

Modern Slavery Statement

Changhong Electric (Australia) Pty Ltd

ABN 32 095 276 181

This statement has been prepared in accordance with the *Modern slavery Act 2018* (Cth) (**the Act**) and outlines actions taken by Changhong to identify, assess and address modern slavery risks in its operations and supply chains over the period of 1 January 2025 to 31 December 2025.

1. Identity of the Reporting Entity

The Reporting Entity as defined under the Act and covered by this statement is Changhong Electric (Australia) Pty Ltd ACN 095 276 181 (**Changhong**) of 2/251 Ferntree Gully Road, Mount Waverley Victoria. Changhong is a company incorporated in Australia and has sales revenue exceeding \$100 million in the calendar year ended 31 December 2025.

2. Structure, Operations and Supply Chains

2.1 Our Structure

Changhong is part of the Changhong Group that is a multinational group of electronics companies that design, manufacture, and sell a range of consumer electronics. The Changhong Group's internationally recognized brand is "CHiQ". Changhong is the importer of CHiQ branded products in Australia.

The Changhong Group is a major manufacturer founded in 1958 and employs over 60,000 staff globally. Changhong is a subsidiary of Changhong International Holding (HK) Ltd. Changhong's main function is to manage the CHiQ branded products' distribution and supply to retailers in the Australian market. Changhong also manages after-sales services and warranty issues with retailers.

2.2 Our Operations

As a leading distributor of premium consumer electronics and home appliances, Changhong is committed to delivering high quality electronic products to consumers in Australia and to maintain operational excellence.

Changhong specialises in smart TVs, refrigerators, freezers, and washer-dryer combos engineered for the domestic market. These products are sold through major appliance retailers – including Harvey Norman, JB Hi-Fi, the Good Guys, and Betta Electrical across more than 600 retail locations.

Service inquiries are handled via an Australian-based aftersales team and a national network of approved service centres to manage repairs, replacements, or customer credits.

2.3 Our Supply Chains

Changhong's supply chain consists of two aspects - the products and the services ordinarily required in the business of selling electronic products. The services include, but are not limited to, post-purchase customer care and consulting services.

Changhong obtains its products within the overall Changhong Group. Changhong does not source products from any other suppliers. All CHiQ branded products sold in the Australian market are from Changhong Group's suppliers.

The supply of ancillary services is sourced locally within Australia from a range of Australian-based companies across multiple industries such as IT, Finance, Logistics, Marketing, and Legal.

3. Assessment of modern slavery risks

We acknowledge that modern slavery can occur in our supply chain. As Changhong's suppliers are all entities within the Changhong Group, there is a high level of visibility in terms of group policies addressing modern slavery. This visibility assists in limiting the possibility of modern slavery. Nonetheless, it does not eliminate the risk entirely.

3.1 Modern slavery risk within Changhong

As a distributor of consumer electronics and home appliances, Changhong's operations are not labour-intensive. Our workforce comprises 37 skilled professionals currently, 3 of them being in a management role, across 6 departments (Management, Sales, Marketing, Supply Chain, Finance and Service). All roles require a level of higher education and training. Considering Changhong's employment practices and compliance with Australian Workplace Relations laws, we assess the risk of modern slavery within Changhong's operations as minimal.

3.2 Modern slavery risk within Changhong's supply stream

Changhong only obtains CHIQ brand products within the Changhong Group, where strict ethical sourcing policies and anti-slavery commitments are in place. In light of this, we assess the risk of modern slavery within Changhong's supply stream to be low due to the robust policies within the group in ensuring that employees are treated fairly.

3.3 Modern slavery risk within Changhong's service stream

Changhong procures its services from Australian based entities, including IT, Legal, Finance, and Consulting. The risk of modern slavery in these industries and suppliers is generally low.

3.4 Modern slavery risk indirect to Changhong

There is a degree of risk of modern slavery within suppliers of raw materials, which suppliers are not connected to the Changhong Group. The visibility and transparency of such suppliers is limited. Nevertheless, Changhong has adopted reasonable steps to minimise the risk.

