

Ticker: 002242

Stock Abbreviation: Joyoung

Joyoung Co., Ltd. Abstract of the Annual Report 2024

Section I Important Statements

This is an abstract of the Annual Report 2024. Investors are suggested to read the complete version of the Annual Report 2024 on the media, which is designated by the China Securities Regulatory Commission(the “CSRC”) to have a full understanding of operational results, financial statements, and future plans of the Company. Should there be any inconsistency between the Chinese version and English version, the Chinese version shall prevail.

All Directors were present at the Board meeting at which this report was considered.

Modified Audit Opinion

Applicable N/A

The preliminary plan for dividend distribution or converting capital reserves into share capital for common shareholders which were considered and approved by the Board

Applicable N/A

Convert capital reserves into share capital

Yes No

The Board has considered and approved the following dividend payout plan for the Reporting Period: based on the Company's total shares of 767,017,000, and deducting the 4,000,000 shares repurchased by the Company, it is proposed that, based on a total of 763,017,000 shares, the Company should distribute a cash dividend of RMB 1.5 (tax inclusive) and 0 stock dividend (tax inclusive) per 10 shares to all the shareholders and should not convert capital reserves into share capital.

The preliminary plan for dividend distribution for preferred shares in the reporting period was approved by the Board

Applicable N/A

Section II Company Profile

1. Company Information

Stock Abbreviation	Joyoung	Stock Code	002242
Stock Exchange Where the Shares of the Company are Listed	Shenzhen Stock Exchange		
Contact Us	Board Secretary	Securities Representative	
Name	Minxin MIAO		
Address	No.760 Yinhai Street, Qiantang District, Hangzhou, Zhejiang Province		
Tel.	0571-81639178		
E-mail	002242@joyoung.com		

2. Business or Product Review in the Reporting Period

1) Small Household Appliance Industry in the Reporting Period

In 2024, China's national economy sustained stable and progressive growth, achieving new milestones in high-quality development. Notably, a suite of targeted stimulus policies effectively propelled economic recovery, with the country's GDP expanding by 5.0% year-on-year for the full year. [Note 1]

The domestic consumer market in 2024 exhibited robust vitality and transformative dynamics, characterized by continuous structural optimization and diversified growth trajectories. Rising living standards and evolving consumption patterns have catalyzed the rapid emergence of service-oriented consumption, while unlocking the latent potential of county-level markets and revitalizing lower-tier urban markets. Of particular significance, Generation Z consumers and the silver-haired demographic have ascended as dominant purchasing cohorts, their distinctive consumption demands and behavioral preferences actively reshaping market landscapes and generating fresh growth opportunities.

Against this backdrop, the home appliance industry in 2024 demonstrated a tripartite dynamic of "dual-driven growth in domestic and international markets, accelerated product structure upgrades, and full realization of policy incentives". Fueled by state subsidy programs (hereafter "national subsidies"), demand for large appliances including refrigerators, televisions, and air conditioners experienced significant growth, propelling industry expansion. Annual retail sales of consumer goods rose 3.5% year-on-year, with household appliances and audiovisual equipment sales surpassing the RMB 1 trillion threshold for the first time, recording RMB 1,030.7 billion (+12.3% YoY). [Note 2]

However, the appliance sector witnessed differentiated performance across categories. Kitchen small appliances demonstrated subdued market performance due to intensified industry competition, heightened product substitutability, and limited eligibility for national subsidies. AVC's 2024 omni-channel aggregated data reveals a 0.8% year-on-year contraction in the segment's total retail sales.

The small home appliance industry currently navigates dual challenges: saturation in essential product categories and convergence-driven evolution patterns in discretionary offerings. For core essential appliances, innovation prioritizes technological advancement and specialized refinement to accelerate product replacement cycles. Discretionary categories emphasize functional integration and modular design to amplify practical value. Notably, health-conscious consumption trends have propelled appliances including soybean milk makers, high-speed blenders, smart wellness kettles, multi-functional steamers, and precision slow cookers to emerge as primary growth engines in kitchen small appliance development.

