058, 2021-104 and 2021-106
68	PT.CHANGHONG ELECTRIC INDONESIA	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Air conditioner	Marketing price	27.80	27.80	0.00%	15,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
69	CHANGHONG(HK)TRADING LIMITED	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Air conditioner	Marketing price	29,876.00	29,876.00	1.72%	170,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
70	CHANGHONG ELECTRIC(AUSTRALIA) PTY.LTD.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Refrigerator, freezers, washing machines and accessories	Marketing price	12,752.56	12,752.56	0.74%	170,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
71	Orion.PDP.Co.,Ltd	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Refrigerator and components	Marketing price	3,967.89	3,967.89	0.23%	4,500.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
72	Changhong Europe Electric	Other enterprise control	Sales of goods	Refrigerator	Marketing price	7,082.16	7,082.16	0.41%	8,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097,

		under the same controlling shareholder and ultimate controller											2021-12-21	2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
73	CHANGHONG GELECTRIC MIDDLEEAS TFZCO	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Refrigerator, freezers and accessories	Marketing price	349.94	349.94	0.02%	15,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
74	Changhong International Holdings (Hong Kong) Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Refrigerator, freezers, Air conditioner, kitchen ware, etc.	Marketing price	16,426.96	16,426.96	0.95%	35,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
75	Sichuan Aichuang Science & Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Photocouplers, refrigerant, integrated circuits, etc.	Marketing price	23.03	23.03	0.00%	3,100.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
76	Sichuan Hongmofang Network Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Car refrigerator	Marketing price	0.49	0.49	0.00%	15,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
77	Changhong	Other	Sales of	Air conditioner	Marketing price	123.88	123.88	0.01%	63,150.00	N	Bank	-	2020-12-12;	Juchao

	Grand-Pro Technology Co., Ltd.	enterprise control under the same controlling shareholder and ultimate controller	goods		g price						acceptance		2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
78	Sichuan Changhong Jiechuang Lithium Battery Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Air conditioner	Marketing price	126.35	126.35	0.01%	3,100.00	N	Bank acceptance	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
79	Sichuan Ansify Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Air conditioner	Marketing price	12.51	12.51	0.00%	3,100.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
80	Sichuan Changhong Electronics Holding Group Co., Ltd.	Controlling shareholder and ultimate controller	provide labor	Labor costs	Marketing price	-1.08	-1.08	-0.02%	3,100.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
81	Sichuan Changhong Mold Plastic Tech. Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	provide labor	Labor costs	Marketing price	19.37	19.37	0.41%	5,600.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
82	Sichuan	Other	provide	Labor costs	Marketing price	27.14	27.14	0.57%	5,600.00	N	Cash	-	2020-12-12;	Juchao

	Changhong Jijia Fine Co., Ltd.	enterprise control under the same controlling shareholder and ultimate controller	labor		g price						settlement		2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
83	Sichuan Aichuang Science & Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	provide labor	Technical service fee, Labor costs	Marketing price	198.33	198.33	4.20%	3,100.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
84	Sichuan Huafeng Enterprise Group Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	provide labor	System development service fee	Marketing price	1.32	1.32	0.03%	3,100.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
85	Sichuan Zhiyijia Network Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	provide labor	Service fee	Marketing price	2.23	2.23	0.05%	5,600.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
86	Sichuan Changhong Electric Co., Ltd.	Controlling shareholder and ultimate controller	provide labor	Labor costs	Marketing price	417.71	417.71	8.84%	5,600.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
87	Sichuan	Other	provide	Technical service	Marketing price	9.06	9.06	0.19%	5,600.00	N	Cash	-	2020-12-12;	Juchao

	Changhong Device Technology Co., Ltd.	enterprise control under the same controlling shareholder and ultimate controller	labor	fee,	g price						settlement		2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106	
88	Sichuan Changhong Network Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	provide labor	Labor costs	Marketing price	61.03		61.03	1.29%	5,600.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
89	Changhong Huayi Compressor Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	provide labor	Labor costs	Marketing price	124.57		124.57	2.64%	63,150.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
90	Sichuan Changhong Minsheng Logistics Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	provide labor	Labor costs	Marketing price	26.20		26.20	0.55%	5,600.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
91	Sichuan Ailian Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	provide labor	Labor costs	Marketing price	0.01		0.01	0.00%	3,100.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106

		controller													
92	Hefei Changhong Industrial Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	provide labor	Labor costs	Marketing price	0.07		0.07	0.00%	5,600.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
93	Sichuan Service Exp. Appliance Service Chain Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	provide labor	Labor costs	Marketing price	0.72		0.72	0.02%	5,600.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
94	Sichuan Changhong Electronic Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	provide labor	Technical service fee,	Marketing price	9.43		9.43	0.20%	3,100.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
95	Sichuan Changhong International Hotel Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	provide labor	Maintenance fee	Marketing price	7.94		7.94	0.17%	3,100.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
96	081 Electronic Group Co., Ltd.	Other enterprise control under the same controlling	provide labor	Maintenance fee	Marketing price	4.72		4.72	0.10%	5,600.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and

		shareholder and ultimate controller												2021-106	
97	Sichuan Changhong Electronic Products Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	provide labor	Labor costs	Marketing price	1.10		1.10	0.02%	5,600.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
98	Sichuan Hongwei Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	provide labor	Service fee	Marketing price	0.14		0.14	0.00%	5,600.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
99	Guangdong Changhong Electronics Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	provide labor	Installation fee, Labor costs	Marketing price	49.10		49.10	1.04%	5,600.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
100	Sichuan Changhong Precision Electronics Tech. Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	provide labor	Labor costs	Marketing price	0.51		0.51	0.01%	5,600.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
101	Sichuan Changhong Gerun Environmental	Other enterprise control under the	provide labor	Labor costs	Marketing price	0.94		0.94	0.02%	3,100.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107,

	Protection Tech. Co., Ltd.	same controlling shareholder and ultimate controller												2021-050, 2021-053, 2021-058, 2021-104 and 2021-106	
102	Changhong Grand-Pro Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	provide labor	Installation fee,	Marketing price	116.53		116.53	2.47%	63,150.00	N	Bank acceptance	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
103	Yuanxin Financial Lease Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	provide labor	Service fee of Financial statement	Marketing price	49.34		49.34	1.04%	65,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
104	Sichuan Changhong Property Services Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	provide labor	Technical service fee,	Marketing price	8.58		8.58	0.18%	3,100.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
105	Sichuan Ansify Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	provide labor	Installation fee,	Marketing price	11.09		11.09	0.23%	3,100.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
106	Sichuan Changhong	Other enterprise	provide labor	Installation fee,	Marketing price	108.90		108.90	2.31%	3,100.00	N	Bank acceptance	-	2020-12-12; 2020-12-30; 2021-7-13;	Juchao Website(www.cninfo.com.cn)

	Jiechuang Lithium Battery Technology Co., Ltd.	control under the same controlling shareholder and ultimate controller											2021-7-29 and 2021-12-21	cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106	
107	Guangdong Changhong Electronics Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Provide fuel power	Water, Electricity fee, gas fee	Marketing price	1.62		1.62	0.00%	15,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
108	Sichuan Changhong Minsheng Logistics Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Provide fuel power	Water, Electricity fee	Marketing price	5.77		5.77	0.00%	15,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
109	Sichuan Changhong Jijia Fine Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Provide fuel power	Water fee, Electricity fee	Marketing price	15.06		15.06	0.00%	15,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
110	Sichuan Changhong Mold Plastic Tech. Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Provide fuel power	Water fee, Electricity fee, Steam fee	Marketing price	700.84		700.84	0.04%	15,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106

111	Sichuan Zhiyijia Network Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Provide fuel power	Water fee, Electricity fee	Marketing price	5.00		5.00	0.00%	15,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
112	Sichuan Changhong Precision Electronics Tech. Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Provide fuel power	Water fee, Electricity fee	Marketing price	1.69		1.69	0.00%	15,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
113	Sichuan Changhong Device Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Provide fuel power	Water fee, Electricity fee, compressed air	Marketing price	71.03		71.03	0.00%	15,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
114	Changhong International Holdings (Hong Kong) Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Provide fuel power	Water fee, Electricity fee	Marketing price	10.13		10.13	0.00%	15,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
115	Guangdong Changhong Electronics Co., Ltd.	Other enterprise control under the same controlling shareholder	Rental to related parties	Second floor living area for rent	Marketing price	5.09		5.09	0.04%	5,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106

		and ultimate controller													
116	Hefei Changhong Industrial Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Rental to related parties	Rental apartment, warehouses	Marketing price	27.15		27.15	0.20%	5,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
117	Sichuan Aichuang Science & Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Rental to related parties	Warehouses for rent	Marketing price	4.94		4.94	0.04%	3,100.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
118	Sichuan Ailian Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Rental to related parties	Warehouses for rent	Marketing price	0.33		0.33	0.00%	3,100.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
119	Sichuan Hongwei Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Rental to related parties	Lease of plant	Marketing price	4.73		4.73	0.03%	5,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
120	Sichuan Huafeng Enterprise Group Co., Ltd.	Other enterprise control under the same	Rental to related parties	Meeting room for rent	Marketing price	0.09		0.09	0.00%	3,100.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053,

		controlling shareholder and ultimate controller												2021-058, 2021-104 and 2021-106	
121	Sichuan Service Exp. Appliance Service Chain Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Rental to related parties	Apartments and offices for rent	Marketing price	19.26		19.26	0.14%	5,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
122	Sichuan Changhong Electric Co., Ltd.	Controlling shareholder and ultimate controller	Rental to related parties	Rental of equipment and plants	Marketing price	302.32		302.32	2.23%	5,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
123	Sichuan Changhong Jijia Fine Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Rental to related parties	Rental apartment, warehouses. Plant and equipment	Marketing price	518.35		518.35	3.82%	5,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
124	Sichuan Changhong Precision Electronics Tech. Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Rental to related parties	Rental apartment, second floor living area	Marketing price	11.22		11.22	0.08%	5,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
125	Sichuan Changhong Minsheng Logistics Co., Ltd.	Other enterprise control under the same	Rental to related parties	Rental apartment, plant, office, part of the building	Marketing price	105.22		105.22	0.78%	5,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053,

		controlling shareholder and ultimate controller												2021-058, 2021-104 and 2021-106
126	Sichuan Changhong Mold Plastic Tech. Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Rental to related parties	Rental apartment, plant, warehouse, equipment, and house and buildings, second floor living area	Marketing price	987.28	987.28	7.27%	5,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
127	Sichuan Changhong Device Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Rental to related parties	Lease of plant, second floor living area	Marketing price	216.46	216.46	1.59%	5,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
128	Sichuan Zhiyijia Network Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Rental to related parties	Rental apartment	Marketing price	18.83	18.83	0.14%	5,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
129	Changhong Huayi Compressor Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Rental to related parties	Warehouses for rent	Marketing price	0.45	0.45	0.00%	63,150.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
130	Chengdu Changhong Electronic	Other enterprise control	Lease from related parties	Leasing office	Marketing price	68.83	68.83	0.51%	5,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097,

	Technology Co., Ltd.	under the same controlling shareholder and ultimate controller											2021-12-21	2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
131	Guangdong Changhong Electronics Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Lease from related parties	lease of plant, staff dormitory	Marketing price	123.34	123.34	0.91%	5,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
132	Hefei Changhong Industrial Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Lease from related parties	lease of plant,	Marketing price	31.01	31.01	0.23%	5,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
133	Sichuan Jiahong Industrial Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Lease from related parties	Lease of staff dormitory, flowers	Marketing price	20.52	20.52	0.15%	8,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
134	Sichuan Changhong Electric Co., Ltd.	Controlling shareholder and ultimate controller	Lease from related parties	Lease of VISA laboratory, plant	Marketing price	360.26	360.26	2.65%	5,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
135	Sichuan Changhong Electronics	Controlling shareholder and ultimate	Lease from related parties	Lease of staff dormitory, stores	Marketing price	18.12	18.12	0.13%	8,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097,

	Holding Group Co., Ltd.	controller											2021-12-21	2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106	
136	Sichuan Changhong Minsheng Logistics Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Lease from related parties	lease of plant	Marketing price	7.40		7.40	0.05%	5,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
137	Sichuan Changhong Property Services Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Lease from related parties	Lease of staff dormitory, flowers	Marketing price	0.53		0.53	0.00%	8,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
138	Changhong Huayi Compressor Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Lease from related parties	Lease of staff dormitory	Marketing price	4.18		4.18	0.03%	63,150.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
139	Sichuan Changhong Intelligent Manufacturing Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Purchase/acquisition of fixed assets	Production line, line-N2 line transformation, vacuum line transformation and self-service sorting, baler quality	Marketing price	999.08		999.08	2.99%	7,000.00	N	Spot exchange, Bank acceptance	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106

				improvement transformation, industrial internet smart manufacturing project										
140	Sichuan Changhong Electric Co., Ltd.	Controlling shareholder and ultimate controller	Acquisition of fixed assets	Fire fighting renovation, low voltage cabinet renovation, relocation and renovation of equipment	Marketing price	183.32	183.32	0.55%	10,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
141	Sichuan Hongxin Software Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Acquisition of fixed assets /intangible assets	Industrial internet project, knowledge base management system, software	Marketing price	405.35	405.35	1.21%	10,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
142	Sichuan Huanyu Industrial Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Acquisition of fixed assets	Plant construction	Marketing price	36.70	36.70	0.11%	8,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
143	Guangdong Changhong Electronics Co., Ltd.	Other enterprise control under the same	Acquisition of fixed assets	Purchase of TV for own use	Marketing price	3.92	3.92	0.01%	10,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053,

		controlling shareholder and ultimate controller												2021-058, 2021-104 and 2021-106
144	Sichuan Hongcheng Construction Engineering Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Acquisition of fixed assets	Plant construction management	Marketing price	195.02	195.02	0.58%	8,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
145	081 Electronic Group Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Acquisition of fixed assets	Plant construction	Marketing price	106.42	106.42	0.32%	10,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
146	Sichuan Changhong Electric Co., Ltd.	Controlling shareholder and ultimate controller	Sale of fixed assets	Temporary electrical equipment	Marketing price	33.90	33.90	9.69%	10,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
147	Yuanxin Financial Lease Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Financing business	Financial statement	Marketing price	49,202.19	49,202.19	--	65,000.00	N	Cash settlement	-	2020-12-12; 2020-12-30; 2021-7-13; 2021-7-29 and 2021-12-21	Juchao Website(www.cninfo.com.cn) Notice No.: 2020-097, 2020-099, 2020-107, 2021-050, 2021-053, 2021-058, 2021-104 and 2021-106
Total					--	--	1,125,515.49	--	--	--	--	--	--	--
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					1. It is estimated that the related transaction amount resulted by purchasing goods (including door shell and plastic products etc.) and accepting fuel and									

reporting period (if applicable)	<p>power from Sichuan Changhong and its subsidiary by the Company for year of 2021 was 2920 million yuan at most (tax-excluded), actually 179,680.97 yuan occurred in reporting period.</p> <p>2. It is estimated that the related transaction amount resulted by purchasing compressor, sales of goods and accepting or provide labor serves with Changhong Huayi and its subsidiary by the Company for year of 2021 was 646.5 million yuan at most (tax-excluded), actually 42,408.87 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 7,329,100 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 7,433,088,400 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 28,067,500 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 Co., Ltd. by the Company for year of 2021 was 600 million yuan at most (tax-excluded), actually 585,263,800 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 250,718,100 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 32,749,100 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 45,000,700 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 159,993,800 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 65 million yuan at most, actually 492,021,900 yuan occurred in reporting period.</p>
Reasons for major differences between trading price and market reference price (if applicable)	Not applicable

(ii) Related transactions by assets acquisition and sold

Applicable Not applicable

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

(iii) Related party transaction of joint foreign investment

Applicable Not applicable

No main related transactions of mutual investment outside for the Company in reporting period.

(iv) 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

(v) Contact with the related finance companies

Applicable Not applicable

Deposit business

Related party	Relationship	Maximum daily deposit limit (In 10 thousand yuan)	Deposit interest rate range	Opening balance (In 10 thousand yuan)	Amount for the Period		Ending Balance (10 thousand yuan)
					Total deposit amount for the Period (10 thousand yuan)	The total amount withdrawn in the Period (10 thousand yuan)	
Sichuan Changhong Group Finance Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controller	450,000.00	0.42%-4.805%	279,825.60	4,167,793.91	4,109,110.82	338,508.69

Credit extension or other financial business

Related party	Relationship	Type of business	Total amount (10 thousand yuan)	Actual amount (10 thousand yuan)
Sichuan Changhong Group Finance Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controller	Other financial services - note issuance	300,000.00	174,303.79
Sichuan Changhong Group Finance Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controller	Other financial services - note discounting	300,000.00	60,114.50

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 one billion yuan. 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.

(vi) Transactions between the finance company controlled by the Company and related parties

Applicable Not applicable

(vii) Other related party transactions

Applicable Not applicable

1. 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 and its subsidiary Sichuan Hongwei Technology Co., Ltd. and Shenzhen Yijiaen Technology Co., Ltd., software R&D platform and other R&D assets. In the Period, the Company and the aforementioned related parties have completed the signing of the termination agreement.

2. On July 12, 2021, as approved by the resolutions of the 9th session of the 10th BOD and the 7th session of the 10th BOS of the company, it was agreed that the company would increase the daily related transactions amount of no more than 300 million yuan (excluding taxes) for the financial leasing, commercial factoring, and bill financing businesses provided by Yuanxin Leasing that the company and its holding subsidiaries were expected to accept in 2021. After this increase, the total amount of daily related transactions between the company and its holding subsidiaries and Sichuan Changhong and its holding subsidiaries (excluding Changhong Huayi Compressor Co., Ltd.) in 2021 was expected to not exceed 14,406 million yuan (excluding taxes), of which the total amount of daily related transactions with Yuanxin Leasing in 2021 was expected to not exceed 650 million yuan (excluding taxes).

3. On August 16, 2021, as approved by the resolutions of the 10th session of the 10th BOD and the 8th session of the 10th BOS of the company, it was agreed that the company would sign the Leasing Cooperation Agreement with Hefei Changhong Industrial Co., Ltd. to lease the Plant No. 2 in Changhong Industrial Park, No. 6069, Fangxing Avenue, Economic and Technological Development Zone, Hefei City, Anhui Province from Hefei Changhong Industrial Co., Ltd. for carrying out the relocation and expansion project of the extrusion line, the lease term is 10 years, the total leased plant area is 11,798.31 square meters, and the monthly rent is 14.89 yuan/square meter (excluding taxes, tax rate is 5%), and the annual rent increases by 5% compared with the previous year (the rent will not rise after reaching the average market price of the plant, but the rent decline must be adjusted according to the market conditions).

4. On December 20, 2021, as approved by the resolutions of the 15th session of the 10th BOD and the 12th session of the 10th BOS of the company, it was agreed that the company would increase the daily related transactions amount of no more than 80 million yuan (excluding taxes) for the transportation, warehousing, and loading and

unloading businesses provided by Changhong Minsheng that the company and its holding subsidiaries were expected to accept in 2021. After this increase, the total amount of daily related transactions between the company and its holding subsidiaries and Sichuan Changhong and its holding subsidiaries (excluding Changhong Huayi Compressor Co., Ltd.) in 2021 was expected to not exceed 14,486 million yuan (excluding taxes), of which the total amount of daily related transactions with Changhong Minsheng in 2021 was expected to not exceed 600 million yuan (excluding taxes).

5. On December 6, 2021 and December 23, 2021, as approved by the resolutions of the 13th session of the 10th BOD, the 11th session of the 10th BOS, and the fourth extraordinary general meeting of shareholders in 2021, it was agreed that the total amount of daily related transactions between the company and its holding subsidiaries and the related parties in 2022 should not exceed 14.83 billion yuan (tax excluded); it was agreed that the company and Sichuan Changhong Group Finance Co., Ltd. Would continue to carry out related transactions in financial services such as deposits and loans in 2022.

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

Interim report	Disclosure date	Website for disclosure
Resolution Notice of the 5 th session of 10 th BOD (2021-028) Resolution Notice of the 6 th session of 10 th BOS (2021-029) Notice on the Termination of Assets Purchases and Related Transactions (2021-031) Resolution Notice of First extraordinary general meeting of 2021 (2021-046)	2021-4-20 2021-6-17	Juchao Website: http://Juchao Website
Resolution Notice of the 9 th session of 10 th BOD (2021-050) Resolution Notice of the 7 th session of 10 th BOS (2021-051) Increase the forecast announcement of daily related party transactions for year of 2021 (2021-053)	2021-7-13	Juchao Website: http://Juchao Website
Resolution Notice of the 10 th session of 10 th BOD (2021-060) Resolution Notice of the 8 th session of 10 th BOS (2021-061) Notice on Lease Cooperation Agreement Singed between the Company and Hefei Changhong Industrial Co.,Ltd and Related Transactions (2021-065)	2021-8-18	Juchao Website: http://Juchao Website
Resolution Notice of the 15 th session of 10 th BOD (2021-104) Resolution Notice of the 12 th session of 10 th BOS (2021-105) Increase the forecast announcement of daily related party transactions for year of 2021 (2021-106)	2021-12-21	Juchao Website: http://Juchao Website
Resolution Notice of the 13 th session of 10 th BOD (2021-091) Resolution Notice of the 11 th session of 10 th BOS (2021-092) Notice on Estimated Routine Related Transactions for year of 2022 (2021-094) Notice on Expected Continuing Related Transactions with Sichuan Changhong Group Finance Company in 2022 (2021-095) Resolution Notice of Fourth extraordinary general meeting of 2021 (2021-109)	2021-12-7 2021-12-24	Juchao Website: http://Juchao Website

XV. Significant contract and implementations

(i) 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

No leasing in the period

(ii) Major guarantee

Applicable Not applicable

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 31 December 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 applicable)	Counter guarantee (if applicable)	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 applicable)	Counter guarantee (if applicable)	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	2020-3-5	5,000.00	Joint liability guaranty		Y	1-year	Y	N
			2020-3-9	15,000.00	Joint liability guaranty		Y	1-year	Y	N

		2020-3-27	5,500.00	Joint liability guaranty	Y	1-year	Y	N
		2020-3-30	20,000.00	Joint liability guaranty	Y	1-year	Y	N
		2020-4-14	17,900.00	Joint liability guaranty	Y	1-year	Y	N
		2020-4-28	12,000.00	Joint liability guaranty	Y	1-year	Y	N
		2020-6-10	20,000.00	Joint liability guaranty	Y	9-months	Y	N
		2020-8-17	10,000.00	Joint liability guaranty	Y	1-year	Y	N
		2020-9-2	15,000.00	Joint liability guaranty	Y	1-year	Y	N
Notice No.: 2020-097, 2020-098, 2020-101 and 2020-107 released on 11 December 2020 and 30 December respectively	140,000.00	2021-3-26	13,000.00	Joint liability guaranty	Y	1-year	N	N
		2021-3-29	18,000.00	Joint liability guaranty	Y	1-year	N	N
		2021-3-30	20,000.00	Joint liability guaranty	Y	1-year	N	N
		2021-4-1	20,000.00	Joint liability guaranty	Y	11.5-months	N	N
		2021-4-6	9,000.00	Joint liability guaranty	Y	1-year	N	N
		2021-5-25	10,000.00	Joint liability guaranty	Y	1-year	N	N

			2021-7-20	5,000.00	Joint liability guaranty	Y	1-year	N	N
			2021-8-19	5,000.00	Joint liability guaranty	Y	1-year	N	N
			2021-8-27	15,000.00	Joint liability guaranty	Y	1-year	N	N
	Notice No.: 2021-091, 2021-092, 2021-096 and 2021-109 released on 7 December 2021 and 24 December respectively	140,000.00	-	-	-	-	-	-	-
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	2020-4-2	3,000.00	Joint liability guaranty	Y	1-year	Y	N
			2020-4-2	4,000.00	Joint liability guaranty	Y	1-year	Y	N
			2020-8-17	6,500.00	Joint liability guaranty	Y	1-year	Y	N
			2020-9-2	5,000.00	Joint liability guaranty	Y	1-year	Y	N
	Notice No.: 2020-097, 2020-098, 2020-101 and 2020-107 released on 11 December 2020 and 30 December respectively	30,000.00	2021-3-31	4,000.00	Joint liability guaranty	Y	1-year	N	N
			2021-6-9	5,000.00	Joint liability guaranty	Y	6.8-months	Y	N
			2021-9-22	3,000.00	Joint liability guaranty	Y	1-year	N	N
			2021-10-19	4,000.00	Joint liability guaranty	Y	1-year	N	N
	Notice No.: 2021-091, 2021-092, 2021-096 and 2021-109 released on 7 December 2021 and 24	16,000.00	-	-	-	-	-	-	-

	December respectively								
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	2019-12-30	2,000.00	Joint liability guaranty	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	2020-3-10	1,000.00	Joint liability guaranty	Y	1-year	Y	N
			2020-6-1	1,500.00	Joint liability guaranty	Y	9.5-months	Y	N
			2020-6-18	500.00	Joint liability guaranty	Y	8.6-months	Y	N
			2020-8-24	2,000.00	Joint liability guaranty	Y	1-year	Y	N
			2020-9-25	3,000.00	Joint liability guaranty	Y	1-year	Y	N
			2020-11-19	1,000.00	Joint liability guaranty	Y	1-year	Y	N
			2020-12-25	2,000.00	Joint liability guaranty	Y	1-year	Y	N
	Notice No.: 2020-097, 2020-098, 2020-101 and 2020-107 released on 11 December 2020 and 30 December respectively	26,000.00	2021-5-24	5,000.00	Joint liability guaranty	Y	1-year	N	N
			2021-9-26	6,000.00	Joint liability guaranty	Y	1-year	N	N
Notice No.: 2021-091, 2021-092, 2021-096 and 2021-109 released on 7 December 2021 and 24 December respectively	26,000.00	-	-	-	-	-	-	-	-
Sichuan Changhong Air-conditioner Co., Ltd.	Notice No.: 2020-097, 2020-098, 2020-101 and 2020-107 released on 11	100,000.00	2021-9-24	5,000.00	Joint liability guaranty	Y	1-year	N	N

	December 2020 and 30 December respectively		2021-12-7	15,000.00	Joint liability guaranty	Y	1-year	N	N
	Notice No.: 2021-091, 2021-092, 2021-096 and 2021-109 released on 7 December 2021 and 24 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	6,345 ^{注1}	2019-12-23	2,103.51	Joint liability guaranty	Y	1-year	Y	N
			2020-12-16	1,831.50	Joint liability guaranty	Y	11.4-months	Y	N
	Notice No.: 2020-097, 2020-098, 2020-101 and 2020-107 released on 11 December 2020 and 30 December respectively	5,920.38 ^{注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	2020-4-9	10,000.00	Joint liability guaranty	Y	1-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	2021-7-8	10,000.00	Joint liability guaranty	Y	1-year	N	N
	Notice No.: 2021-091, 2021-092, 2021-096 and 2021-109 released on 7 December 2021 and 24 December respectively	15,000.00	-	-	-	-	-	-	-
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	2020-3-20	1,000.00	Joint liability guaranty	Y	1-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	-	-	-	-	-	-	-
	Notice No.: 2021-091, 2021-092,	3,000.00	-	-	-	-	-	-	-

	2021-096 and 2021-109 released on 7 December 2021 and 24 December respectively								
Hefei Meiling Group Holdings Limited	Notice No.: 2019-090 and 2020-002 released on 26 December 2019 and 11 January 2020 respectively	50000.00	2020-3-26	6,000.00	Joint liability guaranty	Y	1-year	Y	N
	Notice No.: 2020-097, 2020-098, 2020-101 and 2020-107 released on 11 December 2020 and 30 December respectively	50,000.00	2020-12-30	10,000.00	Joint liability guaranty	Y	1-year	Y	N
			2021-3-5	5,000.00	Joint liability guaranty	Y	1-year	N	N
	Notice No.: 2021-091, 2021-092, 2021-096 and 2021-109 released on 7 December 2021 and 24 December respectively	40,000.00	-	-	-	-	-	-	-
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	2021-7-28	2,000.00	Joint liability guaranty	Y	1-year	N	N
			2021-7-29	5,000.00	Joint liability guaranty	Y	1-year	N	N
			2021-8-30	5,000.00	Joint liability guaranty	Y	1-year	N	N
			2021-10-13	2,000.00	Joint liability guaranty	Y	1-year	N	N
			2021-12-9	4,000.00	Joint liability guaranty	Y	11-months	N	N
	Notice No.: 2021-091, 2021-092, 2021-096 and 2021-109 released on 7 December 2021 and 24 December respectively	35,000.00	-	-	-	-	-	-	-
	Total amount of approving guarantee for subsidiaries in report period (B1)		410,000.00		Total amount of actual occurred guarantee for subsidiaries in report period (B2)		377,835.01		
Total amount of approved guarantee for subsidiaries at the end of		766,000.00		Total balance of actual guarantee for subsidiaries at		190,000.00			

reporting period (B3)				the end of reporting period (B4)							
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 applicable)	Counter guarantee (if applicable)	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	2021-4-30	500	Joint and several liability	-	-	11-months	N	N	
	Notice No.: 2021-091, 2021-092, 2021-096 and 2021-109 released on 7 December 2021 and 24 December respectively	5,000.00	-	-	-	-	-	-	-	-	
Anhui Ling'an Medical Equipment Co., Ltd.	Notice No.: 2021-091, 2021-092, 2021-096 and 2021-109 released on 7 December 2021 and 24 December respectively	5,000.00	-	-	-	-	-	-	-	-	
Total amount of approving guarantee for subsidiaries in report period (C1)		16,000.00		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)		16,000.00		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)		426,000.00		Total amount of actual occurred guarantee in report period (A2+B2+C2)						378,335.01	
Total amount of approved guarantee at the end of report period (A3+B3+C3)		782,000.00		Total balance of actual guarantee at the end of report period (A4+B4+C4)						190,500.00	
Ratio of actual guarantee (A4+B4+C4) in net assets of the Company				39.38%							
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)				123,000.00							
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)	123,000.00
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 7.05 yuan 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 6.5782 yuan on November 31, 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. During the reporting period, the highest level of security the Company provided amounted to 4,260,000,000 yuan by the approval, the actual amount of guarantee is 3,783,350,100 yuan. At the end of the reporting period, the practical guarantee balance amounted to 1,905,000,000 yuan, accounting for the Company's latest net assets ratio of 39.38%.