4. Actions taken to assess, mitigate and remedy modern slavery risks

In assessing Changhong's modern slavery risk, we have identified key product categories, industry sectors, and geographic regions involved in our operations and supply chains. We evaluated our operations and supply chains against the risk criteria outlined in the *Commonwealth Modern Slavery Act 2018 Guidance for Reporting Entities*. We assessed areas with limited transparency to determine potential modern slavery risks.

4.1 Mitigation

Changhong is committed to upholding Australian Workplace Relations Laws, international standards, and ethical business practices. Our *Employee Handbook & Human Resource Policy (Code of Conduct)* forms the foundation of our efforts to prevent modern slavery, incorporating policies on:

- I. Prohibition of forced, bonded, or child labour;
- II. Fair wages and working conditions;
- III. Non-discrimination and freedom of association;
- IV. Safe and healthy workplaces; and
- V. Ethical disciplinary practices.

We enforce the abovementioned standards across our workforce and request our third-party suppliers and contractors to do the same. We conduct mandatory modern slavery awareness training to all employees. At the supplier level, we engage in education workshops on ethical sourcing requirements. At the executive level, we brief on emerging risks and mitigation strategies.

To ensure accountability, we maintain a robust grievance mechanism, encouraging workers (employees or contractors), suppliers, and stakeholders to report concerns without fear of retaliation. Our whistleblowing policy guarantees:

- I. Confidential and anonymous reporting channels (via phone or email);
- II. Protection against detrimental treatment; and
- III. Prompt investigation and resolution concerns.

Changhong collaborates closely with manufacturing partners to enforce strict labour, health & safety, and environmental workplace standards. As part of the broader Changhong Group, we align with our parent company's policies to mitigate modern slavery risks across all operational tiers – monitoring compliance with:

- I. Ethical sourcing practices;
- II. Fair labour conditions; and
- III. Regular supplier audits.

In action, Changhong implements frequent and unannounced supplier audits, regular manufacturer's factory visits, and adopts an enhanced IT supply chain system (such as SAP B1) and tools for greater transparency.

Changhong is a proud accredited member of the Australian Trusted Trader (ATT) program, and recognised as a committed entity to ethical trade practices. We maintain our ATT certification by demonstrating our adherence and compliance of:

- I. Rigorous international supply chain standards;
- II. Australian boarder and trade regulations; and
- III. Prevention of illicit activities, including modern slavery.

As part of the ATT program, Changhong undergoes audits and assessments to maintain its certification.

We expect all Changhong's suppliers to adhere to mainstream international standards, including certification such as: ISO 9001/GB/T19001-2016 (Quality Management System).

For third-party suppliers, we conduct ethical risk screenings, leveraging our internal supplier assessments and audit reports from major retail partners.

4.2 Remedy

When potential violations are identified, we implement immediate corrective action plans by temporarily suspending non-compliant suppliers. If the violations are proven or involve repeat offenders, we permanently remove them from our supply chain.

5. Assessment of our actions' effectiveness

We continuously evaluate the impact of our modern slavery prevention measures through various mechanisms to assess their effectiveness and areas of improvement. Our views on the elimination of modern slavery are predicated upon the understanding that this is an ongoing process that requires constant vigilance, investment and collaboration across our industry.

5.1 Supplier Engagement & Verification

We maintain open and ongoing dialogue with key suppliers to ensure compliance. We participate and encourage our industry partners to participate in joint audits of working conditions. Always benchmarking our practices against the ATT standards.

5.2 Performance Monitoring

We track grievance reports and resolution rates.

We analyse audit findings to identify systemic risks.

We monitor year-over-year improvements in supplier compliance.

5.3 Industry Collaboration

We actively participate in ATT program reviews and make significant contributions to Government lead consultations on modern slavery legislation.

6. Consultation process undertaken with owned or joint-reporting entities

Changhong does not own or control any other entities and has no subsidiaries. Changhong is not making this statement as part of a joint statement with other reporting entities.

7. Any further relevant information

This part is deliberately left blank, and we refer to the information above.

8. Approval and signature

This statement was approved by Changhong's Board of Directors (**the Board**), being the relevant principal governing body.



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Guangyuao Liao

Chief Financial Officer

Date: 28/07/2026.

9. Mandatory Criteria

The table below indicates the pages of this statement that addresses each of the mandatory criteria in section 16 of the Act.

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