Despite intensifying competition within the small home appliance industry, leading brands still maintain a high level of market concentration. As a leading enterprise in China's small appliance industry, the Company will continue to focus on its core small home appliance business, adhering to a user-centric and retail-oriented approach, leveraging proprietary intellectual property, and striving for continuous innovation to seize new market trends and opportunities.

2) Major business Engaged by the Company in the Reporting Period

In the Reporting Period, the Company continued to focus on the R&D, production, and sales of small household appliances. The Company mainly operated independent R&D, design, sales, and self-owned brands.

In the Reporting Period, no significant changes occurred to the Company's primary business. The Company was in the mature period without visible cyclical features. Major product categories of the Company all ranked the top 3 across the industry domestically in China.

[Note 1] 2024 GDP growth: Chinese Government Website (www.gov.cn)

[Note 2] Retail data sources: Chinese Government Website and National Bureau of Statistics (<https://www.stats.gov.cn/>)

3) Core Competence Analysis

a. Brand Advantage

Adhering to the brand concept of "Healthy and Enjoyable", the Company promotes multi-level brand development through original smart technologies that bring products into consumers' daily lives. As a household name over 30 years, Joyoung has established a "thoughtful, warm, and health-conscious" brand image.

With decades of specialization in small appliance R&D and manufacturing, we possess extensive supplier/retailer networks, strong R&D capabilities, and excellent industry reputation. Our 2024 launches including the Space Technology 3.0 series and Lifestyle series received widespread consumer acclaim for functionality, aesthetics, and user experience.

Joyoung offers a product portfolio covering soymilk makers, high-speed blenders, rice cookers, electronic pressure cookers, electric steamers, smart wellness kettles, air fryers, water purifiers, floor cleaners, high-speed hair dryers, and cookware, maintaining leading market positions in key categories.

Founded in 1998 in Boston, USA, Shark entered the Chinese market in early 2018 as the top-selling brand in the U.S. tech-enabled home cleaning category. Its wholly-owned subsidiary, Shark China, handles brand promotion, marketing, localized product development, and market entry operations for the Shark brand in China, focusing on delivering tailored home cleaning solutions for Chinese households. Shark's product lineup features all-in-one washer-dryer floor cleaners with caterpillar tracks, foldable multi-functional vacuum cleaners, and robot vacuums and so on.

b. Channel Advantage

With over 30 years of expertise in the small home appliance industry, we have adopted a hybrid model combining direct sales and authorized dealerships, supported by nationwide distribution networks and a robust customer base. In order to better contact users, serve consumers and comply with the market development trend, we prioritize retail-driven sales activation by expanding direct sales teams and strengthening terminal retail operations—strategies that foster closer brand-consumer relationships and drive sustainable, high-quality growth.

In 2024, amid China's rapidly evolving retail channels, we strategically balanced shelf-based e-commerce, content-driven platforms, premium department stores, new retail formats, and lower-tier city markets. We aggressively expanded emerging channels, particularly content-centric e-commerce platforms, and established specialized teams for user research, data analytics, content creation, livestreaming, scriptwriting, and video production. Our self-operated livestreaming matrix and "online recommendation-purchase-share" closed-loop ecosystem not only elevated brand NPS (Net Promoter Score) but also attracted new users, customer segments, and brand advocates.

Concurrently, the Company intensified retail terminal development and sales associate training programs, mandating standardized scenario-based product demonstrations and livestreaming initiatives across all stores. Leveraging our self-developed digital middle-office platform, we refined an omni-channel O2O (online-to-offline) marketing operations system to identify emerging channel opportunities. While maintaining sales performance rigor, we now emphasize end-to-end user experience and feedback loops across the entire sales chain, holistically enhancing retail execution capabilities.

c. Product Advantage

The growing consumer aspiration for better living standards has driven increased demand for premium, aesthetically refined, integrated, and intelligent small home appliances that enhance convenience and comfort. To address diverse user needs across scenarios, the Company delivered high-quality products that customers proudly share and recommend, achieving dual growth in product value and brand equity while actively boosting market share.