Explanation on guarantee with composite way: Not applicable

(iii) Entrust others to cash asset management

1. Trust financing

Applicable Not applicable

Trust financing in the period

In 10 thousand yuan

Type	Capital resources	Amount for entrust	Undue balance	Overdue amount	Impairment amount for overdue financial management
Bank financing products	Idle raised funds	20,000	0	0	0
	Own idle funds	160,900	0	0	0
Total		180,900	0	0	0

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

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 withdrawing (if applicable)	Whether approved by legal procedure (Y/N)	Whether has entrust finance 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	2021-1-15	2021-7-15	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	181.00	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	2021-1-18	2021-4-19	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%	157.07	157.07	157.07	N/A	Y	Not applicable	Juchao Website(www.cninfo.com.cn) (Notice No.: 2021-003)
Anhui Province Branch of Bank of Communications Co., Ltd	Bank	Principal-guaranteed with floating income	10,000.00	Idle own funds	2021-1-19	2021-4-19	Bank of Communications operates the funds raised by structured deposit products in a unified manner and manages them in accordance with the	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.:

							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.									2021-003)
Hefei Branch of Bank of China Co., Ltd.	Bank	Capital guaranteed minimum return type	10,000.00	Idle own funds	2021-1-18	2021-7-14	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	176.03	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	2021-1-20	2021-7-21	A structured deposit product, 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	86.46	86.46	N/A	Y	Not applicable	Juchao Website(www.cninfo.com.cn) (Notice No.: 2021-003)
Mianyang Branch of Bank of	Bank	Capital guaranteed minimum	20,000.00	Idle own funds	2021-1-18	2021-4-20	The funds raised by this product will be operated uniformly by the Bank of China and managed in accordance with	Annualized returns: 3.54%	3.54%	178.45	178.45	178.45	N/A	Y	Not applicable	Juchao Website(www.cn

China Co., Ltd.		return type					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.									info.com.cn) (Notice No.: 2021-003)
Hefei Branch of China Everbright Bank	Bank	Principal-guaranteed with floating income	5,000.00	Idle own funds	2021-1-15	2021-4-15	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)
Chengdu Branch of Bohai Bank Co., Ltd.	Bank	Principal-guaranteed with floating income	10,000.00	Idle own funds	2021-1-20	2021-7-21	A structured deposit product, 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	172.91	172.91	N/A	Y	Not applicable	Juchao Website(www.cninfo.com.cn) (Notice No.: 2021-004)
Hefei Changdong Branch of ICBC	Bank	Principal-guaranteed with floating income	10,000.00	Idle own funds	2021-1-26	2021-4-28	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	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)

							linked 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 Luyang Branch of Bank of Hangzhou Co., Ltd.	Bank	Principal-guaranteed with floating income	5,000.00	Idle own funds	2021-5-6	2021-7-6	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 published on the Bloomberg page "BFIX" at 14:00 Beijing time on the observation date.	Annualized returns: 3.20%	3.20%	26.74	26.74	26.74	N/A	Y	Not applicable	Juchao Website(www.cninfo.com.cn) (Notice No.: 2021-036)
Mianyang Branch of Bank of Communications Co., Ltd.	Bank	Principal-guaranteed with floating income	10,000.00	Idle own funds	2021-5-10	2021-7-1	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: 3.31%	3.31%	47.16	47.16	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	2021-5-6	2021-7-9	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	Annualized returns: 3.30%	3.30%	28.88	28.88	28.88	N/A	Y	Not applicable	Juchao Website(www.cninfo.com.cn) (Notice No.: 2021-036)

							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	2021-5-8	2021-7-7	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 returns: 3.28%	3.28%	26.96	26.96	26.96	N/A	Y	Not applicable	Juchao Website(www.cninfo.com.cn) (Notice No.: 2021-037)
Hefei Branch of Bank of China Ltd.	Bank of Co., Ltd.	Capital guaranteed minimum return type	5,000.00	Idle own funds	2021-5-10	2021-6-22	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: 3.29%	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	2021-5-27	2021-8-27	This product is a structured deposit product, the structured derivatives of which are linked to the CSI 500 index.	Annualized returns: 3.40%	3.40%	102.84	102.84	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	Idle own funds	2021-7-1	2021-10-8	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	Annualized returns: 3.20%	3.20%	20.83	20.83	20.83	N/A	Y	Not applicable	Juchao Website(www.cninfo.com.cn) (Notice No.: 2021-048)

							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.									
Zhongshan Branch of Bank of Communications	Bank	Principal-guaranteed with floating income	1,500.00	Idle own funds	2021-8-25	2021-12-1	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: 3.17%	3.17%	12.77	12.77	12.77	N/A	Y	Not applicable	Juchao Website(www.cninfo.com.cn) (Notice No.: 2021-071)
Hefei Luyang Branch of Bank of Hangzhou Co., Ltd.	Bank	Principal-guaranteed with floating income	3,000.00	Idle own funds	2021-8-26	2021-12-4	The structured deposit product, the derivative products are partially linked to the spot rate published on Bloomberg page "BFIX" at 14:00 BST on the observation day	Annualized returns: 3.3%	3.30%	27.12	27.12	27.12	N/A	Y	Not applicable	Juchao Website(www.cninfo.com.cn) (Notice No.: 2021-071)
Hefei Branch of Bank of East Asia (China) Co., Ltd.	Bank	Principal-guaranteed with floating income	6,000.00	Idle own funds	2021-8-25	2021-11-26	A deposit embedded in financial derivative products taken by banks, the products that allows depositors to earn a corresponding return while bearing a certain level of risks by linking it to the exchange rate fluctuations	Annualized returns: 3.35%	3.35%	51.93	51.93	51.93	N/A	Y	Not applicable	Juchao Website(www.cninfo.com.cn) (Notice No.: 2021-071)
Hefei Branch of Bank of China Co., Ltd.	Bank	Capital guaranteed minimum return type	6,000.00	Idle own funds	2021-8-26	2021-11-24	The fund raised by the product is operated by Bank of China and managed in accordance with the principle of separating the underlying deposit from the derivative transactions. Principal of the proceeds is included in the unified operation and management of Bank of China's internal funds, and	Annualized returns: 3.4%	3.40%	50.30	50.30	50.30	N/A	Y	Not applicable	Juchao Website(www.cninfo.com.cn) (Notice No.: 2021-072)

							included in the payment scope of deposit reserves and deposit insurance premiums. The embedded derivative invested in derivative markets such as exchange rates, interest rates, commodities and indices, and the ultimate performance of the product is linked to the derivatives.									
Hefei Branch of China Guangfa Bank Co., Ltd.	Bank	Principal-guaranteed with floating income	5,000.00	Idle own funds	2021-8-30	2021-11-30	Principal of the structured deposit is included in the unified operation and management of Guangdong Development Bank, investor's returns from the structured deposit depend on the performance of the Shanghai Gold 2112 contract during the observation period	Annualized returns: 3.3%	3.30%	41.59	41.59	41.59	N/A	Y	Not applicable	Juchao Website(www.cninfo.com.cn) (Notice No.: 2021-073)
Hefei Branch of Bank of East Asia (China) Co., Ltd.	Bank	Principal-guaranteed with floating income	3,000.00	Idle fund raised	2021-9-23	2021-12-23	A deposit embedded in financial derivative products taken by banks, the products that allows depositors to earn a corresponding return while bearing a certain level of risks by linking it to the exchange rate fluctuations	Annualized returns: 3.4%	3.40%	25.78	25.78	25.78	N/A	Y	Not applicable	Juchao Website(www.cninfo.com.cn) (Notice No.: 2021-076)
Hefei Branch of Bank of China Co., Ltd.	Bank	Capital guaranteed minimum return type	3,000.00	Idle fund raised	2021-9-22	2021-12-23	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: 3.41%	3.41%	25.79	25.79	25.79	N/A	Y	Not applicable	Juchao Website(www.cninfo.com.cn) (Notice No.: 2021-076)
Hefei Branch of China	Bank	Principal-guaranteed with floating	2,000.00	Idle fund raised	2021-9-24	2021-12-23	Principal of the structured deposit is included in the unified fund operation and management of Guangdong	Annualized returns: 3.3%	3.30%	16.27	16.27	16.27	N/A	Y	Not applicable	Juchao Website(www.cn

Guangfa Bank Co., Ltd.		income					Development Bank, returns on the structured deposit from investors depend on the performance of gold during the observation period									info.com.cn) (Notice No.: 2021-076)
Zhongsan Branch of Bank of Communications	Bank	Principal-guaranteed with floating income	3,000.00	Idle own funds	2021-9-27	2021-12-30	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: 3.17%	3.17%	24.49	24.49	24.49	N/A	Y	Not applicable	Juchao Website(www.cninfo.com.cn) (Notice No.: 2021-077)
Hefei Science and Technology Sub-branch of Bank of Dongguan Co., Ltd.	Bank	Principal-guaranteed with floating income	1,000.00	Idle own funds	2021-9-30	2021-12-31	Principal of the structured deposit is included in on-balance sheet accounting and managed in accordance with the deposit, and included in the payment range payment of deposit reserves and deposit insurance premiums, relevant assets are capitalized and provided for in line with the relevant regulations of banking supervision institutions of the State Council. The ultimate actual return of structured deposits depends on the performance of underlying markets and is influenced by a variety of factors in the market.	Annualized returns: 3.45%	3.45%	8.70	8.70	8.70	N/A	Y	Not applicable	Juchao Website(www.cninfo.com.cn) (Notice No.: 2021-078)
Hefei Luyang Branch of Hangzhou Co., Ltd.	Bank	Principal-guaranteed with floating income	1,000.00	Idle own funds	2021-9-30	2021-12-30	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 published on the Bloomberg page "BFIX" at 14:00 Beijing time on the observation date.	Annualized returns: 3.25%	3.25%	8.10	8.10	8.10	N/A	Y	Not applicable	Juchao Website(www.cninfo.com.cn) (Notice No.: 2021-078)
Hefei	Bank	Principal-guaranteed	1,000.00	Idle own	2021-9-28	2021-12-2	This product is an embedded financial	Annualize	3.15%	7.88	7.88	7.88	N/A	Y	Not	Juchao

Branch of China Everbright Bank		Guaranteed with floating income		funds		8	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.	d returns: 3.15%							applicable	Website(www.cninfo.com.cn) (Notice No.: 2021-078)
Zhongshan Branch of China Guangfa Bank Co., Ltd.	Bank	Principal-guaranteed with floating income	1,000.00	Idle own funds	2021-11-2	2021-12-27	Principal of the structured deposit is included in the unified operation and management of Guangdong Development Bank, investor's returns from the structured deposit depend on the performance of CSI 500 during the observation period	Annualized returns: 3.4%	3.40%	5.12	5.12	5.12	N/A	Y	Not applicable	Juchao Website(www.cninfo.com.cn) (Notice No.: 2021-088)
Total			180,900.00	--	--	--	--	--	--	1,731.30	1,699.53	--	--	--	--	--

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

Applicable Not applicable

2. Entrust loans

Applicable Not applicable

No entrust loans in the period.

(iv) Other material contracts

Applicable Not applicable

No other material contracts in the period.

XVI. 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 Juchao Website (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 Juchao Website (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 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 Juchao Website (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.

4. 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 Juchao Website (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.

5. 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 Juchao

Website (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.

6. 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 Juchao Website (www.cninfo.com.cn) that the Company disclosed in the form of announcement (Announcement No. 2021-013) on 31 March 2021.

7. The resolution of the 6th session of the 10th BOD 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 Juchao Website (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.

8. The 6th session of the 10th BOD 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 Juchao Website (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.

9. 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 10th BOS. Found more on appointed media “Securities Times”, “China Securities Journal”, “Hong Kong Commercial Daily” and Juchao Website (www.cninfo.com.cn) that the Company disclosed in the form of announcement (Announcement No. 2021-023) on 31 March 2021.

10. 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 Juchao Website (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.

11. The 7th session of the 10th BOD, the 6th session of the 10th BOS 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 Juchao Website (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.

12. The resolution of the 8th session of the 10th BOD 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 Juchao Website (www.cninfo.com.cn) that the Company disclosed in the form of announcement (Announcement No. 2021-038 and 2021-039) on 27 May 2021.

13. During the reporting period, the company and its holding subsidiaries received various government subsidies totaling 47,129,394.72 yuan. The company disclosed the details in the form of announcement (Announcement No. 2021-047) on the designated information disclosure media, such as Securities Times, China Securities Journal, Hong Kong Commercial Daily and Juchao Website (www.cninfo.com.cn), on July 1, 2021.

14. As approved by the resolutions of the 9th session of the 10th BOD, the 7th session of the 10th BOS and the second extraordinary general meeting of shareholders in 2021, it was agreed that all directors, supervisors and senior executives of the company would purchase liability insurance. For details, the company disclosed on the designated information disclosure media such as Securities Times, China Securities Journal, Hong Kong Commercial Daily and Juchao Website (www.cninfo.com.cn), on July 13, 2021 and July 29, 2021 in the form of announcement (Announcements No. 2021-050, No. 2021-051, No. 2021-052, No. 2021-058).

15. As approved by the resolution of the 10th session of the 10th BOD of the company, it was agreed that the company would invest 15,052,900 yuan to rebuild the substation in the refrigerator park of the Hefei manufacturing base, thus providing a strong guarantee for the sustainable development of the company's production and operation. The company disclosed the details in the form of announcement (Announcement No. 2021-060) on the designated information disclosure media, such as Securities Times, China Securities Journal, Hong Kong Commercial Daily and Juchao Website (www.cninfo.com.cn), on August 18, 2021.

16. As approved by the resolution of the 10th session of the 10th BOD of the company, it was agreed that the

company would invest an estimate of 30,913,100 yuan in the relocation and expansion of the extrusion line at the Hefei refrigerator manufacturing base, thereby ensuring the improvement of the company's manufacturing capacity and production and operation needs. The company disclosed the details in the form of announcement (Announcement No. 2021-060) on the designated information disclosure media, such as Securities Times, China Securities Journal, Hong Kong Commercial Daily and Juchao Website (www.cninfo.com.cn), on August 18, 2021.

17. As approved by the resolution of the 10th session of the 10th BOD of the company, it was agreed that the company would hand over the idle land use rights and buildings located at Area A, Longgang Industrial Zone, Yaohai District, Hefei City to the government for expropriation. The total area of land use rights expropriated this time was 16,370 square meters (about 24.56 mu), with a total building area of 5,728.92 square meters, and the total expropriation compensation was about 18.9243 million yuan. The company disclosed the details in the form of announcement (Announcement No. 2021-060 & No. 2021-064) on the designated information disclosure media, such as Securities Times, China Securities Journal, Hong Kong Commercial Daily and Juchao Website (www.cninfo.com.cn), on August 18, 2021.

18. As approved by the resolution of the 12th session of the 10th BOD of the company, it was agreed to appoint Ms. Pan Haiyun as the company's securities affairs representative to assist the secretary of the board in performing duties. The company disclosed the details in the form of announcement (Announcement No. 2021-081 & No. 2021-084) on the designated information disclosure media, such as Securities Times, China Securities Journal, Hong Kong Commercial Daily and Juchao Website (www.cninfo.com.cn), on October 20, 2021.

19. As approved by the resolutions of the 12th session of the 10th BOD and the fourth extraordinary general meeting of shareholders in 2021, it was agreed that the company would apply for a special credit line of bill pool of up to 500 million yuan from Hefei Branch of Hua Xia Bank Co., Ltd., and apply for a special credit line of bill pool of up to 600 million yuan from Hefei Branch of Bank of Hangzhou Co., Ltd., and apply for a special credit line of bill pool of up to 1 billion yuan from Hefei Branch of Bank of Communications Co., Ltd., the term of credit is one year, and the credit varieties are mainly used for the special business of the bill pool, adopting bill pledge method. The company disclosed the details in the form of announcement (Announcement No. 2021-081, No. 2021-085, and No. 2021-109) on the designated information disclosure media, such as Securities Times, China Securities Journal, Hong Kong Commercial Daily and Juchao Website (www.cninfo.com.cn), on October 20, 202 and December 24, 2021.

20. As approved by the resolutions of the 13th session of the 10th BOD and the fourth extraordinary general meeting of shareholders in 2021, in order to maintain the company's value and shareholders' rights and interests, and in light of the company's actual situation and business development needs, it was agreed that the company would revise the subject of soliciting voting rights in the Articles of Association and the Rules of Procedure for General Meeting of Shareholders. The company disclosed the details in the form of announcement (Announcement No. 2021-091, No. 2021-093, No. 2021-0109) on the designated information disclosure media, such as Securities Times, China Securities Journal, Hong Kong Commercial Daily and Juchao Website (www.cninfo.com.cn), on December 7, 2021 and December 24, 2021.

21. As approved by the resolutions of the 13th session of the 10th BOD, the 11th session of the 10th BOS and the

fourth extraordinary general meeting of shareholders in 2021, it was agreed that the company would provide credit guarantees of 3.85 billion yuan for its wholly-owned and holding subsidiaries in 2022. For the newly increased guarantee amount in 2022 and the amount for renewal in 2022, the guarantee period is one year. The company disclosed the details in the form of announcement (Announcement No. 2021-091, No. 2021-092, No. 2021-96, No. 2021-109) on the designated information disclosure media, such as Securities Times, China Securities Journal, Hong Kong Commercial Daily and Juchao Website (www.cninfo.com.cn), on December 7, 2021 and December 24, 2021.

22. As approved by the resolutions of the 13th session of the 10th BOD, the 11th session of the 10th BOS and the fourth extraordinary general meeting of shareholders in 2021, it was agreed that the company and its subsidiaries would use their own idle funds not exceeding 1.3 billion yuan (The quota can be used on a rolling basis) to invest in the high-security, good-liquidity, low-risk, and stable bank financial products of product maturity within one year, the authorization period is valid within one year from the date of approval by the company's general meeting of shareholders. The company disclosed the details in the form of announcement (Announcement No. 2021-091, No. 2021-092, No. 2021-97, No. 2021-109) on the designated information disclosure media, such as Securities Times, China Securities Journal, Hong Kong Commercial Daily and Juchao Website (www.cninfo.com.cn), on December 7, 2021 and December 24, 2021.

23. As approved by the 13th session of the 10th BOD of the company and the fourth extraordinary general meeting of shareholders in 2021, it was agreed that the company and its subsidiary Zhongke Meiling would carry out the asset pool business of no more than 529 million yuan with the Hefei Branch of China Zheshang Bank Co., Ltd., of which the Company's quota is not more than 500 million yuan, and the quota of Zhongke Meiling is not more than 29 million yuan. The company disclosed the details in the form of announcement (Announcement No. 2021-091, No. 2021-092, No. 2021-98, No. 2021-109) on the designated information disclosure media, such as Securities Times, China Securities Journal, Hong Kong Commercial Daily and Juchao Website (www.cninfo.com.cn), on December 7, 2021 and December 24, 2021.

24. On December 10, 2021, Mr. Chen Ye, the former director of the company, applied for his resignation as a director of the 10th BOD and a committee member of the strategy committee of the Company due to personal reasons. At the same time, as approved by the company's 14th session of the 10th BOD and the fourth extraordinary general meeting of shareholders in 2021, it was agreed to elect Mr. Zhao Qilin as a non-independent director candidate of the 10th BOD of the company, and his term of office is the same as that of the 10th BOD of the company. The company disclosed the details in the form of announcement (Announcement No. 2021-091, No. 2021-092, No. 2021-100, No. 2021-109) on the designated information disclosure media, such as Securities Times, China Securities Journal, Hong Kong Commercial Daily and Juchao Website (www.cninfo.com.cn), on December 7, 2021, December 13, 2021 and December 24, 2021.

XVII. 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 Langan Medical Equipment Co., Ltd. Found more on appointed media “Securities Times”, “China Securities Journal”, “Hong Kong Commercial Daily” and Juchao Website (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 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 Juchao Website (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.

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 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 Juchao Website (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.

4. The resolution of the 8th session of the 10th BOD 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 Juchao Website (www.cninfo.com.cn) that the Company disclosed in the form of announcement (Announcement No. 2021-038) on 27 May 2021.

5. As approved by the 15th session of the 10th BOD and the 12th session of the 10th BOS of the company, it was agreed that the affiliated company Zhiyijia Company would provide a certain proportion of performance bond for the guarantee provided by its distributors to Sichuan Changhong, adopting cash pledge method, the amount does not exceed 200 million yuan, and the performance guarantee period is one year, the specific period is subject to the guarantee contract. The company disclosed the details in the form of announcement (Announcement No. 2021-104, No. 2021-105, No. 2021-107) on the designated information disclosure media, such as Securities Times, China Securities Journal, Hong Kong Commercial Daily and Juchao Website (www.cninfo.com.cn), on December 21, 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	+112,534	+112,534	1,766,269	0.17%
3. Other domestic shares	7,551,521	0.72%	0	0	0	-2,142,288	-2,142,288	5,409,233	0.52%
Including: Domestic legal person's shares	3,978,329	0.38%	0	0	0	-93,778	-93,778	3,884,551	0.37%
Domestic natural person's shares	3,573,192	0.34%	0	0	0	-2,048,510	-2,048,510	1,524,682	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

(1) 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 9th BOD of the company expired for six months, and the restrictions on sales of total 2,029,754 shares held by them were lifted.

(2) On November 23, 2021, there are 4 shareholders with restricted shares repaid the consideration shares paid in advance and rights & interests distributed to Meiling Group during the share merger reform, amount of 225,066 shares in total, account for 0.0215% of the total share capital of the Company

At the same time, in August 2008, according to the "Reply on Issues Concerning the Free Transfer of Shares Held by State-owned Shareholders of Hefei Meiling Co., Ltd." issued by the State-owned Assets Supervision and Administration Commission of the State Council, the 34,359,384 state shares held by Meiling Group (including the 3,360,329 state shares advanced by Meiling Group on behalf of other non-tradable shareholders during the company's share reform) should be transferred to Hefei Xingtai Holdings Group Co., Ltd. (hereinafter referred to as "Xingtai Holdings") for free. In December 2015, according to the "Reply on Issues Concerning the Free Transfer of Shares Held by State-owned Shareholders of Hefei Meiling Co., Ltd." issued by the State-owned Assets Supervision and Administration Commission of the State Council, the 49,477,513 state shares held by Xingtai Holdings (including 1,654,112 shares prepaid on behalf of shareholders of other temporarily non-tradable shares in the reform of non-tradable shares of the company that have not been recovered) should be transferred to Hefei Industry Investment Holding (Group) Co., Ltd. (hereinafter referred to as "Hefei Industry Investment Group") free of charge. Therefore, the shares advanced by Meiling Group on behalf of other shareholders of non-tradable shares in the company's share structure reform and the corresponding distribution rights should be transferred to Hefei Industry Investment Group free of charge.

2. Approval of share changed

Applicable Not applicable

3. Ownership transfer of share changed

Applicable Not applicable

During the reporting period, four shareholders with restricted shares, i.e. the People's Insurance Company (Group) of China, China Life Insurance (Group) Company Ltd., Magang Community Committee of Hefei Longgang Comprehensive Economic Development Zone, and Zhang Yong, repaid to Meiling Group 225,066 shares of consideration for share reform that Meiling Group paid in advance in the reform of non-tradable shares of the Company. On November 23, 2021, the procedures for repayment of the shares paid in advance for the aforementioned reform of non-tradable shares were completed.

4. 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

5. 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 restricted	Shares released in Period	Restricted shares increased in Period	Ending shares restricted	Restricted reasons	Date for released
Zhang Xiaolong	363,525	0	363,525	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	0	528,724	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	0	66,150	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	0	1,071,355	0	Share lockup in	On April 25, 2019, due to job transfer, Li Wei no longer served

					senior executives	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	0	2,029,754	0	--	--

II. Securities issuance and listing

(i) Security offering in reporting period (Not including preferred stock)

Applicable Not applicable

(ii) Explanation on changes of total shares, shareholders structure and assets & liability structures

Applicable Not applicable

(iii) Current shares held by internal staffs

Applicable Not applicable

III. Particulars about shareholder and actual controller of the Company

(i) Amount of shareholders of the Company and particulars about shares holding

In Share

Total shareholders at end of the Period	64,872	Total common shareholders at end of last month before annual report disclosed	62,154	Total preference shareholders with voting rights recovered at end of reporting period (if applicable)	0	Total preference shareholders with voting rights recovered at end of last month before annual report disclosed (if applicable)	0	
Particulars about shares held above 5% by shareholders or top 10 shares holding								
Full name of Shareholders	Nature of shareholder	Proportion of shares held	Total shareholders at the end of report period	Changes in report period	Amount of restricted shares held	Amount of un-restricted shares held	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	-	-
CAOSHENGCHUN	Foreign legal person	1.41%	14,766,086	0	0	14,766,086	-	-
Ma Guobin	Domestic nature	1.06%	11,106,500	-2,124,554	0	11,106,500	-	-

	person							
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	-	-
Chen Qin	Domestic nature person	0.42%	4,383,888	+3,483,878	0	4,383,888	-	-
Wang Yumei	Domestic nature person	0.40%	4,175,300	+4,175,300	0	4,175,300	-	-
Wang Xinzhong	Domestic nature person	0.38%	3,934,940	+3,934,940	0	3,934,940	-	-
Strategy investors or general legal person becomes top 10 shareholders due to rights issued (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 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 December 31, 2021, the Company has repurchased a total of 14,288,639 shares of the Company through repurchase specific account for repurchase by means of centralized competitive bidding, representing 1.3679% of the total shares capital of the Company. Cancellation of the aforementioned shares are being completed in Shenzhen Branch of CSDC on March 2, 2022							
Particular about top ten shareholders with un-restrict shares held								
Shareholders' name	Amount of unrestricted shares held at end of Period	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					
CAO SHENGCHUN	14,766,086	Domestically listed foreign shares	14,766,086					
Ma Guobin	11,106,500	RMB ordinary shares	11,106,500					
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
Chen Qin	4,383,888	RMB ordinary shares	4,383,888
Wang Yumei	4,175,300	RMB ordinary shares	4,175,300
Wang Xinzhong	3,934,940	RMB ordinary shares	3,934,940
Expiation on associated relationship or consistent actors within the top 10 un-restrict shareholders and between top 10 un-restrict shareholders and top 10 shareholders	Found more in "Particulars about shares held above 5% by shareholders or top 10 shares holding"		
Explanation on top ten common shareholders involving margin business (if applicable)	As of December 31, 2021, among the top 10 common shareholders, Ma Guobin holds 10,871,600 shares of the Company through customer credit trading secured account of Founder Securities Co., Ltd., and 234,900 shares hold through common securities account, thus 11,106,500 shares of the Company are held in total. The shareholder-Wang Xinzhong holds 3,934,940 shares of the Company through customer credit trading secured account of Sinolink 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 the top ten ordinary shareholders of the company and the top 10 ordinary shareholders of unrestricted conditions have made the repurchase transactions as agreed during the reporting period.

Yes No

The top ten ordinary shareholders of the company and the top 10 ordinary shareholders of unrestricted conditions have not made the repurchase transactions as agreed during the reporting period.

(ii) Controlling shareholder of the Company

1. Nature of controlling shareholders: local state-owned holding

2. Type of controlling shareholders: legal person

Controlling shareholders' name	Legal rep./person in charge of unit	Dated founded	Organization code	Main business
Sichuan Changhong Electric Co., Ltd.	Zhao Yong	1993-4-8	91510700205412308D	Manufactures, sales and maintenance of household appliance, automotive electrical appliance, Electronic products and spare parts, communications equipment, lighting equipment, household products, computer and other Electronic equipment, specialized equipment of Electronic and Electronic, Electronic machinery and equipment, series products of batteries, Electronic medicine products, Electronic equipment, mechanical equipment, Refrigeration equipment and accessories digital monitoring products, metal products, apparatus and instruments, culture and office machines, culture and education and sports products, kitchen cabinet and gas appliance; house and equipment rental; packing products and technical services; road

				transportation; storage and discharging convey; R&D, sales and services of integrated circuit and software; consultancy and services of enterprise management; hi-tech project investment and other state-permitted business; development and operation of property; engineering construction for house and buildings; callback and disposal of obsolete appliance and Electronic products; services of Information Technology; consultancy and services of finance; sales, relevant import and export business of Chemical raw materials and products(Not contain dangerous chemicals), building materials, non-ferrous metal, Steel, plastics, packing material, mechanical and electrical equipment, Precious metals, Automotive components, Electronic components, Value added telecommunication service, agent service of telecommunication; designing, manufacturing, releasing and agency for the advertisement; Radio and television program production; Internet information services (excluding investment, finance and securities); audio and video production and services; R&D and design of the drone and unmanned aerial vehicle system as well as the promotion of drone technology; transfer and technical consulting service, production and sales of drone (any projects that needs permission by the law should subject to the approval by relevant authority)
Equity controlling and jointly of other foreign/domestic listed company by controlling shareholder in reporting period				<p>1. Ended as 31 December 2021, Sichuan Changhong directly holds 212,994,972 shares of Changhong Huayi Compressor Co., Ltd. (Stock code: 000404)- a company listed on the main board of the Shenzhen Stock Exchange, accounting for 30.60% of the equity of Changhong Huayi Compressor Co., Ltd.</p> <p>2. Ended as 31 December 2021, Sichuan Changhong directly and indirectly holds 1,990,518,000 ordinary shares and preferred shares in total of Changhong Jiahua Holdings Co., Ltd. (Stock code: 03991) - a company listed on the main board of Hong Kong Stock Exchange, accounting for 77.44% of the whole ordinary shares and preferred shares under the name of Changhong Jiahua Holdings Co., Ltd.</p> <p>3. Ended as 31 December 2021, Sichuan Changhong directly holds 68,000,000 shares of Sichuan Changhong Minsheng Logistics Co., Ltd (stock code:836237)- the company with shares transferring in National Equities Exchange and Quotations, accounting for 55.399% of the equity of Sichuan Changhong Minsheng Logistics Co., Ltd.</p>

3. Controlling shareholder changes in reporting period

Applicable Not applicable

Controlling shareholder stays the same in Period.

(iii) Actual controller of the Company and its person acting in concert

1. Nature of actual controller: local state-owned assets management

2. Type of actual controller: legal person

Actual controller	Legal rep./person in charge of unit	Dated founded	Organization code	Main business
State-owned Assets Supervision & Administration Commission of Mianyang Municipality	--	--	--	State-owned Assets Supervision & Administration Commission of Mianyang Municipality is entrusted by the same level government, together performs decision-making

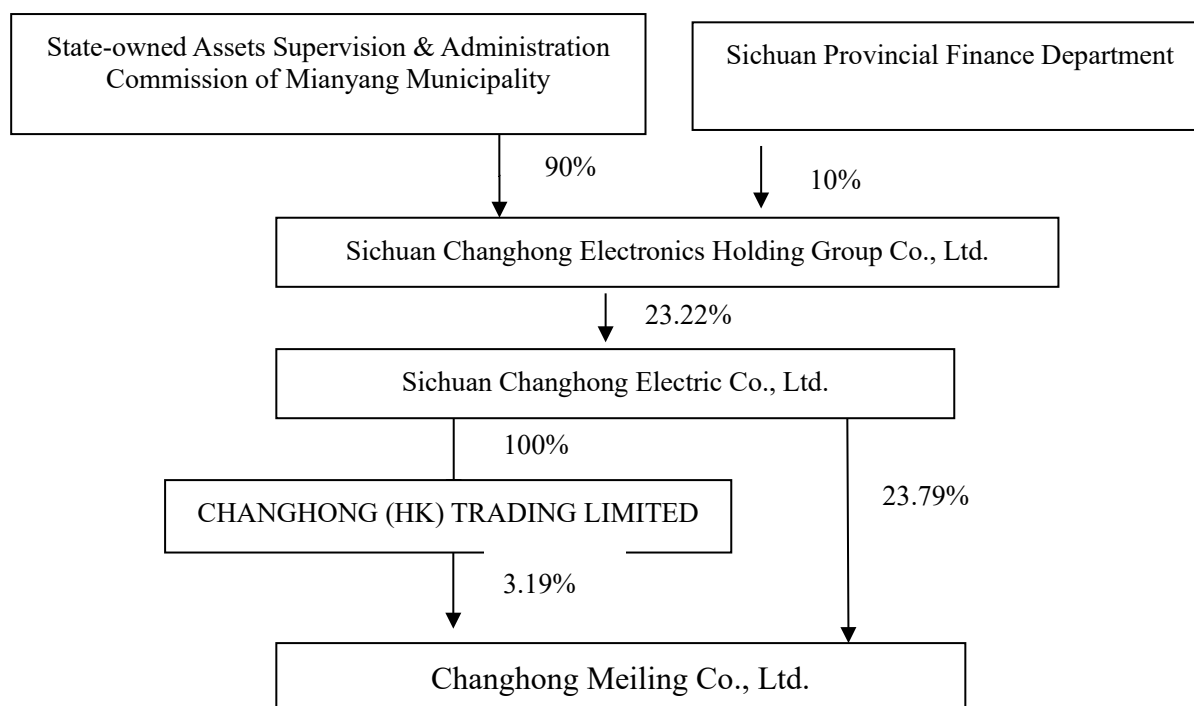
				and management of state-owned asset owners, and is one organization which executes comprehensive management and supervision on its belonged state-owned assets.
Equity controlling of other foreign/domestic listed company by actual controller in reporting period	Not applicable			

3. Changes of actual controller in Period

Applicable Not applicable

Actual controller stays the same in Period

4. Property rights and the block diagram of the control relationship between the Company and the actual control (ended as 31st December 2021)



5. Actual controller controlling the Company by means of entrust or other assets management

Applicable Not applicable

(iv) The total number of shares pledged by controlling shareholders or the first majority shareholder and its persons acting in concert accounts for 80% of the shares held by them

Applicable Not applicable

(v) Other legal person’s shareholders with over ten percent shares held

Applicable Not applicable

(vi) Limitation and reducing the holdings of shares of controlling shareholders, actual controllers,

restructuring side and other commitment subjects

Applicable Not applicable

IV. The specific implementation of shares repurchased/buy-back during the reporting period**(i) Implementation progress of shares buy-back**

Applicable Not applicable

Scheme disclosure time	Number of shares to be repurchased/buy-back	Percentage of total share capital	Amount to be repurchased/buy-back	Proposed repurchase/buy-back period	Purpose	Quantity repurchased/buy-back (shares)	The ratio of the number of shares repurchased to the underlying shares involved in the equity incentive plan (if applicable)
2020-7-28, 2021-8-25	25,074,181 shares-50,148,363 shares	2.40%-4.80%	Not less than 50 million yuan and not more than 100 million yuan.	18 August 2020 to 18 February 2022	Buy-back of the B-share will be canceled in accordance with the laws and registered capital of the Company will be reduced accordingly	14,674,166	-

Note: The company's 40th session of the 9th BOD, the 21st session of the 9th BOS, 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. With purpose of continuing the implementation of B-share repurchase, the *Continue Implementation and Adjustment Partially of the Repurchase Program of Certain Domestic Listed Foreign Shares (B Share)* was deliberated and approved by the 11th session of 10th BOD, 9th session of 10th BOS and Third Extraordinary Shareholders General Meeting of 2021 dated August 24, 2021 and September 10, 2021. Found more on announcement (Notice No.:2020-047, 2020-048, 2020-049, 2020-063, 2020-066, 2020-067, 2020-068, 2020-069 and 2021-075) 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 February 18, 2022, and repurchased 14,674,166 shares of the company by centralized bidding through a dedicated securities account for repurchase, accounting for 1.4048% of the company's total share capital, the highest transaction price was HK\$2.36/share, the lowest transaction price was HK\$1.87/share, and the total amount of self-owned funds paid was HK\$32,558,454.08 (excluding transaction fees such as stamp duty and commission). Cancellation of the aforementioned shares are being completed in Shenzhen Branch of CSDC on March 2, 2022, found more on announcement (Notice No.:2022-011) released on appointed media China Securities Journal, Securities Times, Hong Kong Commercial Daily and Juchao Website.

(ii) Implementation progress of reducing holdings of shares buy-back by centralized bidding

Applicable Not applicable

Section VIII. Preferred Stock

Applicable Not applicable

The Company had no preferred stock in the Period

Section IX. Bonds

Applicable Not applicable

Section X. Financial Report

I. Audit report

Type of audit opinion	Standard unqualified opinion
Date for signing the report	2022-03-29
Name of audit institute	Shine Wing Certified Public Accountants (LLP)
Serial of Auditing Report	XYZH/2022CDAA70131
Name of CPA	Li Xifu, Wang Xiaodong

Auditor's Report

XYZH/2022CDAA70131

To Shareholders of Changhong Meiling Co., Ltd.:

I. Auditor's opinion

We, as the auditors, audited the financial statements of Changhong Meiling Co., Ltd. (the "Company"), which included the consolidated balance sheet as of 31 December 2021, the consolidated statement of income, the consolidated statement of cash flow and the consolidated statement of changes in equity of the Company for Current Year ended 31 December 2021, together with the relevant notes thereto.

We are the view that the attached financial statements are prepared in accordance with the Business Accounting Standards in all material aspects, which reflect fairly the consolidated financial position of the Company as of 31 December 2021 and the operating results and cash flow of the Company for Current Year of 2021.

II. Basis for audit opinions

We conducted this audit under the requirements of the Auditing Standards of the Certified Public Accountant of the PRC. The section headed "Certified Public Accountant's responsibility for audit of financial statement" in the audit report has further clarified our responsibilities under these standards. Pursuant to the code of professional conduct as certified public accountant in the PRC, we are independent of the Company and have performed other responsibility as required by our professional ethics. We believe that the audit evidence obtained by us is sufficient and adequate, which provides foundation for us to issue audit opinion.

III. Key audit issues

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of

the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matter we identified is as follows:

1.Recognition of revenue	
Please refer to note (iv) 28 and note (vi) 43.	
Key audit matters	Audit address
<p>Sales revenue of the Company was mainly sourced from sales of refrigerator, air conditioner, small household appliances and kitchen and washing machines to both domestic and overseas customers. As indicated in note (vi) 43 of the financial statement - Operating income and cost, the operating income was RMB18,032,957,501.44 in 2021. Since the truthfulness and completeness of revenue recognition has material impact on operating results, we attached great importance to recognition of sales revenue.</p>	<p>Main auditing procedures for revenue recognition are including:</p> <ol style="list-style-type: none"> 1) know and test the cycle internal control of sales and collection, to assess the design and effectiveness of the internal control; 2) understand the business substance, inspect significant sales contract and the corresponding sales invoice, on a random basis, receipt of notes, delivery information confirmed through systems, verify that whether revenue was recognized upon satisfaction of required conditions and whether the revenue recognition was made in right timing, and verify that whether profit was adjusted through aggressive sales policy; 3) Carry out supervision and other procedures to the important inventory at end of the period, well-known the progress of the contracts and follow up the abnormal situations found in inspection; 4) Conduct inquiry through issue of letters, and carry out additional audit procedures for the items for which reply was abnormal; 5) review collection of trade receivables, confirm the conformity between the entities owing receivables and name of customers to verify whether there was collection of receivables from third parties, to review the truthfulness of the collection and revenue; 6) review collection of receivables in subsequent period; 7) make cut-off test and analysis re-review on revenue.
2.Capitalization of development expense	
Please refer to note (iv)21 and note (vi) 17	
Key audit matters	Audit address
<p>The development expense occurred for research and development of non-patent technology in 2021 was RMB 185,278,347.99, which was capitalized and accounted for as development expense in the consolidated financial statement. Development expense could only be capitalized upon satisfaction of all the capitalization conditions set out in note (iv) 21 to the financial statement. Since to confirm whether all the capitalization conditions are met requires the management to make significant judgment and estimate, we deem this matter important in the context of our audit.</p>	<ol style="list-style-type: none"> 1) Understand the key control of capitalization of development expenditures, implement internal control audit procedures, understand the scope and accounting methods of development expenditures, understand and make research and development on related control systems and processes, and test the effectiveness of relevant internal control design and operation; 2) Implementation: compare the developed projects in intangible assets with machinery models for external sales, and re-verify the truthfulness of capitalization of completely developed projects 3) Dual purpose testing: inspect the project reports and inspection and acceptance reports formed during the research and development and commercialization of developed products, and judge the sufficiency of basis for accounting of development expense

IV. Other information

The management of Changhong Meiling Co., Ltd. (the “Management”) is responsible for other information which includes the information covered in the Company’s 2021 annual report excluding the financial statement and our audit report.