During the reporting period, our SpaceTech 3.0 Series dominated the premium market by setting new industry standards, featuring innovation launches like the 0-Coating Nonstick Rice Cooker 40N9U Pro, Space Water Purifier R5P, and All-in-One Nutrition Blender Y8, Hands-Free Quiet Low-Purine Soy Milk Maker K7 Pro, and Rapid Brew Wellness Kettle. In the cleaning appliance segment, we pioneered an 8.9cm ultra-slim floor cleaner with standardized anti-hair-tangle technology as a core selling point.

We are committed to delivering whole-home integrated solutions that bridge healthy cooking and healthy living environments. This strategy transcends mere product category expansion—it embodies our brand DNA of "health-driven innovation," amplifies technological credibility, and fulfills evolving consumer aspirations for premium lifestyle experiences through systematic value creation.

d. Operating advantage

In 2024, leveraging our self-developed digital middle-office platform, we harnessed big data analytics to refine digitalized operations and adapt to the accelerated integration of online and offline ecosystems. To advance digital transformation amid fragmented information flows, we optimized services for private-domain traffic while attracting public-domain users. We established a seamless new retail O2O experience loop encompassing content-driven product seeding, in-store experiences, online ordering, proximity-based delivery, and doorstep services—laying the groundwork for future value extraction from the digital economy.

The internet-driven revolution extends beyond marketing to demand-product-supply chain intelligence. By implementing systems like QMS (Quality Management System), we pioneered smart manufacturing management, digitizing processes to enable lean production and lifecycle quality control. Rigorous process monitoring at every stage ensures product excellence and end-to-end intelligent production.

Through multiple integrated digital platforms, we achieved intelligent hardware-software ecosystem convergence. Our SRM (Supplier Relationship Management) system streamlines supplier collaboration with real-time data-driven oversight, while the MES (Manufacturing Execution System) monitors production workflows. Combined with WMS (Warehouse Management System) and interconnected internal platforms for quality control, R&D, and procurement, these tools enhance supply chain agility and production forecasting accuracy, ensuring timely delivery and optimized capacity planning.

4) Major Business Analysis

Revenue in 2024 was RMB 8,849.31 million, a decrease of 7.94% year on year; The Company's traditional dominant product categories maintained stable development, while other newly entered sub-categories achieved high-quality growth, resulting in continuous optimization of the revenue structure..

For the year of 2024, operating costs narrowed down by 8.75% year on year to RMB 6,592.33 million. Gross profit margin increased by 0.66 percentage points year on year.

Selling expenses amounted to RMB 1,506.25 million, up by 13.43% year on year, with sales expense ratio at 17.02%, up by 3.21 percentage points year on year; General and administrative expenses amounted to RMB 384.53 million, up by 0.92% year on year, with G&A ratio at 4.35%, up by 0.38 percentage points year on year; Research and development expenses amounted to RMB 360.97 million, down by 7.19% year on year.

During the reporting period, the number of newly added patent applications was 1,392(including 207 patent applications for invention, 947 applications for utility model and 238 applications for appearance design), and as of the end of the reporting period, the Company owned a total of 14,262 patents (including 924 patents for invention, 11,623 patents for utility models and

1,715 patents for appearance design).

In 2024, total profit reached RMB 49.07 million, representing a year-on-year decrease of 88.61%, and net profit attributable to shareholders was RMB 122.35 million, representing a year-on-year decrease of 68.55%.

In 2024, net cash flow generated in operating activities was RMB 177.56 million, representing a decrease of 76.74% year-on-year, primarily due to reduced cash receipts from sales of goods and provision of services during the period.

5) Outlook for the Company's Future Development

a. Analysis of the External Environment Faced by the Company

Amid multifaceted impacts from the global economic environment, the overseas home appliance market continues to demonstrate resilient growth despite coexisting opportunities and challenges. This momentum is driven by rising consumer purchasing power, growing demand for energy-efficient appliances, increased interest in multifunctional products, evolving lifestyles, and heightened needs for home automation. These trends have spurred the global expansion of smart, integrated, and eco-friendly appliances, serving households worldwide.

In the domestic market, the implementation of consumption stimulus policies is reactivating consumer confidence. As the world's second-largest economy, China boasts a consumer market with unparalleled scale and potential. The home appliance industry must prioritize meeting the public's demand for elevated quality of life, guiding demand-side evolution toward personalized, intelligent, and health-oriented products. Such efforts will propel high-quality development across the appliance sector and its upstream/downstream industries.

Looking ahead, both domestic and international markets face challenges including homogeneous competition, rising production costs, and incremental product innovation. These pressures will incentivize industry players to deepen commitments to green, smart, and health-centric technologies, strengthen sustainable innovation capabilities, and build comprehensive competitiveness through integrated "product + channel + brand" strategies.

Within domestic fiercely competitive small appliance sector—characterized by high brand concentration and seamless online-offline integration—sustained leadership requires unwavering consumer-centricity. This entails deep user insights, differentiated product development, and digitalized omnichannel sales networks to drive industry-wide sustainable growth.

b. Future Development and Business Operation Plan of the Company

In a rapidly evolving market environment marked by intensifying competition and heightened uncertainty, the Company's leadership will proactively capture emerging opportunities across new consumer segments, product categories, sales channels, and business domains. By embracing pioneering initiatives and driving transformative strategies, the Company strengthened core competencies in user insights, technological innovation, product operations, channel marketing, and brand promotion. A heightened focus on precision-driven operational capabilities will be prioritized to achieve comprehensive quality and efficiency enhancement across the organization.

As household income levels continue to rise and demand for premium lifestyle experiences escalates, the consumer goods industry is transitioning into a multi-tiered era of quality-driven consumption. The small home appliance sector in particular is entering a new cycle of high-quality development. Consumer expectations now increasingly emphasize products with premium quality, aesthetic appeal, cost-effectiveness, and health-oriented functionalities, while prioritizing attributes such as personalization, smart technology integration, and environmental sustainability.

As a leading domestic small home appliance brand, the Company will remain dedicated to its core business by prioritizing user-centric innovation and capitalizing on growth opportunities in dominant necessity categories. Through data-driven

consumer insights to refine product innovation, cutting-edge R&D to deliver practical yet premium-quality solutions, and synergistic strategies including brand empowerment, content marketing, seamless O2O integration, and granular channel optimization, we aim to deepen user engagement, deliver high-stickiness services, and elevate brand NPS (Net Promoter Score).

In the future, the Company will continue to expand and strengthen the brand asset value of "Family Kitchen" + "Hope Kitchen" + "Space Kitchen", insist on developing the product lines of kitchen small appliances, water appliances, small cleaning appliances, small personal care appliances and cookware, and continue to explore and amplify the synergistic value of Joyoung and Shark, and devote itself to building the Company into a high-quality small household appliance leader in the whole range of products, so as to create value for the Company and shareholders.

c. Risks Faced by the Company and Countermeasures

I. Industry-related risks

In recent years, as China's economy transitions from high-speed growth to high-quality development, the growing public aspiration for premium lifestyles has created favorable opportunities for the domestic small home appliance industry. However, this trend has also attracted increasing numbers of competitors, with numerous manufacturers entering the sector. Consequently, the industry faces intensifying competition characterized by: inconsistent product quality standards, market demand being rapidly saturated by supply, irrational price competition becoming prevalent. These challenges have led to diminished consumer experiences and declining profit margins across the industry.

While the Company maintains a top-tier position in China's kitchen appliance sector, it still confronts significant challenges and risks. To address these risks, the Company consistently implements the following strategies: accelerating technological innovation, strengthening intellectual property protection, maintaining differentiated product designs and consumer-centric development, proactively launching products aligned with evolving consumer demands.

II. Business risks

i. Risk of raw material price fluctuation

The raw materials externally procured by the Company primarily include iron, stainless steel, aluminum, copper, and plastics, while externally sourced components mainly consist of motors, panels, integrated circuits, etc. The required raw materials and components involve numerous specifications with dispersed usage demands, and there is no over-concentration on any single material type or category. However, price increases in the aforementioned raw materials coupled with rising logistics and packaging costs may adversely impact the Company's profitability. To address this, the Company will implement scientific adjustments to its supply chain network, optimize product structural designs, consolidate and refine procurement channels, and comprehensively reduce production costs, thereby achieving cost efficiency improvements..

ii. Management risks arising from product diversification

The Company has successfully transitioned from the "Joyoung = Soymilk Maker" identity to "Joyoung = Quality Life Small Home Appliances" through strategic and brand enhancement initiatives, establishing a diversified product portfolio to explore broader market opportunities. However, this product diversification and expansion simultaneously impose heightened demands across various operational aspects, including internal management, quality control, marketing effectiveness, technological innovation, and human resource allocation. Should the Company fail to promptly enhance its institutional frameworks or adequately recruit and deploy specialized professionals, operational risks may emerge.