The audit opinion issued by us for the financial statement has not covered other information, for which we do not

issue any form of assurance opinions.

Considering our audit on financial statements, we are liable to read other information, during which, we shall consider whether other information differs materially from the financial statements or that we understand during our audit, or whether there is any material misstatement.

Based on the works executed by us, we should report the fact if we find any material misstatement in other information. In this regards, we have nothing to report.

V. Responsibilities of management and those charged with governance for the financial statements

The management is responsible for the preparation of the financial statements in accordance with the Accounting Standards for Enterprise to secure a fair presentation, and for the design, establishment and maintenance of the internal control necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

VI. Responsibilities of the auditor for the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our audit opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the CAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the CAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- (1) identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are

appropriate in the circumstances.

(3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

(4) Conclude on the appropriateness of the management's use of the going concern assumption and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required by the CAS to draw users' attention in audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify audit opinion. Our conclusions are based on the information obtained up to the date of audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(5) Evaluate the overall presentation, structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express audit opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for audit opinion.

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

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

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

Shine Wing Certified Public Accountants Chinese CPA:Li XiFu (engagement partner)

(LLP)

Chinese CPA: Wang XiaoDong

Beijing China

29 March 2022

II. Financial statements

Units in Notes of Financial Statements is RMB

1. Consolidated Balance Sheet

Prepared by CHANGHONG MEILING CO., LTD. December 31, 2021

In RMB

Item	December 31, 2021	December 31, 2020
Current assets:		
Monetary funds	5,938,823,396.21	6,594,786,789.98
Settlement provisions		
Capital lent		
Trading financial assets	17,997,086.19	47,242,339.07
Derivative financial assets		
Note receivable	2,216,752.22	340,421,386.71
Account receivable	1,440,874,691.28	1,130,275,780.66
Receivable financing	1,808,109,301.56	1,632,388,702.83
Accounts paid in advance	29,766,797.34	30,105,373.40
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Other account receivable	111,652,635.86	145,705,978.26
Including: Interest receivable		
Dividend receivable		
Buying back the sale of financial assets		
Inventories	1,356,357,419.80	1,715,354,951.43
Contractual assets		
Assets held for sale		
Non-current asset due within one year		
Other current assets	124,240,934.45	198,353,464.98
Total current assets	10,830,039,014.91	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	86,631,660.53	76,982,822.38
Investment in other equity instrument		
Other non-current financial assets	581,980,440.70	548,148,931.34
Investment real estate	53,149,934.45	53,888,462.00
Fixed assets	2,303,122,699.92	2,391,859,440.31
Construction in progress	98,469,862.45	60,775,088.96
Productive biological asset		
Oil and gas asset		
Right-of-use assets	45,367,918.31	

Intangible assets	953,403,100.33	936,851,520.65
Expense on Research and Development	87,728,990.86	73,028,441.56
Goodwill		
Long-term expenses to be apportioned		
Deferred income tax asset	147,488,353.28	127,185,979.94
Other non-current asset	3,087,780.59	
Total non-current asset	4,360,430,741.42	4,268,720,687.14
Total assets	15,190,469,756.33	16,103,355,454.46
Current liabilities:		
Short-term loans	622,874,652.77	1,336,209,050.55
Loan from central bank		
Capital borrowed		
Trading financial liability	12,304,272.41	4,584,076.51
Derivative financial liability		
Note payable	4,839,837,317.78	4,439,607,982.34
Account payable	2,299,103,796.88	2,851,999,684.30
Accounts received in advance		
Contractual liability	515,004,115.23	522,550,891.28
Selling financial asset of repurchase		
Absorbing deposit and interbank deposit		
Security trading of agency		
Security sales of agency		
Wage payable	247,044,421.56	290,321,776.05
Taxes payable	141,874,861.88	89,682,433.90
Other account payable	751,452,768.00	724,701,686.72
Including: Interest payable		
Dividend payable	4,753,764.56	4,466,628.25
Commission charge and commission payable		
Reinsurance payable		
Liability held for sale		
Non-current liabilities due within one year	332,718,478.25	407,825,150.74
Other current liabilities	24,373,759.16	22,923,698.73
Total current liabilities	9,786,588,443.92	10,690,406,431.12
Non-current liabilities:		
Insurance contract reserve		
Long-term loans	168,000,000.00	188,231,439.30
Bonds payable		
Including: Preferred stock		
Perpetual capital securities		
Lease liability	33,225,912.15	
Long-term account payable	1,337,643.24	1,705,323.91
Long-term wages payable	9,828,300.06	10,571,526.69
Accrual liability	11,363,601.63	62,392,735.07
Deferred income	175,664,038.83	177,377,450.12
Deferred income tax liabilities	9,670,435.45	10,575,582.33

Other non-current liabilities		
Total non-current liabilities	409,089,931.36	450,854,057.42
Total liabilities	10,195,678,375.28	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	2,682,829,400.26	2,683,837,229.12
Less: Inventory shares	26,430,571.38	9,929,336.18
Other comprehensive income	-20,903,270.57	-21,451,084.17
Reasonable reserve		
Surplus public reserve	423,111,236.90	416,364,790.43
Provision of general risk		
Retained profit	734,129,724.00	740,754,202.23
Total owner's equity attributable to parent company	4,837,334,400.21	4,854,173,682.43
Minority interests	157,456,980.84	107,921,283.49
Total owner's equity	4,994,791,381.05	4,962,094,965.92
Total liabilities and owner's equity	15,190,469,756.33	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	December 31, 2021	December 31, 2020
Current assets:		
Monetary funds	3,423,276,377.52	4,605,962,184.11
Trading financial assets	7,200,222.04	37,589,391.07
Derivative financial assets		
Note receivable	330,000.00	286,990,200.00
Account receivable	1,582,651,896.25	1,019,299,017.40
Receivable financing	1,484,609,403.08	1,561,429,139.80
Accounts paid in advance	48,212,105.70	39,571,728.09
Other account receivable	40,708,614.68	49,093,918.57
Including: Interest receivable		
Dividend receivable		
Inventories	351,523,851.67	578,905,855.30
Contractual assets		
Assets held for sale		
Non-current assets maturing within one year		
Other current assets	28,957,697.04	142,573,164.77

Total current assets	6,967,470,167.98	8,321,414,599.11
Non-current assets:		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term equity investments	1,882,557,241.66	1,834,115,835.95
Investment in other equity instrument		
Other non-current financial assets	581,980,440.70	548,148,931.34
Investment real estate	3,752,737.75	3,961,590.38
Fixed assets	1,209,058,847.63	1,229,803,474.56
Construction in progress	50,287,155.16	47,570,309.13
Productive biological assets		
Oil and natural gas assets		
Right-of-use assets	18,632,705.13	
Intangible assets	477,739,048.08	479,923,618.32
Research and development costs	44,387,584.10	42,913,363.51
Goodwill		
Long-term deferred expenses		
Deferred income tax assets	125,174,589.66	103,462,284.33
Other non-current assets	638,649.57	
Total non-current assets	4,394,208,999.44	4,289,899,407.52
Total assets	11,361,679,167.42	12,611,314,006.63
Current liabilities:		
Short-term borrowings	612,863,194.44	1,234,926,592.05
Trading financial liability	5,766,743.33	2,512,269.00
Derivative financial liability		
Notes payable	2,409,104,654.05	2,510,288,511.69
Account payable	1,356,405,016.24	1,918,960,127.71
Accounts received in advance		
Contractual liability	238,437,143.59	281,974,752.24
Wage payable	42,679,625.89	130,314,834.51
Taxes payable	20,596,813.11	19,582,700.30
Other accounts payable	909,832,533.11	624,090,798.72
Including: Interest payable		
Dividend payable	4,153,764.56	3,866,628.25
Liability held for sale		
Non-current liabilities due within one year	322,202,348.59	407,141,888.08
Other current liabilities	6,703,328.85	6,432,113.43
Total current liabilities	5,924,591,401.20	7,136,224,587.73
Non-current liabilities:		
Long-term loans	168,000,000.00	188,231,439.30
Bonds payable		
Including: Preferred stock		
Perpetual capital securities		
Lease liability	17,114,473.86	
Long-term account payable		

Long term employee compensation payable	8,760,963.52	10,571,526.69
Accrued liabilities	7,539,547.19	55,035,910.31
Deferred income	82,658,197.54	67,315,337.57
Deferred income tax liabilities	6,131,087.92	6,102,908.01
Other non-current liabilities		
Total non-current liabilities	290,204,270.03	327,257,121.88
Total liabilities	6,214,795,671.23	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	2,753,002,178.30	2,753,137,787.99
Less: Inventory shares	26,430,571.38	9,929,336.18
Other comprehensive income		
Special reserve		
Surplus reserve	422,893,071.22	416,146,624.75
Retained profit	952,820,937.05	943,879,339.46
Total owner's equity	5,146,883,496.19	5,147,832,297.02
Total liabilities and owner's equity	11,361,679,167.42	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

In RMB

Item	2021	2020
I. Total operating income	18,032,957,501.44	15,388,050,229.67
Including: Operating income	18,032,957,501.44	15,388,050,229.67
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	18,104,531,071.96	15,602,345,607.20
Including: Operating cost	15,869,745,814.47	12,850,871,672.57
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	129,067,764.08	150,315,512.44

Sales expense	1,364,640,404.75	1,945,803,799.56
Administrative expense	333,588,775.37	280,245,684.56
R&D expense	465,891,096.09	380,638,922.91
Financial expense	-58,402,782.80	-5,529,984.84
Including: Interest expenses	71,229,760.29	88,262,152.17
Interest income	140,024,813.71	139,603,245.84
Add: Other income	108,992,292.09	104,122,180.27
Investment income (Loss is listed with “-”)	128,963,968.59	78,127,214.62
Including: Investment income on affiliated company and joint venture	12,422,382.59	-3,500,527.61
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 “-”)	-3,133,939.42	41,614,800.19
Loss of credit impairment (Loss is listed with “-”)	-20,983,896.93	-17,058,488.00
Losses of devaluation of asset (Loss is listed with “-”)	-57,484,042.03	-78,711,657.91
Income from assets disposal (Loss is listed with “-”)	-133,214.72	-500,976.21
III. Operating profit (Loss is listed with “-”)	84,647,597.06	-86,702,304.57
Add: Non-operating income	10,022,053.88	8,468,605.41
Less: Non-operating expense	5,154,068.50	7,644,641.64
IV. Total profit (Loss is listed with “-”)	89,515,582.44	-85,878,340.80
Less: Income tax expense	2,422,928.94	-6,756,228.32
V. Net profit (Net loss is listed with “-”)	87,092,653.50	-79,122,112.48
(i) Classify by business continuity		
1.continuous operating net profit (net loss listed with “-”)	87,092,653.50	-79,122,112.48
2.termination of net profit (net loss listed with “-”)		
(ii) Classify by ownership		
1.Net profit attributable to owner’s of parent company	51,898,388.84	-85,565,716.91
2.Minority shareholders’ gains and losses	35,194,264.66	6,443,604.43
VI. Net after-tax of other comprehensive income	615,920.12	-2,992,457.19
Net after-tax of other comprehensive income attributable to owners of parent company	547,813.60	-2,519,653.81
(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	547,813.60	-2,519,653.81
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	547,813.60	-2,519,653.81
7.Other		
Net after-tax of other comprehensive income attributable to minority shareholders	68,106.52	-472,803.38
VII. Total comprehensive income	87,708,573.62	-82,114,569.67
Total comprehensive income attributable to owners of parent Company	52,446,202.44	-88,085,370.72
Total comprehensive income attributable to minority shareholders	35,262,371.18	5,970,801.05
VIII. Earnings per share:		
(i) Basic earnings per share	0.0497	-0.0819
(ii) Diluted earnings per share	0.0497	-0.0819

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

In RMB

Item	2021	2020
I. Operating income	7,828,290,567.95	8,032,949,961.07
Less: Operating cost	7,466,472,403.87	7,576,052,272.85
Taxes and surcharge	43,312,819.31	77,270,806.49
Sales expenses	114,547,496.48	266,179,349.65
Administration expenses	130,167,084.29	121,576,790.77
R&D expenses	191,827,388.68	165,977,897.35
Financial expenses	-20,256,595.92	11,164,234.35
Including: Interest expenses	57,761,266.90	73,229,668.93
Interest income	81,650,131.24	108,915,320.16
Add: Other income	58,148,812.31	61,723,009.62
Investment income (Loss is listed with "-")	92,743,182.98	154,731,621.05
Including: Investment income on affiliated Company and joint venture	14,597,022.15	2,444,675.51
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 "-")	187,866.00	35,734,549.41
Loss of credit impairment (Loss is listed with "-")	-412,613.92	-8,516,361.52
Losses of devaluation of asset (Loss is listed with "-")	-9,191,483.58	-25,062,192.29
Income on disposal of assets (Loss is listed with "-")	14,752.64	
II. Operating profit (Loss is listed with "-")	43,710,487.67	33,339,235.88

Add: Non-operating income	2,837,084.03	3,765,462.09
Less: Non-operating expense	767,232.46	1,578,179.79
III. Total Profit (Loss is listed with “-”)	45,780,339.24	35,526,518.18
Less: Income tax	-21,684,125.42	-20,252,784.15
IV. Net profit (Net loss is listed with “-”)	67,464,464.66	55,779,302.33
(i) continuous operating net profit (net loss listed with “-”)	67,464,464.66	55,779,302.33
(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	67,464,464.66	55,779,302.33
VII. Earnings per share:		
(i) Basic earnings per share	0.0646	0.0534
(ii) Diluted earnings per share	0.0646	0.0534

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	2021	2020
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	18,267,890,783.43	15,474,524,946.52
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	611,293,022.30	486,548,522.92
Other cash received concerning operating activities	243,549,134.14	159,076,641.25
Subtotal of cash inflow arising from operating activities	19,122,732,939.87	16,120,150,110.69
Cash paid for purchasing commodities and receiving labor service	16,131,183,801.59	12,027,673,706.26
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	1,643,453,647.47	1,431,514,956.02
Taxes paid	378,617,838.78	399,508,941.22
Other cash paid concerning operating activities	808,554,393.93	857,936,284.73
Subtotal of cash outflow arising from operating activities	18,961,809,681.77	14,716,633,888.23
Net cash flows arising from operating activities	160,923,258.10	1,403,516,222.46
II. Cash flows arising from investing activities:		
Cash received from recovering investment	1,809,000,000.00	937,460,000.00
Cash received from investment income	27,234,864.16	44,100,269.99
Net cash received from disposal of fixed, intangible and other long-term assets	1,790,401.44	1,193,743.37
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities	251,294,914.65	188,247,281.95
Subtotal of cash inflow from investing activities	2,089,320,180.25	1,171,001,295.31
Cash paid for purchasing fixed, intangible and other long-term assets	262,327,894.22	364,989,816.21
Cash paid for investment	1,809,000,001.00	1,435,330,051.17
Net increase of mortgaged loans		
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities	68,334.39	986,271.84
Subtotal of cash outflow from investing activities	2,071,396,229.61	1,801,306,139.22
Net cash flows arising from investing activities	17,923,950.64	-630,304,843.91
III. Cash flows arising from financing activities:		
Cash received from absorbing investment	16,650,992.51	
Including: Cash received from absorbing minority shareholders' investment by subsidiaries	16,650,992.51	
Cash received from loans	1,669,454,955.26	2,021,603,483.37
Other cash received concerning financing activities	14,136,579.91	28,151,427.20
Subtotal of cash inflow from financing activities	1,700,242,527.68	2,049,754,910.57

Cash paid for settling debts	2,320,384,722.05	1,617,428,204.65
Cash paid for dividend and profit distributing or interest paying	102,019,282.33	118,512,956.15
Including: Dividend and profit of minority shareholder paid by subsidiaries	1,598,892.00	4,796,676.00
Other cash paid concerning financing activities	28,323,542.28	12,542,832.06
Subtotal of cash outflow from financing activities	2,450,727,546.66	1,748,483,992.86
Net cash flows arising from financing activities	-750,485,018.98	301,270,917.71
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	-13,697,073.29	-34,759,956.67
V. Net increase of cash and cash equivalents	-585,334,883.53	1,039,722,339.59
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	5,840,194,931.57	6,425,529,815.10

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	2021	2020
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	6,992,278,846.46	7,102,136,613.89
Write-back of tax received	367,247,994.85	237,614,998.44
Other cash received concerning operating activities	104,028,498.51	74,421,463.54
Subtotal of cash inflow arising from operating activities	7,463,555,339.82	7,414,173,075.87
Cash paid for purchasing commodities and receiving labor service	7,483,098,738.97	5,957,461,284.93
Cash paid to/for staff and workers	470,465,273.15	380,635,018.64
Taxes paid	44,871,430.22	93,192,598.56
Other cash paid concerning operating activities	265,530,268.75	219,564,169.05
Subtotal of cash outflow arising from operating activities	8,263,965,711.09	6,650,853,071.18
Net cash flows arising from operating activities	-800,410,371.27	763,320,004.69
II. Cash flows arising from investing activities:		
Cash received from recovering investment	1,700,000,000.00	902,460,000.00
Cash received from investment income	27,492,076.57	112,286,752.95
Net cash received from disposal of fixed, intangible and other long-term assets	1,257,706.09	761,361.40
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities	153,610,973.82	159,391,407.68
Subtotal of cash inflow from investing activities	1,882,360,756.48	1,174,899,522.03
Cash paid for purchasing fixed, intangible and other long-term assets	166,190,792.44	153,996,525.53
Cash paid for investment	1,735,000,000.00	1,542,169,149.17
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities	197,627.47	262,000.00

Subtotal of cash outflow from investing activities	1,901,388,419.91	1,696,427,674.70
Net cash flows arising from investing activities	-19,027,663.43	-521,528,152.67
III. Cash flows arising from financing activities:		
Cash received from absorbing investment		
Cash received from loans	1,659,454,955.26	1,593,705,833.37
Other cash received concerning financing activities	532,028,797.36	208,756,128.75
Subtotal of cash inflow from financing activities	2,191,483,752.62	1,802,461,962.12
Cash paid for settling debts	2,219,678,042.05	1,197,397,944.82
Cash paid for dividend and profit distributing or interest paying	98,533,426.01	103,355,298.99
Other cash paid concerning financing activities	224,952,054.90	143,243,602.49
Subtotal of cash outflow from financing activities	2,543,163,522.96	1,443,996,846.30
Net cash flows arising from financing activities	-351,679,770.34	358,465,115.82
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	-11,424,039.40	-20,153,571.24
V. Net increase of cash and cash equivalents	-1,182,541,844.44	580,103,396.60
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	3,414,961,989.34	4,597,503,833.78

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)

This Period

Item	2021														
	Owners' equity attributable to the parent Company												Minority interests	Total owners' equity	
	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 "-")					-1,007,828.86	16,501,235.20	547,813.60		6,746,446.47		-6,624,478.23		-16,839,282.22	49,535,697.35	32,696,415.13
(i) Total comprehensive							547,813.60				51,898,388.84		52,446,202.44	35,262,371.18	87,708,573.62

e income															
(ii) Owners' devoted and decreased capital					-1,007,828.86	16,501,235.20							-17,509,064.06	15,872,218.17	-1,636,845.89
1. Common shares invested by shareholders					-5,438.39	16,501,235.20							-16,506,673.59	15,000,000.00	-1,506,673.59
2. Capital invested by holders of other equity instruments															
3. Amount reckoned into owners equity with share-based payment															
4. Other					-1,002,390.47								-1,002,390.47	872,218.17	-130,172.30
(iii) Profit distribution								6,746,446.47	-58,522,867.07				-51,776,420.60	-1,598,892.00	-53,375,312.60
1. Withdrawal of surplus reserves								6,746,446.47	-6,746,446.47						
2. Withdrawal of general risk provisions															
3. Distribution for owners (or shareholders)										-51,776,420.60			-51,776,420.60	-1,598,892.00	-53,375,312.60
4. 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				2,682,829,400.26	26,430,571.38	-20,903,270.57		423,111,236.90		734,129,724.00		4,837,334,400.21	157,456,980.84	4,994,791,381.05

Last Period

In RMB

Item	2020													Minority interests	Total owners' equity
	Owners' equity attributable to the parent Company											Subtotal			
	Share capital	Other	Capital reserve	Less:	Other	Reasonable	Surplus reserve	Provision	Retained profit	Other					

		equity instrument			Inventory shares	comprehensive income	reserve		of general risk					
		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 “-”)					-529,389.98	9,929,336.18	-2,519,653.81	5,577,930.23		-143,373,541.19		-150,773,990.93	894,244.75	-149,879,746.18
(i) Total comprehensive income							-2,519,653.81			-85,565,716.91		-88,085,370.72	5,970,801.05	-82,114,569.67
(ii) Owners’ devoted and decreased capital					-529,389.98	9,929,336.18						-10,458,726.16	320,119.70	-10,138,606.46
1.Common shares invested by shareholders					-5,605.38	9,929,336.18						-9,934,941.56		-9,934,941.56
2. Capital invested by														

holders of other equity instruments																				
3. Amount reckoned into owners equity with share-based payment																				
4. Other																				
(iii) Profit distribution																				
1. Withdrawal of surplus reserves																				
2. Withdrawal of general risk provisions																				
3. Distribution for owners (or shareholders)																				
4. 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				2,683,837,229.12	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

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)

This Period

Item	2021											Total owners' equity
	Share capital	Other equity instrument			Capital reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surplus reserve	Retained profit	Other	
		Preferred stock	Perpetual capital	Other								

			securities								
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 "-")				-135,609.69	16,501,235.20			6,746,446.47	8,941,597.59		-948,800.83
(i) Total comprehensive income									67,464,464.66		67,464,464.66
(ii) Owners' devoted and decreased capital				-135,609.69	16,501,235.20						-16,636,844.89
1. Common shares invested by shareholders				-5,438.39	16,501,235.20						-16,506,673.59
2. Capital invested by holders of other equity instruments											
3. Amount reckoned into owners equity with share-based payment											
4. Other				-130,171.30							-130,171.30
(iii) Profit distribution								6,746,446.47	-58,522,867.07		-51,776,420.60
1. Withdrawal of surplus reserves								6,746,446.47	-6,746,446.47		
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				2,753,002,178.30	26,430,571.38			422,893,071.22	952,820,937.05		5,146,883,496.19

Last period

In RMB

Item	2020											
	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				2,753,017,007.10				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 "-")					120,780.89	9,929,336.18			5,577,930.23	-2,028,521.95		-6,259,147.01
(i) Total comprehensive income										55,779,302.33		55,779,302.33
(ii) Owners' devoted and decreased capital					120,780.89	9,929,336.18						-9,808,555.29
1. Common shares invested by shareholders					-5,605.38	9,929,336.18						-9,934,941.56
2. Capital invested by holders of other equity instruments												
3. Amount reckoned into owners equity with share-based payment												
4. Other					126,386.27							126,386.27
(iii) Profit distribution									5,577,930.23	-57,807,824.28		-52,229,894.05
1. Withdrawal of surplus reserves									5,577,930.23	-5,577,930.23		
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 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				2,753,137,787.99	9,929,336.18			416,146,624.75	943,879,339.46		5,147,832,297.02

Legal Representative: Wu Dinggang

Person in charge of accounting works: Pang Haitao

Person in charge of accounting institute: Yang Jun

Annotations to Financial Statements of Changhong Meiling Co., Ltd.

From 1 January 2021 to 31 December 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 to Financial Statements of Changhong Meiling Co., Ltd.

From 1 January 2021 to 31 December 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 RMB0.5 (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 4.70 yuan 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).

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Ended as 31 December 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	1,766,269	0.17%
3. Other domestic shares	5,409,233	0.52%
Including: Domestic legal person's shares	3,884,551	0.37%
Domestic natural person's shares	1,524,682	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

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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)

II. Scope of consolidated financial statement

In the reporting period, the consolidated financial statements of the Company cover 27 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 subsidiary Anhui Ling'an Medical Equipment Co., Ltd was increased in the consolidation scope. The Tai yuan Meiling Electric Appliances Marketing Co., Ltd, Tianjin Meiling Electric Appliances Marketing Co., Ltd and Guangzhou Meiling Electric Appliances Marketing Co., Ltd were decreased for mergers & acquisition.

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.

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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 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.

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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 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.

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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 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 loss 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

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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 withdrawn by serving a notice and transferrable deposit receipt, etc. for time deposit which can not be used for payment at any time, it would be not 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

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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. 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

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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 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.

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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.

① 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 (i.e. long-term receivables);

② 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: ① The contract

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rights of collecting cash flow of the financial assets is terminated; ②The financial assets has already been transferred, and the Company has transferred almost all risks and remunerations of financial assets ownership to the transferee; ③The 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 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

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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 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

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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 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

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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.

(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.

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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

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.

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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 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.

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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:

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

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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 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:

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No.	Category	Depreciation term	Predicted rate of salvage value	Depreciation rate per year
1	House and buildings	30-40years	4%-5%	2.375%-3.20%
2	Machinery equipment	10-14years	4%-5%	6.786%-9.60%
3	Transport equipment	5-12years	4%-5%	7.92%-19.20%
4	Other equipment	8-12years	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 borrowing. Capitalization rate is determined according to weighted average interest rate of common borrowing.

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19. Right-of-use assets

Upon becoming a lessee under a lease contract, the Company is entitled to receive substantially all of the economic benefits, arising from the use of the identified assets during the period of use and is entitled to recognize the right-of-use assets at the sum of the present value of the lease liability, prepaid rent and initial direct costs, and to recognize the depreciation and interest expenses respectively, when the use of the identified assets dominates during that period of use.

When the Company becomes the lessee of a lease contract, for short-term leases of less than one year without a purchase option and leases with a value of less than 40000 yuan (excluding sublease or expected sublease assets), the Company elects to follow simplified treatment and record the related assets at cost or current gain/loss on a straight-line basis over the lease period.

20. Intangible assets

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;

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-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 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

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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 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.

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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. Lease liability

Upon becoming a lessee under a lease contract, the Company recognizes a lease liability for the leased-in asset at the present value of the unpaid lease payments, net of lease incentives (except for short-term leases and leases of low-value assets for which simplified treatment is elected), when it is entitled to receive substantially all of the economic benefits arising from the use of the identified asset during the period of use and is entitled to dominate the use of the identified asset during that period of use.

27. 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.

28. Revenue

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.

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

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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;
- 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

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unconditional right to receive consideration from customers is shown as a 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.

29. Government subsidy

Government subsidy of the Company include project grants, financial subsidies and job stabilization subsidies. Of which, asset-related government subsidy are government subsidy acquired by the Company for the acquisition or other formation of long-term assets; government subsidy related to revenue are government subsidy 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.

30. 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 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.

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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.

31. Lease

When the Company becomes the lessee of the lease contract, has the right to obtain almost all the economic benefits arising from the use of the identified assets during the period of use, and has the right to lead the use of the identified assets during the period of use, the present value of unpaid lease payments of the lease assets after deducting lease incentives (except for short-term leases and leases of low-value assets for which simplified treatment is selected) is recognized as a lease liability, and a right-of-use asset is recognized based on the sum of the present value of the lease liability, prepaid rent, and initial direct costs, and depreciation and interest expenses are recognized separately.

When the Company becomes the lessee of a lease contract, for short-term leases of less than one year without a purchase option and leases with a value of less than 40,000 yuan (excluding sublease or expected sublease assets), the Company elects to follow simplified treatment and record the related assets at cost or current gain/loss on a straight-line basis over the lease period.

When the Company becomes the lessor of a lease contract, it classifies the lease into an operating lease and a finance lease at the lease commencement date. A finance lease is a lease that transfers substantially all the risks and rewards associated with the ownership of an asset. Operating leases are leases other than finance leases. Rentals under operating leases are recognized as income on a straight-line basis over the lease term. Finance leases are recorded at the net lease investment value of the finance lease receivable, which is the sum of the unguaranteed residual value and the present value of the lease receipts not yet received as of the commencement date of the lease term.

There are both leasing and non-leasing businesses in the contract and can be split, and the leasing business is financially accounted according to the lease standards. There are both leasing and non-leasing businesses in the contract and cannot be split, and the entire contract is included in the lease business for financial accounting according to the lease standards.

The lease change needs to be judged whether it can be recognized as a single leasing business, and it needs to be recognized separately if it meets the recognition conditions of a single lease; if it does not meet the recognition of a single leasing business, or there is a major event or change within the controllable range of the lessee, re-evaluate and measure the present value of lease liabilities, and adjust the book value of the right-of-use asset accordingly. If the book value of the right-of-use asset has been reduced to zero, but the lease liability still needs to be further reduced, the lessee shall include the remaining amount in the corresponding expenses for the current period.

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When the Company becomes the lessor of a lease contract, the lease is divided into operating lease and finance lease on the start date of lease. A finance lease is a lease that transfers substantially all the risks and rewards associated with ownership of an asset. An operating lease refers to a lease other than finance leases. The rent of an operating lease is recognized as income on a straight-line basis during the lease term. For an finance lease, the net investment in the lease is regarded as the entry value of the finance lease receivables, and the net investment in the lease is the sum of the unguaranteed residual value and the present value of the lease receipts that have not been received on the start date of the lease term.

32. 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

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statements of the parent company when the investment in subsidiaries proposed to be sold satisfies the 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.

33. Discontinued operation

A discontinued operation is a separately identified component of the Group that either has been disposed of

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

34. 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.

35. 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.

36. 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

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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 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

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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.

37. 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.

38. 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	Relevant change of the accounting policy has been deliberated and	

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Content and reasons	Approval procedure	Note
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.	approved by the 7 th session of 10 th BOD	
According to the Q&A with ASBE Concerned issued by The Accounting Regulatory Dept. Of Ministry of Finance on November 2, 2021, relevant expenses related to transportation costs incurred to fulfill customer sales contracts will list under the item of “operation cost” by the Company	Relevant change of the accounting policy has been deliberated and approved by the 16 th session of 10 th BOD	

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

Item affected	Consolidated statement			Statement 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			
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 38 (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

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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
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%
Hebei Hongmao Daily Appliance Technology Co., Ltd.	15%
Anhui Tuoxing Technology Co., Ltd.	20%
Guangzhou Changhong Trading Co., Ltd.	20%
Anhui Ling'an 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

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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 October 2021, 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 years term.

(7) The subsidiary Hong Yuan 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 Hebei Hongmao Daily Appliance Technology Co., Ltd. has passed the qualification of high-tech enterprise certification on 18 September 2021, and enjoys 15% income tax rate for national payroll technology enterprise for three years term.

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(12) The subsidiary Anhui Tuoxing Technology Co., Ltd., Anhui Lingan 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, “year-beginning” refers to Jan. 1, 2021; “year-end” refers to Dec. 31, 2021; “Current Year” refers to Jan. 1 to Dec. 31, 2021; “the last year” refers to Jan. 1 to Dec. 31, 2020; the currency is RMB.

1. Monetary fund

Item	Balance at year-end	Balance at year-begin
Cash	28,447.21	35,088.07
Bank deposit	5,121,110,089.59	6,100,644,898.32
Other Monetary fund	805,215,921.34	484,232,497.85
Interest receivable on deposit	12,468,938.07	9,874,305.74
Total	5,938,823,396.21	6,594,786,789.98
Including: total amount deposited in overseas	8,156,154.33	11,293,949.64
Total use of restricted funds	86,159,526.57	159,382,669.14

Other monetary fund:

Item	Balance at year-end	Balance at year-begin
Cash deposit	776,959,862.25	444,087,381.64
B share repurchase	20,526,874.41	33,993,171.95
Frozen money	6,603,675.00	
Account of foreign currency for verification		5,145,493.12
Co-managed account funds	504,702.66	503,170.44
Taobao account	74,572.96	486,333.43

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Item	Balance at year-end	Balance at year-begin
Union Pay online	546,234.06	16,947.27
Total	805,215,921.34	484,232,497.85

Cash deposit which serves as non cash and cash equivalents refers to the banking acceptance draft deposit with a term of over three months, amounting to 77,591,356.87 yuan, cash deposit of the letter of credit amounting to 1,409,792.04 yuan, the amount restricted for used in managed account was 504,702.66 yuan, bank deposits of 6,603,675.00 yuan frozen due to litigation, China Union Pay, Taobao account and Ten Pay are all third party payment platforms for the deposit of 50,000.0 yuan and interest receivable from deposits of 12,468,938.07 yuan, the remaining Monetary funds are treated as cash and cash equivalents.

2. Tradable financial assets

Item	Balance at year-end	Balance at year-begin
Financial assets measured at fair value and whose changes are included in current gains/losses	17,997,086.19	47,242,339.07
Including: Derivative financial assets	17,997,086.19	47,242,339.07

Tradable financial assets refers to the RMB forward exchange fund in Current Year

3. Note receivable

(1) Category of note receivable

Item	Balance at year-end	Balance at year-begin
Bank acceptance	2,216,752.22	13,023,329.01
Trade acceptance		335,880,000.00
Total	2,216,752.22	348,903,329.01
Less: Bad debt provision		8,481,942.30
Book value	2,216,752.22	340,421,386.71

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

Item	Amount derecognition at year-end	Amount without derecognition at year-end
Bank acceptance		200,000.00
Total		200,000.00

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

Item	Amount of accounts receivable transferred at year-end
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Bank acceptance	300,000.00
Trade acceptance	125,482,407.02
Total	125,782,407.02

(4) By accrual of bad debt provision

Category	Amount at year-end				
	Book balance		Bad debt provision		Book value
	Amount	Ratio (%)	Amount	Ratio (%)	
With bad debt provision accrual on single item	2,216,752.22	100.00			2,216,752.22
Including: Bank acceptance	2,216,752.22	100.00			2,216,752.22
With bad debt provision accrual on portfolio					
Including: Trade acceptance					
Total	2,216,752.22	100.00			2,216,752.22

Continued

Category	Amount at year-begin				
	Book balance		Bad debt provision		Book value
	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	Balance at year-end			
	Book balance	Bad debt provision	Provision ratio (%)	Provision reason
Bank acceptance	2,216,752.22			Minimal risk, holding maturity acceptance
Total	2,216,752.22			

Continued

Name	Balance at year-begin			
	Book balance	Bad debt provision	Provision ratio (%)	Provision reason

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Name	Balance at year-begin			Provision reason
	Book balance	Bad debt provision	Provision ratio (%)	
Bank acceptance	12,723,329.01			Minimal risk, holding maturity acceptance
Bank acceptance	300,000.00	300,000.00	100.00	The bill has been collected by the bank
Total	13,023,329.01	300,000.00	—	—

2) Note receivable withdrawal bad debt provision by combination

Account age	Balance at year-begin		
	Note receivable	Bad debt provision	Provision ratio (%)
Within 3 months (3 months included)	282,289,530.00	2,822,895.30	1.00
More than 3 months and less than 6 months (6 months included)	53,590,470.00	5,359,047.00	10.00
Total	335,880,000.00	8,181,942.30	

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

This year, note receivable with bad debt provision accrual amount as -8,481,942.30 yuan. No note receivable that has been written off in previous years has been recovered this year.

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

4. Account receivable

(1) Category of account receivable by bad debt accrual

Category	Amount at year-end				Book value
	Book balance		Bad debt provision		
	Amount	Ratio (%)	Amount	Ratio (%)	
Account receivable that withdrawal bad debt provision by single item	822,475,594.55	53.40	25,372,653.49	3.08	797,102,941.06
Including: current payment with related party	754,228,757.41	48.97	4,149,753.85	0.55	750,079,003.56
Account receivable with letter of credit	47,023,937.50	3.05			47,023,937.50
Account receivable with single minor amount but withdrawal single item bad debt provision	21,222,899.64	1.38	21,222,899.64	100.00	
Account receivable withdrawal bad debt provision by portfolio	717,853,201.83	46.60	74,081,451.61	10.32	643,771,750.22
Including: account receivable of engineering customers	191,420,885.49	12.43	15,308,246.27	8.00	176,112,639.22

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Category	Amount at year-end				Book value
	Book balance		Bad debt provision		
	Amount	Ratio (%)	Amount	Ratio (%)	
Receivables other than engineering customers	526,432,316.34	34.17	58,773,205.34	11.16	467,659,111.00
Total	1,540,328,796.38	100.00	99,454,105.10	6.46	1,440,874,691.28

Continued

Category	Amount at year-begin				Book value
	Book balance		Bad debt provision		
	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 party	397,745,724.79	33.07	3,943,524.26	0.99	393,802,200.53
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	100.00	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, 71 clients involved.

2) Account receivable withdrawal bad debt provision by portfolio

A. Account receivable of engineering customers

Account age	Balance at year-end		
	Book balance	Bad debt provision	Provision ratio (%)
Within 3 months (3 months included)	47,442,159.78		
More than 3 months and less than 6 months (6 months included)	66,786,580.82		
Over 6 months and within one year (One year included)	24,376,909.49		

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Account age	Balance at year-end		
	Book balance	Bad debt provision	Provision ratio (%)
Over one year - within 2 years (2 years included)	38,592,189.76	7,718,437.95	20.00
Over 2 years - within 3 years (3 years included)	13,266,474.64	6,633,237.32	50.00
Over 3 years	956,571.00	956,571.00	100.00
Total	191,420,885.49	15,308,246.27	

Continued

Account age	Balance at year-begin		
	Book balance	Bad debt provision	Provision ratio (%)
Within 3 months (3 months included)	67,204,732.79		
More than 3 months and less than 6 months (6 months included)	7,907,641.48		
Over 6 months and within one year (One year included)	45,690,126.79		
Over one year - within 2 years (2 years included)	44,698,144.23	8,939,628.85	20.00
Over 2 years - within 3 years (3 years included)	8,138,086.30	4,069,043.15	50.00
Over 3 years			100.00
Total	173,638,731.59	13,008,672.00	—

B.Receivables other than engineering customers

Account age	Balance at year-end		
	Book balance	Bad debt provision	Provision ratio (%)
Within 3 months (3 months included)	299,994,550.94	2,999,945.51	1.00
More than 3 months and less than 6 months (6 months included)	68,972,844.55	6,897,284.46	10.00
Over 6 months and within one year (One year included)	126,004,879.57	25,200,975.91	20.00
Over one year - within 2 years (2 years included)	12,130,576.34	6,065,288.17	50.00
Over 2 years - within 3 years (3 years included)	8,598,768.25	6,879,014.60	80.00
Over 3 years	10,730,696.69	10,730,696.69	100.00
Total	526,432,316.34	58,773,205.34	

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Continued

Account age	Balance at year-begin		
	Book balance	Bad debt provision	Provision ratio (%)
Within 3 months (3 months included)	412,523,951.50	4,125,239.52	1.00
More than 3 months and less than 6 months (6 months included)	39,054,407.32	3,905,440.73	10.00
Over 6 months and within one year (One year included)	20,517,859.18	4,103,571.84	20.00
Over one year - within 2 years (2 years included)	19,648,475.02	9,824,237.51	50.00
Over 2 years - within 3 years (3 years included)	11,928,030.36	9,542,424.29	80.00
Over 3 years	1,795,548.12	1,795,548.12	100.00
Total	505,468,271.50	33,296,462.01	

(2) By account age

Account age	Balance at year-end	Balance at year-begin
Within 3 months (3 months included)	1,081,226,013.94	827,575,650.32
More than 3 months and less than 6 months (6 months included)	162,654,138.54	114,077,060.79
Over 6 months and within one year (One year included)	179,880,109.29	81,325,161.45
Over one year - within 2 years (2 years included)	63,134,405.85	134,016,062.26
Over 2 years - within 3 years (3 years included)	23,736,943.93	32,482,491.24
Over 3 years	29,697,184.83	13,010,423.98
Total	1,540,328,796.38	1,202,486,850.04

(3) Bad debt provision of accounts receivable this year

Category	Balance at year-begin	Changes this year				Balance at year-end
		Accrual	Withdrawal or reversal	Resale or write-off	Other decreases	
Bad debt provision	72,211,069.38	32,475,930.97	3,245,314.13		1,987,581.12	99,454,105.10
Total	72,211,069.38	32,475,930.97	3,245,314.13		1,987,581.12	99,454,105.10

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

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(5) Top five receivables collected by arrears party amounting to 957,618,825.54 yuan in total, accounted for 62.17% of the receivables of current year-end, the bad debt provision accrual correspondingly amounting to 28,699,803.66 yuan at year-end balance.

(6) Account receivable terminated recognition due to the transfer of financial assets of 528,273,051.54 yuan.

(7) No assets and liability transfer Account receivable and continues to involve at year-end.

5. Receivables financing

Item	Balance at year-end	Balance at year-begin
Bank acceptance	1,808,109,301.56	1,632,388,702.83
Total	1,808,109,301.56	1,632,388,702.83

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

Item	Amount pledged at year-end	Amount pledged at year-begin
Bank acceptance	385,477,263.99	548,295,149.14

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. 60. Assets with restricted ownership or use rights.

(2) Notes endorsement or discount and undue on balance sheet date listed in receivables financing at the end of the year

Item	Amount derecognition at year-end	Amount without derecognition at year-end
Bank acceptance	985,023,966.40	
Total	985,023,966.40	

6. Accounts paid in advance

(1) Age of account paid in advance

Item	Balance at year-end		Balance at year-begin	
	Amount	Ratio (%)	Amount	Ratio (%)
Within one year	28,208,857.49	94.77	29,388,065.57	97.73
1-2 years	1,557,939.85	5.23	393,517.42	1.31
2-3 years			25,000.00	0.08

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Item	Balance at year-end		Balance at year-begin	
	Amount	Ratio (%)	Amount	Ratio (%)
Over 3 years			263,720.07	0.88
Total	29,766,797.34	100.00	30,070,303.06	100.00

(2) Top 5 of account paid in advance in balance at year-end amounting to 20,834,178.36 yuan, accounted for 69.99% of the account.

7. Other account receivable

Item	Balance at year-end	Balance at year-begin
Other account receivable	111,652,635.86	145,705,978.26
Total	111,652,635.86	145,705,978.26

(1) Category of other account receivable

Nature	Book balance at year-end	Book balance at year-begin
Export rebate	26,634,190.54	32,281,664.19
Cash deposit	70,481,345.37	77,754,290.83
Loans of employee's pretty cash	12,299,111.06	14,876,565.98
Related party not in consolidation statement	718,189.14	3,241,296.82
Advance money temporary	355,045.58	65,938.41
Other	2,289,144.60	18,375,974.37
Total	112,777,026.29	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 Year as at 1 Jan. 2021	—	—	—	—
--Transfer to the second stage				
-- Transfer to the third stage				
-- Reversal to the second stage				
-- Reversal to the first stage				

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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)	
Provision in Current Year		235,222.39		235,222.39
Reversal in Current Year				
Conversion in Current Year				
Write off in Current Year				
Other change		-584.30		-584.30
Balance as at 31 Dec. 2021		1,074,390.43	50,000.00	1,124,390.43

(3) By account age

Account age	Balance at year-end	Balance at year-begin
Within 3 months (3 months included)	50,798,283.74	91,920,859.60
More than 3 months and less than 6 months (6 months included)	15,511,159.70	22,540,450.31
Over 6 months and within one year (One year included)	7,875,791.66	19,585,237.13
Over one year - within 2 years (2 years included)	28,844,885.97	5,705,751.39
Over 2 years - within 3 years (3 years included)	4,113,598.75	2,756,045.96
Over 3 years	5,633,306.47	4,087,386.21
Total	112,777,026.29	146,595,730.60

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

Name	Nature	Balance at year-end	Account age	Proportion in total other receivables ending balance (%)	Bad debt provision Balance at year-end
Unit I	Tax rebate	26,634,190.54	Within 3 months	23.62	
Unit II	Cash deposit	8,780,849.40	Within 1-2 years	7.79	
Unit III	Cash deposit	7,260,000.00	Within 3-6 months	6.44	
Unit IV	Cash deposit	5,862,175.00	6 months-Within one year, Within 1-2 years	5.20	

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Name	Nature	Balance at year-end	Account age	Proportion in total other receivables ending balance (%)	Bad debt provision Balance at year-end
Unit V	Cash deposit	3,692,993.00	Within 3 months, Within 1-2 years	3.27	
Total	—	52,230,207.94		46.31	

(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

Item	Amount at year-end		
	Book balance	Inventory price decline provision/contract performance cost impairment provision	Book value
Raw materials	129,438,627.36	8,482,723.94	120,955,903.42
Stock commodities	828,837,153.50	51,052,406.21	777,784,747.29
Low value consumable articles	5,564,313.19	954,827.34	4,609,485.85
Goods in transit	295,059,984.05	8,068,827.90	286,991,156.15
Goods-in-process	5,351,870.75		5,351,870.75
Contract performance cost	123,275,655.95	241,230.88	123,034,425.07
Deferred expense for mould	37,629,831.27		37,629,831.27
Total	1,425,157,436.	68,800,016.27	1,356,357,419.

Continued

Item	Amount at year-begin		
	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

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

Item	Amount at year-begin	Increase this year		Decrease this year		Amount at year-end
		Accrual	Other	Reversal or reselling	Other	
Raw materials	9,729,874.26	4,297,953.10		5,545,103.42		8,482,723.94
Stock commodities	73,930,262.61	34,300,198.57		57,176,255.48	1,799.49	51,052,406.21
Goods in transit	9,702,391.49	16,130,782.25		17,764,345.84		8,068,827.90
Low value consumable articles	916,206.67	140,176.29		101,555.62		954,827.34
Contract performance cost	97,462.80	202,984.62		59,216.54		241,230.88
Total	94,376,197.83	55,072,094.83		80,646,476.90	1,799.49	68,800,016.27

(3) Accrual for inventory falling price reserves

Item	Specific basis for determining of net realizable value	Reasons for the reversal or reselling in Current Year
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	Balance at year-end	Balance at year-begin
Value-added tax to be deducted	110,346,536.34	181,882,278.05
Advance payment of income tax	6,114,297.55	9,506,261.78
Pakistan local sales tax		2,453,792.84
Contract acquisition cost	7,740,783.12	4,511,132.31
Prepaid disability insurance	39,317.44	
Total	124,240,934.45	198,353,464.98

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10. Long-term equity investment

Invested enterprise	Balance at year-begin	Changes in Current Year								Balance at year-end	Balance at year-end 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			13,009,091.85							19,835,366.84
2.Sichuan Zhiyijia Network Technology Co., Ltd. ^{note1}	39,163,339.54			-3,923,697.48		-130,171.30	1,025,445.14				34,084,025.62
3.Hong Yuan Ground Energy Heat Tech. Co., Ltd. ^{note2}	22,103,109.57			-1,472,995.40							20,630,114.17
4.Sichuan Tianyou Guigu Technology Co., Ltd. ^{note3}	2,850,091.51			124,097.43							2,974,188.94
5.Chengdu Guigu Environmental Tech. Co., Ltd. ^{note4}	6,040,006.77			3,067,958.19							9,107,964.96
6.Changhong Ruba Electric Company (Private) Ltd. ^{note5}											
7.Hefei Meiling Solar Energy Technology Co., Ltd. ^{note6}				1,617,928.00			1,617,928.00				
Total	76,982,822.38			12,422,382.59		-130,171.30	2,643,373.14				86,631,660.53

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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%.

Note 2: subsidiary Sichuan Changhong Air Conditioner Co., Ltd (“Changhong Air Conditioner”) and Hengyou yuan Technology Development Group Co., Ltd. (“Hengyou yuan”) cooperated to establish Hong Yuan 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 Hengyou yuan 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 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%.

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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.

11. Other non-current financial assets

Item	Balance at year-end	Balance at year-begin
Sichuan Changhong Group Finance Co., Ltd.	532,961,488.43	500,000,000.00
Huishang Bank Co., Ltd.	5,000,000.00	5,000,000.00
Hongyun Fund	44,018,952.27	43,148,931.34
Total	581,980,440.70	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.Balance at year-begin	59,512,503.29	59,512,503.29
2.Increase in this year	1,176,028.81	1,176,028.81
(1) Construction in progress transfer-in	1,176,028.81	1,176,028.81
3.Decrease in this year		
4.Balance at year-end	60,688,532.10	60,688,532.10
II.Accumulated depreciation and accumulated amortization		
1.Balance at year-begin	5,624,041.29	5,624,041.29
2.Increase in this year	1,914,556.36	1,914,556.36
(1)Provision or amortization	1,914,556.36	1,914,556.36
3.Decrease in this year		
4.Balance at year-end	7,538,597.65	7,538,597.65
III.Impairment provision		
IV.Book value		
1.Ending book value	53,149,934.45	53,149,934.45
2. Opening book value	53,888,462.00	53,888,462.00

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

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

Name	Original book value	Accumulated depreciation	Impairment provision	Book value
House and buildings	5,795,017.72	2,336,016.52		3,459,001.20

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(4) Investment real estate without property certification held

Item	Book value	Reasons for failing to complete property rights certificate
J04workshop	28,598,032.80	Related property rights in procedure
J03workshop	18,358,458.77	Related property rights in procedure
J20 air compressor station workshop	1,213,194.45	Related property rights in procedure
J18 opening and closing office	561,651.76	Related property rights in procedure
Total	48,731,337.78	

13. Fixed assets

Item	Ending book value	Opening book value
Fixed assets	2,227,247,182.81	2,315,983,923.20
Disposal of fixed assets	75,875,517.11	75,875,517.11
Total	2,303,122,699.92	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.Balance at year-begin	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 in this year	27,873,556.43	108,970,655.97	714,358.12	21,392,088.70	158,950,659.22
(1)Purchase	456,948.23	7,962,320.28	340,818.29	12,884,220.36	21,644,307.16
(2)Construction in progress transfer-in	27,277,561.53	100,990,366.69	373,539.83	8,507,868.34	137,149,336.39
(3)Transfer-in of investment real estate					
(4)Temporary estimated increase	139,046.67	17,969.00			157,015.67
3.Decrease in this year	1,494,549.93	68,476,976.78	649,660.08	4,317,356.42	74,938,543.21
(1)Dispose or retirement	1,361,476.03	33,803,574.68	458,424.49	3,865,850.64	39,489,325.84
(2)Construction in progress transfer-in		34,624,899.67			34,624,899.67
(3)Decreased for change of foreign rate			191,235.59	411,446.06	602,681.65
(4)Temporary estimated decrease	133,073.90	48,502.43		40,059.72	221,636.05
4.Balance at year-end	1,688,670,197.57	1,768,708,568.16	34,465,918.34	220,259,731.03	3,712,104,415.10
II.Accumulated depreciation					

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Item	House and buildings	Machinery equipment	Transport equipment	Other equipment	Total
1.Balance at year-begin	351,313,535.78	856,306,300.29	19,765,302.96	82,704,782.54	1,310,089,921.57
2.Increase in this year	53,129,495.61	145,051,493.75	2,867,992.63	18,642,556.39	219,691,538.38
(1)Accrual	53,129,495.61	145,051,493.75	2,867,992.63	18,642,556.39	219,691,538.38
(2)Transfer-in of investment real estate					
3.Decrease in this year	301,054.04	42,299,108.90	473,023.89	3,252,617.32	46,325,804.15
(1)Dispose or retirement	301,054.04	31,581,962.79	366,211.73	3,138,954.42	35,388,182.98
(2)Construction in progress transfer-in		10,717,146.11			10,717,146.11
(3)Decreased for change of foreign rate			106,812.16	113,662.90	220,475.06
4.Balance at year-end	404,141,977.35	959,058,685.14	22,160,271.70	98,094,721.61	1,483,455,655.80
III.Impairment provision					
1.Balance at year-begin		1,877,839.70		140,614.62	2,018,454.32
2.Increase in this year					
3.Decrease in this year		616,877.83			616,877.83
(1)Dispose or retirement		616,877.83			616,877.83
(2)Construction in progress transfer-in					
4.Balance at year-end		1,260,961.87		140,614.62	1,401,576.49
IV.Book value					
1.Ending book value	1,284,528,220.22	808,388,921.15	12,305,646.64	122,024,394.80	2,227,247,182.81
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 year mainly due to the 137,149,336.39 yuan transfer from construction in process; decrease of the fixed assets in Current Year mainly including assets dispose for retirement.

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

(3) Fixed assets for collateral at year-end

Name	Original book value	Accumulated depreciation	Impairment provision	Book value
House and buildings	474,545,282.09	124,871,874.37		349,673,407.72

(4) Fixed assets leased through operating lease at year-end

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Item	Original book value	Accumulated depreciation	Impairment provision	Book value
House and buildings	67,661,253.29	20,048,471.94		47,612,781.35
Machinery equipment	32,932,620.94	10,232,730.25		22,699,890.69
Other equipment	10,720.00	10,184.00		536.00
Total	100,604,594.23	30,291,386.19		70,313,208.04

(5) Fixed assets without property certificate

Item	Book value	Reason of not complete the property certificate
Testing and experiment center building	38,588,047.76	Related property rights in procedure
J07 electrical workshop	33,682,983.47	Related property rights in procedure
J02workshop	30,239,384.12	Related property rights in procedure
J01 workshop	28,027,990.46	Related property rights in procedure
J05 evaporator and condenser workshop	26,372,329.92	Related property rights in procedure
II section canteen of living area	20,614,359.90	Related property rights in procedure
J06 central air-conditioner workshop	17,034,660.18	Related property rights in procedure
J50finished product warehouse	16,090,883.18	Related property rights in procedure
J51finished product warehouse	15,573,450.46	Related property rights in procedure
J53finished product warehouse	11,968,460.80	Related property rights in procedure
J54finished product warehouse	11,130,633.03	Related property rights in procedure
J52finished product warehouse	11,112,957.83	Related property rights in procedure
J55finished product warehouse	10,195,718.66	Related property rights in procedure
J56finished product warehouse	10,195,718.66	Related property rights in procedure
J09raw material warehouse	6,069,550.34	Related property rights in procedure
J10raw material warehouse	4,741,649.23	Related property rights in procedure
J11raw material warehouse	4,657,090.87	Related property rights in procedure
4# makeshift shelter	4,555,173.03	Related property rights in procedure
J08 packing materials warehouse	4,414,405.94	Related property rights in procedure
J15 house of refrigerant forklift	1,281,278.22	Related property rights in procedure
J17 chemical storage	1,258,306.28	Related property rights in procedure
J16 chemical storage	1,150,603.82	Related property rights in procedure
J19 main guard room	316,282.69	Related property rights in procedure
J19A guard room	199,757.98	Related property rights in procedure
J19D guard room	146,138.64	Related property rights in procedure
J19E guard room	146,138.64	Related property rights in procedure
Total	309,763,954.11	

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(6) No fixed assets held for sale at year-end

13.2 Disposal of fixed assets

Item	Amount at year-end	Amount at year-begin	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 year-end.

14. Construction in progress

Item	Balance at year-end	Balance at year-begin
Construction in progress	98,469,862.45	60,775,088.96
Total	98,469,862.45	60,775,088.96

(1) Details of construction in progress

Item	Amount at year-end			Amount at year-begin		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Front-end expansion project of Hefei base with an annual output of 10 million refrigerator cabinets	16,686,639.69		16,686,639.69	1,304,336.29		1,304,336.29
2021 Manufacturing System Automation Project (Phase 1)	13,973,307.43		13,973,307.43			

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Item	Amount at year-end			Amount at year-begin		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Industrial Internet Changhong Meiling Promotion Project	10,480,730.43		10,480,730.43			
Liquid nitrogen tank production line construction project	6,778,105.41		6,778,105.41			
2022 Air Conditioning Company Manufacturing System Capacity and Capacity Improvement Project	6,419,964.72		6,419,964.72			
Refrigerator cabinet efficiency improvement project	4,704,867.17		4,704,867.17			
Technical transformation project of Zhongshan Changhong	4,530,389.50		4,530,389.50	6,926,902.64		6,926,902.64
Comprehensive renovation project of mixed flow of rainwater and sewage in freezer park and living area	4,385,756.91		4,385,756.91			
Meiling extrusion line relocation and capacity expansion project	3,875,215.73		3,875,215.73			
Overseas product upgrade supporting box shell line, door shell line and some old product competitiveness improvement projects	3,731,036.22		3,731,036.22	9,837,906.27		9,837,906.27
The third floor testing and packaging line technical transformation project	2,707,964.62		2,707,964.62			
Washing machine business unit MES system online project	2,457,735.83		2,457,735.83	1,670,775.59		1,670,775.59
Meiling PLM Project	1,636,792.46		1,636,792.46			
The fourth-phase unmanned vending machine and large-volume commercial cabinet production line project of the freezer manufacturing company				4,049,896.54		4,049,896.54
Meiling Living Area Apartment Renovation Project				3,587,155.98		3,587,155.98
Construction of washing machine plant				3,097,203.54		3,097,203.54
Changhong Air Conditioner- relocation of production base and upgrading & expansion				2,942,756.39		2,942,756.39
New overseas case molding line project				2,404,757.10		2,404,757.10
Capacity enlargement and technology improvement project for Air-conditioner Company				1,724,400.82		1,724,400.82
Construction of laboratory (inspection center)				1,623,019.14		1,623,019.14
Other petty projects	16,101,356.33		16,101,356.33	21,605,978.66		21,605,978.66
Total	98,469,862.45		98,469,862.45	60,775,088.96		60,775,088.96

(2) Changes in significant construction in progress

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Projects	Book balance at period-begin	Increase in Current Year	Transfer to fixed assets in Current Year	Other decrease	Book balance at year-end	Source of funds
Changhong Air Conditioner-relocation of production base and upgrading & expansion	2,942,756.39	9,821,353.24	9,859,406.34	2,904,703.29		Self-raised
Construction of washing machine plant	3,097,203.54	2,891,057.71	5,988,261.25			Self-raised/ Raise
Construction of laboratory (inspection center)	1,623,019.14	863,813.82	2,486,832.96			Raise
Front-end expansion project of Hefei base with an annual output of 10 million refrigerator cabinets	1,304,336.29	21,002,568.89	5,507,433.63	112,831.86	16,686,639.69	Self-raised

(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 Year	Interest capitalization rate of Current Year
Changhong Air Conditioner-relocation of production base and upgrading & expansion	84,791.01	87.88%	99.50%	2,570,143.02		
Construction of washing machine plant	37,121.00	99.37%	100.00%			
Construction of laboratory (inspection center)	10,748.00	86.77%	100.00%			
Front-end expansion project of Hefei base with an annual output of 10 million refrigerator cabinets	4,121.24	54.13%	60.00%			

15. Right-of-use assets

Item	House and buildings	Total
I.Original book value		
1.Balance at year-begin	9,818,834.44	9,818,834.44
2.Increase in this year	44,252,371.53	44,252,371.53
(1) Rent in	44,252,371.53	44,252,371.53
3. Decrease in this year		
4.Balance at year-end	54,071,205.97	54,071,205.97

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Item	House and buildings	Total
II.Accumulated depreciation		
1.Balance at year-begin		
2. Increase in this year	8,703,287.66	8,703,287.66
(1)Accrual	8,703,287.66	8,703,287.66
3. Decrease in this year		
4.Balance at year-end	8,703,287.66	8,703,287.66
III.Impairment provision		
1.Balance at year-begin		
2. Increase in this year		
3. Decrease in this year		
4.Balance at year-end		
IV.Book value		
1.Ending book value	45,367,918.31	45,367,918.31
2. Opening book value	9,818,834.44	9,818,834.44

The Company accrual the depreciation on right-of-use assets from the commencement date of the lease period. Depending on use of the assets, amount of accrual will included in costs of relevant assets or current gain/loss.

16. Intangible assets

(1) Intangible assets

Item	Land use right	Trademark special right	Non-patent technology	Other	Total
I.Original book value					
1.Balance at year-begin	869,724,297.57	283,292,439.34	532,983,550.68	61,676,492.32	1,747,676,779.91
2.Increase in this year			96,213,935.50	75,577,305.10	171,791,240.60
(1)Purchase			1,213,441.91		1,213,441.91
(2) Internal research			95,000,493.59	75,577,305.10	170,577,798.69
(3)Transfer-in of investment real estate					
(4)Other					
3.Decrease in this year			80,052,685.51		80,052,685.51
(1) Disposal			80,052,685.51		80,052,685.51
(2)Other decreases					

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Item	Land use right	Trademark special right	Non-patent technology	Other	Total
4. Balance year-end at	869,724,297.57	283,292,439.34	549,144,800.67	137,253,797.42	1,839,415,335.00
II. Accumulated amortization					
1. Balance year-begin at	179,982,060.86	283,292,439.34	308,164,231.17	8,457,055.13	779,895,786.50
2. Increase in this year	18,491,879.00		110,061,197.59	18,728,752.65	147,281,829.24
(1) Accrual	18,491,879.00		110,061,197.59	18,728,752.65	147,281,829.24
(2) Transfer-in of investment real estate					
3. Decrease in this year			69,677,546.64		69,677,546.64
(1) Disposal			69,677,546.64		69,677,546.64
(2) Other decreases					
4. Balance year-end at	198,473,939.86	283,292,439.34	348,547,882.12	27,185,807.78	857,500,069.10
III. Impairment provision					
1. Balance year-begin at			26,420,977.43	4,508,495.33	30,929,472.76
2. Increase in this year			7,957,831.68		7,957,831.68
3. Decrease in this year			10,375,138.87		10,375,138.87
4. Balance year-end at			24,003,670.24	4,508,495.33	28,512,165.57
IV. Book value					
1. Ending book value	671,250,357.71		176,593,248.31	105,559,494.31	953,403,100.33
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 9.27% of the balance of intangible assets at year-end

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

(3) Up to end of the 2021, mortgage of intangible assets is as follows:

Name	Property certificate serials	Area(M ²)	Net book value	Note
Land use right	HGYJCZi No.: 0121	27,120.22	17,071,247.36	
Land use right	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	232,661,191.12	
Land use right	Wan (2019) Property right of Feixi County No.: 0061435/0061445	33,383.10	13,205,239.61	

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Name	Property certificate serials	Area(M ²)	Net book value	Note
Land use right	Wan (2019) Property right of Feixi County No.: 0061456/0061447/0061438/0061440/0061452/0061450/0061430/0061657	82,850.51	18,191,410.79	
Total		620,903.86	281,129,088.88	

17. Development expense

Item	Balance at year-begin	Increase this year		Decrease this year			Balance at year-end
		Internal development expenditure	Other	Included in current profits and losses	Confirmed as intangible assets	Other	
Technology development for Air-conditioner	27,997,731.79	114,141,979.12		1,125,286.59	101,076,009.29		39,938,415.03
Technology development for refrigerator	45,030,709.77	72,523,243.17		261,587.71	69,501,789.40		47,790,575.83
Total	73,028,441.56	186,665,222.29		1,386,874.30	170,577,798.69		87,728,990.86

18. Goodwill

(1) Original value of goodwill

Invested enterprise	Balance at year-begin	Increase this year		Decrease this year		Balance at year-end
		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	Balance at year-begin	Increase this year		Decrease this year		Balance at year-end
		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 year-end.

19. Deferred income tax assets

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(1) Deferred income tax assets without the offset

Item	Balance at year-end		Balance at year-begin	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Deferred income tax assets recognized from assets impairment	145,988,355.30	21,966,046.25	122,853,362.96	18,427,787.28
Deferred income tax assets recognized from accrual liability	11,363,601.65	1,704,540.25	55,035,910.31	8,255,386.55
Deferred income tax assets recognized from Dismission welfare	11,268,982.33	1,690,347.35	13,326,014.64	1,998,902.20
Deferred income tax assets recognized from deferred income	110,534,463.54	16,580,169.53	107,392,156.36	16,108,823.46
Deferred income tax assets recognized from ir-reparable losses	695,409,549.32	104,311,432.40	545,833,222.08	81,874,983.31
Accrued income tax assets	8,238,783.30	1,235,817.50	3,467,314.27	520,097.14
Total	982,803,735.44	147,488,353.28	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 2022, 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	Balance at year-end		Balance at year-begin	
	Taxable temporary differences	Deferred income tax liability	Taxable temporary differences	Deferred income tax liability
Recognized by fixed assets depreciation	23,595,650.26	3,539,347.53	29,817,828.77	4,472,674.32
Recognized by changes in fair value	40,873,919.41	6,131,087.92	40,686,053.41	6,102,908.01
Total	64,469,569.67	9,670,435.45	70,503,882.18	10,575,582.33

(3) Details of unrecognized deferred income tax assets

Item	Balance at year-end	Balance at year-begin
Deductible temporary difference	94,823,765.42	110,167,308.91
Deductible loss	1,075,371,859.07	880,692,110.28
Total	1,170,195,624.49	990,859,419.19

20. Other non-current assets

Item	Balance at year-end	Balance at year-begin
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Item	Balance at year-end	Balance at year-begin
Prepaid equipment, engineering, etc.	3,087,780.59	
Total	3,087,780.59	

21. Short-term loans

Category	Balance at year-end	Balance at year-begin
Loan in pledge		100,000,000.00
Guaranteed loan	5,000,000.00	66,180,000.00
Loan in credit	615,000,000.00	904,237,500.00
Bill financing		257,880,000.00
Interest payable	2,874,652.77	7,911,550.55
Total	622,874,652.77	1,336,209,050.55

Short-term loans at year-end:

1) 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 March 2021 to 1 March 2022. Fixed annual interest rate of 3.45%, the loan amount is 30,000,000.00 yuan.

2) 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 March 2021 to 23 March 2022. Loan rate of 3.55%, the loan amount is 100,000,000.00 yuan.

3) The Company entered into a Loan Contract with Hefei Luyang Branch of Hangzhou Bank Co., Ltd. with 364 days in term. Term of borrowing is from 16 July 2021 to 17 July 2022. the interest rate performs the quoted market rate for one year loans minus 55bp, floating on an annual basis, the loan amount is 10,000,000.00 yuan.

4) The Company entered into a Borrowing Contract of Working Capital Loans with Hefei Branch of China Minsheng Bank Co., Ltd. with 1 year in term. Term of borrowing is from 27 August 2021 to 27 August 2022. Fixed rate of 3.2%, the loan amount is 50,000,000.00 yuan.

5) 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 March 2021 to 10 March 2022. Fixed annual interest rate of 3.35%, the loan amount is 30,000,000.00 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 18 September 2021 to 16 March 2022. Fixed annual interest rate of 2.6%, the loan amount is 10,000,000.00 yuan.

7) The Company entered into a Master Agreement on Domestic Letter of Credit Financing with Hefei Branch of China Minsheng Bank Co., Ltd. with 349 days in term. Term of borrowing is from 29 December 2021 to 13 December 2022. Fixed rate of 2.2%, the loan amount is 100,000,000.00 yuan.

8) The Company entered into a Master Agreement on Domestic Letter of Credit Financing with Hefei Branch of Industrial Bank Co., Ltd. with 364 days in term. Term of borrowing is from 17 December 2021 to 16 December 2022. Fixed rate of 2.9%, the loan amount is 100,000,000.00 yuan.

9) 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. with 357 days in term.

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Term of borrowing is from 24 December 2021 to 16 December 2022. Fixed rate of 2.9%, the loan amount is 180,000,000.00 yuan.

10) 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 March 2021 to 30 March 2022. Fixed rate of 3.85%, the loan amount is 5,000,000.00 yuan.

11) Anhui Tuoxing Technology Co., Ltd- the wholly-owned subsidiary of Zhongke Meiling Cryogenic Technology Co., Ltd borrowed from Bank of China, Hefei Feicui Road Sub-Branch and entered into the Guarantee Contract with the above mentioned sub-branch. Term of borrowing is from 1 April to 1 April 2022. Fixed rate of 3.65%, the loan amount is 5,000,000.00 yuan.