To mitigate these risks, the Company will implement comprehensive measures to strengthen operational management quality. These include deploying intelligent information management systems, developing scientifically grounded management protocols, recruiting and nurturing professional talent, and refining internal incentive-discipline mechanisms.

iii. Risk of product quality problems

Since the use of home appliances is closely related to personal safety, especially the Company's main products directly affect consumers' food safety and home environment, the quality requirements for small home appliances will be more stringent.

After more than 30 years of accumulation, the Company has established a set of complete and strict internal control process in quality control, and effectively prevent potential quality problems that may occur in the production process.

3. Key Accounting Data and Financial Indicators

1) Key Accounting Data and Financial Indicators in Recent Three Years

Whether the Company performed a retroactive adjustment to or restatement of accounting data

Yes No

Reasons for retrospective adjustments or restatements

Change in accounting policy

Unit: RMB Yuan

	As of 31 December, 2024	As of 31 December, 2023		YoY change(%)	As of 31 December, 2022	
		Before Adjustment	After Adjustment	After Adjustment	Before Adjustment	After Adjustment
Total assets	7,586,185,728.31	7,612,080,030.42	7,612,080,030.42	-0.34%	7,075,278,734.87	7,075,278,734.87
Net assets attributable to shareholders of the Company	3,485,895,659.65	3,471,347,161.90	3,471,347,161.90	0.42%	3,313,590,020.06	3,313,590,020.06
	2024	2023		YoY change(%)	2022	
		Before Adjustment	After Adjustment	After Adjustment	Before Adjustment	After Adjustment
Operating revenues	8,849,314,724.78	9,612,788,761.39	9,612,788,761.39	-7.94%	10,176,687,797.39	10,176,687,797.39
Net Profit attributable to shareholders of the Company	122,351,668.35	389,046,168.90	389,046,168.90	-68.55%	529,905,318.29	529,905,318.29
Net profit attributable to shareholders of the Company before non-recurring gains and losses	118,570,698.62	352,837,004.30	352,837,004.30	-66.40%	549,245,878.79	549,245,878.79
Net cash flows from operating activities	177,560,361.37	763,320,596.41	763,320,596.41	-76.74%	610,442,582.65	610,442,582.65
Basic earnings per share (RMB Yuan /share)	0.16	0.52	0.52	-69.23%	0.70	0.70
Diluted earnings per share (RMB Yuan /share)	0.16	0.52	0.52	-69.23%	0.70	0.70

Weighted average return on net assets	3.54%	11.54%	11.54%	-8.00%	13.75%	13.75%
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Reasons for changes in accounting policies and correction of accounting errors

- 1.The company has implemented the "Accounting Standards for Business Enterprises Interpretation No. 17 - Classification of Current Liabilities and Non-current Liabilities" issued by the Ministry of Finance effective from January 1, 2024. This change in accounting policy has no impact on the company's financial statements.
- 2.The company has implemented the "Accounting Standards for Business Enterprises Interpretation No. 17 - Disclosure of Supplier Financing Arrangements" issued by the Ministry of Finance effective from January 1, 2024.
- 3.The company has implemented the "Accounting Standards for Business Enterprises Interpretation No. 17 - Accounting Treatment for Sale and Leaseback Transactions" issued by the Ministry of Finance effective from January 1, 2024. This change in accounting policy has no impact on the company's financial statements.
- 4.The company has implemented the "Accounting Standards for Business Enterprises Interpretation No. 18 - Accounting Treatment for Warranty-type Quality Assurances Not Classified as Separate Performance Obligations" issued by the Ministry of Finance effective from January 1, 2024, with retrospective adjustments made to comparable period information.