22. Trading financial liability

Item	Balance at year-end	Balance at year-begin
Trading financial liability	12,304,272.41	4,584,076.51
Including: Derivative financial liability	12,304,272.41	4,584,076.51

23. Note payable

Type	Balance at year-end	Balance at year-begin
Bank acceptance	4,663,885,311.94	4,232,731,220.17
Trade acceptance	175,952,005.84	206,876,762.17
Total	4,839,837,317.78	4,439,607,982.34

24. Account payable

(1) Account payable

Item	Amount at year-end	Amount at year-begin
Total	2,299,103,796.88	2,851,999,684.30
Including: Amount aged over 1 year	94,640,539.62	74,369,337.19

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

25. Contract liabilities

Item	Balance at year-end	Balance at year-begin
Total	515,004,115.23	522,550,891.28
Including: Amount aged over 1 year	17,740,130.48	91,437,631.00

26. Wages payable

(1) Category

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Item	Balance at year-begin	Increase this year	Decrease this year	Balance at year-end
Short-term compensation	262,858,303.46	1,489,685,430.90	1,511,519,677.11	241,024,057.25
After-service welfare- defined contribution plans	23,650,290.96	135,777,842.19	156,932,495.50	2,495,637.65
Dismiss welfare	3,813,181.63	4,685,042.49	4,973,497.46	3,524,726.66
Total	290,321,776.05	1,630,148,315.58	1,673,425,670.07	247,044,421.56

(2) Short-term compensation

Item	Balance at year-begin	Increase this year	Decrease this year	Balance at year-end
Wages, bonuses, allowances and subsidies	246,130,770.29	1,311,382,721.30	1,323,371,649.51	234,141,842.08
Welfare for workers and staff	1,156,146.23	38,521,939.29	39,578,061.74	100,023.78
Social insurance	10,194,113.84	59,164,627.61	68,206,754.21	1,151,987.24
Including: Medical insurance	9,491,779.25	54,155,350.42	62,566,649.11	1,080,480.56
Work injury insurance	461,693.28	3,375,166.25	3,826,506.22	10,353.31
Maternity insurance	240,641.31	1,634,110.94	1,813,598.88	61,153.37
Housing accumulation fund	4,900,053.99	77,253,766.47	77,292,017.78	4,861,802.68
Labor union expenditure and personnel education expense	477,219.11	3,362,376.23	3,071,193.87	768,401.47
Total	262,858,303.46	1,489,685,430.90	1,511,519,677.11	241,024,057.25

(3) Defined contribution plans

Item	Balance at year-begin	Increase this year	Decrease this year	Balance at year-end
Basic endowment insurance	21,115,136.67	130,585,391.92	150,940,716.15	759,812.44
Unemployment insurance	2,535,154.29	5,192,450.27	5,991,779.35	1,735,825.21
Total	23,650,290.96	135,777,842.19	156,932,495.50	2,495,637.65

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27. Tax payable

Item	Balance at year-end	Balance at year-begin
Value-added tax	93,229,596.44	41,769,712.31
Enterprise income tax	3,665,806.85	9,941,386.84
Individual income tax	2,593,701.11	2,781,283.48
Urban maintenance and construction tax	8,227,864.32	4,056,939.25
Real estate tax	3,758,773.24	6,370,190.14
Land use tax	1,550,831.89	2,701,128.78
Educational surtax	4,932,682.07	2,977,254.61
Stamp tax	3,798,892.56	2,213,950.91
Construction fund of Water Conservancy Projects	606,448.87	643,321.87
Treatment fund for abandon electrics & electronics	18,489,806.00	13,835,511.00
Other	1,020,458.53	2,391,754.71
Total	141,874,861.88	89,682,433.90

28. Other account payable

Item	Balance at year-end	Balance at year-begin
Dividend payable	4,753,764.56	4,466,628.25
Other account payable	746,699,003.44	720,235,058.47
Total	751,452,768.00	724,701,686.72

28.1 Dividend payable

Item	Balance at year-end	Balance at year-begin
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

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Item	Balance at year-end	Balance at year-begin
Total	4,753,764.56	4,466,628.25

28.2 Other account payable

(1) Other account payable by nature

Nature	Balance at year-end	Balance at year-begin
1.Accrued expenses (expenses occurred without reimbursed)	364,248,335.74	387,297,440.24
2. Receivables received temporary and deducted temporary	26,847,048.85	30,995,522.33
3.Deposit, margin	148,778,715.05	163,264,455.70
4.Not the come-and-go with related parties in statement scope	187,411,658.83	126,828,746.47
5. Other	19,413,244.97	11,848,893.73
Total	746,699,003.44	720,235,058.47

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

29. Non-current liability due within one year

Item	Balance at year-end	Balance at year-begin
Long-term loan principal and interest due within one year	320,520,933.33	407,141,888.08
Long term account payable due within one year	173,499.29	683,262.66
Lease liabilities due within one year	12,024,045.63	5,000,280.67
Total	332,718,478.25	412,825,431.41

30. Other current liabilities

Item	Balance at year-end	Balance at year-begin
Pending sales tax	23,388,239.94	20,376,696.94
Factoring fees payable	785,519.22	2,547,001.79
Bill recovery	200,000.00	
Total	24,373,759.16	22,923,698.73

31. Long term borrowings

(1) Category of long term borrowings

Category	Amount at year-end	Amount at year-begin
Loan in mortgage	168,000,000.00	188,000,000.00

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Category	Amount at year-end	Amount at year-begin
Interest payable		231,439.30
Total	168,000,000.00	188,231,439.30

(2) Long-term borrowings at year-end

Loan from	Borrowing day	Returning day	Foreign currency	Interest rate	Amount at year-end (RMB)	Amount at year-begin(RMB)
EIBC (Export-Import Bank) Anhui Province Branch ^{note1}	2020/3/26	2026/11/25	RMB	4.455%	98,000,000.00	98,000,000.00
EIBC (Export-Import Bank) Anhui Province Branch ^{note2}	2019/12/23	2026/11/25	RMB	4.455%	70,000,000.00	90,000,000.00
Total					168,000,000.00	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 fixed assets and intangible assets are used as mortgage for a long-term loan under the contract. And withdrawal of 98,000,000.00 yuan on March 26, 2020. The term of the loan is from March 26, 2020 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 98,000,000.00 yuan. The balance at the end of the year is RMB 98,000,000.00.

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 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 10,000,000.00 yuan. It plans to repay 10,000,000.00 yuan on June 25, 2022 and repay 10,000,000.00 yuan on December 25, 2022, a total of 20,000,000.00 yuan has been reclassified to non-current liabilities due within one year. The balance at the end of the year is RMB 70,000,000.00.

32. Lease liability

Item	Balance at year-end	Balance at year-begin
Lease liability	33,225,912.15	4,783,483.43
Total	33,225,912.15	4,783,483.43

33. Long-term payable

Item	Balance at year-end	Balance at year-begin
Long-term payable		175,323.91
Special payable	1,337,643.24	1,530,000.00
Total	1,337,643.24	1,705,323.91

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33.1 Classify by nature

Nature	Balance at year-end	Balance at year-begin
Financing lease		175,323.91

33.2 Special payable

Item	Balance at year-begin	Increase this year	Decrease this year	Balance at year-end	Reason
Special funds for technological transformation from Zhongshan Changhong	1,530,000.000		192,356.76	1,337,643.24	Technology plan project in Zhongshan City

34. Long-term wage payable

Item	Balance at year-end	Balance at year-begin
Dismissal welfare	9,828,300.06	10,571,526.69

According to the internal early retirement policy, the long-term payable dismissal welfare bears by the Company up to year-end amounting to 9,828,300.06 yuan

35. Accrual liability

Item	Balance at year-end	Balance at year-begin	Reason
Product quality guarantee ^{note1}	9,170,710.48	14,487,294.50	Guarantee of product
Guarantee fund for quality service ^{note1}	399,861.15	47,905,440.57	Guarantee of product
Litigation matters ^{note2}	1,793,030.00		
Total	11,363,601.63	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 2021, the accrual liability that have not been anticipated has written-off in Current Year, actually 47,303,596.97 yuan written-off.

Note2 In November 2021, Zhejiang Teruisi Pharmaceutical Inc. filed a lawsuit against Zhongke Meiling for the "Cold Storage Design, Equipment Purchase and Installation Construction Contract". At present, the court is organizing a third-party organization to conduct quality assurance for the objects under the contract. Zhongke Meiling intends to maintain the cold storage project, and the estimated maintenance cost is 1,793,030.00 yuan.

36. Deferred income

(1) Classification of deferred income

Item	Balance at year-begin	Increase this year	Decrease this year	Balance at year-end	Reason
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Item	Balance at year-begin	Increase this year	Decrease this year	Balance at year-end	Reason
Government subsidies---subsidiess of development project	136,876,337.09	26,291,400.00	24,012,651.46	139,155,085.63	
Government subsidies---subsidiess of Relocation	40,501,113.03		3,992,159.83	36,508,953.20	
Total	177,377,450.12	26,291,400.00	28,004,811.29	175,664,038.83	

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(2) Government subsidy

Item	Amount at year-begin	New subsidy in Current Year	Amount reckoned into other income in Current Year	Other changes	Amount at year-end	Assets related/Income related
Demonstration factory construction for the intelligent manufacturing of intelligent air-conditioner	49,500,000.00		6,892,405.03		42,607,594.97	Assets related
Demolition compensation of Changhong Meiling	38,316,384.47		2,212,271.23		36,104,113.24	Assets related
Centre for external cooperation of the environmental protection	7,614,900.00	846,100.00	773,631.80		7,687,368.20	Assets related
Key chip and module for transducer used and detection capacity building	6,840,000.00	760,000.00			7,600,000.00	Assets related
Adaptability improvement on new coolants production	9,459,926.70		2,364,981.69		7,094,945.01	Assets related
Subsidy for industrial development policy from Hefei for first half of 2018	7,794,000.00		1,250,000.00		6,544,000.00	Assets related
Changhong Air Conditioner- relocation of production base and upgrading & expansion	6,880,000.00		382,222.24		6,497,777.76	Assets related
District-level subsidy funds for advanced manufacturing policies in the first half of 2021		5,968,900.00	373,056.25		5,595,843.75	Assets related
Advanced Manufacturing Policy Municipal Award in the first half of 2020		5,969,000.00	746,125.00		5,222,875.00	Assets related
Subsidy for industrial development policy from Hefei for second half of 2019	5,365,650.00		894,275.00		4,471,375.00	Assets related
Special fund, government subsidy CZ059001	4,200,000.00				4,200,000.00	Assets related
20-year subsidy for advancing technological transformation projects		4,287,400.00	178,641.66		4,108,758.34	Assets related
Policy funds for manufacturing a strong province, subsidy for equipment for the technological transformation of industrial strong base	3,750,000.00		625,000.00		3,125,000.00	Assets related
2021 manufacturing strong provincial policy subsidy funds		3,260,000.00	203,750.00		3,056,250.00	Assets related
RESEARCH AND APPLICATION OF THE VISA (VARIABLE	4,462,790.72		1,409,302.32		3,053,488.40	Assets related

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Item	Amount at year-begin	New subsidy in Current Year	Amount reckoned into other income in Current Year	Other changes	Amount at year-end	Assets related/Income related
FREQUENCY VOLUME INTEGRATED INTELLIGENT AIR-CONDITIONER)						
Subsidy for industrial development policy from Hefei for first half of 2020	3,440,583.33		434,600.00		3,005,983.33	Assets related
Government subsidy for new plant construction - industrialization of cryogenic refrigeration equipment	3,291,666.67		500,000.00		2,791,666.67	Assets related
Subsidies for intelligent transformation & upgrading of enterprises from the new industrialization policy in economic development zone	3,280,739.58		605,675.00		2,675,064.58	Assets related
2020 supporting funds to support the innovation and development of artificial intelligence industry		2,600,000.00	162,500.00		2,437,500.00	Assets related
2020 fund allocation for Anhui Province's triple innovation project		2,600,000.00	230,208.33		2,369,791.67	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 industry and high-end growth industry	2,000,000.00		103,448.28		1,896,551.72	Assets related
Industrialization of intelligent white household appliances software platform and typical application research and development	2,303,030.33		727,272.73		1,575,757.60	Assets related
Equipment subsidy for the industrial base technical renovation from Economic and Information Commission	1,547,083.33		235,000.00		1,312,083.33	Assets related
Upgrade project for the production line of Mianyang Meiling Intelligent Refrigerator	1,316,666.72		197,499.96		1,119,166.76	Assets related
Subsidy from Zhongshan Finance Bureau (CZ028001 provincial special project 2019)	1,397,706.70		305,646.49		1,092,060.21	Assets related
Subsidy for equipment purchasing for Hefei Tech. Improvement project in 2017	1,179,470.00		179,160.00		1,000,310.00	Assets related
Subsidy for purchase of R & D instruments and equipment	882,105.20		182,112.52		699,992.68	Assets related
Promotion of the energy-saving room air conditioner	858,762.97		210,309.28		648,453.69	Assets related
Emerging Industry Base Fund Support Item	620,000.00		6,391.75		613,608.25	Assets related
Robot policy-rewards for purchasing robots	555,156.26		70,125.00		485,031.26	Assets related

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Item	Amount at year-begin	New subsidy in Current Year	Amount reckoned into other income in Current Year	Other changes	Amount at year-end	Assets related/Income related
Promoting the new industry (annual output of 0.6 million medium& large volume environmental protection and energy saving freezer)	761,031.21		304,412.52		456,618.69	Assets related
Demolition compensation of Jiangxi Meiling	2,184,728.56		1,779,888.60		404,839.96	Assets related
Special fund for technical improvement	484,047.64		103,809.60		380,238.04	Assets related
Special fund for technical improvement	416,912.46		61,203.84		355,708.62	Assets related
Technical transformation of refrigerator evaporator workshop	394,062.50		60,625.00		333,437.50	Assets related
2018 Zhongshan Special fund for industrial development	464,508.75		171,858.05		292,650.70	Assets related
Technical transformation subsidy	209,218.33		31,779.96		177,438.37	Assets related
Refrigerator evaporator production workshop	157,262.27		29,033.00		128,229.27	Assets related
Technical renovation of air conditioner production line	190,767.27		96,009.00		94,758.27	Assets related
Subsidy for the development on production line technical reform for green-friendly high-quality metal pipe	88,600.63		40,892.64		47,707.99	Assets related
Subsidy for characteristic innovation and entrepreneurship carrier project	2,000,000.00		2,000,000.00			Income related
Technical transformation of the Athena project	869,687.52		869,687.52			Assets related
Total	177,377,450.12	26,291,400.00	28,004,811.29		175,664,038.83	

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37. Share capital

Item	Balance at year-begin	Change during the year(+, -)					Balance at year-end
		New shares issued	Bonus share	Shares transferred from capital reserve	Other	Subtotal	
Total shares	1,044,597,881.00						1,044,597,881.00

38. Capital reserve

Item	Amount at year-begin	Increase this year	Decrease this year	Amount at year-end
Share premium	2,635,663,966.42		877,657.56	2,634,786,308.86
Other capital reserve	48,173,262.70		130,171.30	48,043,091.40
Total	2,683,837,229.12		1,007,828.86	2,682,829,400.26

Note: Change of the share premium in the year mainly due to the buy-back of B-share 5,438.39 yuan in the year; capital surplus of 872,219.17 yuan generated from the repurchase of minority's interest of Guangzhou Meiling in the year. Other changes in capital reserves this year are changes in capital reserves of subsidiaries acquired by the associated enterprise Zhiyijia under the same control. The company recognizes capital reserves of RMB 130,171.30 according to the shareholding ratio.

39. Treasury stock

Item	Balance at year-begin	Increase this year	Decrease this year	Balance at year-end
Repurchase of B shares	9,929,336.18	16,501,235.20		26,430,571.38
Total	9,929,336.18	16,501,235.20		26,430,571.38

Note: The Company held the 40th session of the 9th BOD, the 21st session of the 9th BOS, and the third extraordinary general meeting of shareholders in 2020 on July 27 and August 18, 2020, which reviewed and approved the Proposal on the Repurchase of Part of the Company's Domestically Listed Foreign Shares (B Shares)", and agreed that the company would use its own funds to repurchase part of the company's domestically listed foreign shares (B shares) through centralized bidding transactions, and the repurchased B shares would be cancelled in accordance with the law and the registered capital of the company would be reduced accordingly. The total amount of the repurchase should be no less than 50 million yuan (inclusive) and no more than 100 million yuan (inclusive), based on the central parity rate of Hong Kong Dollar against RMB on July 24, 2020: 1 HKD = 0.9023 yuan, equivalent to Hong Kong dollars of not less than HK\$55,413,942.15 (inclusive) and not more than HK\$110,827,884.30 (inclusive). The specific total amount of repurchase funds should be subject to the total amount of funds actually used for the repurchase of shares at the expiration of the repurchase period. The price of repurchasing B shares this time should not exceed HK\$2.21/share (inclusive). After the implementation of the 2020 annual profit distribution plan, the upper limit of the price of repurchasing B shares would be adjusted from HK\$2.21/share (inclusive) to HK\$2.15/share (inclusive).).

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On August 24, 2021, the company held the 11th session of the 10th BOD, the directors of the company unanimously agreed to the Proposal on Continuing Implementation and Partial Adjustment of the Repurchase of Some Domestically Listed Foreign Shares (B Shares) of the Company", continued to implement the Plan on Repurchasing Part of the Company's Domestically Listed Foreign Shares (B Shares) approved by the previous shareholders' meeting of the company; at the same time, the repurchase period in the aforementioned plan was extended to February 18, 2022, that is, the repurchase period was from August 18, 2020 to February 18, 2022; the repurchase price was adjusted from no more than HK\$2.15/share (inclusive) to no more than HK\$2.36/share (inclusive) (not exceeding 150% of the average trading price of the company's stock in the first 30 trading days prior to the reviews and approval of the 11th meeting of the tenth BOD); the 9,582,882 B shares repurchased in the previous period would be cancelled after the expiration of extension of the repurchase period.

As of December 31, 2021, a total of 14,288,639 shares were repurchased, and the total repurchase transaction price was HK\$31,648,618.56, equivalent to 26,430,571.38 yuan at the real-time exchange rate.

40. Other comprehensive income

Item	Balance at year-begin	Current Year					Balance at year-end
		Account before income tax in Current Year	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							
Conversion difference arising from foreign currency financial statement	-21,451,084.17	615,920.12			547,813.60	68,106.52	-20,903,270.57
Total	-21,451,084.17	615,920.12			547,813.60	68,106.52	-20,903,270.57

41. Surplus reserves

Item	Amount at year-begin	Increase this year	Decrease this year	Amount at year-end
Statutory surplus reserve	300,757,088.27	6,746,446.47		307,503,534.74
Discretionary surplus reserve	115,607,702.16			115,607,702.16
Total	416,364,790.43	6,746,446.47		423,111,236.90

42. Retained profit

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Item	Current Year	Last Year
Prior year-end balance	740,754,202.23	884,127,743.42
Add: adjustment from undistributed profit at year-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		
Balance at year-begin	740,754,202.23	884,127,743.42
Add: net profit attributable to shareholders of parent company for this year	51,898,388.84	-85,565,716.91
Less: withdraw of statutory surplus reserve	6,746,446.47	5,577,930.23
withdraw of discretionary surplus reserve		
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		
Balance at year-end	734,129,724.00	740,754,202.23

43. Operation income and operation cost

(1) Operation income and operation cost

Item	Current Year		Last Year	
	Income	Cost	Income	Cost
Main business	17,331,645,754.46	15,273,131,473.38	14,154,240,737.32	11,709,373,550.27
Other business	701,311,746.98	596,614,341.09	1,233,809,492.35	1,141,498,122.30
Total	18,032,957,501.44	15,869,745,814.47	15,388,050,229.67	12,850,871,672.57

(2) Main business classified according to product

Product	Current Year		Last Year	
	Operation income	Operation cost	Operation income	Operation cost
Refrigerator, freezer	8,165,836,380.29	6,945,620,033.21	7,677,640,685.10	6,148,588,872.52
Air-conditioner	6,867,304,359.29	6,364,053,615.99	4,619,288,893.44	4,053,771,792.10
Washing machine	668,996,516.82	534,901,177.78	466,805,675.50	384,583,731.12
Small household appliances and kitchen and bathroom	1,330,315,557.62	1,154,251,783.53	1,143,165,497.06	958,061,925.19
Other	299,192,940.44	274,304,862.87	247,339,986.22	164,367,229.34

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Product	Current Year		Last Year	
	Operation income	Operation cost	Operation income	Operation cost
Total	17,331,645,754.46	15,273,131,473.38	14,154,240,737.32	11,709,373,550.27

(3) Main business classified according to sales region

Region	Current Year		Last Year	
	Operation income	Operation cost	Operation income	Operation cost
Domestic	12,521,627,236.27	10,779,025,843.09	9,174,395,337.92	7,413,002,117.96
Overseas	4,810,018,518.19	4,494,105,630.29	4,979,845,399.40	4,296,371,432.31
Total	17,331,645,754.46	15,273,131,473.38	14,154,240,737.32	11,709,373,550.27

Top five clients have income in sales of 9,460,098,700.85 yuan in total, a 52.46 % in total operation income.

(4) Statement of revenue deduction

Item	Current Year	Last Year	Detailed deduction item
	In 10 thousand yuan	In 10 thousand yuan	
Revenue	1,803,295.75	1,538,805.02	
Total amount of deduction items from revenue	14,438.31	13,518.65	business income unrelated to core business
Ratio of total amount of deduction items from revenue as revenue	0.80	0.88	—
Other income other than normal operation. For example, income from renting houses, sales of wasting materials and the income outside the normal operation of the listed company, although recorded in "revenue"	14,438.31	13,518.65	
Subtotal of business income unrelated to core business	14,438.31	13,518.65	
Revenue after deduction item	1,788,857.44	1,525,286.37	

44. Business tax and extra charges

Item	Current Year	Last Year
Treatment fund for abandon electrics & electronics	44,423,770.00	54,489,675.00
City construction tax	19,468,269.04	27,164,098.44
Extra charge for education and local education surcharge	14,635,736.24	20,252,422.13
Real estate tax	20,177,953.31	19,343,805.61

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Item	Current Year	Last Year
Stamp duty	15,103,354.99	12,839,245.15
Land use tax	8,323,457.05	7,473,391.72
Water fund	6,923,860.11	7,156,421.01
Other	11,363.34	1,596,453.38
Total	129,067,764.08	150,315,512.44

45. Sales expense

Item	Current Year	Last Year
Salary, extra charges and labor service expenses	570,204,800.54	602,311,290.04
Market support expenses	305,176,382.00	300,981,172.56
National three guarantees expense	141,027,709.39	90,872,070.92
Shipping and Installation expense	119,830,405.37	719,028,096.35
Storage lease expenses	100,617,796.86	93,417,953.55
Travelling expenses	29,229,678.19	27,679,048.85
Business activity expenses	17,319,526.22	7,737,646.92
Service support expenses	16,850,832.61	39,269,346.08
Insurance expenses	12,506,597.90	14,608,773.95
Vehicle expenses	9,068,901.91	1,692,392.60
Depreciation expenses	8,058,200.89	7,984,786.81
Meeting organization expenses	3,181,909.93	907,896.51
Advertising expenses	3,009,994.39	1,423,006.42
House-lease expenses	1,583,945.12	1,085,901.86
Communication expenses	943,777.71	1,107,112.94
Other expenses	26,029,945.72	35,697,303.20
Total	1,364,640,404.75	1,945,803,799.56

46. Administration expense

Item	Current Year	Last Year
Salary and social insurance etc.	212,452,104.33	170,017,710.90
Depreciation	23,489,510.10	19,860,652.31
Amortized intangible assets	18,074,719.94	18,997,141.21
Water and electricity fee	6,561,477.70	6,596,531.99
Business activities fee	5,277,048.90	3,421,679.60
Property insurance fee	5,264,916.64	5,727,401.94
Domestic travelling fee	3,365,425.65	3,138,305.00
Office fee	1,954,323.86	1,847,681.31
Board fees	1,819,196.77	1,446,841.30

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Item	Current Year	Last Year
Inspection and authentication fee	588,177.67	648,176.21
Other expenses	54,741,873.81	48,543,562.79
Total	333,588,775.37	280,245,684.56

47. R&D expenses

Item	Current Year	Last Year
Salary and social insurance etc.	169,613,060.06	124,899,251.69
Amortized intangible assets	123,668,238.26	114,668,760.56
Trial fee of R&D	41,894,900.89	44,713,078.54
Technical development cost	35,425,186.62	23,589,293.27
Inspection and authentication fee	23,112,922.97	15,455,566.85
Depreciation	17,122,874.36	15,179,901.55
Cost of mould	9,335,908.93	5,534,614.33
Software royalty	2,174,741.57	755,542.28
Domestic travel expenses	1,967,777.25	969,236.31
Other expenses	41,575,485.18	34,873,677.53
Total	465,891,096.09	380,638,922.91

48. Financial expenses

Item	Current Year	Last Year
Interest expenditure	71,229,760.29	88,262,152.17
Less: Interest income	140,024,813.71	139,603,245.84
Add: exchange loss	3,784,522.39	33,026,909.13
Procedure charge expenditure	19,062,243.58	19,928,603.14
Discount expenditure	-12,454,495.35	-7,144,403.44
Total	-58,402,782.80	-5,529,984.84

49. Other income

Item	Current Year	Last Year
Industrial development policy subsidy	27,000,000.00	28,058,461.33
Immediate refund of VAT for software products	9,172,445.35	4,858,596.32
Demonstration factory construction for the intelligent manufacturing of intelligent air-conditioner	6,892,405.03	
2021 foreign trade and economic development funds	4,312,000.00	
2020 foreign trade promotion policy	2,746,604.00	
Adaptability improvement on new coolants production	2,364,981.69	2,364,981.72
Subsidy for export credit insurance	2,344,865.00	7,516,778.79

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Item	Current Year	Last Year
Demolition compensation of Changhong Meiling	2,212,271.23	2,297,010.33
2021 provincial industrial development special project fund	2,200,000.00	
VAT refund	2,095,773.00	
Subsidy for characteristic innovation and entrepreneurship carrier project	2,000,000.00	
Demolition compensation of Jiangxi Meiling	1,779,888.60	1,779,888.60
Government subsidies for settlement	1,500,000.00	
The first batch of provincial industrial development special fund subsidies in 2021	1,490,000.00	
RESEARCH AND APPLICATION OF THE VISA (VARIABLE FREQUENCY VOLUME INTEGRATED INTELLIGENT AIR-CONDITIONER)	1,409,302.32	1,409,302.32
2021 support for the development of China's Sound Valley	1,395,000.00	
2021 manufacturing strong provincial policy subsidy funds	1,320,000.00	
Subsidy for industrial development policy from Hefei for first half of 2018	1,250,000.00	1,250,000.00
Special funds for port logistics	1,144,395.00	
Economic Development Zone Industrialization Policy Award and Supplementary Funds in 2019	1,140,400.00	
The second batch of funds to support China's Sound Valley construction project in 2020	1,044,200.00	
2020 product testing fee subsidy	1,000,000.00	
Hefei City 2020 smart home appliance (home) technology award and subsidy	1,000,000.00	
Reward and subsidize national specialized, special and new "little giant" enterprises	1,000,000.00	
2021 Industrial Internet Policy Award and Subsidy	1,000,000.00	
Incentives for major scientific and technological projects	1,000,000.00	
"Double Top 100" Enterprise Rewards	1,000,000.00	
2021 Special project for the construction of innovation capability and industrial upgrading platform	900,000.00	
Subsidy for industrial development policy from Hefei for second half of 2019	894,275.00	1,788,550.00
Technical transformation of the Athena project	869,687.50	4,008,124.98
Subsidy for revitalizing idle factories	843,732.00	843,732.00
Centre for external cooperation of the environmental protection	773,631.80	
Advanced Manufacturing Policy Municipal Award in the first half of 2020	746,125.00	
Industrialization of intelligent white household appliances software platform and typical application research and development	727,272.73	727,272.72
Modern service industry development policy funds	714,500.00	
2020 undertake industrial transfer to promote the innovation and development of processing trade funds	652,039.00	
Policy funds for manufacturing a strong province, subsidy for equipment for	625,000.00	625,000.00

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Item	Current Year	Last Year
the technological transformation of industrial strong base		
Talent subsidy	616,436.00	1,931,630.00
Subsidies for intelligent transformation & upgrading of enterprises from the new industrialization policy in economic development zone	605,675.00	605,675.00
Technology Insurance Grant	600,000.00	
Skills Upgrading Training Program	600,000.00	
Patent reward	515,800.00	
Government subsidy for new plant construction - industrialization of cryogenic refrigeration equipment	500,000.00	500,000.00
2021 triple innovation platform funds	500,000.00	
Intellectual Property Special Fund	500,000.00	205,000.00
Subsidy for industrial development policy from Hefei for first half of 2020	434,600.00	36,216.67
Artificial Intelligence Project Grants	414,000.00	
Q4 of 2020 Land Use Tax Return	400,534.76	
The first batch of scientific and technological innovation policy high-level title awards in 2020	400,000.00	
Changhong Air Conditioner- relocation of production base and upgrading & expansion	382,222.24	
Property Tax Rebate for Q4 of 2020	373,459.10	
District-level subsidy funds for advanced manufacturing policies in the first half of 2021	373,056.25	
2021 special awards and subsidies for energy conservation and ecological construction	347,600.00	
Personal tax handing fee refund	333,648.78	219,724.18
Subsidy from Zhongshan Finance Bureau (CZ028001 provincial special project 2019)	305,646.49	305,646.49
Promoting the new industry (annual output of 0.6 million medium& large volume environmental protection and energy saving freezer)	304,412.52	304,412.52
Zhongshan City Increases Incentive Projects for Enterprises with Outstanding Contribution to Stabilizing Foreign Trade	300,000.00	
2019 District-level Industrial Policy Science and Technology Innovation Policy	300,000.00	
Overseas investment insurance subsidy	290,171.00	
Hefei Standardization Policy Award and Subsidy	290,000.00	
Subsidies for scientific and technological innovation projects	281,000.00	
Subsidy for instruments and equipment	265,400.00	
2021 technological transformation and financial incremental contribution incentive policy awards and subsidies	259,100.00	
2021 special funds for industrial development in Zhongshan City	250,000.00	

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Item	Current Year	Last Year
Policies support the separation of main and auxiliary enterprises	249,845.00	
Equipment subsidy for the industrial base technical renovation from Economic and Information Commission	235,000.00	235,000.00
2020 fund allocation for Anhui Province's triple innovation project	230,208.34	
Promotion of the energy-saving room air conditioner	210,309.28	210,309.24
2021 manufacturing strong provincial policy subsidy funds	203,750.00	
Incentives for "Innovative and Entrepreneurial Teams at the Start-up Stage"	200,000.00	
Provincial service-oriented manufacturing demonstration enterprise bonus	200,000.00	
Anhui Province Manufacturing High-end Brand Cultivation Enterprise Project Award and Subsidy	200,000.00	
Design achievement industrialization project subsidy	200,000.00	
2020 Annual Outstanding Enterprise Award Fund	200,000.00	
Upgrade project for the production line of Mianyang Meiling Intelligent Refrigerator	197,499.96	197,499.96
Subsidy for purchase of R & D instruments and equipment	182,112.52	167,482.30
Subsidy for equipment purchasing for Hefei Tech. Improvement project in 2017	179,160.00	179,160.00
2020 subsidy for advancing technological transformation projects	178,641.67	
2018 Zhongshan Special fund for industrial development	171,858.05	265,723.80
2020 High-quality Development Several Supporting Policy Awards	170,000.00	
2020 supporting funds to support the innovation and development of artificial intelligence industry	162,500.00	
2020 special funds for port logistics	135,660.00	
2020 supporting industry linkage development	128,100.00	
Military-civilian integration insurance premium subsidy	127,451.00	
Outstanding Contribution Award for Enterprises to Promote High-Quality Development	120,000.00	
2020 Science and Technology Innovation Policy Award and Subsidy for Economic and Technological Development Zone	104,000.00	
Special fund for technical improvement	103,809.60	63,193.35
Special funds for strategic emerging industry and high-end growth industry	103,448.28	
Enterprise policy funds of the Economic and Trade Development Bureau of the Joint Economic Zone		3,074,766.67
Subsidy for employment stable		5,520,715.46
Several policy subsidies in Anhui Province to support the development of the digital economy		3,500,000.00
Nanjing Port Special Subsidy Fund		2,571,170.00
Room air conditioner industry propane production line to increase operating cost subsidies		2,403,000.00

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Item	Current Year	Last Year
Sichuan Province Account receivable financing core enterprise reward and subsidy funds		2,369,300.00
Technology Innovation and Enterprise Development Fund		1,895,786.40
Fiscal Incremental Contribution Project Subsidy for Technological Transformation		1,681,100.00
Subsidies for large enterprises and large groups to drive SMEs to integrate development projects		1,430,000.00
Joint Economic Finance Provincial Foreign Trade Fund Subsidy		1,338,474.94
2019 incentives for promoting high-quality development of the manufacturing industry		1,275,000.00
2018 Special Fund for Foreign Economic and Trade Development and Port Construction		1,062,566.00
Policy Subsidies for Promoting Science and Technology Innovation		987,900.00
Provincial innovation-driven development special funds		800,000.00
Epidemic subsidies		771,450.00
Changhong Meiling Freezer Project		734,062.42
State-funded project - research and development of frequency conversion control chips		700,000.00
Corporate subsidy income		665,061.00
Special funds for enterprises		630,000.00
Tax Contribution Award		584,300.00
Special funds for overseas investment insurance		576,699.00
Logistics Subsidy		550,000.00
Tax refunds received		523,166.43
Integrated Circuit Industry Policy Fund		500,000.00
Corporate Brand Cultivation Grant		500,000.00
International market development subsidy for SMEs		377,144.00
Industrial Development Fund		200,000.00
Technical transformation subsidy		108,581.67
Technical renovation of air conditioner production line		95,829.50
Special fund for technical improvement		61,203.83
Technical transformation of refrigerator evaporator workshop		60,625.00
Subsidy for the development on production line technical reform for green-friendly high-quality metal pipe		40,892.60
Refrigerator evaporator production workshop		29,033.04
Technological Transformation Fund		10,000.00
Robot policy-rewards for purchasing robots		5,843.74
Other petty projects	3,495,382.00	3,534,135.95
Total	108,992,292.09	104,122,180.27

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50. Investment income

Item	Current Year	Last Year
Long-term equity investment income by equity method	12,422,382.59	-3,500,527.61
Investment income obtained from disposal of tradable financial assets	95,088,495.95	46,456,622.69
Income from financial products	13,856,905.10	7,952,740.73
Investment income of other non-current financial assets during holding period	7,596,184.95	27,218,378.81
Total	128,963,968.59	78,127,214.62

51. Changes in fair value gains

Item	Current Year	Last Year
Tradable financial assets	-29,245,252.88	39,512,070.15
Including :Income of fair value changes from derivative financial instruments	-29,245,252.88	39,512,070.15
Trading financial liability	-7,720,195.90	-3,506,201.30
Including :Income of fair value changes from derivative financial instruments	-7,720,195.90	-3,506,201.30
Other non-current financial assets	33,831,509.36	5,608,931.34
Total	-3,133,939.42	41,614,800.19

52. Credit impairment loss

Item	Current Year	Last Year
Note receivable bad debt loss	8,481,942.30	-6,578,442.30
Account receivable bad debt loss	-29,230,616.84	-14,508,281.88
Other account receivable bad debt loss	-235,222.39	4,028,236.18
Total	-20,983,896.93	-17,058,488.00

53. Assets impairment loss

Item	Current Year	Last Year
Loss on inventory valuation	-49,526,210.35	-56,152,155.82
Impairment loss on intangible assets	-7,957,831.68	-22,114,421.01
Impairment loss on fixed assets		-445,081.08
Total	-57,484,042.03	-78,711,657.91

54. Income from assets disposal

Item	Current Year	Last Year	Amount reckoned into non-recurring gains/losses in Current Year
Income from non-current assets disposal	-133,214.72	-500,976.21	-133,214.72

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Item	Current Year	Last Year	Amount reckoned into non-recurring gains/losses in Current Year
Including: income classify to assets ready for sale			
income not classify as to assets ready for sale	-133,214.72	-500,976.21	-133,214.72
Including: Income from fixed assets disposal	-133,214.72	-500,976.21	-133,214.72
Income from intangible assets disposal			
Total	-133,214.72	-500,976.21	-133,214.72

55. Non-operation revenue

Item	Current Year	Last Year	Amount reckoned into non-recurring gains/losses in Current Year
Income of penalty	1,258,456.10	561,010.41	1,258,456.10
Other	8,763,597.78	7,907,595.00	8,763,597.78
Total	10,022,053.88	8,468,605.41	10,022,053.88

56. Non-operating expenditure

Item	Current Year	Last Year	Amount reckoned into non-recurring gains/losses in Current Year
Non-current asset retirement losses	1,524,444.23	1,610,319.34	1,524,444.23
Public welfare donation expenditure	11,000.00	413,569.21	11,000.00
Penalty and late fee	604,687.12	556,035.82	604,687.12
Other	3,013,937.15	5,064,717.27	3,013,937.15
Total	5,154,068.50	7,644,641.64	5,154,068.50

57. Income tax expenses

Item	Current Year	Last Year
Current income tax	23,630,449.16	18,657,750.29
Deferred income Tax	-21,207,520.22	-25,413,978.61
Total	2,422,928.94	-6,756,228.32

58. Other comprehensive income

Found more in 40. Other comprehensive income in VI

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59. 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 Year	Last Year
Government subsidy and rewards	100,949,021.63	95,927,171.54
Collection of restriction fund	93,302,596.49	7,872,582.73
Cash deposit, deposit	31,184,841.18	37,095,731.45
Rental income	5,605,416.80	7,062,728.75
Compensations	1,271,453.02	2,594,225.87
Petty cash collection	711,008.91	669,366.91
Other	10,524,796.11	7,854,834.00
Total	243,549,134.14	159,076,641.25

2) Cash paid for other activities relating to operation

Item	Current Year	Last Year
Market expenses	222,791,063.19	255,164,897.06
Rental fee	120,806,416.80	119,053,780.02
Petty cash, deposit, Cash deposit	60,780,516.64	54,464,272.08
Travel expenses, meeting fees and exhibition fees	44,379,229.38	36,309,468.38
Service support fee	41,594,786.19	70,451,962.30
Inspection and certification fee, certification charge and reviewing fee	35,467,610.78	35,181,026.65
Technological cooperation costs and consulting charge	26,209,006.41	21,277,315.33
Repair fee	22,676,804.70	13,097,229.57
Convert to restricted funds	20,079,453.92	76,693,696.74
Transportation and vehicle costs	17,397,441.98	22,580,186.94
Business activity fee	17,242,092.12	14,449,890.29
Handling fee	14,499,999.53	11,957,196.81
Office expenses	8,072,340.01	8,118,120.21
Advertising fee	5,344,491.93	7,478,184.84
Communication costs	3,420,542.01	2,211,811.13
Board expenses	2,006,972.68	1,831,261.76
Labor fee	1,856,562.73	6,369,121.47
Other expense	143,929,062.93	101,246,863.15
Total	808,554,393.93	857,936,284.73

3) Cash received from other activities relating to investment

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Item	Current Year	Last Year
Interest income arising from bank savings	137,430,181.38	139,527,348.90
Foreign exchange investment income	112,471,926.55	47,402,894.53
Cash deposit	867,288.00	1,317,038.52
other	525,518.72	
Total	251,294,914.65	188,247,281.95

4) Cash paid for other activities relating to investment

Item	Current Year	Last Year
Losses of forward exchange settlement	66,334.39	946,271.84
Bid bond refund	2,000.00	40,000.00
Total	68,334.39	986,271.84

5) Cash received from other activities relating to financing

Item	Current Year	Last Year
Recover loan cash deposit		23,232,000.00
Meiling series (internal) bill discounting fundraising	14,136,579.91	4,919,427.20
Total	14,136,579.91	28,151,427.20

6) Cash paid for other activities relating to financing

Item	Current Year	Last Year
Payment for B share repurchase	16,506,673.59	9,934,941.56
Lease liability principal and interest	10,862,303.71	
Financing lease	701,295.52	2,570,997.36
Handling charge of dividend	36,415.52	36,893.14
Meiling series (internal) bill discounting fundraising	216,853.94	
Total	28,323,542.28	12,542,832.06

(2) Supplementary of the consolidated cash flow statement

Item	Current Year	Last Year
1. Net profit is adjusted to cash flow of operation activities:		
Net profit	87,092,653.50	-79,122,112.48
Add: provision for depreciation of assets	-9,614,635.07	30,982,642.44
Depreciation of fixed assets, consumption of oil gas assets and depreciation of productive biological assets	221,606,094.74	224,389,307.35
Amortization of intangible assets	147,281,829.24	138,997,172.49
Depreciation of right-of-use assets	8,703,287.66	

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Item	Current Year	Last Year
Amortization of long-term retained expense	133,214.72	500,976.21
Loss from disposal of fixed assets, intangible assets and other long term assets (gain is listed with "-")	828,934.22	1,610,319.34
Loss from discarding fixed assets as useless (gain is listed with "-")	3,133,939.42	-41,614,800.19
Loss from change of fair value (gain is listed with "-")	-65,010,531.03	-18,314,184.54
Financial expense (gain is listed with "-")	-128,963,968.59	-78,127,214.62
Investment loss (gain is listed with "-")	-20,302,373.34	-29,732,801.80
Decrease of deferred income tax assets (increase is listed with "-")	-905,146.88	4,318,823.19
Increase of deferred income tax liabilities (decrease is listed with "-")	384,573,713.19	-249,696,219.79
Decrease of inventories (increase is listed with "-")	-56,907,214.37	196,371,339.03
Decrease of operational accounts receivable (increase is listed with "-")	-481,355,049.55	1,247,489,556.08
Other	70,628,510.24	55,463,419.75
Net cash flow arising from operation activities	160,923,258.10	1,403,516,222.46
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 year-end of cash	5,840,194,931.57	6,425,529,815.10
Less: Balance at year-begin of cash	6,425,529,815.10	5,385,807,475.51
Add: Balance at year-end of cash equivalents		
Less: Balance at year-begin of cash equivalents		
Net increase in cash and cash equivalents	-585,334,883.53	1,039,722,339.59

(3) No net cash paid for subsidiary obtained in Current Year

(4) No net cash received from subsidiary disposal in Current Year

(5) Cash and cash equivalent

Item	Balance at year-end	Balance at year-begin
Cash	5,840,194,931.57	6,425,529,815.10
Including: cash in stock	28,447.21	35,088.07
Bank deposits available for payment at any time.	5,121,110,089.59	6,049,544,898.32
Other monetary fund available for payment at any time	719,056,394.77	375,949,828.71
Cash equivalents		
Including: bond investment due within 3 months		
Balance of cash and cash equivalents at year-end	5,840,194,931.57	6,425,529,815.10

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Item	Balance at year-end	Balance at year-begin
Including: using the restricted cash and cash equivalents of the parent company or subsidiary of the group		

60. Assets with ownership or the right to use restricted

Item	Ending book value	Reasons
Monetary fund	86,159,526.57	Cash deposit, Frozen funds
Receivables financing ^{note1}	385,477,263.99	Pledged
Investment real estate ^{note2}	3,459,001.20	Mortgage
Fixed assets ^{note2}	349,673,407.72	Mortgage
Intangible assets ^{note2}	281,129,088.88	Mortgage
Total	1,105,898,288.36	

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. 31. Long-term loans.

61. Foreign currency

(1) Foreign currency

Item	Ending foreign currency balance	Exchange rate	Ending RMB converted balance
Monetary fund			283,387,585.88
Including: USD	34,885,290.26	6.3757	222,418,145.11
Euro	2,124,713.55	7.2197	15,339,794.41
HKD	25,152,663.76	0.8176	20,564,817.89
GBP	48,778.04	8.6064	419,803.32
PKR	40,666,810.33	0.0358	1,455,871.81
IDR	7,725,531,406.00	0.000447	3,453,312.54
AUD	3,800,493.87	4.6220	17,565,882.66
PHP	17,345,788.49	0.1251	2,169,958.14
Account receivable			666,814,490.39
Including: USD	79,915,042.38	6.3757	509,514,335.70
Euro	3,538,476.86	7.2197	25,546,741.39
GBP	75,158.80	8.6064	646,846.70
PKR	1,192,749,085.67	0.0358	42,700,417.27
IDR	67,017,028,612.98	0.000447	29,956,611.79

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Item	Ending foreign currency balance	Exchange rate	Ending RMB converted balance
AUD	12,402,296.19	4.6220	57,323,412.99
PHP	9,001,795.00	0.1251	1,126,124.55
Other account receivable			1,744,764.74
Including: USD	155,081.70	6.3757	988,754.39
PKR	13,315,160.00	0.0358	476,682.73
IDR	496,610,000.00	0.000447	221,984.67
PHP	458,376.92	0.1251	57,342.95
Account payable			33,855,926.41
Including: USD	10,463.31	6.3757	66,710.93
Euro	13,419.32	7.2197	96,883.46
PKR	578,994,689.54	0.0358	20,728,009.89
IDR	16,169,496,599.55	0.000447	7,227,764.98
PHP	45,855,772.61	0.1251	5,736,557.15
Other account payable			12,680,711.20
Including: USD	3,670.81	6.3757	23,403.98
HKD	17,362.53	0.8176	14,195.61
PKR	272,926,893.34	0.0358	9,770,782.78
IDR	5,685,314,384.79	0.000447	2,541,335.53
PHP	2,645,829.76	0.1251	330,993.30

(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 Rupee. CHANGHONG MEILING ELECTRIC INDONESIA, PT, mainly operates in Jakarta; recording currency is IDR. CH-Meiling International (Philippines) Inc, mainly operates in Philippines; Recording currency is PHP.

62. The Company uses the forwarding foreign exchange contract to hedge the risks of exchange rate fluctuations and designates the forwarding foreign exchange contract purchased as hedging instruments for delivery at maturity. We adopts the ratio analysis to evaluate the effectiveness of hedging. Details are below:

Item	Carrying value of the hedging instrument on December 31, 2021	Items of balance sheet present include the hedging instruments
Fair value hedges		
Exchange rate risk - forward foreign exchange contracts	17,997,086.19	Trading financial assets

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Exchange rate risk - forward foreign exchange contracts	12,304,272.41	Trading financial liabilities
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63. Government subsidy

Item	Amount	Item	Amount reckoned into current gain/loss
Industrial Development Policy Subsidy Fund	27,000,000.00	Other income	27,000,000.00
VAT refund on software products	9,172,445.35	Other income	9,172,445.35
Advanced Manufacturing Policy Municipal Award in the first half of 2020	5,969,000.00	Deferred income	746,125.00
District-level subsidy funds for advanced manufacturing policies in the first half of 2021	5,968,900.00	Deferred income	373,056.25
2021 foreign trade and economic development funds	4,312,000.00	Other income	4,312,000.00
2020 subsidy for advancing technological transformation projects	4,287,400.00	Deferred income	178,641.66
2021 manufacturing strong provincial policy subsidy funds	3,260,000.00	Deferred income	203,750.00
Loan discount	3,204,404.00	Financial expenses	3,204,404.00
Other petty projects	3,099,321.81	Other income	3,099,321.81
2020 foreign trade promotion policy	2,746,604.00	Other income	2,746,604.00
2020 supporting funds to support the innovation and development of artificial intelligence industry	2,600,000.00	Deferred income	162,500.00
2020 fund allocation for Anhui Province's triple innovation project	2,600,000.00	Deferred income	230,208.33
Export Credit Insurance Subsidy	2,344,865.00	Other income	2,344,865.00
2021 provincial industrial development special project fund	2,200,000.00	Other income	2,200,000.00
VAT refund	2,095,773.00	Other income	2,095,773.00
Settled in government subsidies	1,500,000.00	Other income	1,500,000.00
The first batch of provincial industrial development special fund subsidies in 2021	1,490,000.00	Other income	1,490,000.00
2021 support for the development of China's Sound Valley	1,395,000.00	Other income	1,395,000.00
2021 manufacturing strong provincial policy subsidy funds	1,320,000.00	Other income	1,320,000.00
Special funds for port logistics	1,144,395.00	Other income	1,144,395.00
Economic Development Zone Industrialization Policy Award and Supplementary Funds in 2019	1,140,400.00	Other income	1,140,400.00
The second batch of funds to support China's Sound Valley construction project in 2020	1,044,200.00	Other income	1,044,200.00
2020 product testing fee subsidy	1,000,000.00	Other income	1,000,000.00
Hefei City 2020 smart home appliance (home)	1,000,000.00	Other income	1,000,000.00

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Item	Amount	Item	Amount reckoned into current gain/loss
technology award and subsidy			
Reward and subsidize national specialized, special and new "little giant" enterprises	1,000,000.00	Other income	1,000,000.00
2021 Industrial Internet Policy Award and Subsidy	1,000,000.00	Other income	1,000,000.00
Incentives for major scientific and technological projects	1,000,000.00	Other income	1,000,000.00
"Double Top 100" Enterprise Rewards	1,000,000.00	Other income	1,000,000.00
2021 Special project for the construction of innovation capability and industrial upgrading platform	900,000.00	Other income	900,000.00
Centre for external cooperation of the environmental protection	846,100.00	Deferred income	773,631.80
Subsidy for revitalizing idle factories	843,732.00	Other income	843,732.00
Key chip and module for transducer used and detection capacity building	760,000.00	Deferred income	
Modern service industry development policy funds	714,500.00	Other income	714,500.00
2020 undertake industrial transfer to promote the innovation and development of processing trade funds	652,039.00	Other income	652,039.00
Talent subsidy	616,436.00	Other income	616,436.00
Technology Insurance Grant	600,000.00	Other income	600,000.00
Skills Upgrading Training Program	600,000.00	Other income	600,000.00
Patent reward	515,800.00	Other income	515,800.00
2021 innovation platform funding for "Three Re- & Creating"	500,000.00	Other income	500,000.00
Intellectual property funds	500,000.00	Other income	500,000.00
Artificial Intelligence Project Grants	414,000.00	Other income	414,000.00
Land Use Tax Return for Q4 of 2020	400,534.76	Other income	400,534.76
The first batch of scientific and technological innovation policy high-level title awards in 2020	400,000.00	Other income	400,000.00
Property Tax Rebate for Q4 of 2020	373,459.10	Other income	373,459.10
2021 special awards and subsidies for energy conservation and ecological construction	347,600.00	Other income	347,600.00
Personal tax handling fee refund	333,648.78	Other income	333,648.78
Zhongshan City Increases Incentive Projects for Enterprises with Outstanding Contribution to Stabilizing Foreign Trade	300,000.00	Other income	300,000.00
2019 District-level Industrial Policy Science and Technology Innovation Policy	300,000.00	Other income	300,000.00
Overseas investment insurance subsidy	290,171.00	Other income	290,171.00
Hefei Standardization Policy Award and Subsidy	290,000.00	Other income	290,000.00
Subsidies for scientific and technological innovation projects	281,000.00	Other income	281,000.00

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Item	Amount	Item	Amount reckoned into current gain/loss
Equipment Subsidy	265,400.00	Other income	265,400.00
2021 technological transformation and financial incremental contribution incentive policy awards and subsidies	259,100.00	Other income	259,100.00
2021 special funds for industrial development in Zhongshan City	250,000.00	Other income	250,000.00
Policies support the separation of main and auxiliary enterprises	249,845.00	Other income	249,845.00
Incentives for "Innovative and Entrepreneurial Teams at the Start-up Stage"	200,000.00	Other income	200,000.00
Provincial service-oriented manufacturing demonstration enterprise bonus	200,000.00	Other income	200,000.00
Design achievement industrialization project subsidy	200,000.00	Other income	200,000.00
Anhui Province Manufacturing High-end Brand Cultivation Enterprise Project Award and Subsidy	200,000.00	Other income	200,000.00
2020 Annual Outstanding Enterprise Award Fund	200,000.00	Other income	200,000.00
2020 High-quality Development Several Supporting Policy Awards	170,000.00	Other income	170,000.00
2020 special funds for port logistics	135,660.00	Other income	135,660.00
2020 supporting industry linkage development	128,100.00	Other income	128,100.00
Military-civilian integration insurance premium subsidy	127,451.00	Other income	127,451.00
Outstanding Contribution Award for Enterprises to Promote High-Quality Development	120,000.00	Other income	120,000.00
2020 Science and Technology Innovation Policy Award and Subsidy for Economic and Technological Development Zone	104,000.00	Other income	104,000.00
Total	110,483,284.80		86,859,797.84

VII. Changes of consolidation range

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: nil
6. Subsidiary newly established:

Name of company	New merger reasons	Shareholding ratio	Net asset at year-end	Net profit in Current Year
Anhui Ling'an Medical Equipment Co., Ltd	Investment	63.2683%	8,748,630.52	-1,251,369.48

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7. Subsidiary merger by absorption

Name of company	Equity ratio before absorption (%)	Time for absorption
Guangzhou Meiling Electric Appliances Marketing Co., Ltd	100	November 2021
Tianjin Meiling Electric Appliances Marketing Co., Ltd	100	November 2021
Tai yuan Meiling Electric Appliances Marketing Co., Ltd	100	November 2021

In November 2021, Hefei Meiling Electrical Marketing Co., Ltd (hereinafter referred to Meiling Marketing) purchase 20% equity of Guangzhou Meiling Electric Appliances Marketing Co., Ltd.(hereinafter referred to Guangzhou Meiling) from minority shareholder Chen Wenyan. Later, Hefei Meiling Group Holdings Limited (hereinafter referred to Meiling Group) purchase 100% equity of Guangzhou Meiling from Meiling Marketing, purchase 100% equity of Tianjin Meiling Electric Appliances Marketing Co., Ltd.(hereinafter referred to Tianjin Meiling) from Meiling Marketing and Jiangxi Meiling Electric Appliance Co., Ltd, and purchase 100% equity of Tai yuan Meiling Electric Appliances Marketing Co., Ltd.(hereinafter referred to Tai yuan Meiling) from Meiling Marketing for absorption merger. As of December 31, 2021, all three acquired companies have not yet completed their business cancellation.

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
Sichuan Hongmei Intelligent Technology2)	Mianyang	Mianyang	Software development		100	Investment
Mianyang Meiling Refrigeration Co., Ltd.3)	Mianyang	Mianyang	Manufacturing and sales	95	5	Investment
Jiangxi Meiling Electric Appliance Co., Ltd. 4)	Jingdezhen	Jingdezhen	Manufacturing and sales	98.75	1.25	Investment
Hefei Meiling Wulian Technology Co., Ltd5)	Hefei	Hefei	Software development	100		Investment
Hefei Meiling Electrical Marketing Co., Ltd6)	Hefei	Hefei	Sales	99.82	0.18	Investment
Jinan Xiangyou Electric Appliances Marketing Co., Ltd 7)	Jinan	Jinan	Sales		93.4	Investment
Wuhan Meizirong Electrical Marketing Co., Ltd 8)	Wuhan	Wuhan	Sales		92	Investment
Zhengzhou Meiling Electric Appliances Marketing Co., Ltd 9)	Zhengzhou	Zhengzhou	Sales		100	Investment
Hefei Meiling Nonferrous Metal Products Co., Ltd.10)	Hefei	Hefei	Manufacturing and sales		100	Enterprise combined under the different control

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Subsidiary	Main office place	Registration place	Business nature	Shareholding ratio (%)		Acquire by
				Directly	Indirectly	
Changhong Meiling Ridian Technology Co., Ltd.11)	Zhongshan	Zhongshan	Manufacturing and sales	99.0361		Enterprise combined under the same control
CHANGHONG MEILING ELECTRICINDON ESIA,PT 12)	Jakarta	Jakarta	Sales		100	Investment
ChanghongRubaTradingCompany(Private) Limited 13)	Pakistan	Pakistan	Sales		60	Investment
Sichuan Changhong Air-conditioner Co., Ltd. 14)	Mianyang	Mianyang	Manufacturing and sales	100		Enterprise combined under the same control
Zhongshan Changhong Electric Co., Ltd.15)	Zhongshan	Zhongshan	Manufacturing and sales	90	10	Enterprise combined under the same control
Hefei Meiling Group Holdings Limited16)	Hefei	Hefei	Manufacturing and sales	100		Enterprise combined under the different control
Meiling Equator Household Appliance (Hefei) Co., Ltd. 17)	Hefei	Hefei	Manufacturing and sales		100	Enterprise combined under the different control
Hefei Equator Appliance Co., Ltd. 18)	Hefei	Hefei	Manufacturing and sales		100	Enterprise combined under the different control
Hong Yuan Ground Energy Heat Pump Tech. Co., Ltd19)	Mianyang	Mianyang	Manufacturing and sales		51	Investment
Ground Energy Heat Pump Tech. (Zhongshan) Co., Ltd. 20)	Zhongshan	Zhongshan	Manufacturing and sales		51	Investment
Meiling CANDY Washing Machine Co., Ltd. 21)	Hefei	Hefei	Manufacturing and sales	60		Investment
Guangzhou Changhong Trading Co., Ltd.22)	Guangzhou	Guangzhou	Sales		100	Investment
Hebei Hongmao Household Appliance Technology Co., Ltd23)	Handan	Handan	Manufacturing and sales		99.0361	Investment
Anhui Tuoxing Technology Co., Ltd.24)	Hefei	Hefei	R&D of technology		63.2683	Investment
CH-Meiling International (Philippines) Inc.25)	Philippines	Philippines	Sales	100		Investment
Hefei Changhong Meiling Life Appliances Co., Ltd. 26)	Hefei	Hefei	Sales	70		Investment
Anhui Ling'an Medical Equipment Co., Ltd. 27)	Lu'an	Lu'an	Manufacturing and sales		63.2683	Investment

Note:

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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 by joint contribution from the Company and Technical Institute of Physics and Chemistry, CAS (“TIPC”), with registered capital of 60 million yuan upon the establishment, among which, the Company made capital contribution of 42 million yuan (including the assets in specie at the consideration of 35,573,719.70 yuan as evaluated by Beijing Zhongzheng Appraisal Co., Ltd. with issuance of the Appraisal Report (ZZPBZ(2002)No.029) and cash contribution of 6,426,280.30 yuan) accounting for 70% of the aforesaid registered capital, and TIPC made capital contribution of 18 million yuan 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 BOD 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 96,431,978.25 yuan 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 2nd BOD 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

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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 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 5 million yuan, including 4.95 million yuan contributed by Changhong Meiling Company in cash, accounted for 99% of the registered capital; Mianyang Meiling Refrigeration Co., Ltd. contributed 50000 yuan 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 50 million yuan upon establishment, of which, the Company invested 45 million yuan, accounting for 90% of the registered capital; Zhongke Meiling Company invested 5 million yuan, 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 50 million yuan in capital of Mianyang Meiling, of which 95 million yuan invested by the Company, a 95% of total register capital while 5 million yuan 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., Ld, 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 50 million yuan, 49.375 million yuan invested by the Company, 98.75% in total register capital while 0.625 million yuan invested by Mianyang Meiling , a 1.25% in total register capital occupied. The initial investment 10.50 million yuan was received dated 13 May 2011 with 10 million yuan from the Company and 0.5 million yuan 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 39.5 million yuan was fully funded on 28 July 2011, the Company contributed 39.375 million yuan while Mianyang Meiling Company invested 125,000 yuan, 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)

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established on January 21, 2019 with registered capital of 10 million yuan, it is the wholly-owned subsidiary of the Company. On March 19, 2019, the Company contributed 6 million yuan.

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 10 million yuan, including 9.9 million yuan invested by the Company, a 99% of the registered capital; Mianyang Meiling Company contributed 0.1 million yuan, 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 45 million yuan, registered capital amounting to 55 million yuan, including 54.9 million yuan contributed by the Company, a 99.82% of the registered capital, while Mianyang Meiling invested 0.1 million yuan, 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 3 million yuan; Meiling Marketing invested 1.08 million yuan, 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 5 million yuan; Meiling Marketing invested 4.60 million yuan, 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 3 million yuan; Meiling Marketing invested 1.08 million yuan, 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) 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 24,286,808.00 yuan after transference, and was not

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the joint-venture any more.

11) 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 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 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 Chang yuan 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.

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12) CHANGHONG MEILING ELECTRIC INDONESIA, PT.(hereinafter referred to as Indonesia Meiling) 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.

13) 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%.

14) 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 200 million yuan upon establishment, of which, Sichuan Changhong invested 298 million yuan(210,088,900 yuan invested by monetary capital while 87,911,100 yuan invested by real material), equivalent to 198 million yuan shares, accounting for 99% of the registered capital; and Changhong Chuangtou invested 3 million yuan, accounting for 1% of the registered capital with equivalent of 2 million yuan shares. The registered capital receipt was verified by the verification report [CGYYZ (2008) No. 177] of Sichuan Guang yuan Certified Public Accountants Co., Ltd. and [HLTHYZ (2008) No. 12-006] of Sichuan Henglitai Certified Public 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%.

15) 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 72 million yuan, including 69.3 million yuan bidding for the estate/ non-estate from original Zhongshan Sanrong Air-conditioner Co., Ltd. And its patent use-right of 2.7 million yuan, accounting for 90% of the registered capital; Chine Minmetals invested 8 million yuan 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 36 million yuan to Zhongshan Changhong, and Changhong AC increased 4 million yuan.

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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 64 million yuan to Zhongshan Changhong according to the existing shareholding ratio, among which the capital increase of the Company was 57.6 million yuan, and the capital increase of Changhong Air Conditioning was 6.4 million yuan. After the completion of this capital increase, the registered capital Zhongshan Changhong shall increase to 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 150 million yuan to Zhongshan Changhong according to the existing shareholding ratios, of which the Company increased capital of 135 million yuan, Changhong Air-Conditioning increased capital of 15 million yuan. After the completion of capital increase, the registered capital of Zhongshan Changhong has increased to 334 million yuan. The Company's and Changhong's shareholding ratios in Zhongshan Changhong remain unchanged at 90% and 10%, of which the Company funded 300.6 million yuan, accounting for 90% of the registered capital, while Changhong Air Conditioning funded 33.4 million yuan, accounting for 10% of the registered capital.

16) 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 113.2 million yuan. 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 80 million yuan, and has been verified by the [AD (2010) YZD No. 016] from Anhui Auding CPAs Co., Ltd.

17) 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 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 24,793,200 yuan 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.

18) 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 12 million yuan, 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

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total registered capital. The investment being verified by [WYAZ (2004) No. 135] from Anhui Yongan CPAs Co., Ltd.

19) Hong Yuan Ground Energy Heat Pump Technology Co., Ltd. (hereinafter referred to as Hong Yuan 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 Hengyou yuan 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; Hengyou yuan Technology Development Group Co., Ltd. invested 24.5 million yuan in cash, a 49% in registered capital.

20) Hong Yuan Ground Energy Heat Pump Tech. (Zhongshan) Co., Ltd.(hereinafter referred to as Hong yuan Zhongshan) was established and invested on 18 July 2017 with registered capital of 15 million yuan, The Hong Yuan 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 Hong yuan Zhongshan decided to increase capital of 30 million yuan, and contributed by the shareholder Hong Yuan Ground Energy; thus registered capital of Hong yuan Zhongshan up to 45 million yuan

21) 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.

22) 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

23) 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.

24) Anhui Tuoxing Technology Co., Ltd. (hereinafter referred to as Tuoxing Technology) 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 December 31, 2020, actually 5 million yuan contributed.

25) 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,

26) Hefei Changhong Meiling Life Appliances Co., Ltd. (hereinafter referred to as Meiling Life Appliances) was established on 24 December 2020, jointly established by the Company and Ningbo Hongling Enterprise Management Partnership (Limited Partnership). 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. The Company and Ningbo Hongling Enterprise Management Partnership (Limited Partnership) completed the capital contribution on January 21, 2021 and January 18, 2021 respectively.

27) Anhui Ling'an Medical Equipment Co., Ltd. (hereinafter referred to as Ling'an Medical) was established on 4

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September 2021, which is a wholly-owned subsidiary of Zhongke Meiling, and registered capital of 10 million yuan.

On June 29, 2021, Zhongke Meiling actually contributed 10 million yuan, accounting for 100% of the registered capital.

(2) Major non-wholly-owned subsidiary

Subsidiary	Shareholding ratio of minority	Gains/losses attributable to minority in Current Year	Dividend distributed to minority announced in Current Year	Balance of minority's interest at year-end
Zhongke Meiling	36.7317%	23,907,061.53	1,598,892.00	91,122,295.57
Hong Yuan Ground Energy	49.00%	3,941,800.36		21,053,600.64
Ridian Technology	0.9639%	22,662.77		1,311,488.89
Meiling Life Appliances	30%	9,109,552.54		24,109,552.54

(3) Financial information for major non-wholly-owned subsidiary

Subsidiary	Balance at year-end					
	Current assets	Non-current assets	Total assets	Current liability	Non-current liability	Total liabilities
Zhongke Meiling	371,876,985.25	153,246,440.33	525,123,425.58	260,324,038.65	16,724,150.21	277,048,188.86
Hong Yuan Ground Energy	167,092,910.84	23,932,195.59	191,025,106.43	147,765,923.82	292,650.70	148,058,574.52
Ridian Technology	256,926,013.09	46,283,555.98	303,209,569.07	165,637,349.70	718,345.11	166,355,694.81
Meiling Life Appliances	421,039,031.17	169,482.39	421,208,513.56	340,843,338.42	-	340,843,338.42

(Continued)

Subsidiary	Balance at year-begin					
	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
Hong Yuan 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

(Continued)

Subsidiary	Current Year			
	Operation income	Net profit	Total comprehensive income	Cash flow from operation activity
Zhongke Meiling	464,899,620.09	65,085,510.92	65,085,510.92	70,137,269.97

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Subsidiary	Current Year			
	Hong Yuan Ground Energy	347,880,649.74	8,044,490.53	8,044,490.53
Ridian Technology	309,467,627.62	2,351,153.78	2,351,153.78	-243,853,078.73
Meiling Life Appliances	1,136,846,527.85	30,365,175.14	30,365,175.14	262,095,425.65

(Continued)

Subsidiary	Last Year			
	Operation income	Net profit	Total comprehensive income	Cash flow from operation activity
Zhongke Meiling	372,599,049.12	46,042,179.72	46,042,179.72	140,128,507.32
Hong Yuan Ground Energy	269,504,660.68	-5,335,244.47	-5,335,244.47	51,692,147.85
Ridian Technology	1,083,259,433.15	41,169,846.86	41,169,846.86	51,830,916.29

(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

Item	Guangzhou Meiling	Total
Original ratio of shares held	98.00%	
Equity purchased from minority	2.00%	
Share issuance		
Ratio of shares held at period-end	100.00%	
Cost of purchasing minority equity	1.00	1.00
Less: Ratio of the net assets measured by equity ratio while acquiring the subsidiary	-872,218.17	-872,218.17
Equity dilution for shares issuance		
Balance	872,219.17	872,219.17
Including: Capital public reserve adjusted	872,219.17	872,219.17

In 2021, due to the acquisition of minority shareholders' equity of Guangzhou Meiling by subsidiary, the difference between the newly acquired long-term equity investment and the share of net assets of the subsidiary calculated on an ongoing basis from the date of purchase based on the newly acquired shareholding amounted as 872,219.17 yuan, which was included in the capital reserves.

3. Equity in joint venture or associate enterprise

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(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.Changhong Ruba Electric Company (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.Hong Yuan 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	Balance at year-end/Current Year					
	Changhong Ruba Electric Company(Pri vate)Ltd.	Hefei Xingmei Assets Management Co., Ltd.	Sichuan Zhiyijia Network Technology Co., Ltd.	Hong Yuan Ground Energy Heat Tech. Co., Ltd.	Sichuan Tianyou Guigu Technology Co., Ltd.	Chengdu Guigu Environmental Tech. Co., Ltd
Current assets	89,100,592.52	44,306,769.36	3,562,320,255.30	39,551,631.60	12,815,224.66	49,157,432.66
Including: cash and cash equivalent	3,601,992.73	15,092,065.72	1,735,103,036.41	41,161.98	6,480,537.53	28,252,926.12
Non-current assets	37,062,073.18	2,831,773.02	7,359,768.31	8,286,398.47	12,352.49	1,325,807.70
Total assets	126,162,665.70	47,138,542.38	3,569,680,023.61	47,838,030.07	12,827,577.15	50,483,240.36
Current liability	141,231,591.66	6,054,518.27	3,478,330,845.92	5,571,194.80	913,812.93	16,058,351.93
Non-current liability			1,418,903.14			2,525,317.50
Total liabilities	141,231,591.66	6,054,518.27	3,479,749,749.06	5,571,194.80	913,812.93	18,583,669.43
Minority's interest						1,102,582.39
Equity attributable to shareholder of parent company	-15,068,925.96	41,084,024.11	89,930,274.55	42,266,835.27	11,913,764.22	30,796,988.54

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Item	Balance at year-end/Current Year					
	Changhong Ruba Electric Company(Pri vate)Ltd.	Hefei Xingmei Assets Management Co., Ltd.	Sichuan Zhiyijia Network Technology Co., Ltd.	Hong Yuan Ground Energy Heat Tech. Co., Ltd.	Sichuan Tianyou Guigu Technology Co., Ltd.	Chengdu Guigu Environmental Tech. Co., Ltd
Share of net assets measured by shareholding	-6,027,570.38	19,835,366.84	44,965,137.28	20,710,749.28	2,978,441.06	7,699,247.14
Adjustment						
--Goodwill			821,877.28			1,416,227.93
Unrealized profit of the internal downstream transactions			11,702,988.94	80,635.11	4,252.12	7,510.11
Unrealized profit of the internal upstream transactions						
Other	6,027,570.38					
Book value of the equity investment for associate enterprise		19,835,366.84	34,084,025.62	20,630,114.17	2,974,188.94	9,107,964.96
Fair value of equity investment for the affiliates with consideration publicly						
Operation income	212,975,934.56		11,191,030,556.90	24,577,536.47	7,983,502.89	38,128,313.52
Financial expenses	2,974,146.42	443,380.59	-51,236,312.07	2,374.70	-105,819.09	-374,408.78
Income tax expenses	2,735,333.56	4,852,902.82	784,678.81			
Net profit	-6,640,369.42	26,945,094.97	4,472,169.87	-2,953,746.66	495,803.24	12,183,906.56
Other			-648,154.63			
Other comprehensive income	6,538,313.32					
Capital reserve			-130,171.30			
Total comprehensive income	-102,056.10	26,945,094.97	3,693,843.94	-2,953,746.66	495,803.24	12,183,906.56
Dividend received from associate enterprise in Current Year			1,025,445.14			

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(Continued)

Item	Balance at year-begin / Last Year					
	Changhong Ruba Electric Company(Pri vate)Ltd.	Hefei Xingmei Assets Manageme nt Co., Ltd.	Sichuan Zhiyijia Network Technology Co., Ltd.	Hong Yuan Ground Energy Heat Tech. Co., Ltd.	Sichuan Tianyou Guigu Technology Co., Ltd.	Chengdu Guigu Environment al 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
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	99,936,478.74		8,580,600,638.78	54,153,864.35	735,204.43	12,146,793.64
Financial expenses	10,579,123.20	205,425.73	-36,003,354.14	3,384.58	-404,094.60	179,807.87
Income tax expenses	1,422,278.04		3,181,576.89			
Net profit	-18,981,775.32	-3,579,823.40	8,132,610.22	-2,554,686.34	190,298.81	-8,962,600.48
Net profit of						

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Item	Balance at year-begin / Last Year					
	Changhong Ruba Electric Company(Pri vate)Ltd.	Hefei Xingmei Assets Manageme nt Co., Ltd.	Sichuan Zhiyijia Network Technology Co., Ltd.	Hong Yuan Ground Energy Heat Tech. Co., Ltd.	Sichuan Tianyou Guigu Technology Co., Ltd.	Chengdu Guigu Environment al Tech. Co., Ltd
discontinuing operation						
Other comprehensive income						
Total comprehensive income	-18,981,775.32	-3,579,823.40	8,132,610.22	-2,554,686.34	190,298.81	-8,962,600.48
Dividend received from associate enterprise in Current Year						

(4) Financial summary for non-important Joint venture and associate enterprise

Item	Balance at year-end/Current Year	Balance at year-begin /Last Year
Associated companies:		
Total book value of investment		
Total amount measured by shareholding ratio		
--Net profit	-904,106.72	-251,256.41
--Other comprehensive income		
-- Total comprehensive income	-904,106.72	-251,256.41

(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

Hefei Meiling Solar Energy Technology Co., Ltd and Changhong Ruba Electric Company(Private)Ltd have losses above the quota.