2) Main Accounting Data by Quarter

Unit: RMB Yuan

	Q1	Q2	Q3	Q4
Operating revenues	2,065,327,130.90	2,321,326,573.33	1,795,401,886.07	2,667,259,134.48
Net Profit attributable to shareholders of the Company	129,962,893.25	45,429,755.33	-77,328,704.46	24,287,724.23
Net profit attributable to shareholders of the Company before non-recurring gains and losses	125,416,859.18	85,883,477.14	-81,396,143.29	-11,333,494.41
Net cash flows from operating activities	313,309,588.31	-86,048,658.19	189,697,101.94	-239,397,670.69

Whether there are significant differences between the above financial data or the total value previously disclosed quarterly or interim reports.

Yes No

4. Shareholders and Shares

1) Total number of common shareholders and shareholdings of the top ten common shareholders at the period-end

Unit: share

Total number of common shareholders at the end of the Reporting Period	43,565	Total number of common shareholders at the end of the previous month of the disclosure date of this report	43,805 (as of Feb 28 th , 2025)	Total number of preferred shareholders with resumed voting rights at the end of the Reporting Period	0	Total number of preferred shareholders with resumed voting rights at the end of the previous month of the disclosure date of this report	0
Top 10 common shareholders							
Name of shareholder	Nature of shareholder	Shareholding percentage	Total shares held at the period-end	Number of restricted shares held	Pledged or frozen shares		
					Status	Number	

Shanghai Lihong Enterprise Management Limited	Domestic non-state-owned corporation	50.13%	384,523,746	0	N/A	0
BILTING DEVELOPMENTS LIMITED	Foreign corporation	16.94%	129,924,090	0	N/A	0
Joyoung ESOP Plan (Phase 1)	Others	2.00%	15,313,800	0	N/A	0
Central Huijin Investment Ltd.	State-owned corporation	1.46%	11,201,233	0	N/A	0
Hong Kong Securities Clearing Co., Ltd.	Foreign corporation	0.72%	5,558,903	0	N/A	0
China Life Insurance Co., Ltd.- Traditional- General Insurance Product - 005L - CT001 SH	Others	0.44%	3,369,240	0	N/A	0
CPIC-Dividend-Personal Dividend	Others	0.40%	3,045,512	0	N/A	0
China Merchants Bank Co., Ltd. - Southern Asset Management CSI 1000 ETF	Others	0.33%	2,535,337	0	N/A	0
PICC P&C-Traditional-General Insurance Products	Others	0.25%	1,897,940	0	N/A	0
Wang Yingxin	Domestic Natural Person	0.24%	1,864,800	0	N/A	0
Related or acting-in-concert parties among shareholders above	<p>In April 2019, the shareholding structure of Bilting Developments Limited changed. MR. Xuning WANG, the actual controller of the Company, became the actual controller of Bilting Developments Limited (See Report No. 2019-027 of the Company on www.chinainfo.com.cn.). As a result, Shanghai Lihong Enterprise Management Co., Ltd. and Bilting Developments Limited, both controlled by Mr. Xuning WANG, are defined as acting-in-concert parties by the <i>Administrative Measures for the Takeover of Listed Companies</i>.</p> <p>Other than the aforementioned related and acting-in-concert parties, the Company is uncertain about whether there are related or acting-in-concert parties among shareholders above.</p>					
Explanation on common shareholders participating in securities margin trading (if any)	N/A					
Notes on the existence of repurchase specialized accounts among the top 10 shareholders (if any)	The number of ordinary shares held in the repurchase specialized account of Joyoung Co., Ltd. at the end of the reporting period was 4,000,000 shares, accounting for 0.52% of the total share capital of the Company.					

Shareholders holding more than 5% of shares, top 10 shareholders, and top 10 holders of unrestricted tradable shares participating in securities lending.