(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, tradable 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

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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 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 31 December 2021, the interest-bearing debts mainly referred to borrowing contracts at floating rate denominated in RMB with total amount of 610,000,000.00 yuan, the floating rate loan contract measured by RMB amounted as 498,000,000.00 yuan in total; 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 Year and fair value measurement level

Item	Fair value at year-end			
	1 st level	2 nd level	3 rd level	Total
I. Continuous fair value measurement	—	—	—	—
(i) Trading financial assets	17,997,086.19			17,997,086.19
1. Financial assets measured at fair value and whose changes are included in current gains/losses	17,997,086.19			17,997,086.19
Including: Derivative financial assets	17,997,086.19			17,997,086.19
(ii) Other non-current financial assets		44,018,952.27	537,961,488.43	581,980,440.70
(iii) Receivables financing			1,808,109,301.56	1,808,109,301.56
Total assets continuously measured at fair value	17,997,086.19	44,018,952.27	2,346,070,789.99	2,408,086,828.45
(iv) Trading financial liability	12,304,272.41			12,304,272.41
1. Financial liabilities measured by fair value and with variation reckoned into current gains/losses	12,304,272.41			12,304,272.41

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Item	Fair value at year-end			
	1 st level	2 nd level	3 rd level	Total
Including: Derivative financial liability	12,304,272.41			12,304,272.41
Total liabilities continuously measured at fair value	12,304,272.41			12,304,272.41

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 companies. 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 items with fair value measurement refers to the investment of Sichuan Changhong Group Finance Co., Ltd and Huishang Bank Co., Ltd. As the unlisted equity instrument, the fair value are estimated using a range of valuation models, the assumptions used are not supported by observable market prices or interest rates. We believes that the fair value and their changes estimated by valuation techniques are reasonable and are the most appropriate values at the balance sheet date.

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	Share-holding 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%

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

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Controlling shareholder	Balance at year-begin	Increased in Current Year	Decreased in Current Year	Balance at year-end
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	
	Balance at year-end	Balance at year-begin	Ratio at year-end	Ratio at year-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 Year 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
Hong Yuan 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
CHANGHONG ELECTRIC MIDDLE EAST FZCO	Control by same controlling shareholder and ultimate controller
Changhong Europe Electric s.r.o	Control by same controlling shareholder and ultimate controller
CHANGHONG (HK) TRADING LIMITED	Control by same controlling shareholder and ultimate

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Other related party	Relationship with the company
	controller
CHANGHONGELECTRIC(AUSTRALIA)PTY.LTD.	Control by same controlling shareholder and ultimate controller
Orion.PDP.Co.,ltd	Control by same controlling shareholder and ultimate controller
PT.CHANGHONG ELECTRIC INDONESIA	Control by same controlling shareholder and ultimate controller
Beijing Changhong Technology Co., Ltd.	Subsidiary of the controlling shareholder's associate
Chengdu Changhong Electronic Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Guangdong Changhong Electronics Co., Ltd.	Control by same controlling shareholder and ultimate controller
Guang yuan Hongcheng Industrial Co., Ltd.	Control by same controlling shareholder and ultimate controller
Guang yuan Changhong Electronic Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Hefei Changhong Industrial 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
Hunan Grand-Pro Intelligent Tech. Company	Control by same controlling shareholder and ultimate controller
Lejiayi Chain Management Co., Ltd.	Control by same controlling shareholder and ultimate controller
081 Electronic Group Co., Ltd.	Control by same controlling shareholder and ultimate controller
Mianyang Highly Electric Co., Ltd.	Associates of Controlling shareholder
Mianyang Huafeng Interconnect Technology Co., Ltd	Control by same controlling shareholder and ultimate controller
Mianyang Science & Technology City Big Data Technology 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 Ailink Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Ansify Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Aoku 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 Hongmofang Network Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Hongwei Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Hongxin Software Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Hongyu Metal Manufacturing Co., Ltd.	Associates of other enterprises controlled by the same Controlling shareholder
Sichuan Huafeng Enterprise Group Co., Ltd.	Control by same controlling shareholder and ultimate controller

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Other related party	Relationship with the company
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 Service Exp. Appliance Service Chain Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Qiruik Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Hongran Green Energy Co., Ltd.	Associates of Controlling shareholder
Sichuan Changhong Package Printing Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong Power Source Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong Electronic Products Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong Electronic 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 Changhong International Hotel Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong International Travel Service Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong Jineng Sunshine Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong Group Finance 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 Education Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong Jiechuang Lithium Technology 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
Sichuan Changhong Minsheng Logistics Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong Electric Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong Device Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong Network Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong Property Service 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
Sichuan Changhong Intelligent 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

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Other related party	Relationship with the company
Sichuan Changhong Real Estate Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changxin Refrigeration Parts Co., Ltd.	Associates of Controlling shareholder
Yuanxin Financial Lease Co., Ltd.	Control by same controlling shareholder and ultimate controller
Changhong Grand-Pro Technology 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
Changhong Huayi Compressor Co., Ltd.	Control by same controlling shareholder and ultimate controller

(ii) Related transactions

(1) Purchasing commodity

Related party	Content	Current Year (In 10 thousand yuan)	Last Year (In 10 thousand yuan)
Sichuan Changhong Electric Co., Ltd.	Purchasing commodity	72,217.32	59,503.77
Sichuan Changhong Electric Co., Ltd.	Purchasing commodity	50,571.94	34,964.57
Changhong Huayi Compressor Co., Ltd.	Purchasing commodity	41,837.98	46,880.45
Sichuan Changxin Refrigeration Parts Co., Ltd.	Purchasing commodity	39,411.46	19,221.74
Sichuan Changhong Jijia Fine Co., Ltd.	Purchasing commodity	36,519.86	23,064.49
Mianyang Highly Electric Co., Ltd.	Purchasing commodity	21,625.23	13,419.75
Sichuan Aichuang Science & Technology Co., Ltd.	Purchasing commodity	10,843.83	12,606.33
Sichuan Changhong Package Printing Co., Ltd.	Purchasing commodity	10,505.94	6,016.51
Changhong.Ruba.Electric.Company (Private) Ltd.	Purchasing commodity	7,078.47	7,610.32
Sichuan Ailink Technology Co., Ltd.	Purchasing commodity	2,519.71	1,796.54
Sichuan Changhong Electronic Products Co., Ltd.	Purchasing commodity	2,376.25	1,588.38
Sichuan Changhong Precision Electronics Tech. Co., Ltd.	Purchasing commodity	1,689.38	1,003.39
Sichuan Zhiyijia Network Technology Co., Ltd.	Purchasing commodity	1,218.16	371.14
Changhong International Holdings (Hong Kong) Co., Ltd.	Purchasing commodity	1,017.63	2,655.02
Hefei Changhong Industrial Co., Ltd.	Purchasing commodity	942.42	632.25
Guangdong Changhong Electronics Co., Ltd.	Purchasing commodity	459.10	293.63

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Related party	Content	Current Year (In 10 thousand yuan)	Last Year (In 10 thousand yuan)
Hunan Grand-Pro Intelligent Tech. Company	Purchasing commodity	152.35	880.73
Sichuan Service Exp. Appliance Service Chain Co., Ltd.	Purchasing commodity	5.00	0.19
081 Electronic Group Co., Ltd.	Purchasing commodity	4.95	22.7
Sichuan Changhong Intelligent Manufacturing Technology Co., Ltd.	Purchasing commodity	2.86	13.32
Sichuan Changhong New Energy Technology Co., Ltd.	Purchasing commodity	2.70	3.97
Sichuan Changhong International Hotel Co., Ltd.	Purchasing commodity	2.00	
Sichuan Jiahong Industrial Co., Ltd.	Purchasing commodity	0.60	0.03
Sichuan Hongwei Technology Co., Ltd.	Purchasing commodity	0.32	
Chengdu Guigu Environmental Tech. Co., Ltd	Purchasing commodity	0.18	
Hong Yuan Ground Energy Heat Tech. Co., Ltd.	Purchasing commodity		379.24
Sichuan Changhong Electronics Holding Group Co., Ltd.	Purchasing commodity		1.78
Guang yuan Changhong Electronic Technology Co., Ltd.	Purchasing commodity		0.88
Lejiayi Chain Management Co., Ltd.	Purchasing commodity		0.33
Total		301,005.64	232,931.45

2. Accept the services

Related party	Content	Current Year	Last Year
Sichuan Changhong Minsheng Logistics Co., Ltd.	Accept the services	585,263,836.50	414,991,661.95
Sichuan Service Exp. Appliance Service Chain Co., Ltd.	Accept the services	250,718,083.94	275,753,460.11
Sichuan Hongxin Software Co., Ltd.	Accept the services	10,856,658.91	1,120,832.04
Changhong International Holdings (Hong Kong) Co., Ltd.	Accept the services	5,988,668.60	
Sichuan Qiruik Technology Co., Ltd.	Accept the services	5,980,909.80	
Sichuan Changhong Electric Co., Ltd.	Accept the services	5,745,731.73	13,064,499.47
Sichuan Jiahong Industrial Co., Ltd.	Accept the services	3,895,237.37	533,487.03
Sichuan Changhong Electronics Holding Group Co., Ltd.	Accept the services	1,681,313.86	1,428,582.09
Sichuan Hongwei Technology Co., Ltd.	Accept the services	1,521,897.41	4,359,668.84

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Related party	Content	Current Year	Last Year
Guangdong Changhong Electronics Co., Ltd.	Accept the services	1,128,280.15	491,458.60
Guang yuan Changhong Electronic Technology Co., Ltd.	Accept the services	1,023,131.47	640,277.20
Sichuan Changhong Intelligent Manufacturing Technology Co., Ltd.	Accept the services	748,609.37	16,375.22
Sichuan Changhong Property Service Co., Ltd.	Accept the services	707,185.86	3,044,428.21
Sichuan Changxin Refrigeration Parts Co., Ltd.	Accept the services	395,895.95	
Sichuan Changhong International Hotel Co., Ltd.	Accept the services	217,834.37	51,449.87
Sichuan Aichuang Science & Technology Co., Ltd.	Accept the services	131,378.07	16,037.74
Sichuan Changhong Electric Co., Ltd.	Accept the services	127,233.28	448,031.09
Sichuan Changhong Electronic Products Co., Ltd.	Accept the services	126,956.03	
Orion.PDP.Co.,Ltd	Accept the services	125,271.39	
Sichuan Changhong Gerun Environmental Protection Tech. Co., Ltd.	Accept the services	56,580.19	86,666.96
Sichuan Changhong International Travel Service Co., Ltd.	Accept the services	26,557.92	245,433.88
Sichuan Changhong Jijia Fine Co., Ltd.	Accept the services	11,830.19	1,002,110.60
Sichuan Changhong Network Technology Co., Ltd.	Accept the services		32,908.38
Sichuan Hongmofang Network Technology Co., Ltd.	Accept the services		2,122.64
Sichuan Zhiyijia Network Technology Co., Ltd.	Accept the services	-465,679.53	185,590.06
Total		876,013,402.83	717,515,081.98

3. Purchase fuel and power

Related party	Content	Current Year	Last Year
Sichuan Changhong Electric Co., Ltd.	Accept fuel power	19,977,416.41	18,457,320.38
Guangdong Changhong Electronics Co., Ltd.	Accept fuel power	1,204,692.22	1,122,776.22
Sichuan Hongran Green Energy Co., Ltd.	Accept fuel power	879,342.58	488,435.52
Changhong Huayi Compressor Co., Ltd.	Accept fuel power	451,658.41	511,235.41
Hefei Changhong New Energy Technology Co., Ltd.	Accept fuel power	344,936.77	366,759.90
Sichuan Changhong Property Service Co., Ltd.	Accept fuel power	30,285.20	20,789.37
Total		22,888,331.59	20,967,316.80

4. Sales of goods

Related party	Content	Current Year	Last Year
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		(In 10 thousand yuan)	(In 10 thousand yuan)
Sichuan Zhiyijia Network Technology Co., Ltd.	Sales of goods	650,051.03	436,631.25
CHANGHONG (HK) TRADING LIMITED	Sales of goods	29,876.00	48,410.22
Sichuan Changhong Electric Co., Ltd.	Sales of goods	19,808.97	23,483.31
Changhong International Holdings (Hong Kong) Co., Ltd.	Sales of goods	16,426.96	13,452.31
CHANGHONG ELECTRIC (AUSTRALIA) PTY.LTD.	Sales of goods	12,752.56	14,983.14
Sichuan Changxin Refrigeration Parts Co., Ltd.	Sales of goods	9,921.49	6,957.18
Changhong Europe Electric s.r.o	Sales of goods	7,082.16	5,483.90
Sichuan Changhong Jijia Fine Co., Ltd.	Sales of goods	4,867.94	5,460.30
Orion.PDP.Co.,ltd	Sales of goods	3,967.89	2,634.90
Changhong Ruba Electric Company(Private) Ltd.	Sales of goods	3,262.43	1,079.90
Hong Yuan Ground Energy Heat Tech. Co., Ltd.	Sales of goods	2,426.82	5,204.57
Sichuan Service Exp. Appliance Service Chain Co., Ltd.	Sales of goods	655.49	403.10
Sichuan Changhong Electric Co., Ltd.	Sales of goods	426.60	1,036.21
CHANGHONG ELECTRIC MIDDLE EAST FZCO	Sales of goods	349.94	1,158.97
Chengdu Guigu Environmental Tech. Co., Ltd	Sales of goods	175.73	134.34
Sichuan Changhong Jiechuang Lithium Technology Co., Ltd.	Sales of goods	126.35	
Changhong Grand-Pro Technology Co., Ltd.	Sales of goods	123.88	
Sichuan Tianyou Guigu Technology Co., Ltd.	Sales of goods	114.92	
Lejiayi Chain Management Co., Ltd.	Sales of goods	53.10	549.82
Guangdong Changhong Electronics Co., Ltd.	Sales of goods	32.01	158.46
PT CHANGHONG ELECTRIC INDONESIA	Sales of goods	27.80	70.35
Sichuan Changhong Minsheng Logistics Co., Ltd.	Sales of goods	27.05	2.77
Sichuan Aichuang Science & Technology Co., Ltd.	Sales of goods	23.03	724.53
Sichuan Changhong Electronics Holding Group Co., Ltd.	Sales of goods	18.06	
Sichuan Changhong Power Source Co., Ltd.	Sales of goods	16.99	1.81
Guang yuan Changhong Electronic Technology Co., Ltd.	Sales of	15.43	0.35

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Related party	Content	Current Year	Last Year
		(In 10 thousand yuan)	(In 10 thousand yuan)
	goods		
Sichuan Ansify Technology Co., Ltd.	Sales of goods	12.51	
Sichuan Hongxin Software Co., Ltd.	Sales of goods	12.11	
Hefei Changhong Industrial Co., Ltd.	Sales of goods	7.89	0.43
Sichuan Changhong Real Estate Co., Ltd.	Sales of goods	6.63	1.31
Changhong Huayi Compressor Co., Ltd.	Sales of goods	3.76	
Sichuan Changhong Intelligent Manufacturing Technology Co., Ltd.	Sales of goods	1.41	1.64
Beijing Changhong Technology Co., Ltd.	Sales of goods	0.98	1.86
Sichuan Hongmofang Network Technology Co., Ltd.	Sales of goods	0.49	1.73
Sichuan Changhong Network Technology Co., Ltd.	Sales of goods	0.39	
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		572.25
Sichuan Changhong International Hotel Co., Ltd.	Sales of goods		70.00
Sichuan Changhong New Energy Technology Co., Ltd.	Sales of goods		31.18
Mianyang Huafeng Interconnect Technology Co., Ltd.	Sales of goods		20.92
Sichuan Huafeng Enterprise Group Co., Ltd.	Sales of goods		4.77
Sichuan Changhong Electronic Products Co., Ltd.	Sales of goods		35.40
Sichuan Changhong Education Technology Co., Ltd.	Sales of goods		-86.91
Total		762,676.96	568,676.27

5. Providing services

Related party	Content	Current Year	Last Year
Sichuan Changhong Electric Co., Ltd.	Providing services	4,177,122.00	2,656,646.85
Sichuan Aichuang Science & Technology Co., Ltd.	Providing services	1,983,316.06	887,575.07
Changhong Huayi Compressor Co., Ltd.	Providing services	1,245,677.91	566,037.73
Changhong Grand-Pro Technology Co., Ltd.	Providing services	1,165,255.05	
Sichuan Changhong Jiechuang Lithium Technology Co., Ltd.	Providing services	1,088,990.83	
Sichuan Changhong Network Technology Co., Ltd.	Providing services	610,337.12	991,434.55

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Related party	Content	Current Year	Last Year
Yuanxin Financial Lease Co., Ltd.	Providing services	493,408.67	
Guangdong Changhong Electronics Co., Ltd.	Providing services	491,029.63	
Sichuan Changhong Jijia Fine Co., Ltd.	Providing services	271,359.98	135,692.00
Sichuan Changhong Minsheng Logistics Co., Ltd.	Providing services	261,996.34	7,098.11
Hong Yuan Ground Energy Heat Tech. Co., Ltd.	Providing services	216,981.14	
Sichuan Changhong Electric Co., Ltd.	Providing services	193,737.60	80,098.48
Sichuan Changxin Refrigeration Parts Co., Ltd.	Providing services	120,655.05	
Sichuan Ansify Technology Co., Ltd.	Providing services	110,932.11	
Sichuan Changhong Electronic Technology Co., Ltd.	Providing services	94,339.62	
Sichuan Changhong Device Technology Co., Ltd.	Providing services	90,613.21	105,597.33
Sichuan Changhong Property Service Co., Ltd.	Providing services	85,797.50	
Sichuan Changhong International Hotel Co., Ltd.	Providing services	79,350.88	36,054.42
081 Electronic Group Co., Ltd.	Providing services	47,230.97	
Chengdu Guigu Environmental Tech. Co., Ltd.	Providing services	31,941.00	15,714.60
Sichuan Zhiyijia Network Technology Co., Ltd.	Providing services	22,279.24	9,433.96
Sichuan Huafeng Enterprise Group Co., Ltd.	Providing services	13,205.66	316,610.42
Sichuan Changhong Electronic Products Co., Ltd.	Providing services	11,021.81	
Sichuan Changhong Gerun Environmental Protection Tech. Co., Ltd.	Providing services	9,433.96	
Sichuan Service Exp. Appliance Service Chain Co., Ltd.	Providing services	7,200.00	
Sichuan Changhong Precision Electronics Tech. Co., Ltd.	Providing services	5,084.91	
Sichuan Hongwei Technology Co., Ltd.	Providing services	1,440.00	
Hefei Changhong Industrial Co., Ltd.	Providing services	707.50	
Sichuan Ailink Technology Co., Ltd.	Providing services	73.58	
Mianyang Huafeng Interconnect Technology Co., Ltd.	Providing services		199,401.74
Sichuan Changhong Intelligent Technology Co., Ltd.	Providing services		547,177.50
Sichuan Changhong Intelligent Manufacturing Technology Co., Ltd.	Providing services		494,545.00
Sichuan Changhong New Energy Technology Co., Ltd.	Providing services		113,853.33
Sichuan Hongxin Software Co., Ltd.	Providing services		50,367.92
Sichuan Changhong Education Technology Co., Ltd.	Providing services		21,681.42
Sichuan Changhong Real Estate Co., Ltd.	Providing services		-39,175.45
Sichuan Changhong Electronics Holding Group Co., Ltd.	Providing services	-10,800.00	
Total		12,919,719.33	7,195,844.98

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.

6. Provide fuel power

Related party	Content	Current Year	Last Year
Sichuan Changhong Electric Co., Ltd.	Provide fuels power	7,008,427.14	7,268,571.71
Sichuan Changhong Device Technology Co., Ltd.	Provide fuels power	710,348.59	844,734.88

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Related party	Content	Current Year	Last Year
Sichuan Changhong Jijia Fine Co., Ltd.	Provide fuels power	150,554.97	158,726.95
Changhong International Holdings (Hong Kong) Co., Ltd.	Provide fuels power	101,309.73	
Sichuan Changhong Minsheng Logistics Co., Ltd.	Provide fuels power	57,695.61	86,738.00
Sichuan Zhiyijia Network Technology Co., Ltd.	Provide fuels power	50,005.57	45,684.57
Sichuan Changhong Precision Electronics Tech. Co., Ltd.	Provide fuels power	16,948.89	15,872.50
Guangdong Changhong Electronics Co., Ltd.	Provide fuels power	16,227.17	38,436.16
Sichuan Jiahong Industrial Co., Ltd.	Provide fuels power		13,065.53
Mianyang Science & Technology City Big Data Technology Co., Ltd.	Provide fuels power		6,763.23
Sichuan Changhong Network Technology Co., Ltd.	Provide fuels power		6,484.24
Sichuan Hongwei Technology Co., Ltd.	Provide fuels power		3,137.33
Total		8,111,517.67	8,488,215.10

7.Related rental

(1) Rent out

Lessor	Lessee	Type of assets	Leasing income in Current Year	Leasing income in last year
Changhong Meiling	Sichuan Changhong Electric Co., Ltd.	Workshop	1,741,654.86	1,441,574.10
Changhong Meiling	Sichuan Changhong Jijia Fine Co., Ltd.	Workshop	678,679.11	541,594.80
Changhong Meiling	Sichuan Changhong Electric Co., Ltd.	Apartment	499,971.43	447,269.14
Changhong Meiling	Sichuan Changhong Electric Co., Ltd.	Warehouse	152,522.28	282,430.19
Changhong Meiling	Hefei Changhong Industrial Co., Ltd.	Apartment	262,055.04	228,637.23
Changhong Meiling	Sichuan Changhong Minsheng Logistics Co., Ltd.	Apartment	214,858.71	211,594.52
Changhong Meiling	Sichuan Zhiyijia Network Technology Co., Ltd.	Apartment	188,256.88	209,364.69
Changhong Meiling	Sichuan Service Exp. Appliance Service Chain Co., Ltd.	Apartment	145,590.48	156,252.00
Changhong Meiling	Sichuan Changhong Jijia Fine Co., Ltd.	Warehouse	88,689.08	139,040.18
Changhong Meiling	Sichuan Changhong Jijia Fine Co., Ltd.	Apartment	118,400.00	122,133.76
Changhong Meiling	Sichuan Service Exp. Appliance Service Chain Co., Ltd.	Office	47,040.00	43,633.32
Changhong Meiling	Sichuan Changhong Precision Electronics Tech. Co., Ltd.	Apartment	49,200.00	39,456.00
Changhong Meiling	Sichuan Aichuang Science & Technology Co., Ltd.	Warehouse	37,519.68	34,987.18
Changhong Meiling	Sichuan Hongwei Technology Co., Ltd.	Apartment		31,200.00
Changhong Meiling	Sichuan Changhong Jijia Fine Co., Ltd.	Forklift		26,439.91
Changhong Meiling	Sichuan Service Exp. Appliance Service Chain Co., Ltd.	Forklift		9,600.00

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Lessor	Lessee	Type of assets	Leasing income in Current Year	Leasing income in last year
Changhong Meiling	Sichuan Ailink Technology Co., Ltd.	Warehouse	2,549.43	2,686.20
Changhong Meiling	Sichuan Aichuang Science & Technology Co., Ltd.	Forklift		2,532.50
Changhong Meiling	Hefei Changhong Industrial Co., Ltd.	Warehouse	6,475.48	2,023.58
Zhongke Meiling	Sichuan Changhong Minsheng Logistics Co., Ltd.	Workshop	783,911.94	2,352,570.64
Jiangxi Meiling	Sichuan Changhong Electric Co., Ltd.	Workshop	822,288.36	839,228.54
Jiangxi Meiling	Sichuan Changhong Minsheng Logistics Co., Ltd.	WorkshopOffice	9,142.86	9,142.86
Jiangxi Meiling	Changhong Huayi Compressor Co., Ltd.	Warehouse	4,457.14	3,771.43
Jiangxi Meiling	Hefei Changhong Industrial Co., Ltd.	Warehouse	2,971.43	
Jiangxi Meiling	Sichuan Aichuang Science & Technology Co., Ltd.	Warehouse	11,885.71	
Jiangxi Meiling	Sichuan Ailink Technology Co., Ltd.	Warehouse	742.86	
Changhong Air-conditioner	Sichuan Changhong Jijia Fine Co., Ltd.	Workshop	3,679,016.28	6,131,693.75
Changhong Air-conditioner	Sichuan Changhong Electric Co., Ltd.	House and buildings	5,925,054.84	5,925,054.84
Changhong Air-conditioner	Sichuan Changhong Electric Co., Ltd.	Equipment	2,401,421.34	2,401,421.34
Changhong Air-conditioner	Sichuan Changhong Electric Co., Ltd.	Equipment	672,368.04	665,334.62
Changhong Air-conditioner	Sichuan Changhong Jijia Fine Co., Ltd.	Equipment	618,666.19	567,110.67
Changhong Air-conditioner	Sichuan Changhong Electric Co., Ltd.	Workshop	621,737.53	467,599.18
Changhong Air-conditioner	Sichuan Changxin Refrigeration Parts Co., Ltd.	Processing equipment of U	200,000.00	300,000.00
Changhong Air-conditioner	Chengdu Guigu Environmental Tech. Co., Ltd	House and buildings	28,403.67	28,403.67
Changhong Air-conditioner	Sichuan Changhong Electric Co., Ltd.	Conference Room		1,834.86
Changhong Air-conditioner	Sichuan Huafeng Enterprise Group Co., Ltd.	Conference Room	917.43	
Zhongshan Changhong	Guangdong Changhong Electronics Co., Ltd.	Office building		149,076.80
Zhongshan Changhong	Sichuan Changhong Electric Co., Ltd.	2# living area	58,964.52	84,813.23
Zhongshan Changhong	Sichuan Changhong Precision Electronics Tech. Co., Ltd.	2# living area	63,000.00	78,313.34
Zhongshan Changhong	Sichuan Changhong Minsheng Logistics Co., Ltd.	Parts of the office building rent-out	44,297.16	31,188.42
Zhongshan Changhong	Sichuan Changhong Device Technology Co., Ltd.	2# living area	3,735.44	10,861.40
Zhongshan Changhong	Guangdong Changhong Electronics Co., Ltd.	2# living area	50,928.93	

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Lessor	Lessee	Type of assets	Leasing income in Current Year	Leasing income in last year
Ridian Technology	Sichuan Changhong Technology Co., Ltd. Device	Workshop	2,160,845.66	1,710,745.15
Ridian Technology	Sichuan Changhong Minsheng Logistics Co., Ltd.	Workshop		76,190.48
Ridian Technology	Sichuan Hongwei Technology Co., Ltd.	Workshop	47,314.29	45,257.14
Total			22,445,534.08	25,852,061.66

(2) Lessee of related parties

Lessor	Lessee	Type of assets	Leasing expense in Current Year	Leasing expense in last year
Guangdong Changhong Electronics Co., Ltd.	Zhongshan Changhong	Workshop leasing	1,015,654.71	1,015,654.68
Guangdong Changhong Electronics Co., Ltd.	Zhongshan Changhong	Staff dormitory		178,332.78
Hefei Changhong Industrial Co., Ltd.	Changhong Meiling	Workshop leasing	310,142.91	
Sichuan Changhong Electric Co., Ltd.	Changhong Air-conditioner	VISA Laboratories	341,178.01	
Sichuan Changhong Electric Co., Ltd.	Changhong Air-conditioner	Workshop leasing		2,567,272.94
Sichuan Changhong Electric Co., Ltd.	Changhong Air-conditioner	Warehouse rental		634,664.55
Sichuan Changhong Electronics Holding Group Co., Ltd.	Changhong Air-conditioner	Staff dormitory	51,240.49	208,690.40
Sichuan Changhong Electronics Holding Group Co., Ltd.	Changhong Air-conditioner	Store rental	125,548.80	125,548.80
Sichuan Jiahong Industrial Co., Ltd.	Changhong Air-conditioner	Staff dormitory	183,993.72	
Sichuan Changhong Property Service Co., Ltd.	Changhong Air-conditioner	Staff dormitory	3,000.00	
Guangdong Changhong Electronics Co., Ltd.	Ridian Technology	Staff dormitory	126,347.33	55,294.11
Sichuan Changhong Electric Co., Ltd.	Ridian Technology	Staff dormitory		48,257.03
Sichuan Changhong Electric Co., Ltd.	Mianyang Meiling	Workshop leasing	3,261,455.02	3,246,239.65
Sichuan Jiahong Industrial Co., Ltd.	Mianyang Meiling	Staff dormitory	14,286.07	
Sichuan Jiahong Industrial Co., Ltd.	Mianyang Meiling	Flower rental	6,953.77	
Sichuan Changhong Electronics Holding Group Co., Ltd.	Mianyang Meiling	Staff dormitory	4,363.60	48,785.77

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Lessor	Lessee	Type of assets	Leasing expense in Current Year	Leasing expense in last year
Sichuan Changhong Property Service Co., Ltd.	Mianyang Meiling	Flower rental	2,317.92	9,271.70
Sichuan Changhong Electric Co., Ltd.	Meiling Group	Office		885,487.38
Changhong Huayi Compressor Co., Ltd.	Jiangxi Meiling	Staff dormitory	41,792.55	53,246.28
Chengdu Changhong Electronic Technology Co., Ltd.	Hongmei Intelligent	Office	688,263.70	624,277.12
Sichuan Changhong Minsheng Logistics Co., Ltd.	Hong yuan Zhongshan	Warehouse rental	73,962.22	
Guangdong Changhong Electronics Co., Ltd.	Hong yuan Zhongshan	Staff dormitory	91,367.95	103,432.19
Total			6,341,868.77	9,804,455.38

8.Related guarantee

Secured party	Sponsored party	Maximum guarantee amount (In 10 thousand yuan)	Start	Date due	Completed (Y/N)
Changhong Meiling	Jiangxi Meiling	10,000.00	2020-04-09	2021-04-09	Y
Changhong Meiling	Jiangxi Meiling	10,000.00	2021-07-08	2022-07-08	N
Changhong Meiling	Changhong Air-conditioner	5,000.00	2021-09-24	2022-09-24	N
Changhong Meiling	Changhong Air-conditioner	15,000.00	2021-12-07	2022-12-06	N
Changhong Meiling	Changhong Ruba	2,103.51	2019-12-23	2021-01-15	Y
Changhong Meiling	Changhong Ruba	1,831.50	2020-12-16	2021-12-07	Y
Changhong Meiling	Ridian Technology	3,000.00	2020-03-14	2021-03-13	Y
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	Y
Changhong Meiling	Ridian Technology	5,000.00	2020-07-03	2021-07-02	Y
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	Y
Changhong Meiling	Ridian Technology	3,000.00	2021-08-09	2022-08-08	N
Changhong Meiling	Ridian Technology	4,000.00	2021-09-16	2022-09-15	N
Changhong Meiling	Zhongke Meiling	2,000.00	2020-12-25	2021-09-26	Y
Changhong Meiling	Zhongke Meiling	3,000.00	2020-09-22	2021-09-22	Y
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	Y
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

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Secured party	Sponsored party	Maximum guarantee amount (In 10 thousand yuan)	Start	Date due	Completed (Y/N)
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	6,000.00	2021-09-22	2022-09-22	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	Y
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
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	Y
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	Zhongshan Changhong	5,000.00	2021-07-22	2022-07-22	N
Changhong Meiling	Zhongshan Changhong	5,000.00	2021-08-24	2022-08-23	N
Changhong Meiling	Zhongshan Changhong	15,000.00	2021-08-09	2022-08-08	N
Changhong Meiling	Non-ferrous Metals	1,000.00	2020-03-20	2021-03-05	Y
Changhong Meiling	Meiling Group	6,000.00	2020-03-26	2021-03-26	Y
Changhong Meiling	Meiling Group	10,000.00	2020-12-30	2021-12-29	Y
Changhong Meiling	Meiling Group	5,000.00	2021-03-05	2022-03-05	N
Changhong Meiling	Meiling Life Appliances	2,000.00	2021-07-26	2022-07-26	N
Changhong Meiling	Meiling Life Appliances	5,000.00	2021-07-29	2022-07-28	N
Changhong Meiling	Meiling Life Appliances	5,000.00	2021-08-18	2022-08-08	N
Changhong Meiling	Meiling Life Appliances	2,000.00	2021-10-13	2022-10-12	N
Changhong Meiling	Meiling Life Appliances	4,000.00	2021-12-09	2022-11-02	N
Zhongke Meiling	Anhui Tuoxing	500.00	2021-04-01	2022-04-01	N

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Secured party	Sponsored party	Maximum guarantee amount (In 10 thousand yuan)	Start	Date due	Completed (Y/N)
Counter guarantee:					
Jiangxi Meiling	Changhong Meiling	10,000.00	2020-04-09	2021-04-09	Y
Jiangxi Meiling	Changhong Meiling	10,000.00	2021-07-08	2022-07-08	N
Changhong Air-conditioner	Changhong Meiling	5,000.00	2021-09-24	2022-09-24	N
Changhong Air-conditioner	Changhong Meiling	15,000.00	2021-12-07	2022-12-06	N
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	Y
Ridian Technology	Changhong Meiling	3,000.00	2020-03-14	2021-03-13	Y
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	Y
Ridian Technology	Changhong Meiling	5,000.00	2020-07-03	2021-07-02	Y
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	Y
Ridian Technology	Changhong Meiling	3,000.00	2021-08-09	2022-08-08	N
Ridian Technology	Changhong Meiling	4,000.00	2021-09-16	2022-09-15	N
Zhongke Meiling	Changhong Meiling	2,000.00	2020-12-25	2021-09-26	Y
Zhongke Meiling	Changhong Meiling	3,000.00	2020-09-22	2021-09-22	Y
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	Y
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	6,000.00	2021-09-22	2022-09-22	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	Y
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 Meiling	20,000.00	2020-03-30	2021-03-30	Y

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Secured party	Sponsored party	Maximum guarantee amount (In 10 thousand yuan)	Start	Date due	Completed (Y/N)
Changhong					
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	Y
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
Zhongshan Changhong	Changhong Meiling	5,000.00	2021-07-22	2022-07-22	N
Zhongshan Changhong	Changhong Meiling	5,000.00	2021-08-24	2022-08-23	N
Zhongshan Changhong	Changhong Meiling	15,000.00	2021-08-09	2022-08-08	N
Non-ferrous 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	Y
Meiling Group	Changhong Meiling	10,000.00	2020-12-30	2021-12-29	Y
Meiling Group	Changhong Meiling	5,000.00	2021-03-05	2022-03-05	N
Meiling Life Appliances	Changhong Meiling	2,000.00	2021-07-26	2022-07-26	N
Meiling Life Appliances	Changhong Meiling	5,000.00	2021-07-29	2022-07-28	N
Meiling Life Appliances	Changhong Meiling	5,000.00	2021-08-18	2022-08-08	N
Meiling Life Appliances	Changhong Meiling	2,000.00	2021-10-13	2022-10-12	N
Meiling Life Appliances	Changhong Meiling	4,000.00	2021-12-09	2022-11-02	N
Anhui Tuoxing	Zhongke Meiling	500.00	2021-04-01	2022-04-01	N

9. Assets transfer, debt restructuring of related parties

Related party			Type	Current Year	Last Year
Sichuan	Changhong	Intelligent	Purchase and construction	9,990,763.76	4,920,208.93

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Related party	Type	Current Year	Last Year
Manufacturing Technology Co., Ltd.	of fixed assets		
Sichuan Hongxin Software Co., Ltd.	Construction of fixed assets	3,912,026.22	613,207.54
Sichuan Hongcheng Construction Engineering Co., Ltd.	Construction of fixed assets	1,950,244.22	
Sichuan Changhong Electric Co., Ltd.	Construction of fixed assets	1,833,245.49	
081 Electronic Group Co., Ltd.	Construction of fixed assets	1,064,220.18	
Sichuan Huanyu Industrial Co., Ltd.	Construction of fixed assets	366,972.48	2,164,755.99
Sichuan Hongxin Software Co., Ltd.	Purchase of intangible assets	141,509.43	
Guangdong Changhong Electronics Co., Ltd.	Purchase of fixed assets	39,157.29	
Sichuan Changhong Electric Co., Ltd.	Purchase of fixed assets		1,654,600.00
Sichuan Zhiyijia Network Technology Co., Ltd.	Purchase of fixed assets		820,469.07
Sichuan Changhong Jineng Sunshine Technology Co., Ltd.	Purchase of fixed assets		42,348.02
Sichuan Service Exp. Appliance Service Chain Co., Ltd.	Purchase of fixed assets		5,238.94
Sichuan Changxin Refrigeration Parts Co., Ltd.	Purchase of fixed assets		1,894.30
Sichuan Changhong Electric Co., Ltd.	Sales of fixed assets	339,000.00	39,611.48
Total		19,637,139.07	10,262,334.27

10. Other

Name of company	Content	Current Year (In 10 thousand yuan)	Last Year (In 10 thousand yuan)
Yuanxin Financial Lease Co., Ltd.	Financing business, financing expenses and financial leasing	49,202.19	6,466.21

11. Related transaction with Changhong Finance Company

(1) Saving balance

Name of company	Year-end balance	Year-begin balance	Interest income from bank saving in the period
Changhong Meiling Co., Ltd.	1,750,741,958.39	1,860,047,247.52	49,976,396.40
Sichuan Changhong Air-conditioner Co., Ltd.	667,374,291.19	134,802,966.64	12,869,745.81
Zhongshan Changhong Electric Co., Ltd.	472,478,264.48	404,582,475.31	8,824,244.04
Hefei Changhong Meiling Life Appliances Co., Ltd.	204,429,613.95		1,388,149.46
Ground Energy Heat Pump Tech. (Zhongshan) Co., Ltd.	117,428,653.82	69,211,263.89	1,659,241.27
Zhongke Meiling Cryogenic Technology Co., Ltd.	89,236,818.21	141,336,330.05	6,886,737.54

Annotations to Financial Statements of Changhong Meiling Co., Ltd.