√ Applicable □ Not applicable

Unit: Shares

Shareholders holding more than 5% of shares, top 10 shareholders, and top 10 holders of unrestricted tradable shares participating in securities lending.								
Name of shareholder	General and credit account holdings at the beginning of the year		Shares lent and outstanding at the beginning of the year		General and credit account holdings at the beginning of the year		Shares lent and outstanding at the end of the year	
	Total shares	Percentage of total share capital	Total shares	Percentage of total share capital	Total shares	Percentage of total share capital	Total shares	Percentage of total share capital
China Merchants Bank Co., Ltd. -	356,837	0.05%	83,500	0.01%	2,535,337	0.33%	0	0.00%

Southern Asset Management CSI 1000 ETF								
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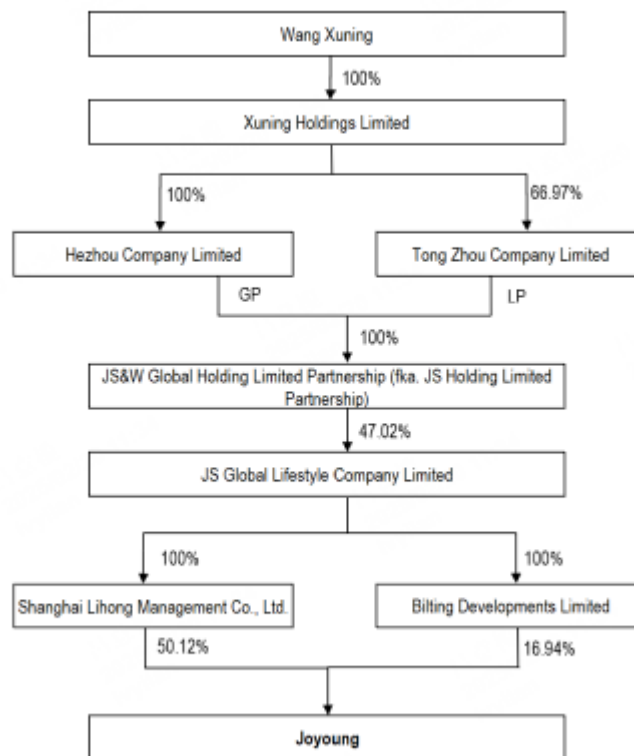
Changes in the top 10 shareholders and top 10 holders of unrestricted shares due to securities lending/returning activities compared to the third quarter

Applicable Not applicable

2) Total Number of Preferred Shareholders and TOP 10 Preferred Shareholders and Their Shareholdings

Applicable Not applicable

3) Disclose the property rights and control relationship between the Company and the actual controller in block diagram form



5. Relevant Information on Corporate Bonds

Does the Company have any undue or unredeemed matured corporate bonds publicly offered in the Stock Exchange by the date the Annual Report is submitted

Yes No

Section III Important Issues

1. Dividend Payment

The Company held the eighth meeting of the sixth session of the Board of Directors on March 27, 2024, and considered and approved the dividend payment plan for 2023. Based on the total share capital of 767,017,000 shares as of December 31, 2023, deducting 4,000,000 shares repurchased by the Company, it was proposed that, based on a total of 763,017,000 shares, the Company should distribute a cash dividend of RMB 1.5 per 10 shares to all shareholders, without stock dividend and without converting capital reserves into share capital. On April 29, 2024, the above proposal was considered and approved at the 2023

annual general meeting. The dividend payment plan was executed on May 23, 2024.

2. Employee Stock Ownership Plan(ESOP)

On March 25, 2024, the Fifth Management Committee Meeting of the Phase I ESOP of the Company considered and approved the "Proposal on the Unlocking of Part of the Shares for the Second Unlocking Period of the Phase I ESOP". Based on the achievement of the performance appraisal in the second unlocking period, it was discussed and decided by the Management Committee of the ESOP that 686,250 shares corresponding to the second unlocking period of the ESOP (accounting for 0.09% of the total share capital of the Company) will be unlocked upon the expiry of the lock-up period and the remaining 1,601,250 shares (accounting for 0.21% of the total share capital of the Company) will not be unlocked. The remaining portion of the shares will be withdrawn by the Management Committee for temporary custody after the expiry of the lock-up period. In the future, the Management Committee may reallocate such portion of the interests based on actual needs, or sell them at an opportune time, with the proceeds attributable to the Company.

As of the date of this annual report disclosure, the management committee of the ESOP has sold the 686,200 shares unlocked during the second unlocking period through centralized bidding in the secondary market.