From 1 January 2021 to 31 December 2021

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

Name of company	Year-end balance	Year-begin balance	Interest income from bank saving in the period
Changhong Meiling Ridian Technology Co., Ltd.	78,870,573.40	162,196,324.57	2,070,691.51
Hebei Hongmao Household Appliance Technology Co., Ltd	4,185,481.97	15,657,360.37	122,096.84
Hefei Meiling Group Holdings Limited	227,396.51	3,742.21	3,479.34
Anhui Tuoxing Technology Co., Ltd.	58,438.14	10,243,055.56	212,053.04
Mianyang Meiling Refrigeration Co., Ltd.	26,052.45	50,871.36	181.09
Hongyuan Ground Energy Heat Pump Tech. Co., Ltd	19,795.17	114,826.06	351.67
Jiangxi Meiling Electric Appliance Co., Ltd.	9,585.70	9,544.98	40.72
Total	3,385,086,923.38	2,798,256,008.52	84,013,408.73

(2) Discounting of notes

Name of company	Bank Acceptance Discounted face value	Bank Acceptance Discount amount	Discounting fee Amount of expenses
Changhong Meiling Co., Ltd.	717,895,322.83	710,633,931.03	7,261,391.80
Sichuan Changhong Air-conditioner Co., Ltd.	705,893,271.26	697,071,665.96	8,821,605.30
Hefei Changhong Meiling Life Appliances Co., Ltd.	39,073,382.76	38,849,602.17	223,780.59
Ground Energy Heat Pump Tech. (Zhongshan) Co., Ltd.	6,500,000.00	6,435,216.67	64,783.33
Total	1,469,361,976.85	1,452,990,415.83	16,371,561.02

(3) Issuance of invoices

Name of company	Issuer	Bill amount	Types
Sichuan Changhong Air-conditioner Co., Ltd.	Sichuan Changhong Finance Co., Ltd. Group	2,133,868,456.59	Bank acceptance
Changhong Meiling Co., Ltd.	Sichuan Changhong Finance Co., Ltd. Group	751,170,773.81	Bank acceptance
Zhongshan Changhong Electric Co., Ltd.	Sichuan Changhong Finance Co., Ltd. Group	522,970,416.38	Bank acceptance
Hefei Meiling Group Holdings Limited	Sichuan Changhong Finance Co., Ltd. Group	99,820,945.39	Bank acceptance
Hefei Changhong Meiling Life Appliances Co., Ltd.	Sichuan Changhong Finance Co., Ltd. Group	79,878,452.52	Bank acceptance
Zhongke Meiling Cryogenic Technology Co., Ltd.	Sichuan Changhong Finance Co., Ltd. Group	75,218,800.86	Bank acceptance
Ground Energy Heat Pump Tech. (Zhongshan) Co., Ltd.	Sichuan Changhong Finance Co., Ltd. Group	71,379,189.30	Bank acceptance
Changhong Meiling Ridian Technology Co., Ltd.	Sichuan Changhong Finance Co., Ltd. Group	48,666,158.90	Bank acceptance
Hebei Hongmao Household Appliance Technology Co., Ltd	Sichuan Changhong Finance Co., Ltd. Group	15,571,257.96	Bank acceptance
Anhui Tuoxing Technology Co., Ltd.	Sichuan Changhong Finance Co., Ltd. Group	1,044,521.89	Bank acceptance

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

Total	3,799,588,973.60
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(4) Borrowings: Nil

(5) Receivable factoring: Nil

12. Remuneration for key management

Item	Current Year (In 10 thousand yuan)	Last Year (In 10 thousand yuan)
Total remuneration	803.56	346.88
Including: performance incentive fund		

(iii) Come and go balance with related parties

1. Receivable items

Item	Related party	Balance at year-end		Balance at year-begin	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Account receivable	Sichuan Zhiyijia Network Technology Co., Ltd.	590,034,682.52		152,851,050.10	5,950.95
Account receivable	CHANGHONGELECTRIC(AUSTRALIA)PTY.LTD.	55,903,139.06		82,523,745.73	
Account receivable	Changhong International Holdings (Hong Kong) Co., Ltd.	35,985,886.24	971,525.15	23,280,926.68	
Account receivable	Changhong Ruba Electric Company(Private)Ltd.	39,274,379.69	2,991,971.20	46,262,313.51	3,664,544.64
Account receivable	CHANGHONG(HK)TRADINGLIMITED	14,593,546.00		74,561,075.45	
Account receivable	Orion.PDP.Co.,ltd	7,923,855.47		1,365,471.85	
Account receivable	Changhong Europe Electrics.r.o	3,382,179.18		7,285,475.46	
Account receivable	Sichuan Changhong Electric Co., Ltd.	2,512,637.87	569.25	1,648,021.88	
Account receivable	Sichuan Aichuang Science & Technology Co., Ltd.	1,595,719.32		1,235,293.51	
Account receivable	Hong Yuan Ground Energy Heat Tech. Co., Ltd.	1,251,751.92	185,439.69	2,557,611.11	259,719.23
Account receivable	Changhong Grand-Pro Technology Co., Ltd.	705,000.00			
Account receivable	Changhong Huayi Compressor Co., Ltd.	642,605.16			
Account receivable	Lejiayi Chain Management Co., Ltd.	141,775.39		752,700.75	13,309.44

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From 1 January 2021 to 31 December 2021

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Item	Related party	Balance at year-end		Balance at year-begin	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Account receivable	CHANGHONGELEC TRICMIDDLEEASTF ZCO	120,716.04		1,641,684.42	
Account receivable	Sichuan Service Exp. Appliance Service Chain Co., Ltd.	67,279.43		179,721.66	
Account receivable	Sichuan Ansify Technology Co., Ltd.	52,448.00			
Account receivable	Sichuan Changhong International Hotel Co., Ltd.	17,064.50		20,166.00	
Account receivable	Yuanxin Financial Lease Co., Ltd.	7,852.07			
Account receivable	Sichuan Changhong Minsheng Logistics Co., Ltd.	6,619.80		12,173.16	
Account receivable	Guangdong Changhong Electronics Co., Ltd.	5,239.75	248.56	3,507.01	
Account receivable	Sichuan Hongmofang Network Technology Co., Ltd.	4,380.00			
Account receivable	PT.CHANGHONGELECTRICINDONESIA			703,520.00	
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 Electric Co., Ltd.			193,981.98	
Account paid advance in	Sichuan Changhong Intelligent Manufacturing Technology Co., Ltd.	925,280.67		2,191,049.27	
Account paid advance in	Sichuan Aichuang Science & Technology Co., Ltd.	684,000.00			
Account paid advance in	Sichuan Zhiyijia Network Technology Co., Ltd.	67,678.94			
Account paid advance in	Hefei Changhong Industrial Co., Ltd.	38,029.06			
Account paid advance in	Sichuan Ailink Technology Co., Ltd.	396.02			
Account paid advance in	Sichuan Changhong Minsheng Logistics Co., Ltd.			366,287.00	
Other account	Changhong Grand-Pro	267,000.00			

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From 1 January 2021 to 31 December 2021

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Item	Related party	Balance at year-end		Balance at year-begin	
		Book balance	Bad debt provision	Book balance	Bad debt provision
receivable	Technology Co., Ltd.				
Other account receivable	Sichuan Service Exp. Appliance Service Chain Co., Ltd.	200,000.00		200,000.00	
Other account receivable	Sichuan Changhong Jiechuang Lithium Technology Co., Ltd.	129,000.00			
Other account receivable	Sichuan Changhong Electric Co., Ltd.	59,857.21		2,657,173.57	
Other account receivable	Guangdong Changhong Electronics Co., Ltd.	25,899.43			
Other account receivable	Sichuan Changhong Power Source Co., Ltd.	19,200.00			
Other account receivable	Sichuan Changhong Jijia Fine Co., Ltd.	17,232.50			
Other account receivable	Sichuan Changhong Real Estate Co., Ltd.			299,373.25	
Other account receivable	Hunan Grand-Pro Intelligent Tech. Company			45,200.00	
Other account receivable	Sichuan Changhong International Hotel Co., Ltd.			39,550.00	
Total		756,662,331.24	4,149,753.85	403,544,357.88	3,943,524.26

2. Payable items

Item	Related party	Balance at year-end	Balance at year-begin
Account payable	Sichuan Changhong Electric Co., Ltd.	27,523,349.71	44,726,533.64
Account payable	Changhong International Holdings (Hong Kong) Co., Ltd.	12,718,331.49	1,502,240.80
Account payable	Mianyang Highly Electric Co., Ltd.	8,324,553.75	10,035,029.02
Account payable	Sichuan Changxin Refrigeration Parts Co., Ltd.	7,599,199.65	
Account payable	Sichuan Aichuang Science & Technology Co., Ltd.	7,290,455.51	36,339,436.08
Account payable	Sichuan Changhong Jijia Fine Co., Ltd.	6,608,580.22	30,784,821.38
Account payable	Sichuan Changhong Package Printing Co., Ltd.	5,553,060.13	10,337,574.43
Account payable	Changhong Huayi Compressor Co., Ltd.	3,518,643.94	24,556,917.25
Account payable	Sichuan Ailink Technology Co., Ltd.	3,014,723.46	3,067,909.39
Account payable	Sichuan Changhong Precision Electronics Tech. Co., Ltd.	2,450,482.58	877,946.47
Account payable	Sichuan Changhong Intelligent	1,911,174.67	962,930.89

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From 1 January 2021 to 31 December 2021

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Item	Related party	Balance at year-end	Balance at year-begin
	Manufacturing Technology Co., Ltd.		
Account payable	Guangdong Changhong Electronics Co., Ltd.	1,296,473.51	848,590.31
Account payable	Sichuan Changhong Minsheng Logistics Co., Ltd.	760,136.08	863,688.97
Account payable	Sichuan Service Exp. Appliance Service Chain Co., Ltd.	449,551.04	261,823.77
Account payable	Hunan Grand-Pro Intelligent Tech. Company	391,610.62	433,594.69
Account payable	Sichuan Changhong Electronic Products Co., Ltd.	372,065.37	2,388,369.91
Account payable	Chengdu Changhong Electronic Technology Co., Ltd.	326,258.23	
Account payable	Sichuan Changhong Electric Co., Ltd.	115,854.26	48,150,899.09
Account payable	Sichuan Changhong International Travel Service Co., Ltd.	90,789.00	50,552.00
Account payable	081 Electronic Group Co., Ltd.	53,196.86	136,168.13
Account payable	Sichuan Hongcheng Construction Engineering Co., Ltd.	50,000.00	
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.	8,000.40	5,333.60
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	Hong Yuan Ground Energy Heat Tech. Co., Ltd.	0.01	
Account payable	Changhong Ruba Electric Company (Private) Ltd.		8,938,947.95
Account payable	Hefei Changhong Industrial Co., Ltd.		6,434,535.69
Account payable	CHANGHONG(HK)TRADINGLIMITED		3,052,516.27
Account payable	Sichuan Zhiyijia Network Technology Co., Ltd.		2,979,349.71
Account payable	Sichuan Changhong Jineng Sunshine Technology Co., Ltd.		52,743.33
Account payable	Sichuan Changhong Electronics Holding Group Co., Ltd.		6,687.52
Account payable	Sichuan Hongwei Technology Co., Ltd.		3,225.71
Contract liability	Lejiayi Chain Management Co., Ltd.	828,419.67	1,774,510.16
Contract liability	Sichuan Changhong Electric Co., Ltd.	547,736.39	750,203.12
Contract liability	Sichuan Aoku Technology Co., Ltd.	358,528.90	
Contract liability	Sichuan Service Exp. Appliance Service Chain Co., Ltd.	303,764.99	12,736.12
Contract liability	Sichuan Changhong Device Technology	59,317.08	

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Item	Related party	Balance at year-end	Balance at year-begin
	Co., Ltd.		
Contract liability	Hong Yuan Ground Energy Heat Tech. Co., Ltd.	41,894.81	108,490.57
Contract liability	Guang yuan Hongcheng Industrial Co., Ltd.	22,935.78	
Contract liability	Sichuan Changhong Minsheng Logistics Co., Ltd.	3,362.83	9,355.42
Contract liability	Chengdu Guigu Environmental Tech. Co., Ltd	1,520.35	
Contract liability	CHANGHONG (HK) TRADING LIMITED	817.96	945.91
Contract liability	Sichuan Tianyou Guigu Technology Co., Ltd.	185.84	
Contract liability	Sichuan Zhiyijia Network Technology Co., Ltd.	34.38	
Contract liability	081 Electronic Group Co., Ltd.	22.61	25.55
Contract liability	Sichuan Changhong Gerun Environmental Protection Tech. Co., Ltd.		5,090.51
Contract liability	Sichuan Changhong Electronics Holding Group Co., Ltd.		5,080.00
Contract liability	Hefei Changhong Industrial Co., Ltd.		4,022.06
Contract liability	Sichuan Changhong Real Estate Co., Ltd.		2,154.65
Lease liability	Sichuan Changhong Electric Co., Ltd.	11,332,933.78	
Lease liability	Hefei Changhong Industrial Co., Ltd.	24,644,347.94	
Lease liability	Chengdu Changhong Electronic Technology Co., Ltd.	977,917.93	
Other payable account	Sichuan Changhong Minsheng Logistics Co., Ltd.	100,309,779.69	75,964,081.82
Other payable account	Yuanxin Financial Lease Co., Ltd.	79,697,695.46	44,276,743.76
Other payable account	Sichuan Changhong Electric Co., Ltd.	2,194,205.68	1,700,295.88
Other payable account	Changhong Huayi Compressor Co., Ltd.	1,598,900.00	1,598,900.00
Other payable account	Sichuan Zhiyijia Network Technology Co., Ltd.	784,247.43	41,940.00
Other payable account	Sichuan Changhong Intelligent Manufacturing Technology Co., Ltd.	608,075.10	1,722,946.07
Other payable account	Sichuan Changhong Jineng Sunshine Technology Co., Ltd.	500,000.00	500,000.00
Other payable account	Sichuan Changhong Jijia Fine Co., Ltd.	400,500.00	400,500.00
Other payable account	Sichuan Hongwei Technology Co., Ltd.	220,425.76	
Other payable account	Hunan Grand-Pro Intelligent Tech. Company	250,000.00	250,000.00
Other payable account	Sichuan Qiruik Technology Co., Ltd.	175,244.04	
Other payable account	Sichuan Service Exp. Appliance Service Chain Co., Ltd.	116,814.89	

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From 1 January 2021 to 31 December 2021

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

Item	Related party	Balance at year-end	Balance at year-begin
Other payable account	Sichuan Aoku Technology Co., Ltd.	96,455.34	
Other payable account	Guangdong Changhong Electronics Co., Ltd.	79,304.55	
Other payable account	Changhong International Holdings (Hong Kong) Co., Ltd.	52,728.63	
Other payable account	Sichuan Changhong Package Printing Co., Ltd.	50,000.00	50,000.00
Other payable account	Sichuan Changhong Electronic Products Co., Ltd.	50,000.00	
Other payable account	Sichuan Ailink Technology Co., Ltd.	50,000.00	
Other payable account	Sichuan Changxin Refrigeration Parts Co., Ltd.	46,702.03	46,702.03
Other payable account	Sichuan Changhong Electric Co., Ltd.	43,634.53	163,469.22
Other payable account	Sichuan Changhong Electronics Holding Group Co., Ltd.	35,359.74	
Other payable account	CHANGHONG (HK) TRADING LIMITED	26,435.95	32,607.64
Other payable account	Chengdu Guigu Environmental Tech. Co., Ltd	25,132.00	
Other payable account	Sichuan Jiahong Industrial Co., Ltd.	18.00	23,100.04
Other payable account	Sichuan Changhong Precision Electronics Tech. Co., Ltd.	0.01	0.01
Other payable account	081 Electronic Group Co., Ltd.		47,460.00
Other payable account	Sichuan Changhong Gerun Environmental Protection Tech. Co., Ltd.		10,000.00
Total		317,006,725.85	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

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1. Important non-adjustment items: Nil

2. Profit distribution:

For year of 2021, the individual statement of the parent company show net profit of 67,464,464.66 yuan, according to the auditing from Shine Wing Certified Public Accountants (LLP). In accordance with relevant regulations, the retained profit at beginning of Current Year amounted as 943,879,339.46 yuan, deducted the 2020 profit distributed 51,776,420.60 yuan and after extract for statutory surplus reserve 6,746,446.47 yuan, the retained profit in individual statement of the parent company cumulative counted as 952,820,937.05 yuan at end of 2021. In addition, for year of 2021, the net profit attributable to owners of parent company amounted as 51,898,388.84 yuan. According to relevant regulations, the consolidated statement covers and retained profit of 740,754,202.23 yuan at the beginning of the year, after deducted the 2020 profit distribution of 51,776,420.60 yuan and extract for statutory surplus reserves of 6,744,493.90 yuan, the cumulative retained profit of the consolidated statement at end of 2021 is 734,129,724.00 yuan.

According to relevant regulations, the company's profit distribution shall be based on the profit available for distribution of the parent company, and shall comply with the principle of the lower of the profit available for distribution in the consolidated statement and the parent company statement. Therefore, the profit available for distribution in 2021 is the cumulative undistributed profit of 734,129,724.00 yuan in the consolidated statement at the end of 2021.

According to relevant laws and regulations and the "Articles of Association", and comprehensively considering the interests of shareholders and the company's long-term development needs, it is proposed to:

The profit distribution plan for year of 2021 was: take the total shares (on the registration date when implement the equity distribution plan for year of 2021) as the base, distributed 0.5 yuan (tax included) bonus in cash for every 10-share hold by all shareholders, no share bonus issued and no capitalizing of common reserves carried out. On February 18, 2022, the implementation of shares buy-back of domestically listed foreign shares (B-Share) was completed and the cancellation of the buy-back shares are finished on March 2, 2022. After cancellation, total share capital of the Company amounted to 1,029,923,715 shares, and the matters relating to the registered capital reduction and Article of Association amendment have yet to be submitted to the shareholders general meeting for consideration. Based on total share capital of 1,029,923,715 shares after cancellation, a cash dividend of 51,496,185.75 yuan is expected to be paid.

After this distribution, it is estimated that the remaining accumulated undistributed profit of the parent company will be 901,324,751.30 yuan, and the remaining undistributed profit will be carried forward

Annotations to Financial Statements of Changhong Meiling Co., Ltd.

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for distribution in subsequent years.

The aforesaid proposals have been deliberated and approved at the 16th session of 10th BOD, and is subject to the approval of shareholders general meeting.

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

6. Branch information

In 10 thousand yuan

Item	Refrigerator, freezer Washing machine	Air-con ditioner	Small home appliances	Other	Sales in branch	Total
Operation income	933,873.12	720,306.07	155,320.15	36,761.69	42,965.28	1,803,295.75
Including: foreign trade income	926,726.02	720,237.39	141,662.80	14,669.54		1,803,295.75
Income from transactions between divisions	7,147.10	68.68	13,657.35	22,092.15	42,965.28	
Operation expenses	937,294.17	734,253.06	152,118.18	33,435.82	42,947.37	1,814,153.86
Operation profit	-3,421.05	-13,946.99	3,201.97	3,325.87	17.91	-10,858.11
Total assets	1,130,762.34	452,506.40	72,248.62	19,131.38	170,350.60	1,504,298.14
Total liability	644,633.14	342,258.54	50,550.03	7,622.49	26,463.41	1,018,600.79
Supplementary information						
Depreciation and amortization expenses	21,281.03	14,552.21	460.51	508.28	-11.33	36,813.36
Capital expenditure	8,886.16	10,392.14	1.32	2,253.77		21,533.39

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

Annotations to Financial Statements of Changhong Meiling Co., Ltd.

From 1 January 2021 to 31 December 2021

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

Category	Amount at year-end				Book value
	Book balance		Bad debt provision		
	Amount	Ratio(%)	Amount	Ratio(%)	
Account receivable that withdrawal bad debt provision by single item	1,416,366,794.95	88.42	2,554,877.42	0.18	1,413,811,917.53
Including: Related party payments	1,390,662,728.52	86.82	2,203,703.69	0.16	1,388,459,024.83
Account receivable with letter of credit	25,352,892.70	1.58			25,352,892.70
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	185,510,434.61	11.58	16,670,455.89	8.99	168,839,978.72
Including: account receivable of engineering customers	6,246,264.00	0.39	3,123,132.00	50.00	3,123,132.00
Receivables other than engineering customers	179,264,170.61	11.19	13,547,323.89	7.56	165,716,846.72
Total	1,601,877,229.56	100.00	19,225,333.31	1.20	1,582,651,896.25

(Continued)

Category	Amount at year-begin				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, one client involved.

2) Account receivable withdrawal bad debt provision by portfolio

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From 1 January 2021 to 31 December 2021

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A. Account receivable of engineering customers

Account age	Balance at year-end		
	Book balance	Bad debt	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 over one year-within two years (2 years included))			20.00
Over 2 years - within 3 years (3 years included)	6,246,264.00	3,123,132.00	50.00
Over 3 years			100.00
Total	6,246,264.00	3,123,132.00	

B. Receivables other than engineering customers

Account age	Balance at year-end		
	Book balance	Bad debt	Accrual ratio (%)
Within 3 months(3 months included)	146,099,823.60	1,460,998.24	1.00
Over 3 months and within 6 months (6 months included)	10,604,804.35	1,060,480.44	10.00
Over 6 months and within one year (One year over one year-within two years (2 years included))	9,051,609.96	1,810,321.99	20.00
Over 2 years - within 3 years (3 years included)	8,453,845.93	4,226,922.97	50.00
Over 3 years	327,432.61	261,946.09	80.00
	4,726,654.16	4,726,654.16	100.00
Total	179,264,170.61	13,547,323.89	

(2) By account age

Account age	Balance at year-end
Within 3 months(3 months included)	667,235,077.95
Over 3 months and within 6 months (6 months included)	867,911,914.43
Over 6 months and within one year (One year included)	35,781,521.18
over one year-within two years (2 years included)	13,453,956.99
Over 2 years - within 3 years (3 years included)	6,594,527.78
Over 3 years	10,900,231.23
Total	1,601,877,229.56

(3) Bad debt reserves of the account receivable

Category	Balance at year-begin	Amount change in the year			Balance at year-end
		Accrual	Collected or switch back	Resale or write-off	
Bad debt	13,422,696.36	5,802,636.95			19,225,333.31

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Category	Balance at year-begin	Amount change in the year			Balance at year-end
		Accrual	Collected or switch back	Resale or write-off	
provision					
Total	13,422,696.36	5,802,636.95			19,225,333.31

(4) Top 5 balance of account receivable aggregated by the debtor at end of the year amounted to 1,385,311,628.22 yuan, accounted for 86.48% of the receivables at balance of current year-end, the bad debt provision amounted as 600,051.99 yuan.

(5) Account receivable derecognized due to transfer of financial assets amounted to 311,355,057.85 yuan.

(6) There are no receivables and the amount of assets and liabilities formed by continued involvement

1. Other account receivable

Item	Balance at year-end	Balance at year-begin
Other account receivable	40,708,614.68	49,093,918.57
Total	40,708,614.68	49,093,918.57

(1) By nature

Nature	Ending book balance	Opening book balance
Related party in consolidation statement	4,859,662.12	3,521,237.00
Related party not in consolidation statement	200,000.00	200,000.00
Loans of employee's pretty cash	4,383,234.18	5,697,517.11
Cash deposit	2,788,111.92	6,507,745.28
Export rebates	26,634,190.54	32,281,664.19
Other	1,893,415.92	935,978.02
Total	40,758,614.68	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 1st Jan. 2021		223.03	50,000.00	50,223.03
Book balance of Other account receivable in Current Year as at 1 Jan. 2021	—	—	—	—
--Transfer to the second stage				
--Transfer to the third stage				

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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)	
--Reversal to the second stage				
--Reversal to the first stage				
Provision in Current Year		-223.03		-223.03
Reversal in Current Year				
Conversion in Current Year				
Write off in Current Year				
Other change				
Balance as at 31st December 2021			50,000.00	50,000.00

(3) By account age

Account age	Balance at year-end
Within 3 months(3 months included)	34,703,730.05
Over 3 months and within 6 months (6 months included)	1,390,793.47
Over 6 months and within one year (One year included)	1,144,671.71
over one year-within two years (2 years included)	1,556,311.89
Over 2 years - within 3 years (3 years included)	899,400.00
Over 3 years	1,063,707.56
Total	40,758,614.68

(4) Top 5 balance of other account receivable aggregated by the debtor at end of the year

Name of the unit	Nature	Balance at year-end	Account age	Proportion of the total year-end balance of other receivable(%)	Year-end balance of bad debt reserve
Unit 1	Export rebates	26,634,190.54	Within 3 months	65.35	
Unit 2	Related party amount	2,195,879.38	Within 3 months, Within 3-6 months, Within 6 months-1 year	5.39	
Unit 3	Related party amount	2,077,335.14	Within 3 months	5.10	
Unit 4	Employee petty cash	988,754.39	Within 3 months	2.43	

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Name of the unit	Nature	Balance at year-end	Account age	Proportion of the total year-end balance of other receivable(%)	Year-end balance of bad debt reserve
Unit 5	Employee petty cash	541,615.16	Within 3 months, Within 3-6 months, Within 6 months-1 year, Within 1-2 years	1.33	
Total		32,437,774.61		79.59	

(5) There are no receivables involving government subsidies

(6) There are no other receivables derecognized due to the transfer of financial assets.

(7) There are no other receivables and the amount of assets and liabilities formed by continued involvement

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2. Long-term equity investments

(1) Classification of long-term equity investments

Item	Balance at year-end			Balance at year-begin		
	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 Electrical 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:						
Hefei Xingmei Assets Management Co., Ltd.	19,835,366.84		19,835,366.84	6,826,274.99		6,826,274.99
Sichuan Zhiyijia Network Technology Co., Ltd.	45,787,014.55		45,787,014.55	45,354,700.69		45,354,700.69
Total	1,910,232,449.67	27,675,208.01	1,882,557,241.66	1,861,791,043.96	27,675,208.01	1,834,115,835.95

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From 1 January 2021 to 31 December 2021

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

(2) Investment in subsidiaries

Invested enterprise	Balance at year-begin	Increased in Current Year	Decreased in Current Year	Balance at year-end	Provision for impairment losses in the Year	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 Electrical 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		
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	Balance at year-begin	Changes in Current Year								Balance at year-end	Ending balance of impairment
		Additional Investment	Negative Investment	Investment income recognized under	Adjustment for	Other equity change	Cash dividend or profit announced	Provision for	Other		

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				equity	other compreh ensive income		to issued	impair ment loss	r		
Hefei Xingmei Assets Management Co., Ltd.	6,826,274.99			13,009,091.85							19,835,366.84
Sichuan Zhiyijia Network Technology Co., Ltd.	45,354,700.69			1,587,930.30		-130,171.30	1,025,445.14				45,787,014.55
Total	52,180,975.68			14,597,022.15		-130,171.30	1,025,445.14				65,622,381.39

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(Unless otherwise specified. RMB for record in the statement)

3. Operation income, operation cost

(1) Operation income and operation cost

Item	Current Year		Last Year	
	Income	Cost	Income	Cost
Main business	6,269,665,154.77	5,961,603,587.31	5,993,841,897.34	5,587,709,737.76
Other business	1,558,625,413.18	1,504,868,816.56	2,039,108,063.73	1,988,342,535.09
Total	7,828,290,567.95	7,466,472,403.87	8,032,949,961.07	7,576,052,272.85

(2) Main business - Classified according to product

Product	Current Year		Last Year	
	Operation income	Operation cost	Operation income	Operation cost
Refrigerator, freezer	5,616,008,389.43	5,336,569,969.26	5,484,841,178.48	5,093,379,851.08
Air conditioner	9,710,128.34	9,624,142.71	1,927,662.84	1,922,589.14
Washing machine	501,650,494.16	481,590,996.66	328,707,340.67	331,857,408.29
Small household appliances and kitchen and bathroom	141,304,122.43	133,042,607.04	178,264,898.56	160,500,034.70
Other	992,020.41	775,871.64	100,816.79	49,854.55
Total	6,269,665,154.77	5,961,603,587.31	5,993,841,897.34	5,587,709,737.76

(3) Main business - Classified according to region

Region	Current Year		Last Year	
	Operation income	Operation cost	Operation income	Operation cost
Domestic	3,755,627,585.57	3,652,876,947.70	3,092,637,436.35	3,165,520,459.49
Overseas	2,514,037,569.20	2,308,726,639.61	2,901,204,460.99	2,422,189,278.27
Total	6,269,665,154.77	5,961,603,587.31	5,993,841,897.34	5,587,709,737.76

Top five clients in sales revenue amounted as 4,209,281,817.95 yuan, a 53.77 % in total operation income.

4. Investment income

Item	Current Year	Last Year
Long-term equity investment income by equity method	14,597,022.15	2,444,675.51
Investment income obtained from disposal of trading financial assets	54,779,974.55	47,311,415.04
Income from financial products	13,016,001.33	7,845,151.69
Long-term equity investment income by cost method	2,754,000.00	69,912,000.00
Investment income of other non-current financial assets during holding period	7,596,184.95	27,218,378.81
Total	92,743,182.98	154,731,621.05

XVIII. Approval of financial statement

Annotations to Financial Statements of Changhong Meiling Co., Ltd.

From 1 January 2021 to 31 December 2021

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The financial statement has already been approved from the board of directors of the Company for reporting dated 29 March 2022.

Annotations to Financial Statements of Changhong Meiling Co., Ltd.

From 1 January 2021 to 31 December 2021

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Supplementary information for financial statement

2. Non-recurring gains and losses for this year

Item	Current Year	Note
Gains and losses from disposal of non-current assets	-133,214.72	
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)	103,024,250.74	
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	105,811,461.63	
Reversal of the account receivable depreciation reserves subject to separate impairment test	3,245,314.13	
Other non-operating income and expenses other than the above	4,867,985.38	
Subtotal	216,815,797.16	
Less: impact on income tax	21,813,023.99	
Impact on minority shareholders' equity (post-tax)	2,886,751.07	
Total	192,116,022.10	—

3. 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	1.07%	0.0497	0.0497
Net profit attributable to ordinary shareholders of the parent company after deduction of the non-recurring gains/losses	-2.89%	-0.1342	-0.1342

Chairman: Wu Dinggang

Changhong Meiling Co., Ltd.

March 31, 2022